MITSUBISHI MATERIALS

SUSTAINABILITY REPORT 2026

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Commitment from Top Management

Grounded in “Genba-ryoku (frontline capabilities)” and “ambition and passion,” we will continue to take on challenges and drive transformation toward a sustainable future

It has been a year since you assumed the position of CEO. What values do you prioritize in steering the Company?



Grounded in “Genba-ryoku,” take personal ownership to implement change with “ambition and passion.”

In the year since I became CEO, I have based my management decisions on our core strengths, “Genba-ryoku,” and the ambition and passion of each and every employee. I myself have learned the importance of accumulating skills and knowledge on the frontline and continuing to refine them. “Genba-ryoku” is the ability to implement change through daily improvements and the accumulation of technology and knowledge.
In order to connect to future growth, we need to review our business portfolio and move forward with efforts to nurture the seeds of new growth. Over the past 10 years, we have streamlined our portfolio by divesting businesses such as cement, sintered parts, and aluminum. Moving forward, we must patiently nurture the seeds of future growth and build an earnings base that is less susceptible to changes in the business environment. Therefore, I would like to continue to create and provide products and services that exceed customer expectations, in other words, create “New Materials.”

No matter how great a strategy is, it cannot be achieved without strong ambition and passion. I consider it my role to embody this idea, and have continued to emphasize to each and every employee the importance of continuing to take on challenges. This is because I believe that rather than wait for someone else to drive change, we must link goals to our own individual actions, taking charge to turn our “Genba-ryoku” into true competitive edge.
In our Medium-term Management Strategy for the fiscal years ending March 2027 to 2029, we have set out to transform into a company that is “creating the future through resource circulation.” In view of limiting factors, namely our dependence on ores and the increasing demand for metal resources, we will utilize our technological capabilities to steer toward circular growth. What moves difficult change forward is not the strategy itself, but the ability of each individual to accept their own role and act with ambition and passion. I believe that taking personal ownership is what will lead us to a brighter future.

How do you summarize performance in the fiscal year ended March 2026?

We will not rest on success driven by favorable tailwinds. We cannot simply be satisfied with the current results.

Looking at the figures, we largely achieved the targets set in the previous Medium-term Management Strategy. However, I am not content with the outcome.
This is because our performance was heavily bolstered by external tailwinds, such as the weak yen and rising copper prices. If we measure these metrics strictly against the assumptions underlying the creation of the previous Medium-term Management Strategy, we actually fell short of our goals. Changes in the external environment—such as historically low treatment and refining charges (TC/RCs) for copper concentrate and resource export restrictions linked to geopolitical risks—are unfolding at a pace far exceeding our initial projections. That is precisely why we must accelerate our shift toward a business structure that is resilient to market and currency fluctuations. It is management’s responsibility to restructure our earnings base proactively, rather than using environmental changes as an excuse.
How can we build an “autonomous earning capability” that remains unaffected by external factors? The true value of this approach is currently being put to the test.

What sense of mission drives the shift to the resource circulation business outlined in the new Medium-term Management Strategy?

To bridge the future supply-demand gap for copper resources and become a key player in a recycling-oriented society.

In our Medium-term Management Strategy for the fiscal years ending March 2027 to 2029, we have set out to transform into a company that is “creating the future through resource circulation.”
While global copper resources are dwindling, demand for copper is projected to rise due to the expansion of the xEV, AI, and data center markets. As limits to ore-based supply become apparent, securing a stable supply of resources and establishing circular systems have become critical challenges for society as a whole. We believe we can contribute by leveraging the smelting and recycling technologies and resource circulation networks we have cultivated over the years.



The foundation for this lies in our world-class E-Scrap* processing capacity and highly efficient E-Scrap processing technology, supported by the Mitsubishi Process for continuous copper smelting and our extensive global network. Our strengths in resource circulation extend beyond copper to include tungsten as well. Tungsten, a primary raw material for cemented carbide tools, is currently affected by global supply issues driven by rising geopolitical risks. We have established a circular loop to recover tungsten from used cemented carbide tools, striving to achieve both the effective use of resources and a stable supply.
It is about more than simply supplying materials—it is about designing the very mechanisms that enable resource circulation. By implementing these systems in the real world as a core part of our business, we aim to simultaneously ensure stable supply and enhance corporate value. We are convinced that this represents the medium- to long-term role Mitsubishi Materials must fulfill and constitutes our unique, unrivaled value.

* A collective term for discarded circuit boards of electronic devices that contain high concentrations of valuable metals

Could you share your thoughts on the progression of the fundamental structural reforms that are underway, as well as your approach to portfolio management?

We aim to create our next driver of growth, "New Materials," by restructuring our portfolio.

Our fundamental structural reforms are proceeding steadily, and we are now entering a critical phase. We have already moved into the concrete execution stage. We are streamlining corporate support functions, reorganizing sites and business divisions, and reviewing low-profit areas, and are making headway toward results.
When reviewing our business portfolio, we prioritize three key factors: whether a business contributes to our transformation into a company that is "creating the future through resource circulation"; whether it has the potential to create "New Materials" (our next growth driver); and whether it leads to enhanced corporate value over the medium- to long-term. At times, this entails the painful decision to withdraw from business we have long prioritized, but this, too, is an essential process for concentrating limited management resources on growth areas. What matters most is ensuring that reform is not a one-off endeavor, but rather a continuous process of refining our business portfolio with a focus on both capital efficiency and growth potential. ROIC-based management serves as the guiding principle for such decisions. I view ROIC not merely as a numerical target, but as a management tool to determine whether each business is generating value that exceeds its cost of capital. With a constant focus on the spread versus WACC (Weighted Average Cost of Capital), we will clarify priorities regarding investments, exits, and restructuring, and rigorously allocate resources to drive the enhancement of corporate value. By optimizing our organizational structure and creating an environment where the capabilities and insights of our frontline teams are fully leveraged, we will dramatically accelerate the pace of our transformation.

What kind of company does Mitsubishi Materials aspire to be ten years from now?

A company that continuously creates new value from a core of resource circulation.

Ten years from now, Mitsubishi Materials aims to be more than just a supplier of materials; we aspire to be a company that supports the very systems enabling resource circulation. While constraints on ore-derived resources are intensifying, the demand for metal resources continues to rise due to trends such as electrification and the expansion of AI and data centers. In such times, the market demands companies capable of balancing stable supply with environmental responsibility. We position resource circulation business at the core of our growth by leveraging our world-class smelting and recycling technologies, the network we have built for collecting and processing E-Scrap, and our industry-leading tungsten processing capabilities. Our goal is not merely to expand in scale, but to transform our management approach by centering on resource circulation to simultaneously achieve higher value-added operations and improved capital efficiency. Moving beyond the traditional model that relies on primary raw materials, we will implement a circular model that encompasses collection, regeneration, and reuse, evolving into a company that continuously generates value. In doing so, we will achieve a management style that balances economic and social value, ensuring resilience in the face of change and the continuous enhancement of corporate value.

How do you intend to leverage sustainability management to enhance corporate value going forward?

By turning sustainability into a source of competitiveness, centered on resource circulation.

For us, sustainability is not an initiative separate from our core business. We aspire to be a company that is "creating the future through resource circulation," and this represents a growth strategy rooted in sustainability. We have identified three key themes for our efforts: "promotion of resource circulation," "enhancement of human capital," and "strengthening measures to address global environmental issues."
First, "promotion of resource circulation" is the area most deeply connected to our core business. We must not merely work toward environmental measures—we must achieve a balance between solving social issues and enhancing corporate value through our core business operations. My goal is to transform sustainability from a mere compliance requirement into a business opportunity that drives competitive advantage.
Next, "enhancement of human capital" serves as the foundation for executing our resource circulation growth strategy. We will support value creation through our core business by encouraging every employee to take personal ownership of transformation and by honing their technical expertise and "Genba-ryoku." At the same time, we will foster a culture that encourages taking on challenges and promote reskilling to enhance our organizational ability to adapt to change.
That said, "strengthening measures to address global environmental issues" involves realities that cannot be overcome by idealism alone. While we can see a path to reducing CO_2 emissions to a certain level, the final stage of achieving net zero presents significant challenges from both technological and economic perspectives. That is why it is crucial not to romanticize the issues, but rather to face reality head-on while steadily building up value creation through our core business and implementing effective measures. I aim to evolve into a company that is resilient in the face of change and capable of continuously enhancing corporate value, while balancing economic and social value.

What is the most important message you wish to convey to shareholders, investors, and Group employees?

Turn expectation into conviction through dialogue. We are building the future of Mitsubishi Materials together.



Dialogue with Outside Directors and stakeholders offers a valuable opportunity to refine our management. Candid, critical feedback serves as the fuel that accelerates transformation. By sincerely engaging with questions and proposals from diverse perspectives, we gain greater clarity in our management and hone the quality of our decision-making. We are committed to clearly demonstrating to our shareholders and investors how we successfully balance the creation of “economic value” and “social value.” We invite you to look beyond short-term financial results and witness how our medium- to long-term transformation leads to enhanced profitability and corporate value. And to our employees: the “power of our people”—your power—is the driving force behind this transformation. Transformation truly gains momentum when you integrate corporate goals into your own roles and take on challenges with a sense of personal ownership, rather than simply waiting for instruction.

We will steadily advance our transformation into a company that is “creating the future through resource circulation,” and by carefully communicating our progress and achievements through dialogue, we will drive the sustainable enhancement of our corporate value.

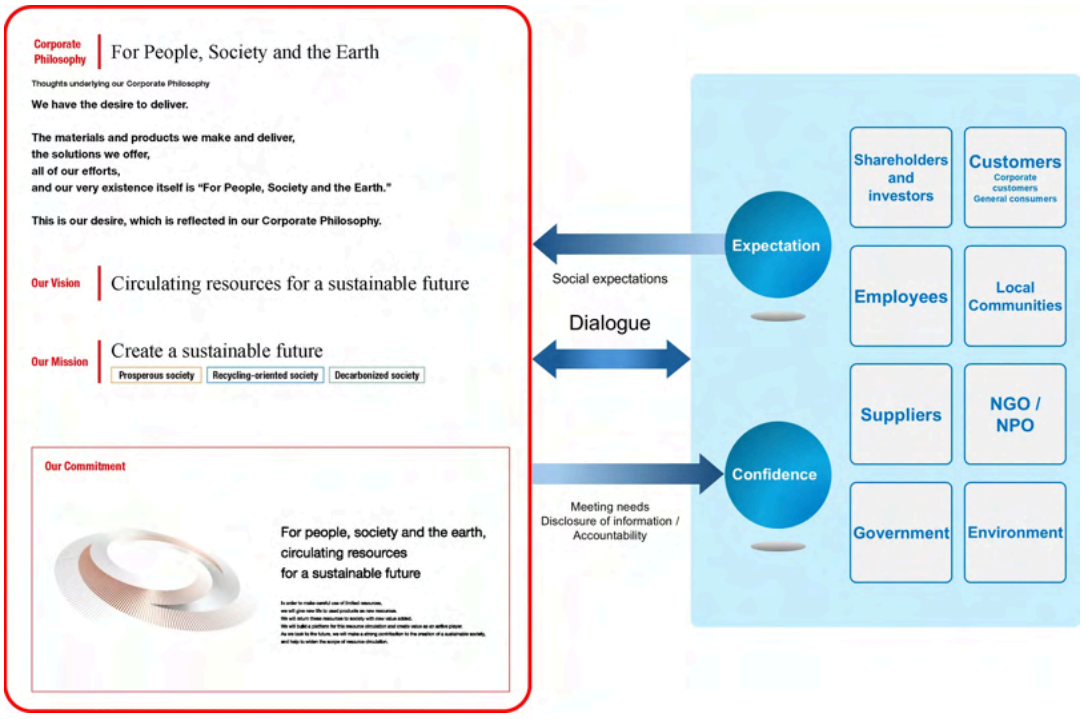
Sustainability Promotion Framework

Basic Policy on Sustainability Sustainable Management System

Basic Policy on Sustainability

Along with the growing interest in climate change, environmental and social issues, society has begun to attach greater importance to sustainability. Reflecting these trends, the Mitsubishi Materials Group established a Sustainability Policy in December 2021 (revised on April 1, 2024) to clarify the Group's attitude to promote sustainability more actively and positively. We also established a Human Rights Policy, Procurement Policy and Community Contribution Activity Policy while revising the Environmental Policy under the Sustainability Policy.
At the Mitsubishi Materials Group, based on our Corporate Philosophy “For People, Society and the Earth,” we have declared the vision of “Circulating resources for a sustainable future” and adopted the mission to “Create a sustainable future.” Based on the recognition that the sustainability of society as a whole will have a significant impact on our corporate activities in the future, we are committed to engaging in business activities that can earn the trust of stakeholders while fulfilling our social responsibilities.

Conceptual diagram of Corporate Philosophy of the Mitsubishi Materials Group and its stakeholders



* Learn about our Corporate Philosophy and more here .

Sustainability Policy

The Mitsubishi Materials Group upholds its Corporate Philosophy, "For People, Society and the Earth" and is committed to earning the trust of our stakeholders by sincerely fulfilling our social responsibilities through our business activities.
We will further accelerate our proactive engagement with sustainability. The Mitsubishi Materials Group will pursue its journey for sustainable growth as we work to fulfill Our Commitment.

1. **Build a Work Environment that puts Safety and Health First**
   We place utmost priority on safety and health. We will build a work environment that eliminates work-related accidents, ensures occupational health, maintains employee wellness and reinforces risk management that mitigates adverse impacts from emergency situations including natural disasters and global infectious diseases.

2. **Respect Human Rights**
   Respect for human rights is considered to be the foundation of the business activities of the Mitsubishi Materials Group. We respect the principles enshrined in the international human rights instruments.

3. **Promote Diversity, Equity and Inclusion**
   We embrace diversity and acknowledge its importance in creating new value. We will promote diversity, equity and inclusion as a source of sustainable growth within the Group.

4. **Cultivate Mutual Prosperity with Stakeholders**
   We will communicate proactively with our stakeholders – including shareholders, investors, employees, customers, suppliers, business partners, global and local communities – to foster mutual understanding toward mutual prosperity.

5. **Strengthen Corporate Governance and Risk Management**
   We will strengthen corporate governance and reinforce risk management systems to ensure legal compliance. Fulfilling regulatory requirements is a prerequisite for enhancing our business operations and preventing corporate scandals from arising.

6. **Engage in Fair Business Transactions and Responsible Sourcing**
   We will engage in fair and responsible business transactions with all our suppliers and business partners. We will strive to ensure responsible procurement of minerals and other raw materials in collaboration with our suppliers and business partners.

7. **Ensure Stable Provision of Safe, Secure, and High Value Added Products**
   We practice quality control and pursue innovative solutions to develop safe and secure products, services and solutions with high added value to society.

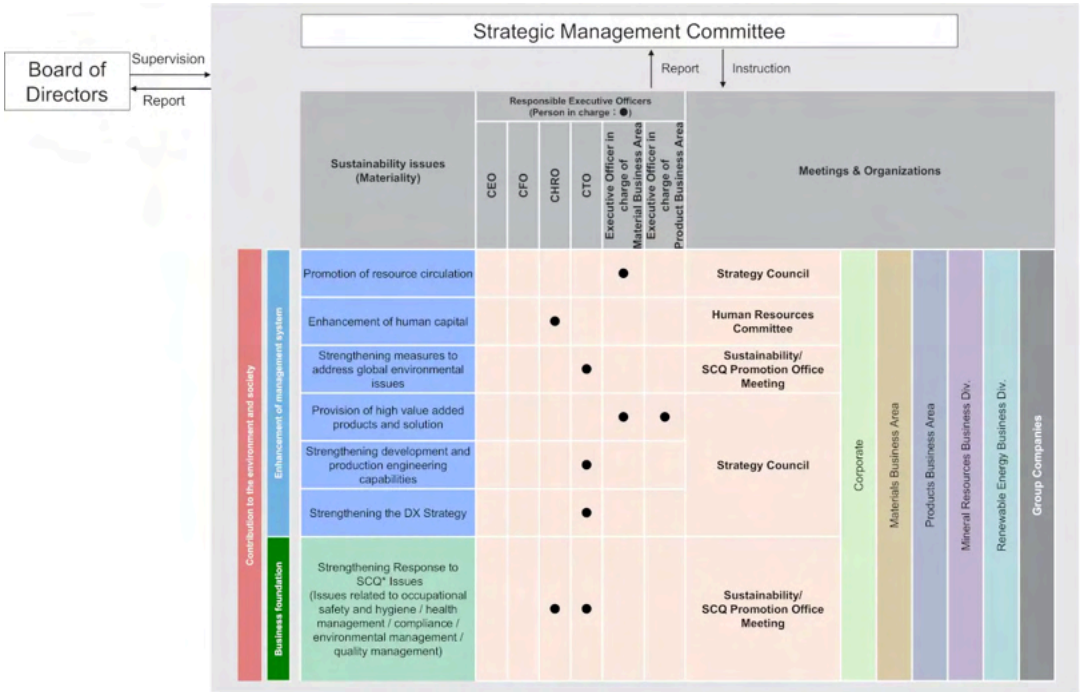
8. **Proactive Engagement for the Global Environment**We recognize the critical importance of environmental conservation. We will engage proactively in resource recycling, decarbonization and biodiversity conservation across all areas of our operations, from procurement of raw materials to the development, manufacturing, distribution, consumption, disposal, and recycling of materials and products.

Stipulated on December 1, 2021
Revised on April 1, 2024

Sustainable Management System

We recognize that tackling management issues regarding sustainability is essential for the Group to improve its corporate value in the medium- to long-term, and established the Sustainable Management Office on April 1, 2020 to promote centralized handling of such issues.
In promoting resource circulation, we integrated the Resource Circulation Strategy Meeting into the Strategy Council as of June 1, 2026, and have been moving forward with the examination of our resource circulation scheme at the Strategy Council from the perspective of long-term, company-wide optimization. Based on the above, we have established an organizational structure to promote and manage company-wide cross-sectoral initiatives, with the Human Resources Committee for the enhancement of human capital among material issues, and the Sustainability & SCQ Promotion Office Meeting and Strategy Council for other material issues. Their activities are reported to the Strategic Management Committee and the Board of Directors. The new organizational structure will enable us to strategically and efficiently address sustainability issues.

Sustainable Management System (as of June 22, 2026)



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

Contributing to the Sustainable Development Goals (SDGs)

Universal Long-Term Goals for the International Community
The Group's Business Activities and the SDGs

Universal Long-Term Goals for the International Community

In September 2015, the UN unanimously adopted the 2030 Agenda, a plan to eliminate poverty, unfairness and injustice wherever possible, protect the environment, and create a better future. One of the key features of the agenda was the Sustainable Development Goals (SDGs), which set out a vision for how the world should be by the year 2030. Following on from the Millennium Development Goals (MDGs), which the international community had been working on for 15 years since 2001, the SDGs are positioned as universal goals applicable to all countries.
The SDGs are made up of 169 targets across 17 goals that aim to achieve a sustainable world by the year 2030. They seek solutions to the various global challenges we face, including poverty and inequality, climate change, deterioration of the environment, prosperity, peace and justice. Each of the goals relates to one another, making it important to achieve each of these goals and targets by 2030.

The Group's Business Activities and the SDGs

We intend to incorporate the SDGs into our strategies from the point of view of both comprehensive efforts to increase business competitiveness, and the creation of new products and businesses. We will also be actively working with a wide range of outside partners as we strive to achieve a balance between social value and economic value.
Of the 17 goals set out under the SDGs, numbers 7 (energy), 8 (growth and employment), 9 (innovation), 11 (cities), 12 (production and consumption) and 13 (climate change) in particular tie in with areas in which we are implementing priority initiatives.
The adoption of the SDGs by the UN has reaffirmed that we are going in the right direction with our business activities as a group, and provided us with a springboard from which to assess critical long-term risks and opportunities, in terms of issues that we need to address and the path we need to take in the future.
Based on its Corporate Philosophy of "For People, Society and the Earth," the Mitsubishi Materials Group has declared the vision of "Circulating resources for a sustainable future," and we are committed to achieving this vision through our adopted mission of "Create a sustainable future (a prosperous, recycling-oriented and decarbonized society)."



Sustainability Policies and Guidelines

Category	Policy
Commitment／Code of Conduct	Our Commitment
	Code of Conduct
Sustainability	Sustainability Policy
Human Rights	Human Rights Policy
Environment	Environment Policy
Procurement	Procurement Policy
Social Contribution	Community Contribution Activity Policy
Biodiversity Conservation	Biodiversity Conservation Policy
Tax	Group Tax Policy

Materiality

Identifying and Reviewing Materiality (Material Issues)

Based on the recognition that the sustainability of society as a whole will have a significant impact on the future of our corporate activities, we identify as material issues those of high priority among the important social issues that we aim to resolve through our corporate activities. We continuously review these material issues and other matters in order to ensure that we can appropriately identify and respond to changes in the business environment and other factors in a timely and appropriate manner. Once we have identified these material issues, we incorporate them into our business activities, and disclose details and the results of our initiatives in our Sustainability website.
Initially, in the fiscal year ended March 2008, we identified nine material issues of the Group by conducting a material issue assessment based on the framework of the GRI Guidelines, a set of international guidelines that address sustainability reporting. In the fiscal year ended March 2016, we reorganized the items into seven. Later, in response to changes in the external environment and other factors, we updated them to ten items in the Medium-term Management Strategy announced in March 2020.
In addition, in the Medium-term Management Strategy FY2031 that was announced in February 2023, we identified key factors from various perspectives and arranged these elements along two axes, in terms of their importance for each stakeholder, and their degree of importance in relation to Our Commitment. Following extensive discussion on the importance of each key factor undertaken by the Strategic Management Committee and the Board of Directors, an order of priority was established, and we re-established the key themes for each material issue and the nature and objectives of initiatives for each key theme.
We updated the framework to comprise seven items under the Medium-term Management Strategy (FYE March 2027–2029), which commenced in the fiscal year ending March 2027. Under this Medium-term Management Strategy, the Group has adopted the basic policy of “creating the future through resource circulation.” Through our resource circulation business, we aim to maximize the use of limited resources while transforming waste into new value, thereby achieving both the reduction of environmental impacts and the creation of economic value. In reviewing the material issues in parallel with the formulation of the Medium-term Management Strategy, the Group conducted an evaluation from both the perspective of the impact of our business activities on the environment and society (impact materiality), and the financial impact of environmental and social issues on the Group (financial materiality). Furthermore, by aligning the results of this evaluation with the direction of our business strategy, we made comprehensive determinations of materiality while placing emphasis on balancing our responses to social issues with the enhancement of corporate value.

Key Changes to Materiality and Key Themes

- Promotion of Resource Circulation
  Recognizing that our resource circulation business is currently in its implementation phase as a core business, we have revised some of our key themes to better align with specific business activities. Specifically, we have established “Expansion of secondary smelting (global expansion)” and “Improving our tungsten recycling rate” to clarify the core initiatives of our resource circulation business.
- Enhancement of Human Capital
  We have shifted our focus from a problem-solving approach, in which we attempted to address issues such as labor shortages and improving worker experiences, to viewing human capital as a source of competitiveness and value creation, and redefined our key themes as “Strategic recruitment, development, and deployment of talent,” “Transformation to enhance productivity and capital efficiency,” and “Building a foundation for co-creation and growth.” We have also reorganized our human resources initiatives from the perspective of supporting business transformation and growth.
- Providing High-Value-Added Products and Solutions / Strengthening R&D and Production Engineering Capabilities
  We have reorganized the items previously covered comprehensively under the pre-review materiality “Pursuit of value creation.” Elements related to the value provided to customers and the creation of revenue opportunities have been categorized as “Providing high added-value products and solutions.” Concurrently, elements related to the foundational technologies and new technologies that support these have been consolidated under “Strengthening of development and production capabilities,” clarifying the relationship between these initiatives.
- Strengthening Digital Strategies We have reorganized “Deepening of DX” and “Strengthening information security,” which were previously set as separate initiatives. We have also established “Business model transformation through the use of AI and digital tools” and “Strengthening IT/OT security and resilience” as key themes, respectively, and we are advancing our initiatives accordingly.

The materiality and key themes as of April, 1, 2026 are as follows.

Materiality	Key Theme
Promotion of resource circulation	Expansion of secondary smelting (global expansion)
	Improving our tungsten recycling rate
Enhancement of human capital	Strategic recruitment, development, and deployment of talent for resource circulation business
	Transformation to enhance productivity and capital efficiency
	Building a foundation for co-creation and growth at Mitsubishi Materials Group
Strengthening measures to address global environmental issues	Strengthening initiatives to achieve carbon neutrality
	Developing and promoting the use of renewable energy

Materiality	Key Theme
Providing high-value-added products and solutions	Creating new materials
	Strengthening marketing and sales capabilities
Strengthening R&D and production engineering capabilities	Strengthening foundational technological capabilities
	Creating new businesses and technologies
	Enhancing manufacturing and engineering capabilities
Strengthening digital strategies	Business model transformation through AI and digital technologies
	Strengthening IT/OT security and resilience
Strengthening response to SCQ* issues * Safety & Health, Compliance & Environment, Quality	Prevention of occupational accidents
	Responding to pandemics and natural disasters
	Reinforcing compliance
	Enhancing internal control through Group governance
	Preventing off-site leakage of hazardous substances and eliminating violations of environmental laws
	Establishing and implementing a system to prevent substandard products

Selection Process

STEP1.

Identification of issues

Extracted key factors from among those identified from the perspectives of ESG and sustainability in 2015 in light of information such as GRI indicators, the OECD Guidelines for Multinational Enterprises and SRI categories. We identify issues from the perspective of social, environmental and economic trends, trends in markets related to the Company, and initiatives undertaken by the Group to increase our corporate value in the medium- to long-term. We also consider international guidelines and principles when selecting elements of these issues.

STEP2.

Organization and assessment of issues

The impact and importance of each issue is organized in terms of both the impact that Group business activities have on the environment and society (impact materiality) and the financial impact that environmental and social issues have on the Group (financial materiality). We compare and examine the issues, taking into account their relationship with management strategy and medium- to long-term importance.

After all of our Executive Officers and Directors have organized the issues and key themes, they are discussed from the perspective of their importance to our stakeholders and the Company.

STEP3.

Selection of issues

Based on the evaluation results, issues judged to be of high importance are identified as material issues. In addition, for each material issue, we establish “key themes” for the Group to focus on. During the review process, we confirm the priorities that management must address through discussions at the Strategic Management Committee and Board of Directors meetings.

STEP4.

Establishment of nature and objectives of initiatives

The nature and objectives of initiatives to address the redefined material issues and key themes are established. The progress and results of these initiatives are regularly disclosed. Review is conducted annually to identify factors such as changes in the business environment in a timely and appropriate manner, then take measures as required.

Vision and KPIs

Environmental Policy Biodiversity Conservation Policy Goals and Progress

Environmental Policy

The “Environmental Policy of the Mitsubishi Materials Group” was established based on the Sustainability Policy and is considered to be the foundation for the business activities of the Mitsubishi Materials Group.

1. **Promote Recycling and Provide Environmentally Friendly Products**
   We leverage our advanced recycling technologies to promote recycling of waste. At the same time, we provide environmentally friendly materials and products across our business activities starting from raw material procurement to the development, production, distribution, consumption, disposal and recycling of raw materials and products.

2. **Advance Decarbonization**
   We work towards the decarbonization of our business activities by reducing energy consumption. We will also tap into geothermal and other renewable energy sources to decarbonize our entire value chain.

3. **Respect Biodiversity**
   We engage in business activities that take ecosystems into account throughout our value chain, including the development of natural resources.

4. **Effectively Use and Conserve Water Resources**
   We work to reduce water consumption through circular water management and reuse of cooling water, cleaning water and all other water used across our business activities.

5. **Sustainably Manage Company-Owned Forests**
   We make effective use of timber and other forest resources as well as ensure appropriate management of company-owned forests that contribute to decarbonization, biodiversity and water conservation and recreational activities of the local communities.

6. **Encourage Environmental Education and Harmonious Coexistence with Society**
   We strive to reduce the environmental impact from our business activities and prevent pollution by educating all our employees on relevant laws, regulations, and agreements on an on-going basis. We communicate proactively with our stakeholders and engage in environmental conservation initiatives.

Stipulated on March 23, 2004
Revised on December 1, 2021

Biodiversity Conservation Policy

1. **Significance of Efforts to Conserve Biodiversity**
   Based on the Corporate Philosophy "For People, Society and the Earth," we as the Mitsubishi Materials Group have the vision of "Circulating resources for a sustainable future" and, with the mission to "Create a sustainable future (a prosperous, recycling-oriented and decarbonized society)," we have established the following in our Code of Conduct as a rule to observe: "We will work to manage our environmental impact and promote decarbonization, make efficient use of natural resources and accelerate recycling." We also consider the addressing global environmental issues as a Materiality in sustainable growth.

2. **Basic Principles**
   We recognize that our business activities benefit from natural resources such as minerals and water, and we will conduct business activities that minimize the impact on the natural environment in order to pass on these limited resources to future generations.
   In addition, we will conserve forests and closed mines, which are our roots, and the natural environment owned by facilities including renewable energy power plants, which will be the mainstream in the future, as important assets and also raise awareness about biodiversity conservation through community activities. Through these activities, we will promote biodiversity conservation activities to contribute to a nature-positive society.

3. **Focused Areas**
   - Assessment of the impact of business activities and raw material procurement on biodiversity
   - Demonstration of the biodiversity conservation functions through maintenance of company-owned forests and management of closed mines
   - Provision of opportunities to interact with nature
   - Effective use of resources and reduction of the impact on the ecosystem through metal resource recycling
   - Ecosystem conservation through climate change measures
   - Compliance with environment-related laws and regulations in operations, etc.

4. **Approaches**

We will monitor the status of ecosystems and biodiversity at each business site, company-owned forests, closed mines, etc. In addition, we will ascertain the dependence and impact of our business (operations), including the supply chain, on the ecosystem, prioritize them and take appropriate measures.
To take measures, we will establish action targets to "avoid," "reduce" and "recover and regenerate" concerning substances that have an impact on nature and build an appropriate monitoring system in cooperation with local residents and experts.

Stipulated on September 24, 2024

Goals and Progress

Major environmental indicators and quantitative targets

Related Information:

- Climate Change (Disclosure in Accordance with TCFD)
- Pollution Prevention

	Indicator	FYE March	Target	FYE March 2026 result	Note
GHG	Scope 1 + 2	2031	47% reduction	636 thousand t-CO_2e★ (decline of 34% compared with FYE March 2021)*1,*2	• (FYE 2031,36,41 Target) Compared with FYE March 2021. Excluding GHG emissions from resource recycling efforts • (FYE 2046 Target) Including GHG emissions from resource recycling efforts
		2036	65% reduction		
		2041	82% reduction		
		2046	Carbon neutrality		
	Scope 3	2031	22% reduction	8.41 million t-CO_2e (decline of 6% compared with FYE March 2021)*1	Compared with FYE March 2021. Target for the Scope 3 categories 1, 3, and 15
Renewable energy electricity	Utilization rate	2026	30%	45%★*1	Amount of renewable energy purchased by the Group (including power purchase agreements and non-fossil certificates) / total amount of electricity purchased by the Group × 100
		2031	80%		
		2036	100%		
	Self-sufficiency rate	2026	33%	38%*1	Amount of electricity generated by the Renewable Energy business / total amount of electricity purchased by the Group × 100
		2031	37%		
		2036	67%		
		2051	100%		
Waste management	Reduction and recycling rate for industrial waste from plastic products	2028	Company target: Achieve a 35% reduction and recycling rate for industrial waste from plastic products	34% reduction and recycling	Compared with FYE March 2022.
	Reduction of industrial waste generation intensity (waste generated relative to net sales)	2031	Group target: 6% reduction	1% increase*3	Compared with FYE March 2024.

*1 Covers the Company and 77 Group companies.
*2 luding GHG emissions from resource recycling efforts.
*3 Covers the Company and 46 major Group companies with manufacturing sites.

Main environmental qualitative targets

Theme of activities	Activities during FYE March 2026	Self-assessment	Targets/plans for activities from FYE March 2027 onwards
Complying with environmental legislation	Strengthen efforts to observe environmental legislation	A	Strengthen efforts to comply with environmental legislation
Continuous improvement of environmental impact	Through education on environmental legislation		Through education on environmental legislation
Managing closed mines	Ongoing training of engineers managing closed mines Upgrading aging facilities (continued) Tailings dam reinforcement work (continued)	A	Ongoing training of engineers managing closed mines Upgrading aging facilities (continued) Tailings dam reinforcement work (continued)
Contributing to local communities, society, and the global environment through sustainable management of company-owned forests	We received and passed periodic screenings to maintain forest certification from the Sustainable Green Ecosystem Council (SGEC).	A	Maintain SGEC forest certification
	We maintained forests appropriately based on our forest management plan, including cutting and thinning (110.98ha), planting (9.68ha) and weeding / clearing away underbrush (45.68 ha).	A	Promote environmental conservation of forests by maintaining forests appropriately based on our forest management plan
	We tried to develop forests by making use of nature's strengths, aiming for both environmental and economic achievements.	A	Pursue beautiful forests that are resistant to disasters and have high public interest functionality, through various effective forest development practices
	We performed tree thinning with small-scale work channels and horse logging as a method for implementing disaster-resistant forest development. We formulated a maintenance plan for dense forests and have systematically implemented measures.	A	
	We enhanced monitoring activities such as the introduction of a smartphone app to more accurately assess the state of the conservation of biodiversity, changes in ecosystem services (public functions) that occurred through forest maintenance, and the amount of forest growth, etc.	A	Consistently implement monitoring activities
	We donated Christmas trees made with trees from company-owned forests and tree graduation certificates made using wood from company-owned forests to preschools in company-owned forest areas and held tree planting events for them.	A	Continue to contribute to local communities through services related to company-owned forests (initiatives such as the donation of Christmas trees)
	We supplied larch wood for the construction of a large-scale wooden structure and commercial facilities newly built in Sapporo City.	A	Increase the value of company-owned forest by promoting utilization of high added-value wood from company-owned forests and contribute to economically sustainable forest management
	We made company-owned forests available as sites for the nature experience activities of local NPO organizations, training for the purpose of popularizing the forestry industry, research / surveys by universities and other research institutions, and sports competitions, etc.	A	Promote the provision of company-owned forests as sites for recreational activities, education, research, and training

Self-assessment:
A = Target achieved
B = Target mostly achieved
C = Target not achieved

Climate Change (Disclosure in Accordance with TCFD)

Climate Change Strategy | Risks and Opportunities Related to Climate Change | GHG Emission Results and Initiatives
Logistics Initiatives | Initiatives to Build a Decarbonized Society

Climate Change Strategy

Basic Approach

On the issue of climate change, the IPCC 6th Assessment Report in 2023 noted that there is “no room for doubt” that human activities have caused global warming, emphasizing the urgent need to reduce GHG[*1]. The world has been pursuing initiatives since 2020 under the Paris Agreement, and in response to the Glasgow Climate Pact established at the 2021 United Nations Climate Change Conference (COP26), the international community has made a significant change in direction toward the 1.5°C goal – namely to achieve carbon neutrality by 2050.
At the Mitsubishi Materials Group, we also take the issue of climate change seriously, in keeping with our Corporate Philosophy of “For People, Society and the Earth.” We have set our target year for achieving carbon neutrality to the fiscal year ending March 2046, five years ahead of Japan’s national target year of the fiscal year ending March 2051. Additionally, by the fiscal year ending March 2051 we aim to achieve renewable energy generation comparable to the power we consume internally, resulting in an effective 100% self-sufficiency rate for renewable energy. In these ways, we will continue to pursue business activities aimed at realizing a decarbonized society.
The Group supports the Energy Conservation Act,[*2] the Global Warming Prevention Act,[*3] other laws and regulations, and NDC of Japan, and it is reducing its energy use and GHG emissions.

*1 GHG: Greenhouse gas
*2 Energy Conservation Act: Act on Rationalization of Energy Use and Shift to Non-fossil Energy
*3 Global Warming Prevention Act: Act on Promotion of Global Warming Countermeasures

Information Disclosure

In March 2020, the Group decided to endorse the recommendations of the TCFD[*4] and participate in the TCFD Consortium, which consists of companies, financial institutions and other organizations that support those recommendations. We appropriately disclose the risks and opportunities that climate change presents to the Group’s business operations, together with the results of our analysis, in line with the TCFD recommendations.
The Group responds annually to the questionnaire issued by CDP, a nonprofit organization that operates a global environmental disclosure system. On its eight-level scoring scale ranging from A to D-, we were included on the CDP 2025 Climate Change A List, the highest rating, for the second consecutive year, and received an “A-” rating for CDP 2025 Water Security. We also received the highest rating in the CDP 2025 Supplier Engagement Assessment for the third consecutive year.

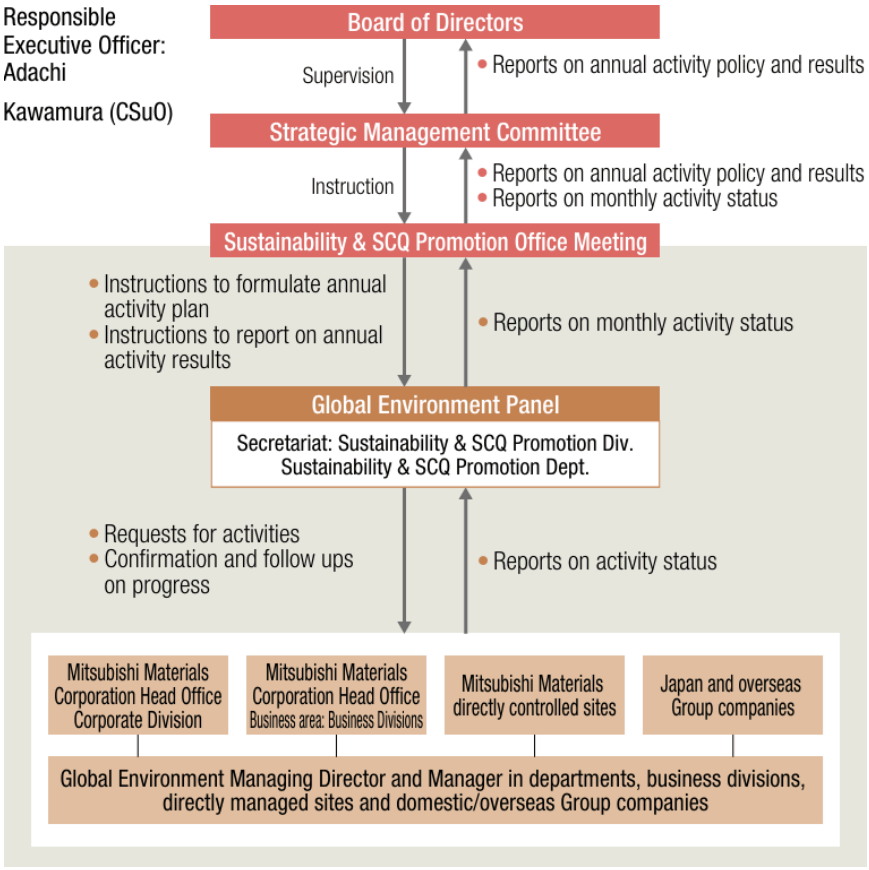
*4 TCFD: Task Force on Climate-related Financial Disclosures. The TCFD was established in 2016 by the Financial Stability Board, an international organization that seeks to stabilize financial systems.





Governance

We have appointed an Executive Officer (CSuO) in charge of responding to Sustainability issues, including addressing climate change, and we are acting proactively. We have also established a Sustainability & SCQ Promotion Department of the Sustainability & SCQ Promotion Division of the Corporate Division to plan and promote the Group’s strategic initiatives for risks and opportunities related to climate change issues. The Global Environment Panel, for which the Sustainability & SCQ Promotion Department serves as secretariat, conducts scenario analyses based on the TCFD recommendations, evaluates and manages risks and opportunities related to climate change, sets GHG reduction targets, formulates and manages action plans to reduce GHGs, and engages in other discussion and information sharing concerning climate change.
In addition, we have established the Energy Management Subcommittee, jointly administered by the Planning and Administration Office of the Corporate Production Engineering Division and the Sustainability and SCQ Promotion Department, as a body responsible for managing the implementation of measures to achieve the GHG emissions reduction targets established by the Global Environment Subcommittee. The Energy Management Subcommittee promotes energy conservation at our business sites by sharing examples of initiatives and supporting the introduction of energy-efficient equipment, among other activities.



Strategy

We conduct and regularly update scenario analyses based on the TCFD recommendations.
With regard to transition risks and opportunities, we update our scenario analyses and establish business indicators and targets while maintaining consistency with the Medium-term Management Strategy (FYE March 2027–2029), announced in November 2025. We also establish and analyze 1.5°C and 4°C scenarios for each theme.
As risks common to all of our businesses, we have identified the introduction or strengthening of carbon pricing mechanisms, including emissions trading systems, as a result of increasingly stringent climate change policies and laws and regulations. We have also identified potential increases in the prices of non-fossil certificates, carbon credits and renewable electricity plans, as well as possible supply-demand constraints affecting these instruments and plans. We estimate the potential financial impact of these risks on the Group.
We also analyzed the impact on our business operations in terms of risks and opportunities with regard to the shift in EV demand, changing forms of energy use, and changing demand for the recycling business due to the shift to a recycling-oriented society. Further, in terms of physical risks, in our Group-wide risk management activities we also manage water risks including damage from acute and chronic risks including torrential rain, flooding, storm surges and droughts thought to have materialized in relation to climate change.
For details about our scenario analysis results, please refer to the section on "Climate Change-related Risks and Opportunities ."
In addition, an ICP system has been introduced since the fiscal year ended March 2025 to raise awareness of GHG emissions within the company and to further promote decarbonization efforts.

Risk Management

Based on the results of the climate change scenario analysis , the Mitsubishi Materials Group recognizes that climate change risks are one of the key risks that could have a significant impact on the Group's business performance and financial condition, and drives initiatives to address these risks within its risk management activities.
The implementation of risk measures is discussed and monitored by the Sustainability & SCQ Promotion Office Meeting and the Strategic Management Committee. Managing Executive Officer Adachi has executive responsibility for overall risk management activities, which are conducted independently of the Audit Committee. The Board of Directors also evaluates and reviews the effectiveness of the risk management process and provides comprehensive oversight of risk management.
For more details about the Group's risk management system, operating status and the selection process for major risks, please refer to the section on "Risk Management ."

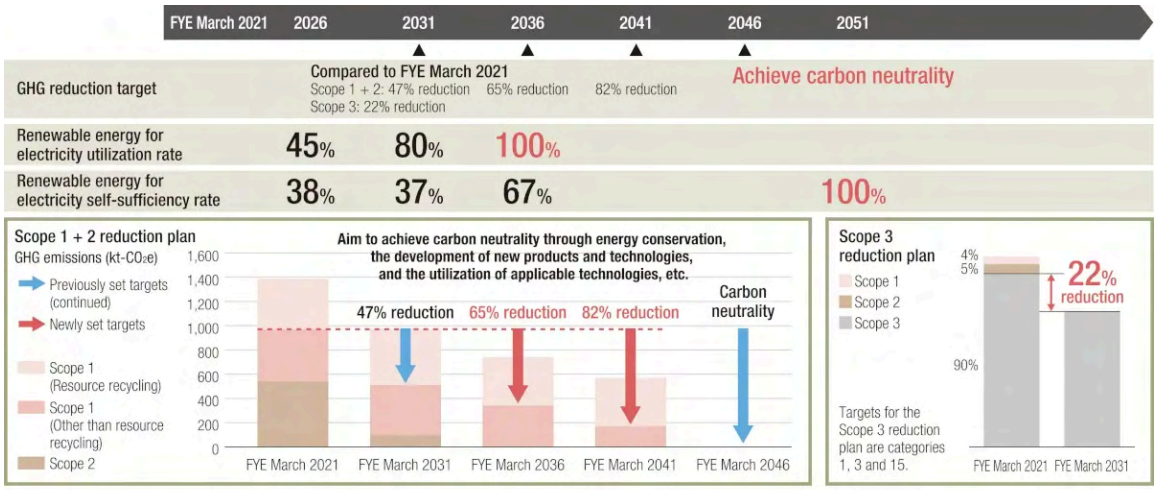
Indicators and Targets

The Group has set GHG emissions reduction targets for Scope 1 and Scope 2 emissions under its Medium-term Management Strategy. These targets apply to emissions excluding GHG emissions from resource circulation initiatives.
In September 2025, in addition to the existing targets for the fiscal years ending March 2031 and March 2046, and taking into account Japan's Nationally Determined Contribution (NDC), established by the Japanese government in February 2025, we set new Scope 1 emissions reduction targets for the fiscal years ending March 2036 and March 2041. These Scope 1 targets, which exclude GHG emissions from resource circulation initiatives, were calculated based on the slope of a straight line connecting the targets for the fiscal years ending March 2031 and March 2046

For combined Scope 1 emissions, excluding GHG emissions from resource circulation initiatives, and Scope 2 emissions, the Group targets reductions from the fiscal year ended March 2021 level of 47% by the fiscal year ending March 2031, 65% by the fiscal year ending March 2036 and 82% by the fiscal year ending March 2041. The Group also aims to achieve carbon neutrality by the fiscal year ending March 2046, including GHG emissions from resource circulation initiatives.

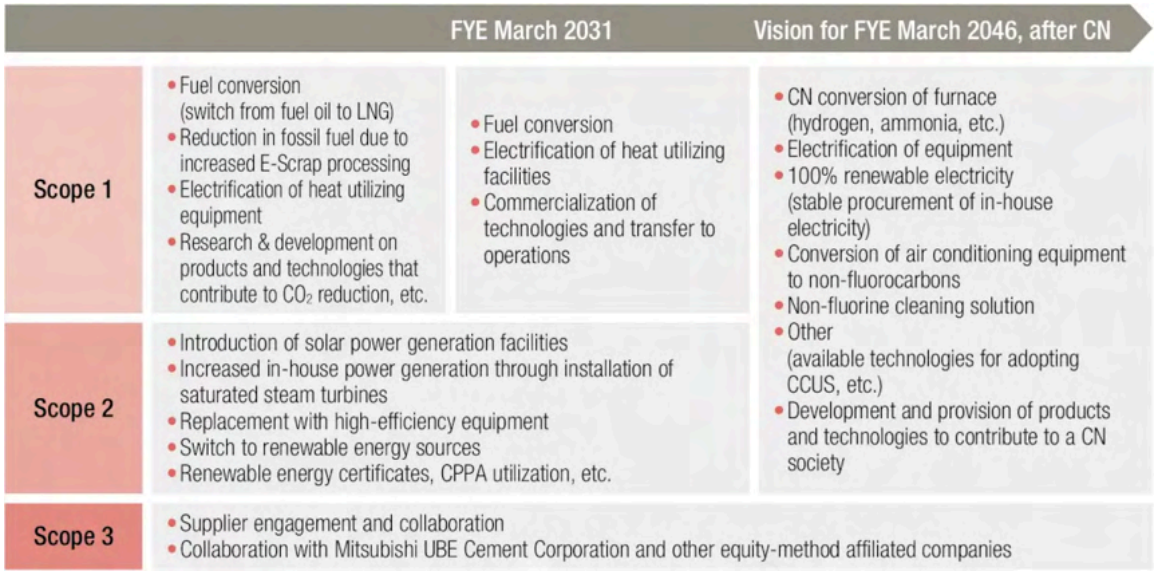
In addition to the GHG emissions reduction target, we have also set the goals of achieving 100% utilization of renewable energy for purchased electricity by the fiscal year ending March 2036 and 100% self-sufficiency in renewable energy for electricity by the fiscal year ending March 2051 by promoting the development and expansion of utilization of renewable energy sources such as geothermal power generation, in which the Group has strengths. In order to achieve these targets, we are working to achieve the following goals.
To achieve these goals, we will invest ￥10.5 billion in energy-saving measures and facility improvements, mainly at manufacturing sites, and ￥30 billion in renewable energy projects by the fiscal year ending March 2031.We will continue advancing energy savings and reducing emissions from fossil fuels at our manufacturing sites. We will also develop products that contribute to a carbon-neutral society and technologies such as CO_2 capture and processing. Furthermore, by utilizing available technologies and other measures, we aim to achieve carbon neutrality by fiscal year ending March 2046, including reductions in GHG emissions from resource circulation initiatives.
From the viewpoint that reduction of GHG emissions in our business supply chain is essential to achieve a CN society in 2050, we have set a target to reduce Scope 3 (emissions of other companies related to business activities other than Scope 1 and Scope 2) by at least 22% by 2030 compared to the fiscal year ended March 2021 (The reduction targets are for Categories 1, 3, and 15).

GHG reduction target



*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).

Carbon Neutrality Road Map



Participation in JMIA's Carbon Neutrality Action Plan

Ahead of adoption of the Kyoto Protocol in 1997, the Japan Mining Industry Association (of which Mitsubishi Materials is a member) formulated a Voluntary Environmental Action Plan to solve the issue of climate change. A further refinement of this plan was formulated starting in 2013 as the Action Plan for Low-Carbon Society, as part of continuing efforts to reduce CO_2 emissions from non-ferrous smelting in Japan. Interests and expectations for the realization of carbon neutrality had been growing since the government had set a target of carbon neutrality by 2050 and to reduce GHG emissions by 46% (the industrial sector's target is 38%) from the fiscal year ended March 2014 levels by the fiscal year ending March 2031. So, JMIA revised the "Commitment to a Low Carbon Society" to the "Carbon Neutrality Action Plan" in the fiscal year ended March 2021.
In the fiscal year ended March 2021, JMIA was almost able to achieve its target of reducing CO_2 emissions per unit of production by 26% from the fiscal year ended March 1991 levels by the fiscal year ending March 2031. Therefore, JMIA reviewed the target with advice from the Industrial Structure Council in 2022. The latest target is below.

a. **Target Assumptions:**
- 2030 production volume of 2.8 million tons (2.407 million tons in FYE March 2023).
- Target indicator will be CO_2 emissions, and the base year will be FYE March 2014.
- Electricity CO_2 emission factor (kg-CO_2/kWh) will be used as the adjusted emission factor (receiving end).

b. **Target:**
- Reduce CO_2 emissions by 38% from FYE March 2014 levels by FYE March 2031.

As JMIA's CO_2 reduction target is consistent with the Paris Agreement-based target advocated by the Japanese government, we will continue to take part in initiatives to achieve the association's targets.

Details of non-financial evaluation items for annual bonuses (short-term incentive remuneration) for Executive Officers (excluding CEO) (FYE March 2026)

For non-financial evaluation, each Executive Officer is required to set three target items, one of which is a sustainability issue. Each item is broken down into two or three sub-items, with targets set for each sub-item. The table below summarizes details of non-financial evaluation items set for the fiscal year ending March 2026 in accordance with the Sustainability Policy, etc. Since the fiscal year ended March 2024, each Executive Officer has been required to set a target for promoting diversity and inclusion, particularly with respect to the percentage of women in managerial positions. In addition, multiple Executive Officers have set targets related to proactive engagement for the global environment.

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

Sustainable Finance

The Company established the Transition-Linked Finance Framework in November 2023 (Revised in August 2024 due to changes in setting GHG emission reduction targets) to promote our efforts to achieve carbon neutrality. Based on the framework, we are issuing Transition-Linked Bonds and executing Transition-Linked Loans.
We will promote our efforts to achieve carbon neutrality by utilizing the funds raised.
For more information, see "Sustainable Financing ."

Direction of Carbon Footprint of Products (hereinafter referred to as "CFP") initiatives

In response to the transition to a decarbonized society and growing demand for information disclosure, we are advancing our CFP[*5] initiatives. Specifically, we are progressively expanding CFP calculations to cover our main products and have calculated the CFPs of electrolytic copper and refined lead and obtained third-party verification of the results.
In the copper and copper alloy products business, we have also built the “CFP Digital Platform,” a data platform that visualizes the CFPs of our main products, and have obtained third-party certification for the CFP calculation and verification system centered on this platform. This system enables us to calculate CFPs efficiently and continuously while ensuring a high level of reliability, even in a business that handles a wide variety of products. This marks the first instance in Japan in which a CFP calculation system for copper and copper alloy products has received third-party certification.

Results of the initiatives

> News Release
Carbon Footprint Calculation for Electrolytic Copper Awarded Third-Party Verification

> News Release
Carbon Footprint Calculation for Refined Lead Awarded Third-Party Verification

> News Release
Construction of a CFP Digital Platform in the Copper and Copper Alloy Products Business and Acquisition of Third-Party Certification for the CFP Calculation System

*5 CFP is an indicator that quantifies greenhouse gas emissions generated throughout the life cycle of a product or service.

Internal Carbon Pricing (ICP) System

MMC introduced an internal carbon pricing (ICP) System MMC introduced an internal carbon pricing (ICP) system in April 2024 in order to raise awareness about GHG emissions and further promote its decarbonization efforts. Under the ICP system, the Company sets its own hypothetical price for GHG emissions and uses it for investment decisions.
The internal carbon price is set at ￥10,000 per t-CO_2e and is used in investment decisions for capital expenditures that contribute to reductions in our own GHG emissions (Scope 1 + 2). We will actively promote the reduction of GHG emissions by promoting investments that contribute to decarbonization through the introduction of the ICP system.

Risks and Opportunities Related to Climate Change

The financial impact on the Group will be in the form of additional costs incurred depending on the amount of greenhouse gas emissions, such as when policies and legal regulations on climate change are toughened, and carbon pricing systems (the emissions trading system and carbon tax) are introduced and strengthened. With the global shift to decarbonized societies, certain product markets in which the Group has traditionally been participating are expected to shrink. Any delay in taking action in new expanding markets could adversely affect the Group's results and financial position. The world is currently transitioning rapidly toward a carbon-neutral society based on the Paris Agreement. We believe we need to provide new value by responding quickly to these changes in the social environment.

Specifically, we will continue to steadily reduce greenhouse gas emissions from Group business activities by setting greenhouse gas reduction targets, introducing energy-saving equipment, and expanding the use of renewable energy. Furthermore, in order to improve the market competitiveness of Group products, we are enhancing our production processes and developing environmentally friendly products.
Physical risks - including damage from intensified acute water risks thought to be related to climate change such as superstorms, floods, storm surges, or drought, as well as chronic risks - are covered by Group-wide risk management activities.
Meanwhile, opportunities arising due to climate change include an expected increase in demand for technologies, products and services that contribute to energy saving and the reduction of greenhouse gas emissions due to the toughening of climate change policies and other measures. The Group takes initiatives such as the manufacturing of materials and products that contribute to decarbonization, the recycling of nonferrous metal resources, the development and promotion of the use of renewable energy such as geothermal power, the development of technologies related to CO_2 capture and effective utilization, and conservation activities for the forest land we own. Through these initiatives, we aim to create both economic and social value.

Scenario Analysis

In March 2021, the Group established and analyzed scenarios to ascertain the impact of climate change on the Group's business operations (risks and opportunities) and consider measures for reducing risks and securing opportunities. In February 2023, we updated the scenario analysis and set metrics and targets, while ensuring consistency between transition risks and opportunities and the Medium-term Management Strategy FY2031. In addition to monitoring based on these indicators and targets, we have also reviewed and updated our analytical content this time in light of recent changes in the market environment.

Process for identifying risks, opportunities and response measures

Identify risks and opportunities	Identify transition risks and opportunities and physical risks as climate change risks and opportunities relating to business operations
↓	
Identify key risk and opportunity factors	Consider the impact of identified risks and opportunities on business operations, their relationship to business strategies and their level of interest to stakeholders, etc., and identify risks and opportunities with a high degree of importance
↓	
Analyze impact on business operations	Analyze the degree of impact of key risks and opportunities on business operations In analyses and evaluations, we use a 1.5°C scenario and a 4°C scenario. [Reference scenarios] International Energy Agency (IEA): Net Zero Emissions by 2050 Scenario (NZE), Stated Policies Scenario (STEPS) Intergovernmental Panel on Climate Change (IPCC): Shared Socioeconomic Pathways (SSP), Representative Concentration Pathways (RCP), etc.
↓	
Examine measures, indicators and targets	Consider measures to reduce risks and secure opportunities Set the indicators and targets (such as GHG emissions reduction targets) to be monitored

Scenario Analysis – World as Envisaged in 2030–2050

World as envisioned in analysis

1.5°C Scenario (the world moving toward carbon neutrality in 2050)	4°C Scenario (the world as it is and the world in which things are allowed to take their course)
A scenario that charts out a path for the world's energy sector to follow to achieve net zero CO_2 emissions by 2050. The scenario envisages the world where the social changes necessary for the establishment of a carbon free society and holding the rise in the global average temperature to 1.5°C or less until the end of this century will impact business operations. **[World as envisaged]** • The setting of a carbon price and the rise of prices globally • Progress in the transition from fossil fuels to renewable energy • Progress in the modal shift and the shift to EVs • Increase in demand for the use of public transportation and vehicle sharing • Preferential selection of decarbonized products by users • Transition to a recycling-oriented society and an increase in waste recycling rates	A scenario that reflects current policy settings by evaluating specific policies being implemented and policies announced by governments around the world on a country-by-country or sector-by-sector basis. The scenario envisages the world as described below where the achievement of targets is not required and the global average temperature will rise about 4°C by the end of this century. **[World as envisaged]** • Dependency on fossil fuels, increased energy costs • Remarkable economic growth of emerging and developing countries • Slowdown of the shift to modes of mobility with low CO_2 emissions • Limited demand for renewable energy • Intensification of wind and water-related disasters and increase in disaster-related waste • Increased severity of water stress and heat stress

Overview of MMC's Scenario Analysis Based on TCFD Recommendations

With regard to transition risks and opportunities related to climate change, we conducted scenario analysis for one theme across the Company and for three major themes for each business (total of nine minor themes). The external and internal data used in the analysis were updated.

Scenario Analysis – Summary of Results

▲ Primary Risks ● Primary Opportunities

Theme	Business	Risk/Opportunity Elements at 1.5°C	Impact on Business 1.5°C	Impact on Business 4°C	Target
Changes in Carbon Pricing Costs	Common to All Businesses	▲ Introduction and strengthening of carbon pricing mechanisms	Total amount of burden of carbon price (FYE March 2031) ¥2.8 billion		GHG emissions (Scope 1 + 2) FYE March 2031 47% reduction FYE March 2036 65% reduction FYE March 2041 82% reduction (all compared to FYE March 2021, excluding GHG emissions from resource recycling efforts) FYE March 2046 Carbon neutrality (including GHG emissions from resource recycling efforts)
Changes in EV Demand	Metals Business	● Increase in xEV sales volume	Global demand in copper for vehicles (compared to FYE March 2021) FYE March 2031: 5.6 times FYE March 2051: 7.7 times	FYE March 2031: 3.6 times FYE March 2051: 4.5 times	Total electrolytic copper production at Naoshima Smelter & Refinery and Onahama Smelter & Refinery, and sales volume at PT Smelting FYE March 2031 830,000 t per year
	Resources Circulation Business	▲ Decrease in volume of scrapped vehicles generated in Japan	Volume of scrap generated in Japan (compared to FYE March 2021) FYE March 2031: 0.99 times FYE March 2051: 0.86 times	FYE March 2031: 0.99 times FYE March 2051: 0.90 times	Annual processing volume of vehicle recycling FYE March 2031 15,000 vehicles per year
	Copper & Copper Alloy Products Business	● Increase in xEV sales volume	Demand in connectors and busbars for vehicles (compared to FYE March 2021) FYE March 2031: 2.6 times FYE March 2051: 3.1 times	FYE March 2031: 2.2 times FYE March 2051: 2.4 times	Sales volume of automotive pure copper strips FYE March 2031 2.0 times (compared to FYE March 2021)
	Metalworking Solutions Business	▲ Structural changes in demand for parts processing driven by the shift to EVs and changing transportation needs	Sales of cutting tools for the automotive industry (compared to FYE March 2021) FYE March 2031: 0.96 times FYE March 2051: 0.69 times Sales of cutting tools for the aerospace industry (compared to FYE March 2021) FYE March 2031: 1.18 times FYE March 2051: 1.61 times	FYE March 2031: 1.37 times FYE March 2051: 1.45 times FYE March 2031: 1.48 times FYE March 2051: 2.60 times	Net sales of cemented carbide tools FYE March 2031 1.97 times (compared to FYE March 2021)
Changes in Forms of Energy Use	Resources Circulation Business	● Increase in demand for automotive LIB recycling	Volume of LIB recycling (compared to FYE March 2021) FYE March 2031: 50 times FYE March 2051: 350 times	FYE March 2031: 14 times FYE March 2051: 92 times	Processing volume of automotive LIB Recycling* FYE March 2031 20 t LIB per year *Up to removal of LIB pack
	Tungsten Business	● Increase in demand related to batteries	Production volume of advanced powders for EV batteries (compared to FYE March 2021) (considering the Company's production capacity) FYE March 2031: 1.22 times		Production volume of advanced powder for rechargeable batteries FYE March 2031 1.22 times (compared to FYE March 2021)
	Renewable Energy Business	● Increase in spread and demand for renewable energy	Difference from FYE March 2021 sales of the Company's share of power generation FYE March 2031: ¥4,447 million FYE March 2051: ¥23,422 million	FYE March 2031: ¥4,229 million FYE March 2051: ¥21,936 million	The Company's share of renewable power generation FYE March 2031 1.3 times (compared to FYE March 2021)
Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Metals Business	● Increase in demand for E-Scrap*2 recycling	Volume of E-Scrap generated globally (compared to FYE March 2021) FYE March 2031: 1.4 times FYE March 2051: 2.5 times	FYE March 2031: 1.3 times FYE March 2051: 1.6 times	E-Scrap processing capacity FYE March 2031 240,000 t per year
	Resources Circulation Business	● Increase in demand for home appliance recycling	Processing weight of waste home appliances in Japan (compared to FYE March 2021) FYE March 2031: 0.35% increase FYE March 2051: 3.3% reduction	FYE March 2031: 3.8% reduction FYE March 2051: 11.9% reduction	Annual processing volume of home appliance recycling FYE March 2031 4.6 million appliances per year

Changes in Carbon Pricing (Common to all Businesses)

- **【1.5°C】Risk factor: Introduction and strengthening of carbon pricing schemes, as well as rising carbon prices**
  【4°C】Risk factor：Introduction of carbon pricing schemes

Anticipated world and business impact	**【1.5°C】Introduction and strengthening of carbon pricing schemes, as well as rising carbon prices** • Higher taxation on GHG emissions and increased energy costs due to higher electricity prices • Increased green power certificate procurement amounts and emissions trading costs • Unit prices of fossil fuels decline due to the advance of decarbonization **【4°C】Introduction of carbon pricing schemes** • Decarbonization efforts do not proceed beyond current policies, and unit prices of fuel increase due to rising demand for fossil fuels up to 2030 • Carbon prices rise moderately on a unit basis
Impact analysis	Impact analysis If our Group achieves its GHG emissions reduction targets, the **increase in carbon pricing costs in FYE March 2031 compared with FYE March 2021 is estimated at approximately JPY 2.8 billion.** Carbon pricing will be a factor driving up our costs. While its impact will extend across society as a whole, there is a risk of reduced earnings if progress in reducing GHG emissions is delayed or if increased costs cannot be passed on to product prices.

Metrics	Group GHG emissions (Scope 1 + 2)	Target	• FYE March 2031 47% reduction (compared to FYE March 2021)(excluding GHG emissions from resource recycling efforts) • Achieve carbon neutrality by FYE March 2046 (including GHG emitted due to resource recycling efforts)

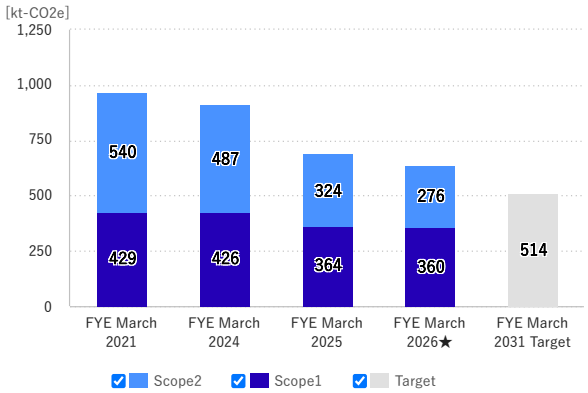
Future Strategy and Response Toward a 1.5°C World	• Formulate a plan to reduce GHG emissions by FYE March 2031, reduce energy consumption by improving the efficiency of facilities and processes, electrify processes and switch fuels, and switch to electricity derived from renewable energy sources (renewable energies). • Switch 100% of our Group's electricity purchased to renewable energy-derived electricity by FYE March 2036 • Accelerate the long-term use of CN fuels and the development of innovative technologies such as the capture and utilization of CO_2

Fiscal year ended March 2026 performance against target

Group GHG emissions (Scope 1,2)

GHG gas emissions (Scope 1 + 2) declined by 8% compared with the fiscal year ended March 2025 to 636 thousand t-CO_2e★, as a result of progress switching to electricity from renewable energy sources.

Group GHG emissions (Scope 1 + 2)



* GHG emissions excluding those from the use of recycled resources.
* Emissions for each fiscal year were recalculated to cover the Company and its major consolidated subsidiaries as of March 31, 2026.
* The FYE March 2031 target was calculated based on a 47% reduction from the FYE March 2021 level.

Changes in Demand for Copper Due to Progress in Responding to Climate Change (Metals Business)

● **【1.5°C】Opportunity factor: Increase in xEV sales volume**
【4°C】Opportunity factor: Increase in the Automobile Units Sold

Anticipated world and business impact	**【1.5°C】Rapid growth in copper demand due to increased EV sales aimed at decarbonization** • Overall automobile sales volume will increase toward FYE March 2031, and worldwide demand for copper for use in automobile applications will **increase by a factor of around 5.6 times by FYE March 2031 and 7.7 times by FYE March 2051 compared with FYE March 2021 levels.** • Sales volume of xEVs is expected to increase approximately 24-fold by FYE March 2031 compared to FYE March 2021. **【4°C】Despite a low percentage of xEVs, demand for copper rises due to an increase in the total automobile units sold** • As overall automobile sales volume increases despite a low ratio of xEVs, the global volume of copper needed for the automotive sector will **expand to about 2.1 times FYE March 2021 levels in FYE March 2031, and around 4.5 times FYE March 2021 levels by FYE March 2051.** • Total worldwide automobile sales volume in FYE March 2031 is predicted to increase to roughly 1.8 times that of FYE March 2021 levels.

Impact analysis	In the 1.5°C scenario **due to a significant increase in the sales volume of xEVs** which use more copper than conventional automobiles, and in the 4°C scenario **due to an increase in total automobile sales volume, worldwide copper demand for automotive applications is predicted to significantly increase.** This will be **an opportunity to expand sales by strengthening production** of copper cathode and capturing demand.

Metrics	The total volume of cathode copper comprising production at the Naoshima Smelter, production at the Onahama Smelter, and sales by PT Smelting	Target	End of FYE March 2031 830,000t/year

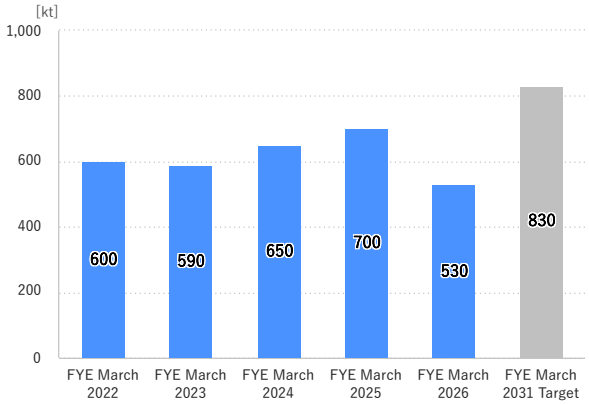
Future Strategy and Response Toward a 1.5°C World	To meet growing copper demand, we will invest in facilities at our domestic bases and increase our copper ore processing volume by 1.3 times (Naoshima) and copper cathode sales volume by 1.4 times (overall business) from the current levels by FYE March 2031. This stable supply of copper cathode will contribute to realizing a decarbonized society.

Fiscal year ended March 2026 performance against target

Copper cathode sales volume

Cathode copper sales volume in FYE March 2026 decreased due to reduced production at the PT Smelting Gresik smelter caused by a copper mine accident, as well as a reduction in copper concentrate processing at the Onahama Smelter.

Copper cathode sales volume



Changes in Demand Related to Automobile Recycling (Resource Circulation Business)

● **【1.5°C,4°C】Risk factor: Decrease in the number of scrapped vehicles**

Anticipated world and business impact	**【1.5°C】Decrease in the number of scrapped vehicles due to the decline in the Japanese population and the advance of car sharing in a decarbonized society** • Due to the declining population in Japan and the decrease in sales volume resulting from the advance of car sharing, the number of scrapped automobiles in Japan **will remain almost flat in FYE March 2031 compared to FYE March 2021, and will decrease by about 0.86 times by FYE March 2051.** • The overall number of vehicles processed will decrease, but the percentage of next-generation vehicles will increase (18% by FYE March 2031 and 78% by FYE March 2051). **【4°C】Decrease in the number of end-of-life vehicles generated due to Japan's declining population** • In connection with a decline in automobile sales volume due to a decline in the Japanese population, the number of end-of-life vehicles in Japan **will remain largely flat in FYE March 2031 compared with FYE March 2021 levels, and will decrease to around 0.90 times by FYE March 2051**.
Impact analysis	Under both the 1.5°C and 4°C scenarios, the number of vehicles processed in Japan is expected to decline, and there is a **risk that automobile recycling sales will decline.** However, in the 1.5°C scenario, the trend in market size contraction will be moderated by the sharp rise in prices of valuable metals.

Metrics	Annual number of vehicles processed (thousand units/year)	Target	End of FYE March 2031 150,000 units/year

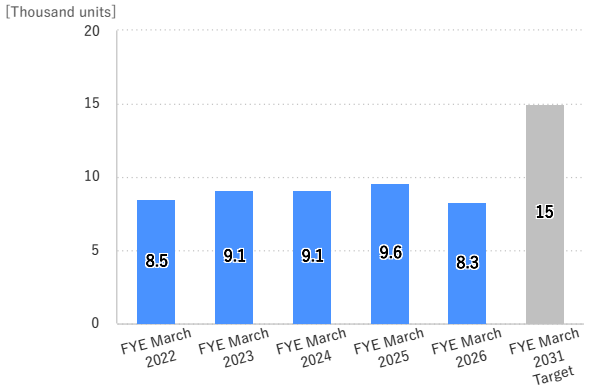
Future Strategy and Response Toward a 1.5°C World	• Aim to increase sales by expanding our market share, on the strength of our efficient processing technology for next-generation automobiles utilizing technology accumulated in the home appliance recycling business • Contribute to the realization of a recycling-oriented society by meeting resource recycling needs through automobile recycling

Fiscal year ended March 2026 performance against target

Annual number of vehicles processed

The annual number of vehicles processed in the fiscal year ended March 2026 was 8,300 units, falling short of the FYE March 2026 target of 10,000 units, due to the ongoing impact of sharply rising prices of second-hand vehicles and a reduction in vehicles delivered from dealerships.

Annual number of vehicles processed



Changes in Product Demand Due to EV Shift (Copper & Copper Alloy Products Business)

- **【1.5°C】Opportunity factor: Increase in xEV sales volume**
  【4°C】Opportunity factor: Increase in Automobile sales volume

Anticipated world and business impact	**【1.5°C】Rapid growth in demand for EV-related products for decarbonization** • Overall automobile sales will increase toward FYE March 2031, and demand for connectors and bus bars for automobiles will **increase 2.6 times by FYE March 2031 and 3.1 times by FYE March 2051 compared to FYE March 2021.** • Sales of xEVs in the markets served by our copper and copper alloy products business are expected to increase approximately sevenfold by the FYE March 2031 compared with FYE March 2021. **【4°C】Despite a low percentage of xEVs, demand for products rises due to an increase in the total automobile units sold** • As overall automobile sales volume increases despite a low ratio of xEVs, the demand for connectors and busbars for the automotive sector will **expand to about 2.2 times FYE March 2021 levels in FYE March 2031, and around 2.4 times FYE March 2021 levels by FYE March 2051** • Total automobile sales volume in FYE March 2031 is predicted to increase to roughly 1.3 times that of FYE March 2021 levels.
Impact analysis	In the 1.5°C scenario, given **a significant increase in the sales volume of xEVs** which use more copper products than conventional automobiles, and in the 4°C scenario **due to an increase in total automobile sales volume, a significant expansion of demand for the Company's rolled copper products** is predicted. This will be **an opportunity to expand sales** by strengthening production of related products and capturing demand.

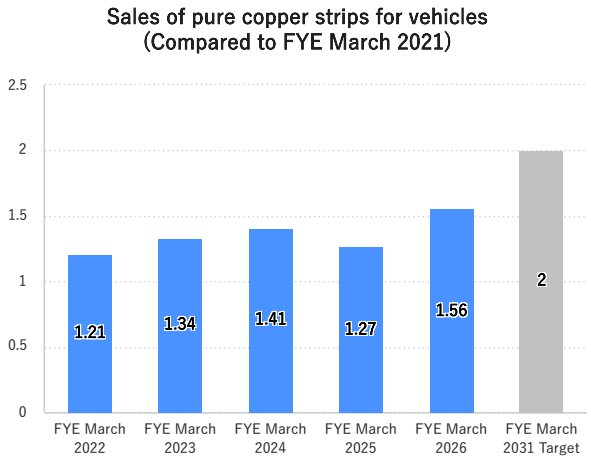
Metrics	Sales volume of pure copper strips for vehicles (Compared to FYE March 2021)	**Target**	End of FYE March 2031 Double (compared to FYE March 2021)

Future Strategy and Response Toward a 1.5°C World	• In order to build a supply system that can meet the rapidly growing demand for products for EVs, increase our production capacity of copper components by at least 1.3 times by FYE March 2031 compared to FYE March 2021 (Production capacity is being increased at Japanese production sites) • Contribute to realizing a decarbonized society by developing products with higher performance and lower environmental impact

Fiscal year ended March 2026 performance against target

Sales volume of pure copper strips for vehicles

In FYE March 2025, sales volume declined due to a slowdown in EV demand and the impact of inventory adjustments. In FYE March 2026, however, demand recovered as production by Japanese OEMs normalized and inventory adjustments reached completion, resulting in a year-on-year increase in sales volume.
In the electrification market, although the ramp-up of BEVs has been slower than initially expected, demand for pure copper materials continues to expand, supported by the ongoing shift toward electrified vehicles, including HEVs.
Looking ahead, backed by these structural growth drivers, demand for automotive pure copper products is expected to continue growing over the medium to long term.



Structural Changes in Demand for Machining of Mechanical Components Associated with EV Adoption and Changes in Transportation Demand (Metalworking Solutions Business)

- **【1.5℃】Decrease and fluctuation in demand for machining of mechanical components for automobiles and aircraft due to EV adoption and changes in the structure of transportation demand**
  【4℃】Maintenance and expansion of demand for machining of mechanical components due to continued production demand for engine-powered vehicles, aircraft, and other products

Anticipated world and business impact	**【1.5℃】Machining demand shifts from powertrain-related components to lightweighting-related components due to EV adoption** • As EV adoption and low-carbon transportation advance, demand for cutting tools used for conventional powertrain components such as engines and transmissions will decline. • Demand for cutting tools used for EV-related components, including e-Axles, motors, battery peripheral components, and lightweighting components, will increase. • In the aircraft sector, demand for cutting tools used for difficult-to-machine materials and high-precision machining is expected to expand, supported by aircraft replacement demand and the need for higher efficiency. **【4℃】Slower EV adoption maintains and expands demand for tools used for conventional mechanical components** • EV adoption progresses at a relatively moderate pace, and demand for engine-powered vehicles, hybrid vehicles, commercial vehicles, and similar products continues over the long term. • Demand for cutting tools used for conventional mechanical components, including engines, transmissions, and drivetrain components, is expected to be maintained and partially expand. • In the aircraft sector, demand for cutting tools used for aircraft component machining will increase, supported by growth in passenger demand and aircraft replacement demand. • Demand for conventional automotive components is expected to support the market, while demand is also expected to grow for tools used for difficult-to-machine materials and high-precision machining in aircraft applications.
Impact analysis	【1.5℃】In the automotive industry, the transition to EVs and low-carbon transportation is expected to accelerate, and demand for cutting tools used for conventional powertrain components, such as engines and transmissions, is expected to decrease and fluctuate over the medium to long term. On the other hand, demand for machining of EV- and lightweighting-related components, such as e-Axles, motors, battery peripheral components, and lightweighting components, is expected to increase. Although we will review our product portfolio and expand sales of high value-added tools to capture these demand opportunities, sales of cutting tools for the automotive industry may **decline to 0.96 times the FYE March 2021 level in FYE March 2031 and 0.69 times in FYE March 2051**. In the aerospace industry, demand for cutting tools used for difficult-to-machine materials and high-precision component machining is expected to expand, supported by increasing aircraft demand, aircraft replacement, and the need for higher efficiency. As a result, sales of cutting tools for the aerospace industry are **expected to increase to 1.18 times the FYE March 2021 level in FYE March 2031 and 1.61 times in FYE March 2051**. 【4℃】As progress in decarbonization and EV adoption is relatively moderate, demand for engine-powered vehicles, hybrid vehicles, commercial vehicles, and similar products is expected to continue. Accordingly, demand for cutting tools used for machining conventional mechanical components is expected to be maintained and expand. As a result, sales of cutting tools for the automotive industry are expected to **increase to 1.37 times the FYE March 2021 level in FYE March 2031 and 1.45 times in FYE March 2051**. In the aerospace industry, demand for cutting tools used for aircraft component machining is expected to increase due to growing passenger demand and aircraft replacement demand, and sales are expected to **increase to 1.48 times the FYE March 2021 level in FYE March 2031 and 2.60 times in FYE March 2051**.

Metrics	Sales of cemented carbide tools (Compared to FYE March 2021)	Target	End of FYE March 2031 1.97 times (compared to FYE March 2021)

Future Strategy and Response Toward a 1.5°C World	• We will develop and supply products that meet growing demand in a 1.5° C world, including tools for difficult-to-machine materials and high-precision, high-efficiency machining, as well as tools for EV- and lightweighting-related components and aircraft components. Through these efforts, we aim to expand our global market share and contribute to the realization of a decarbonized society. • In the automotive products market, we will closely monitor EV adoption and changes in component structures, and promote the development and sales expansion of tools for machining e-Axles, motors, battery peripheral components, and lightweighting components. In addition, we will position aerospace, small precision machining, robotics, semiconductor manufacturing equipment, and telecommunications as strategic growth markets replacing part of the demand from the automotive industry, and aim to increase sales of cutting tools.

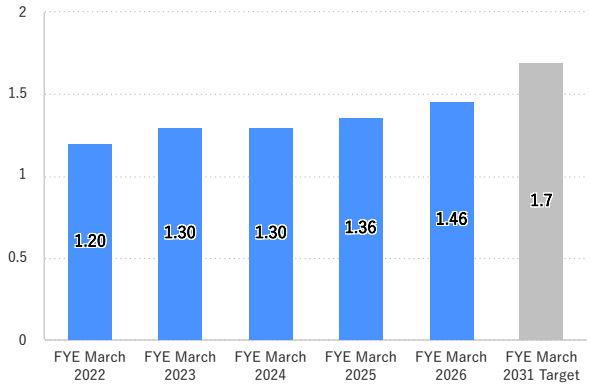
Fiscal year ended March 2026 performance against target

Sales of cemented carbide tools

In FYE March 2026, despite the limited recovery in global demand, sales of cemented carbide tools increased by 7.4% from FYE March 2025 and reached 1.46 times the FYE March 2021 level, mainly due to price increases reflecting the rise in APT prices amid tight supply and initiatives to expand sales of high value-added products.

* The sales target for the Cemented Carbide Products Business has been adjusted to reflect the impact of price revisions associated with the rise in APT prices. The target may be revised in the future depending on changes in APT price assumptions and the status of price revisions.

Sales of cemented carbide tools
(Compared to FYE March 2021)



Changes in Demand Related to LIB-R (Resources Circulation Business)

● 【1.5°C,4°C】Opportunity factor: Increase in demand for automotive LIB recycling

Anticipated world and business impact	【1.5°C】Recycling demand will expand as the volume of waste automotive LIBs increases due to growing xEV demand • The volume of used LIBs recycled (with reuse in mind) in Japan due to the disposal of xEVs is expected to expand **to around 50 times FYE March 2021 levels by FYE March 2031, and to 350 times FYE March 2021 levels by FYE March 2051.** 【4°C】Recycling demand will expand as the volume of waste automotive LIBs increases due to growing xEV demand • The volume of used LIBs recycled (with reuse in mind) in Japan due to the disposal of xEVs is expected to **expand to around 14 times FYE March 2021 levels by FYE March 2031, and to 92 times FYE March 2021 levels by FYE March 2051.**

Impact analysis	Under both the 1.5°C and 4°C scenarios, due to increased demand for EVs, it is anticipated that the emissions of automotive LIBs will increase at Japan in the future, and that the demand for recycling will increase accordingly. This will be an opportunity to increase sales underway.

Indicator	Amount of automotive LIBs recycled*6	Target	End of FYE March 2031 20t-LIB/year

Future Strategy and Response Toward a 1.5°C World	• Contribute to the realization of a recycling-oriented society by developing automobile and LIB recycling sites in each region, and by working to upgrade and streamline recycling technologies

*6 Up to the point of LIB pack removal.

Fiscal year ended March 2026 performance against target

State of development of LIB recycling technologies

We have continued to develop technologies aimed at building the business infrastructure for LIB dismantlement and the production of black mass, including the use of robots to automate the LIB unit dismantlement process. Going forward, while it is expected that there will be many different waste automotive LIB units, we will establish technologies to safely and efficiently perform the proper processing of waste LIB units, in our efforts to establish a recycling-oriented society.

Changes in Demand Related to Batteries (Tungsten Business)

● 【1.5°C,4°C】Opportunity factor: Increase in demand for EV batteries

Anticipated world and business impact	【1.5°C】Growing demand for tungsten powder driven by increasing demand for EV batteries • Strengthened decarbonization policies and accelerated EV adoption are expected to increase demand for EV batteries. As a result, demand is expected to grow for tungsten-based functional materials, including high-performance powders for secondary batteries. • As battery technologies and customer requirements evolve, required product specifications, quality levels, and supply capabilities may also change. It will therefore be important to develop products in line with market trends and establish a stable supply structure. 【4°C】Increase in demand for tungsten powders driven by moderate growth in EV battery demand • Although the progress of decarbonization and EV adoption is expected to be more gradual, demand for EV batteries is still expected to expand to a certain extent. Demand for tungsten-based functional materials, including high-performance powders for secondary batteries, may continue to increase, although the pace of growth is expected to be more moderate than under the 1.5°C scenario. • The speed and scale of demand growth may be more limited, and investment and capacity expansion will need to be pursued while carefully assessing the certainty of market growth.
Impact analysis	Under the 1.5°C scenario, demand for high-performance powders for secondary batteries is expected to increase significantly due to growing EV and battery demand. Under the 4°C scenario, EV and battery demand is also expected to increase, although to a lesser extent. Under both scenarios, expanding our production capacity for tungsten-based high-performance powders will provide an opportunity to capture demand and increase sales. Sales of high-performance powders are expected to increase to 1.9 times the FYE March 2021level in FYE March 2031 and 3.8 times in FYE March 2051, assuming that our production plans are achieved.

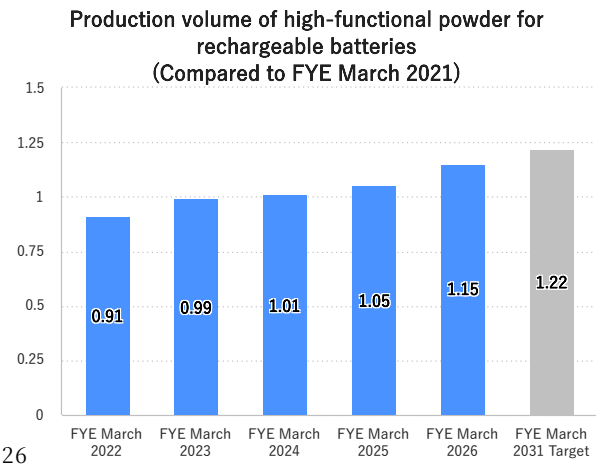
Metrics	Production of high-functional powder for rechargeable batteries	Target	End of FYE March 2031 1.22 times (compared to FYE March 2021)

Future Strategy and Response Toward a 1.5°C World	• Develop and supply tungsten-based high-performance powder products for the growing market for advanced cathode materials, particularly those used in EV batteries, where demand is expected to increase as the transition to a decarbonized society progresses. • Respond to changing market and customer needs by steadily implementing our production plan for high-performance powders used in rechargeable batteries, with the aim of increasing production volume to 1.22 times the fiscal year ended March 2021 level by the fiscal year ending March 2031. • Strengthen our R&D capabilities, manufacturing technologies, and sales and supply network through collaboration with H.C. Starck and Japan New Metals. • Promote tungsten recycling to reduce dependence on primary mineral resources, establish a stable supply system, and contribute to the realization of a circular economy.

Fiscal year ended March 2026 performance against target

Production of high-functional powder for rechargeable batteries

The manufacturing volume of high-performance powders for rechargeable batteries in the fiscal year ended March 2026 increased by 9.5% from the previous fiscal year, driven by the steady capture of demand for EV batteries and the strengthening of our production capabilities. This represents 1.15 times the fiscal year ended March 2021 level, indicating steady progress toward our target of 1.22 times that level by the fiscal year ending March 2031.



Changes in Demand for Renewable Energy (Renewable Energy Business)

● **【1.5℃,4℃】Opportunity factor: Increase in spread and demand for renewable energy**

Anticipated world and business impact	【1.5℃】Medium- and long-term expansion of the renewable energy market toward a net-zero society Demand for renewable energy is expected to keep growing, with Japan's geothermal and wind power generation projected to increase 2.8-fold and 10.8-fold, respectively, by FYE March 2031 and 6.1-fold and 20.0-fold, respectively, by FYE March 2051, compared to FYE March 2021. Given the status of renewable energy uptake and the relationship between supply and demand, environmental value is set at between 0.4-4 yen per kWh, with unit prices for FIT/FIP declining by 10% over three years. 【4℃】Renewable energy demand will expand due to the implementation of current policies, but to a limited extent. Demand for renewable energy is expected to keep growing, with Japan's geothermal and wind power generation projected to increase 1.6-fold and 6.3-fold, respectively, by FYE March 2031 and 3.3-fold and 9.5-fold, respectively, by FYE March 2051, compared to FYE March 2021. Assuming limited demand for renewable energy, environmental value is set at 0.4 yen.
Impact analysis	While the unit price of electricity sold and environmental value will fluctuate due to environmental policies and the advance of technology, under both the 1.5℃ and 4℃ scenarios renewable energy demand itself will expand, and in particular **the growth rate of demand for wind power generation, solar power generation, and geothermal power generation will be higher than other renewable energy sources.** Researching and developing new power generation sites **represents an opportunity for the Company to expand its renewable energy business.** By achieving its plans for retained power generating capacity, the Company expects to increase sales by **￥4,447 million by FYE March 2031 and ￥23,422 million by FYE March 2051 compared with FYE March 2021 levels** under the 1.5℃ scenario, and **by ￥4,229 million by FYE March 2031 and ￥21,936 million by FYE March 2051** compared with FYE March 2021 levels under the 4℃ scenario.

Metrics	Our share of renewable energy sales volume	**Target**	End of FYE March 2031 1.3 times (Compared to FYE March 2021)

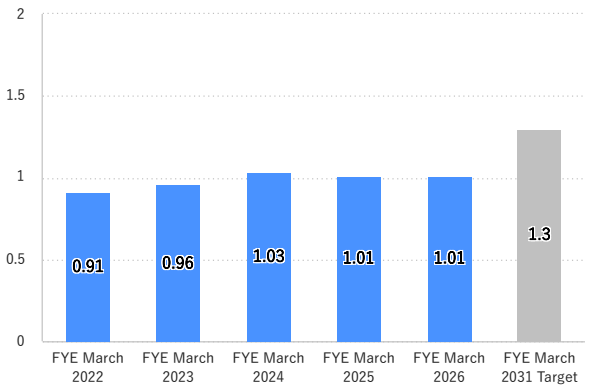
Future Strategy and Response Toward a 1.5℃ World	• Strengthening and improving the efficiency of existing power plants • Development of new sites by leveraging our comprehensive geothermal development capabilities • Expansion into onshore wind power and electricity retail businesses to broaden business domains and diversify earnings

Fiscal year ended March 2026 performance against target

Our share of renewable energy sales

Although operations at the Appi Geothermal Power Plant were temporarily suspended due to a lightning strike in FYE March 2026, our equity share of electricity sales increased by 0.4% year on year, driven by higher hydropower generation due to increased rainfall and the commencement of operations at the Tori-no-Oku Solar Power Plant.

Our share of renewable energy sales



* The amount of electricity sent from each power plant is totaled as the amount of equity power purchase.
* Including power consumed within the Company for the construction of the new Komatagawa Power Plant from the FYE March 2021 to the FYE March 2023.

Changes in Demand for E-Scrap Recycling Business Due to Shift to Recycling-Oriented Society (Metals Business)

● 【1.5℃,4℃】Opportunity factor: Increase in demand for E-Scrap recycling

Anticipated world and business impact	**【1.5℃】Increase in demand for recycling waste electronic equipment in line with economic growth in each country** • This is a world in which there is comparatively steady progress toward the development of a sustainable society, and with the elimination of worldwide economic inequalities, etc. and growth of the global economy, E-Scrap generation is expected to increase. • Estimated worldwide E-Scrap generation **is expected to increase to 1.4 times FYE March 2021 levels by FYE March 2031 and 2.5 times FYE March 2021 levels by FYE March 2051,** due to regional growth rates and population trends. (*results of estimates when FYE March 2023 analysis was performed) • Despite the risk of a decrease in the amount of valuable metals recovered due to a decline in the grade of valuable metals in E-Scrap, the amount of valuable metals recovered when we process 240,000 tons of E-Scrap will be 1.9 times the FYE March 2021 level. **【4℃】Increase in demand for recycling waste electronic equipment in line with economic growth in each country** • This is a world in which little progress has been made in eliminating the reliance on fossil fuels and the speed of economic growth is slow, but due to worldwide population growth, the amount of E-Scrap generated is expected to increase. • Estimated worldwide E-Scrap generation **is expected to increase to 1.3 times FYE March 2021 levels by FYE March 2031 and 1.6 times FYE March 2021 levels by FYE March 2051,** due to regional growth rates and population trends. (*results of estimates when FYE March 2023 analysis was performed)
Impact analysis	Due to economic growth in each country and worldwide population growth under the 1.5° C scenario, and due to worldwide population growth under the 4°C scenario, **global E-scrap generation** in FYE March 2031 **will increase.** There is a risk of a decline in the grade of valuable metals in E-Scrap leading to a decrease in the amount recovered, and a risk of difficulties in collecting E-Scrap due to successive entries into the E-Scrap market by competitors and international moves to lock in resources. However, **increasing our recycling capacity** will increase our E-Scrap processing volume and provide an **opportunity to increase our sales.**

Metrics	E-Scrap processing capacity	Target	End of FYE March 2031 240,000t/year

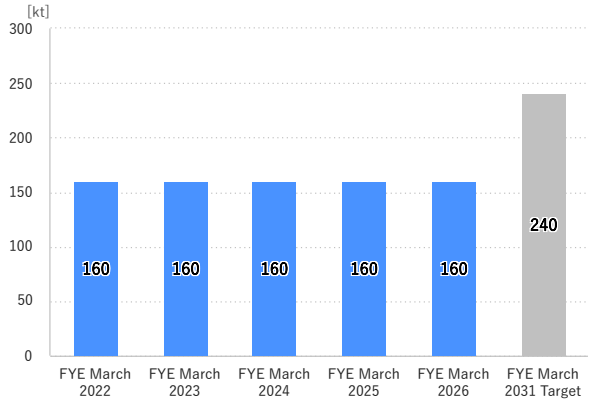
Future Strategy and Response Toward a 1.5°C World	• To meet the growing demand for recycling due to the increased amount of E-Scrap generated, enhance E-Scrap processing capacity by constructing a recycling yard and strengthening the system for efficiently recovering the trace elements in E-Scrap. • Enhance the functions of the Mitsubishi Materials E-Scrap EXchange (MEX) platform for E-Scrap trading to improve customer convenience and increase E-Scrap collection, thereby contributing to the creation of a recycling-oriented society.

Fiscal year ended March 2026 performance against target

E-Scrap processing capacity

E-scrap processing capacity in the fiscal year ending March 2026 remained unchanged from the fiscal year ended March 2021 level at 160,000 tons. Naoshima Smelter is scheduled to undertake capacity expansion work in the fiscal year ending March 2027.

E-Scrap processing capacity (kt/year)



Changes in Demand Related to Home Appliance Recycling (Resources Circulation Business)

● **【1.5°C,4°C】Opportunity factor: Increase in demand for home appliance recycling**

Anticipated world and business impact	**【1.5°C】A decrease in the processing weight of waste home appliances due to population decline in Japan** • In FYE March 2031, while the Japanese population will decline, the number of households will increase due to each household comprising fewer people. As a result, there will be an increase in the volume of home appliances owned. By FYE March 2051, however, further declines in the population will also reduce the outright number of households, and the volume of home appliances owned will decline accordingly. • As people become more energy efficiency-oriented in response to low-carbon regulations and rising fuel prices, replacement purchases of top tier items will increase in frequency. • The home appliance recovery rate will improve on the way to FYE March 2051 due to recycling regulations and other factors. **【4°C】Although the number of air conditioners owned is expected to increase due to rising temperatures, the processing weight of waste home appliances in Japan is projected to decline as a result of population decline** • With a lower birthrate than the 1.5° C scenario and further declines in the population and number of households in Japan, home appliance ownership will decline. • The frequency of air conditioner replacements will increase due to breakdowns caused by rising temperatures. • Replacements of home appliances will increase with the rise in wind and flood disasters both in FYE March 2031 and FY E March 2051.
Impact analysis	【1.5°C】The total processing weight of waste home appliances in Japan is estimated to **increase slightly by 0.35% in FYE March 2031 compared with FYE March 2021, and then decrease by 3.3% in FYE March 2051**, reflecting changes in the number of households, which affect appliance ownership, as well as an increase in collection rates driven by recycling regulations. 【4°C】Although the ownership rate of air conditioners is expected to increase due to rising temperatures, and replacement frequency is likely to rise due to failures and weather-related disasters, the total processing weight of waste home appliances in Japan is estimated to **decrease by 3.8% in FYE March 2031 and by 11.9% in FYE March 2051 compared with FYE March 2021**, due to population decline.

Metrics	Annual number of home appliances processed	Target	End of FYE March 2031 4.6 million units/year

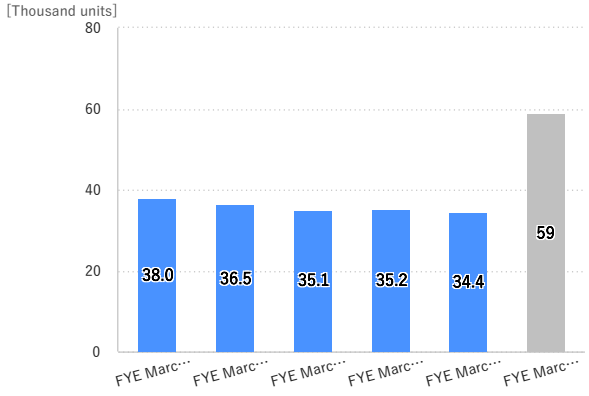
Future Strategy and Response Toward a 1.5°C World	• Contribute to building a recycling-oriented society by expanding business through M&A of existing plants and establishment of new recycling plants. • In addition to automation and labor saving, we will differentiate ourselves by strengthening management through a cloud-based operation management system, and visualizing environmental value through LCA evaluations.

Fiscal year ended March 2026 performance against target

Annual number of home appliances processed

In the fiscal year ended March 2026, the number of units received continued to trend downward overall, as it did in the previous fiscal year, but the total number of home appliances processed remained almost flat at 3.44 million units, partly reflecting the ongoing increase in the air conditioner recovery rate.

Annual number of home appliances processed (thousand units/year)

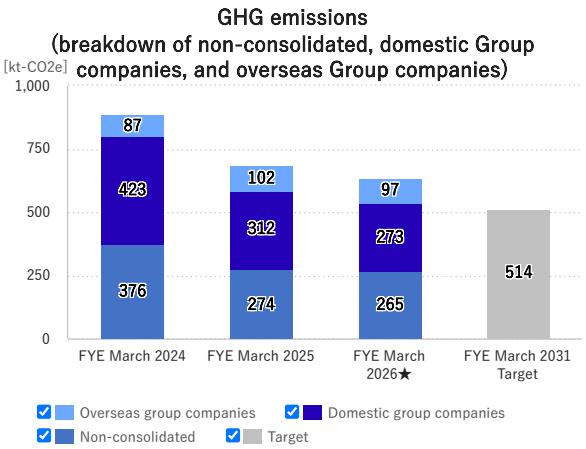


GHG Emission Results and Initiatives

FYE March 2026 GHG Reduction Activities

GHG emissions (breakdown of non-consolidated, domestic Group companies, and overseas Group companies)

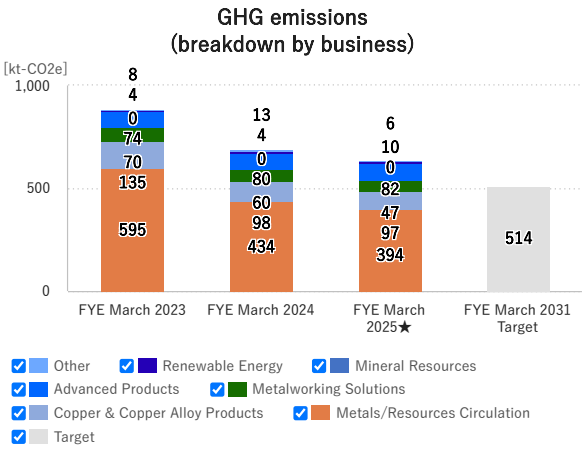
The GHG emissions (Scope 1 + 2) for the entire Group in the fiscal year ended March 2026 were 636 thousand t-CO_2e★. As a result of the switch to electricity derived from renewable energy sources, GHG emissions decreased by 53 thousand t-CO_2e from the fiscal year ended March 2025.
The breakdown of GHG emissions was 42% by the parent company, 43% by domestic Group companies, and 15% by overseas Group companies.



* GHG emissions excluding those from the use of recycled resources.
* The fiscal year ending March 2031 target represents a 47% reduction from the fiscal year ended March 2021 emissions recalculated to cover the Company and its major consolidated subsidiaries as of March 31, 2026.
* GHG gas emissions for the fiscal year ended March 2026 cover the Company and 77 Group companies; greenhouse gas emissions for the fiscal year ended March 2025 cover the Company and 84 Group companies; and greenhouse gas emissions for the fiscal year ended March 2024 cover the Company and 83 Group companies.

GHG emissions (breakdown by business)

In the fiscal year ended March 2026, GHG emissions by business segment were 55% in Metals business, 14% in Metalworking Solutions business, 28% in Advanced Products business, and 3% in Other business.



* GHG emissions excluding those from the use of recycled resources.
* The fiscal year ending March 2031 target represents a 47% reduction from the fiscal year ended March 2021 emissions recalculated to cover the Company and its major consolidated subsidiaries as of March 31, 2026.
* GHG gas emissions for the fiscal year ended March 2026 cover the Company and 77 Group companies; greenhouse gas emissions for the fiscal year ended March 2025 cover the Company and 84 Group companies; and greenhouse gas emissions for the fiscal year ended March 2024 cover the Company and 83 Group companies

Breakdown of Total Emissions for FYE March 2026 [kt-CO_2e]

Total GHG emissions for the fiscal year ended March 2026 were 1,056 thousand t-CO_2e★, including 420 thousand t-CO_2e of GHG emissions from resource circulation initiatives.
GHG emissions from energy sources accounted for 24% of total GHG emissions, and GHG emissions from resource circulation initiatives accounted for 40%.

Category		Non-consolidated	Domestic Group companies	Overseas Group companies	Total
Scope 1	From energy sources (fuel, etc.)	100	131	26	256
	From non-energy sources	37	67	0	103
	GHG emissions from resource recycling efforts	162	258	0	420
	Scope 1 total	287	456	26	★780
Scope 2		129	76	72	★276
Total		427	532	98	★1,056

* "Group companies" includes 77 consolidated subsidiaries (25 domestic, 52 overseas).
* As emission factors, the adjusted emission factor of power companies was used for power in Japan, the emission factor published by the International Energy Agency (IEA) was used for power in other countries, and values based on the Act on Promotion of Global Warming Countermeasures were used for fuels and steam.
* Scope 2 (Indirect) emissions are market-based emissions. Location-based Scope 2 emissions are 312 kt-CO_2e.

Scope 3 Emissions for FYE March 2026 [kt-CO_2e]

Item		Object	Non-consolidated	Group	Total	Approach to determining the amount of activity
Category 1	Purchased goods and services	Same as organizations covered by environmental data other than greenhouse gas emissions	807	1,698	2,505	The use of raw materials accepted from outside the Group (excluding waste as raw materials and by-products as raw materials) and water intake in terms of physical quantity
Category 2	Capital goods	Same as consolidated financial statements	92	107	199	Capital expenditure in the reportable fiscal year
Category 3	Fuel and energy-related activities not included in Scopes 1 and 2	Same as organizations covered by data on greenhouse gas emissions	57	62	118	Fuel consumption by type and volume of electric power and steam purchased from outside the Group
Category 4	Upstream Transportation and Distribution	Same as organizations covered by environmental data other than greenhouse gas emissions	291	390	681	1) Emissions from the physical distribution of products and services, which were purchased in the reportable fiscal year, from suppliers to the company ・A transportation scenario was set for each major raw material (excluding waste as raw materials and by-products as raw materials). ・Distances between countries were set using the IDEA database on distances between countries, and other distances were set using a distance search site (with distance given by an in-house Company in a questionnaire adopted in some cases). 2) Emissions from the physical distribution of products that were shipped and transported in the reportable fiscal year at the expense of the company ・A transportation scenario was set for each major shipped product. ・Distances between countries were set using the IDEA database on distances between countries, and other distances were set using a distance search site.
Category 5	Waste generated from operations	Same as organizations covered by environmental data other than greenhouse gas emissions	3	44	47	The amount of industrial waste (waste recycled into resources and landfilled waste) was included.
Category 6	Business Travel	Consolidated	1	2	2	For non-consolidated the number of employees at each base (plants and offices). For consolidated subsidiaries, the number of employees of each in-house Company from human resources information given in the securities report.

Item		Object	Non-consolidated	Group	Total	Approach to determining the amount of activity
Category 7	Employee commuting	Consolidated	2	5	6	For Mitsubishi Materials (non-consolidated), the number of employees at each base (plants and offices) was used for the calculation. For consolidated subsidiaries, the number of employees of each in-house company from human resources information given in the securities report was used for the calculation.
Category 8	Upstream Leased Assets	—	—	—	—	While there are leased assets, they were excluded from the calculation because they are included in Scope 1 and Scope 2.
Category 9	Downstream Transportation and Distribution	Same as organizations covered by environmental data other than greenhouse gas emissions	24	38	62	Emissions from physical distribution of products that were shipped and transported to sales destinations at the expense of other companies Transportation from sales destinations to final consumers was excluded. Distances between countries were set by using the IDEA database on distances between countries, and other distances were set by using a distance search site (with the distance given by an in-house company in a questionnaire adopted in some cases).
Category 10	Processing of sold products	Same as organizations covered by environmental data other than greenhouse gas emissions	149	250	398	For products sold, the value for the amount of products shipped by each in-house Company to companies other than group companies was regarded as the value for the amount of activity. Emissions from processing were calculated by setting the primary processing assumed for each product.
Category 11	Use of sold products	—	—	—	—	Products sold were excluded from the calculation because they are materials and parts that are used by a wide range of users and it is therefore difficult to follow their paths to final products.
Category 12	End-of-Life Treatment of Sold Products	Same as organizations covered by environmental data other than greenhouse gas emissions	2	3	5	For products sold, the value for the amount of products shipped by each in-house Company to companies other than Group companies was regarded as the value for the amount of activity. Emissions from disposal were calculated by setting a disposal method assumed for each product.
Category 13	Downstream Leased Assets	—	—	—	—	Leased assets were excluded because virtually no such asset is owned.
Category 14	Franchises	—	—	—	—	Franchising business was excluded because the company does not operate such a business.
Category 15	Investments	Affiliates accounted for by the equity method	5,410	0	5,410	Scope 1 + 2 emissions and share of Scope 1 + 2 emissions of equity method affiliates in the reporting year
Total			★7,220	2,598	★9,818	

* Raw material procurement, transportation, and product shipment scenarios were set based on the fiscal year ended March 2025 results.
* The calculation was made by referring to the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.8 from the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Greenhouse gas emissions per unit was calculated by referring to the emission intensity database for calculating greenhouse gas emissions of an organization through the supply chain (Ver. 3.6) and National Institute of Advanced Industrial Science and Technology IDEA Ver. 4.0 from the above ministries.
* Scope 3 emissions for the fiscal year ended March 2026 reflect data on Mitsubishi Materials Corporation and 77 consolidated subsidiaries as of March 31, 2026.

Principal Initiatives at Each Business

We regard it as a top priority to save energy wherever possible at our manufacturing facilities and plants. That is why we are so committed to energy saving activities. Specific activities include switching fuels, making effective use of untapped energy, upgrading processes and equipment, installing high-efficiency equipment, optimizing device specifications, and reviewing equipment controls and operating practices. We are constantly working to save energy at smaller facilities, too, including Head Office, branches, sales offices and research facilities, through measures such as installing LED lighting.

Initiatives for Climate Change for Supplier Engagement

We have set a reduction target for Scope 3 (Categories 1, 3, and 15) GHG emissions of 22% below the fiscal year ended March 2021 level by the fiscal year ending March 2031. We are also progressively calculating Carbon Footprint of Products (CFP) and will work to reduce them going forward. To achieve these targets, it is important to promote GHG emissions reductions not only from our own operations but also throughout the entire supply chain. We are building relationships with our suppliers to reduce GHG emissions throughout our supply chain. Specifically, we send questionnaires to copper concentrate suppliers associated with Category 1, which accounted for approximately 24% of our Scope 3 emissions in the fiscal year ended March 2025. Based on publicly available reports, the questionnaires cover the suppliers' initiatives to address global environmental issues, their GHG emissions reduction targets and plans, and their approaches to biodiversity. Through receiving their responses and engaging in two-way communication, we identify relevant issues and areas for improvement.

For more information on our efforts with suppliers in procurement through the Logistics and Materials Division, please refer to "Supply Chain Management ."

TOPICS

Initiatives for Scope 3 Emissions Reduction
MUCC's Efforts Towards Carbon Neutrality

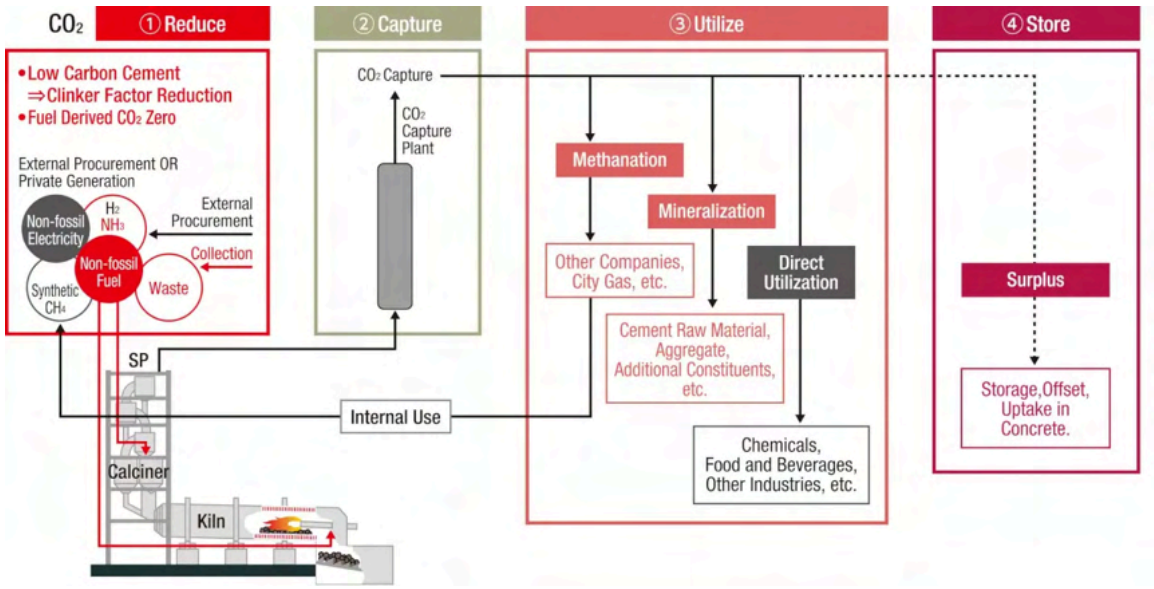
Mitsubishi UBE Cement Corporation (MUCC) is an equity method affiliate, and the Company counts and reports 50% (shareholding ratio of MUCC) of MUCC's Scope 1 and 2 emissions as the Group's Scope 3 category 15 emissions. As these emissions account for approximately 60% of Scope 3 emissions (as of the fiscal year ended March 2021), reducing MUCC's emissions will contribute significantly to the Group's Scope 3 emissions reduction. MUCC has set the "promotion of global warming countermeasures" as one of its top priorities in its Medium-term Management Strategy, "Infinity with Will 2025: MUCC Sustainable Plan 1st Step," announced in April 2023. Under this strategy, MUCC is taking a variety of steps to achieve carbon neutrality by 2050 with the intermediate goal of reducing CO_2 emissions by 40% by 2030 (compared to 2013 levels).

Regarding the reduction of CO_2, MUCC has jointly developed an eco-friendly concrete that substitutes approximately 80% of the cement with blast-furnace slag with Shimizu Corporation. MUCC has now obtained certification from the Minister of Land, Infrastructure, Transport and Tourism, and is planning construction. In addition, in January 2025, MUCC commenced the world's first commercial-scale demonstration test of ammonia co-firing in the cement manufacturing process. In August 2025, MUCC, Osaka Gas Co., Ltd., Daigas Energy Co., Ltd., and Saibu Gas Co., Ltd. successfully conducted a joint demonstration test of natural gas co-firing as a thermal energy source for a cement kiln of MUCC's Kyushu Plant Kurosaki District. Using a newly developed natural gas co-firing burner, 40% of the coal used in the cement kiln was substituted with natural gas. Operation on a commercial scale confirmed no issues in terms of operational stability or product quality, and no environmental hazards were identified. This was Japan's first attempt at using natural gas in a cement kiln in commercial operation, marking an important step toward becoming a low-carbon society. Switching to natural gas, a low-carbon energy source, at an earlier stage is under consideration, in order to reduce CO_2 emissions during cement production. In the future, MUCC will also work on transitioning from natural gas to e-methane[*7].

Regarding the utilization of CO_2, MUCC, in collaboration with Kitakyushu City, will conduct demonstration testing for a series of local production for local consumption model projects for use in the city. In these projects, MUCC will produce carbon recycling materials such as CO_2-fixed recycled aggregate, base materials, and carbonate artificial sand on a demonstration scale by causing a reaction between CO_2 emitted from cement plants and waste materials such as waste concrete or by-products emitted from chemical plants and steel mills, which are available nearby. Regarding carbonate artificial sand, MUCC has developed GX-e Beads™, a carbon-negative fine aggregate that fixes CO_2 and is suitable for use in standard-strength concrete, employing it to carry out trial manufacture and test construction of interlocking blocks. In addition, MUCC has signed an investment and collaboration agreement with Australian start-up MCi Carbon Pty Ltd. (MCi), and a tripartite memorandum of understanding with MCi and ITOCHU Corporation to transform MUCC into a low-carbon business by utilizing MCi's mineral carbonation technology, and to consider development and business models for the resulting mineral carbonation products.

Regarding the storage of CO_2, MUCC has been commissioned for JOGMEC's Advanced CCS Joint Feasibility Study for the Southern Malay Peninsula Offshore CCS Project, with the aim of making the cement manufacturing process carbon neutral. MUCC has conducted a feasibility study to establish a value chain encompassing CO_2 separation, capture and underground storage, and has also initiated a joint study on carbon dioxide capture, utilization and storage (CCUS) with Osaka Gas Co., Ltd.

In order to reduce Scope 3 emissions, the Company will set up regular opportunities for dialogue to continue sharing information on the status of its efforts.



*7 E-methane is a synthetic methane produced from CO_2 and hydrogen derived from renewable energy sources. Since burning e-methane does not result in a net increase of CO_2 in the atmosphere, it is gaining attention as an energy source that contributes to achieving carbon neutrality.

TOPICS

Significantly Accelerating the Switch to Electricity Derived from Renewable Sources at Sites in the Metals Business - Fully introduced at 80% of the sites in FYE March 2025 –

We have set a new GHG emissions reduction target (Scope 1 + 2) of 47% from levels of the fiscal year ended March 2021 by the fiscal year ending March 2031. This target excludes GHG emissions from resource recycling efforts. To achieve this goal, we are promoting energy saving and shifting to fuels that contribute to CO_2 emissions reduction, as well as switching to electricity derived from renewable sources.
Electricity-origin emissions account for 38% (as of FYE March 2021) of the Group's total GHG emissions (excluding GHG emissions from resource recycling efforts). The Metals business, which accounts for approximately 60% of the Group's domestic electricity consumption, has further accelerated the switch to electricity derived from renewable energy sources for its purchased electricity, completing the switch at 80% of its sites in the fiscal year ended March 2025. It also plans to complete the 100% switch at the Naoshima Smelter & Refinery and Onahama Smelter & Refinery in the fiscal year ending March 2029.

Logistics Initiatives

CO_2 emissions from transportation in the fiscal year ended March 2026 were 18,359 tons (down 187 tons from the fiscal year ended March 2025) on a non-consolidated basis and 5,110 tons (down 648 tons from the fiscal year ended March 2025) for Group companies. The total CO_2 emissions of the parent Company and Group companies amounted to 23,469 tons (down 835 tons from the fiscal year ended March 2025). Unit energy consumption* for the parent Company was 21.12 kℓ/million ton-kilometer (improvement approximately 3.7% from the fiscal year ended March 2025), while the combined total of the parent Company and Group companies was 23.13 kℓ/million ton-kilometer (improvement approximately 11.3% from the fiscal year ended March 2025). We will continue to strive to save energy in transportation by promoting modal shifts and improving loading rates, and through Group-wide logistics optimization, we aim to build a logistics system that reduces environmental impact through the use of non-fossil energy.

CO_2 Emissions According to Mode of Transport (Unit: Tons CO_2)

			FYE March 2025			FYE March 2026		
			Mitsubishi Materials	Group companies	Total	Mitsubishi Materials	Group companies	Total
CO_2 emissions from logistics	Total		18,546	5,758	24,304	18,359	5,110	23,469
	Breakdown	Trucks	11,392	3,380	14,772	10,441	3,262	13,703
		Ships	7,103	2,374	9,477	7,854	1,845	9,699
		Rail	4	4	8	16	3	19
		Air	47	0	47	48	0	48

* Value obtained by converting energy consumption into crude oil (kℓ) and dividing it by transportation in ton-kilometers (million ton-kilometers)

Initiatives to Build a Decarbonized Society

Products and Services that Contribute to Building a Decarbonized Society

For the Group, tackling climate change has been one of its most important management issues for building a decarbonized society. Reflecting this, the Group has been approaching manufacturing with a view to reducing the environmental impact and has developed and promoted the use of renewable sources of energy, such as geothermal energy.

TOPICS

Pilot Plant Testing Has Begun for the Establishment of Lithium-Ion Battery Recycling Technology - Next Step to Commercialization of Rare Metal Refining from Black Mass –

Rare metals such as lithium, cobalt, and nickel, which are the materials used in LIBs, are expected to be in short supply in the near future, making them an important issue for growth strategies in the industry as a whole. To address the issue, in addition to the development of underground resources, measures are being taken to recycle materials and to develop alternative materials.
We have been developing technologies through small-scale tests to commercialize the recovery and refinement of rare metals such as lithium, cobalt, and nickel from Black Mass *8. We are also conducting further technological development toward the commercialization of high-efficiency recovery of rare metals from Black Mass at a pilot plant constructed within the Onahama Smelter & Refinery of Onahama Smelting and Refining Co., Ltd. in Iwaki City, Fukushima Prefecture.

Overview of the Pilot Plant

Raw materials：LIB derived Black Mass
Products：Battery-grade lithium carbonate, nickel sulfate, cobalt sulfate
Commencement of operation：2026

*8 Concentrated residue of lithium, cobalt and nickel sorted from LIBs that have been discharged, dried and crushed.

> News Release
Construction of a Pilot Plant for the Establishment of Lithium-Ion Battery Recycling Technology
- Next Step to Commercialization of Rare Metal Refining from Black Mass –

TOPICS

R&D on Recycling Used Cables Generated by Railroad Operations to Begin on April 1
- Aiming to establish a system for reducing waste by recycling copper and coating materials –

The four parties—Tohoku University (“Tohoku University”), Tokyu Corporation (“Tokyu”), Tokyu Railways Co., Ltd. (“Tokyu Railways”) and Mitsubishi Materials Corporation (“MMC”)—will commence research and development on the recycling of used cables generated by railroad operations (“R&D”) on Tuesday, April 1, 2025. This R&D has been selected for the FY2025 Environment Research and Technology Development Fund of the Environmental Restoration and Conservation Agency (ERCA) and will be carried out over three years, concluding in March 2028.

This R&D project uses cables from electrical facilities and signal cables along the tracks of Tokyu Railways, which are currently disposed of, as model cables to develop a combined plastic swelling and ball milling method (“Technology”) for separating the cables into copper wires and coating materials. This Technology applies the separation principle of plastic swelling followed by separation through moderate impact from ball milling*9, a method that Tohoku University has pioneered and developed in collaboration with MMC. While the cables used in this project have excellent strength to withstand the harsh conditions typical of railroads, the coated wires are thin. Existing coated wire treatment technologies make it difficult to separately sort copper wire and the coating materials to a high purity. As a result, the materials that can be recovered as recyclable resources from used cables are limited. Tokyu Railways generates an average of approximately 10 tons of such used cables per year. We aim to recycle the copper wires and coating materials recovered using this Technology into recycled cables for use in the railroad industry, including Tokyu Railways. Furthermore, we will evaluate the ripple effects on the railroad industry in the future by quantifying the CO_2 emission reductions and economic benefits brought about by recycling.

This R&D has been made possible through the collaboration of four parties: Tohoku University, which has pioneered the research and technological development of the combined plastic swelling and ball milling method for coated wires; Tokyu, which formulated its Environmental Vision 2030 in March 2022 to realize a decarbonized and recycling-based society and tackles waste reduction by 10% by 2030; Tokyu Railways, which aims to solve environmental and social issues through activities including new value creation and contribution leveraging its business characteristics to realize a decarbonized and recycling-based society through its railroad business; and MMC, which has advanced smelting and recycling technologies for copper and other nonferrous metals.
Through this R&D, cables from the railroad industry will be made recyclable as recycled cables, which can be applied not only to the railroad industry but also potentially to other industries in the future. Through this effort, we aim to establish a system that reduces and recycles waste as much as possible.

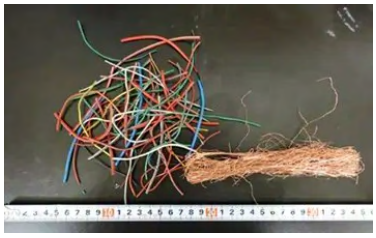
*9 Separating principle of the combined plastic swelling and ball milling method involves immersing cables in an organic solvent, which causes the coating materials to expand (swell). Impacting the cables in this state with small metal balls or balls made of other materials allows for the separation of copper wires and the coating materials without damaging them. This process is called the “combined plastic swelling and ball milling method.”



▲Signal cables placed along a track



▲Separation of coating materials swollen by an organic solvent



▲Copper wires and coating materials after separation by the combined plastic swelling and ball milling method

> News Release
R&D on Recycling Used Cables Generated by Railroad Operations to Begin on April 1
- Aiming to establish a system for reducing waste by recycling copper and coating materials –

TOPICS

Mitsubishi Materials Identifies Dopants that Improve Visible-Light Photocatalyst Performance Using Materials Informatics

Mitsubishi Materials Corporation ("MMC") announces that its Materials Informatics (MI) technology has been used to identify dopant elements that enhance the performance of a newly developed visible-light-responsive photocatalyst. The work, conducted through a collaboration with the Mitsubishi Materials Sustainability Innovation Collaborative Research Cluster Project in Institute of Science Tokyo, has been published in the Journal of the American Chemical Society.

* The MI-based screening process enabled the rapid selection of promising dopant candidates from a broad set of elements. Materials synthesized by the Institute of Science Tokyo using these candidates demonstrated improved hydrogen generation from water under visible-light irradiation.

The results indicate the utility of MI in reducing the time required for materials discovery and optimization. The technology is expected to support future development of artificial photosynthesis systems and hydrogen-related applications.
More details can be found on the Institute of Science Tokyo website:

› News Release
How materials informatics aids photocatalyst design for hydrogen production

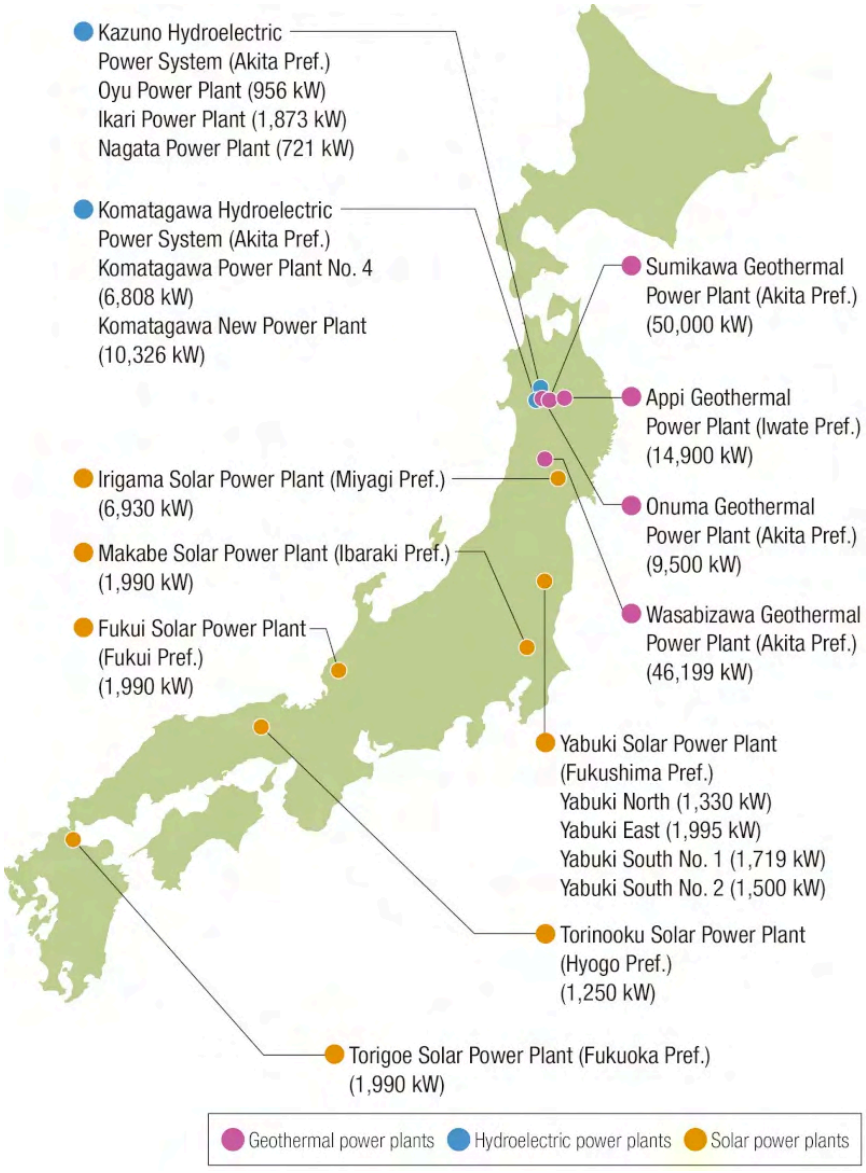
MMC will continue to integrate MI and digital technologies into its R&D framework and expand collaboration with academic institutions to accelerate materials development.

Renewable Energy Development Initiatives

- Producing Renewable Energy
- Ground Source Heat Pump Systems (GSHP)
- Carbon Capture and Storage (CCS)
- Introduction of Renewable Energy at Mines in Which We Invest

Producing Renewable Energy

We have been developing renewable energy sources by leveraging our long-accumulated expertise and knowledge in underground resources. To date, we have been promoting the creation of renewable energy sources, mainly geothermal and hydroelectric power generation, in order to provide a stable supply of energy with minimal environmental impact, utilizing the expertise we have accumulated.



Geothermal Power Generation Business

Activities for the Stable Operation of Existing Power Plants

We generate stable and clean electric power through the power plants we maintain, including the Onuma Geothermal Plant and Sumikawa Geothermal Power Station (steam supply only, power generated by Tohoku Sustainable & Renewable Energy Co. Inc.), both in the Hachimantai area of Kazuno, Akita prefecture, and the Wasabizawa Geothermal Power Plant in the Takamatsu and Akinomiya areas of Yuzawa, Akita Prefecture and the Appi Geothermal Power Plant in Hachimantai, Iwate Prefecture (both joint ventures by Mitsubishi Materials Corporation, Electric Power Development Co., Ltd., and Mitsubishi Gas Chemical Company, Inc.). In the fiscal year ended March 2026, we generated a total of 596 GWh of power by geothermal power plants (including 329 GWh from plants in which we have equity stake, etc.). The operation of our geothermal plants and steam supply systems effectively reduced CO_2 emissions by approx. 132,000 tons (calculated based on emissions from Sumikawa Geothermal Power Station of Tohoku Sustainable & Renewable Energy Co. Inc., our equity stake in Wasabizawa Geothermal Power Plant of Yuzawa Geothermal Power Corporation, and our equity stake in Appi Geothermal Power Plant of Appi Geothermal Energy Corporation).

In geothermal power generation, it is important to understand the unseen underground conditions to ensure a continuous and stable supply of steam. We will continue to monitor the underground conditions through detailed verification of data since the start of operation and reanalysis of the geological structure in order to improve the amount of electricity generated and continue stable operations at the site.

Activities for New Geothermal Development

In addition to the geothermal power plants described above, we are also pursuing new geothermal development projects. We launched a survey to quantify the geothermal resources in the Komonomori area (Kazuno City, Akita Prefecture) in 2021, followed by a survey in the upstream area of the Appi River (Hachimantai City, Iwate Prefecture) in 2022. In addition, we commenced a geothermal resource survey in the Southern Shikabe Area (Kayabe District, Hokkaido) in 2025. We will continue advancing new geothermal development projects with the support of the Japan Organization for Metals and Energy Security(JOGMEC).



Wasabizawa Geothermal Power Plant (Akita prefecture)
Main business operator: Yuzawa Geothermal Corporation
Operation commenced in May 2019
Output: 46,199kW



Appi Geothermal Power Plant (Iwate prefecture)
Main business operator: Appi Geothermal Energy Corporation
Operation commenced in March 2024
Output: 14,900kW

TOPICS

Started Commercial Operation of the Appi Geothermal Power Plant - Joint venture project by three companies following the Wasabizawa Geothermal Power Plant –

Appi Geothermal Energy Corporation, which is a joint venture company formed by Mitsubishi Materials Corporation, Mitsubishi Gas Chemical Company Inc., and Electric Power Development Co., Ltd., started commercial operation of the Appi Geothermal Power Plant.
The Appi Geothermal Power Plant is located at an altitude of approximately 1,130 meters and operates at an output capacity of 14,900 kW utilizing promising geothermal resources in the Hachimantai region of Iwate Prefecture. This was the first time in 28 years that a geothermal power plant with an output of over 10,000 kW has operated in Iwate Prefecture. All the electricity generated will be supplied to society under the Feed-In Tariff (FIT) system for renewable energy.
This project is supported by JOGMEC through its debt guarantee program for geothermal resource development funding.
We will contribute to the expansion of the use of renewable energy through the stable operation of the Appi Geothermal Power Plant.



Appi Geothermal Power Plant



Location

› News Release
Started Commercial Operation of the Appi Geothermal Power Plant
- Joint venture project by three companies following the Wasabizawa Geothermal Power Plant –

Hydroelectric Power Generation Businesses

We have a long history of generating hydroelectric power, dating back to 1898, when we built some hydroelectric power plants in Akita prefecture, for the purpose of supplying enough power to run Osarizawa Mine (opened as a gold mine, later operated as a copper mine, closed in 1978). One of these sites was compensated for flooding due to dam construction in 2000. Following the integration of two sites in 2022, five sites are currently operational, selling all generated electricity to power companies. Since 2014, equipment upgrades at three sites have been successfully completed as countermeasures against aging facilities. In March 2018, the equipment upgrade at the Oyu Power Plant (Kazuno City, Akita prefecture) was finalized. Furthermore, in May 2019, construction began on the Komatagawa New Power Plant in the Komatagawa River system, Kitaakita City, Akita Prefecture. This was the first new hydroelectric power plant in the area since the Komatagawa No. 4 Power Plant was completed in 1953. In December 2022, the Komatagawa New Power Plant began operation, and since the fiscal year ended March 2022, we have been conducting investigations in multiple places, with the goal of constructing new small-scale hydropower plants with an output of around 1,000 kW each. All of the power generated is sold to a power company. In the fiscal year ended March 2026, the combined total of power generated by all five hydroelectric power plants was 110 GWh. Our operation of hydroelectric power plants effectively reduced CO_2 emissions by approx. 46,000 tons.



Komatagawa New Power Plant (Akita prefecture)
Main business operator: Mitsubishi Materials Corporation
Operation commenced in December 2022
Output: 10,326kW

Solar Power Businesses

Since 2013 we have been working on a new solar power business, making effective use of idle Group land. By 2017 we had built power plants in five locations as part of a joint venture with Mitsubishi HC Capital Inc. We are currently operating plants in Makabe (Sakuragawa City, Ibaraki prefecture), Fukui (Fukui City, Fukui prefecture), Torigoe (Miyako District, Fukuoka prefecture), Irigama (Kurihara City, Miyagi prefecture), and Yabuki (Nishishirakawa District, Fukushima prefecture). Since 2025, we have also been operating the Torinooku Solar Power Plant (Asago City, Hyogo Prefecture). In the fiscal year ended March 2026, the combined total of power generated by solar power plants was 28 GWh (including 14 GWh from power plants in which we have equity stakes). The operation of these power plants (in which we have equity stakes) effectively reduced CO_2 emissions by approx. 6,000 tons.



Irigama Solar Power Station (Miyagi prefecture)
Main business operator: LM Sun Power Co., Ltd.
Operation commenced in January 2015
Output: 6,930kW

TOPICS

Started Commercial Operation of the Torinooku Solar Power Plant
– First self-consignment solar power plant for accelerating decarbonization through the supply of remotely generated electricity to our own plant –

We commenced commercial operation of the Torinooku Solar Power Plant on November 1, 2025. The Torinooku Solar Power Plant is located in Asago City, Hyogo Prefecture, and was developed by making effective use of a waste rock dump, the former Akenobe Mine, which is owned by our Group. The electricity generated at the Torinooku Solar Power Plant is supplied to the Akashi Plant (Akashi City, Hyogo Prefecture), a cutting tool manufacturing base, using a self-consignment system. As a result, part of our electricity consumption at the plant can be covered by renewable energy generated in-house.

* Electricity generated at a remote in-house facility is supplied to our plant or another site via the power company's transmission and distribution network.



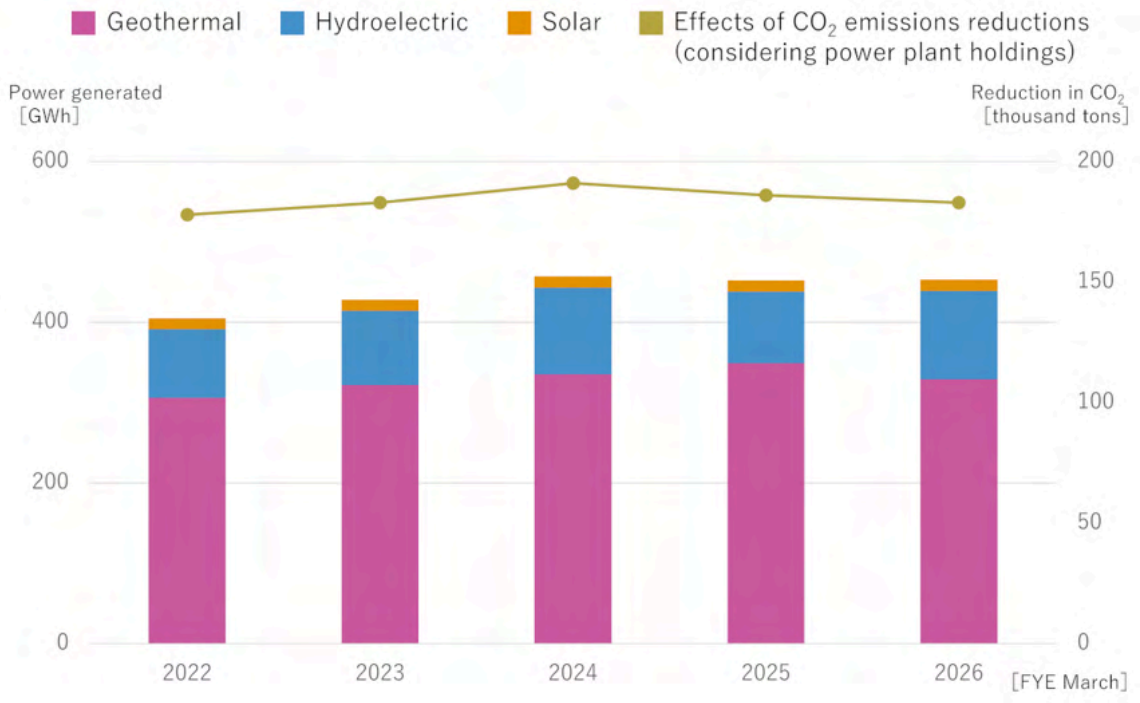
Torinooku Solar Power Plant (Hyogo prefecture)
Main business operator: Mitsubishi Materials Corporation
Operation commenced in November 2025
Output: 1,250kW

› News Release
Started Commercial Operation of the Torinooku Solar Power Plant
– First self-consignment solar power plant for accelerating decarbonization through the supply of remotely generated electricity to our own plant –

* This information is available only in Japanese on the website.

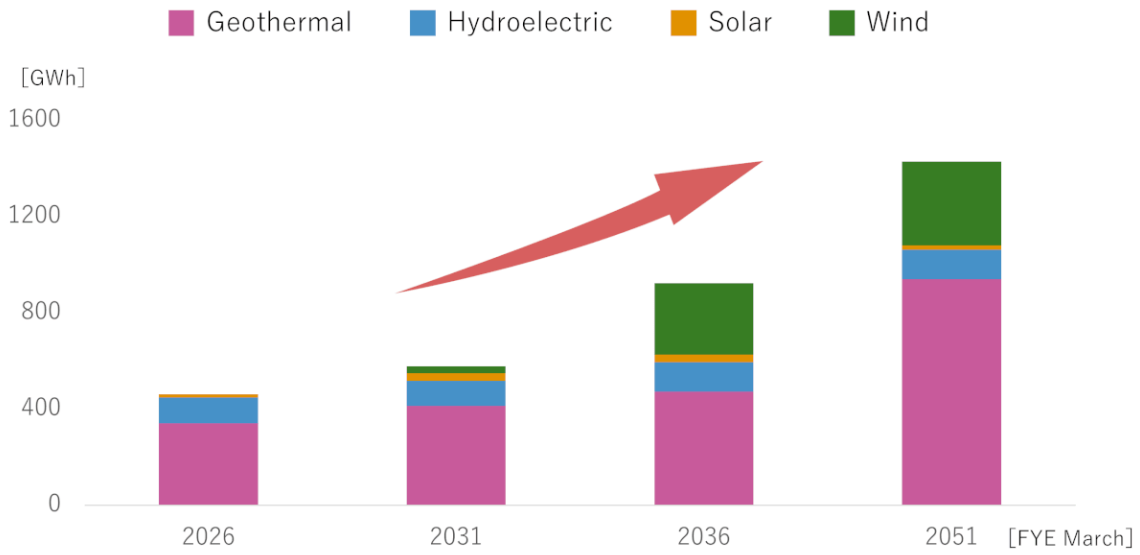
Renewable Energy's Effect on the Reduction of CO_2 Emissions

Reduction in CO_2 Emissions Using Renewable Energy (reflecting our equity in power plants)



* Recalculated based on the CO_2 emission factor for commercial electric power defined by the Ministry of the Environment

Renewable Energy Power Generation Targets and Results



* Steam supply to geothermal power plants (steam sales converted by electric energy volume)

Ground Source Heat Pump Systems (GSHP)

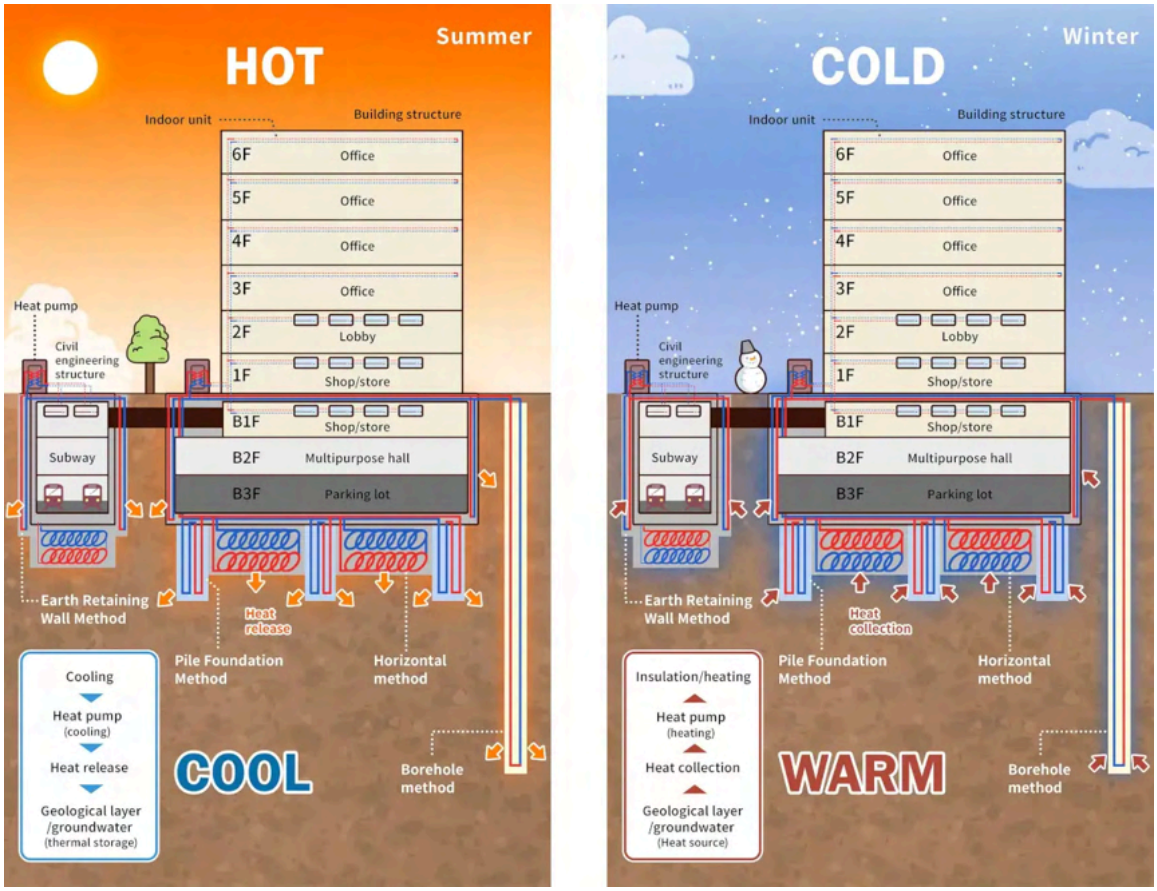
Helping to Build a Decarbonized Society by Promoting Ground Source Heat Utilization, Which is Renewable Energy Heat.

In 2000, Mitsubishi Materials Techno Corporation entered the business of ground-source heat, which is heat from a renewable energy source, as a provider of total engineering solutions. The company has been providing services in the process from project proposal through investigation, design, and construction.
The company has continued its R&D efforts and acquired patented technologies through projects commissioned by the government and others, aiming to become the No.1 company in ground-source heat technologies. As a result, the company has succeeded in building infrastructure using ground-source heat by developing commercial systems with various heat exchange methods, including not only the common borehole method but also its patented foundation pile method as well as horizontal and earth retaining wall methods. At present, Mitsubishi Materials Techno Corporation is promoting sales of these technologies as systems for using ground-source heat utilized through urban infrastructure, aiming to contribute to urban development in the future.

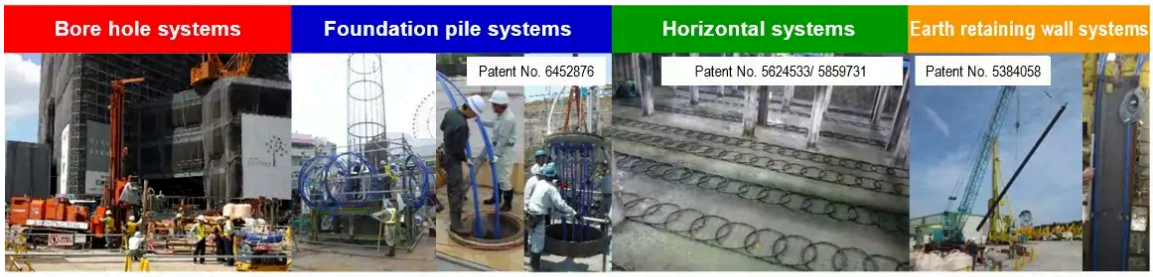
Approx. 140 systems from the company have been installed. Since 2020, the large-scale utilization of ground-source heat has been increasing. For example, the company completed one of the largest projects in Japan, which combines the borehole method (100 m in depth x 120 boreholes) and the horizontal method (nine units x approx. 100 m long trenches), at a city hospital in Hachimantai. It also completed one of the largest projects in the Tokyo metropolitan area, which applied the foundation pile method (66 cast-in-place piles) at the Yokohama City Hall. In May 2022, Mitsubishi Materials Techno Corporation, the Yokohama City Government, Takenaka Corporation, and other companies received the 60th Gakkai-sho Gijutsu-sho (academic society award and technology award) in the building equipment category from the Society of Heating, Air-Conditioning and Sanitary Engineers of Japan for the implementation of the Yokohama City Hall environmental and facility plans. In addition, the ground source heat pump system using urban infrastructure also won the New Energy Award 2024 (Minister of Economy, Trade and Industry Award) in January 2025.
The company will continue to help establish a decarbonized society by expanding the use of ground-source heat as renewable energy.

› Ground Heat Pump System（Mitsubishi Materials Techno Corporation）

Overview of the System for Using Ground-Source Heat Utilized through Urban Infrastructure



Heat Exchange Systems and Examples of Projects Which Adopted Them



Heat supply to
the Tokyo Skytree District
Sonic drill method
Japan's first district heating and cooling system (DHC)

Adopted for use in more than 20 projects
Compatible with cast-in-place piles, precast concrete piles, and steel pipe piles as well

Quadruple tracking project of Odakyu Electric Railway
The first adoption of this technology for a railway tunnel project in Japan
Technological Development Projects for Global Warming Countermeasures Scheme by the Ministry of the Environment
(FY2011 to FY2012, FY2012 to FY2014)

NEDO project for developing technologies for using renewable energy
(FY2016 to FY2019)

Carbon Capture and Storage (CCS)

Toward Carbon Capture and Storage (CCS)

Concerning carbon dioxide capture and storage, we invested in Japan CCS Co., Ltd., which was established in May 2008. Through Japan CCS, we are participating in the Large-scale CCS Demonstration Project in Tomakomai and Investigation of Potential Sites for CO_2 Storage. Regarding carbon dioxide capture and utilization.
In addition, the company is promoting initiatives such as CO_2 storage site assessments and demonstration projects for CO_2 transportation by ship. It is also engaged in examining technical standards and regulatory frameworks needed for the social implementation of CCUS, as well as collecting and disseminating information both domestically and internationally. Through these activities, the company contributes to reducing greenhouse gas emissions and realizing a carbon-neutral society.

About CCS (Carbon Capture and Storage)

CCS is a technology that separates and captures CO_2 emissions from industrial facilities such as factories and power plants, and injects them into stable deep underground geological formations for long-term storage. The captured CO_2 is transported to storage sites via pipelines, ships, or other means and is safely contained within subsurface reservoirs. By preventing CO_2 from being released into the atmosphere, CCS complements the decarbonization of industrial sectors where emissions are difficult to reduce through renewable energy and energy efficiency measures alone. After injection, the condition of the stored CO_2 and the surrounding environment are continuously monitored to verify safety. CCS is an important technology that supports both industrial activity and a stable energy supply while reducing environmental impact, thereby contributing to the achievement of carbon neutrality.

Introduction of Renewable Energy at Mines in Which We Invest

Mantoverde Mine

Since 2024, 100% of the electricity used at the Mantoverde Mine has been matched with renewable electricity through the purchase and retirement of International Renewable Energy Certificates, or I-RECs.
As a result, its market-based Scope 2 greenhouse gas emissions have been reduced to zero. The mine is also working to improve energy efficiency through initiatives including the implementation of advanced process control systems and the electrification of vehicles.

Los Pelambres Mine

The Los Pelambres Mine sources 100% of the electricity it uses from renewable energy through power supply agreements. The mine is also implementing energy efficiency initiatives and continues to pilot electrification and emissions reduction technologies.

Escondida Mine

The Escondida Mine sources 100% of the electricity it uses from renewable energy through renewable power purchase agreements. The mine is also working to replace diesel-fired boilers with a heat source combining solar thermal technology and electric boilers. This initiative is intended to transition to a heat supply that generates no greenhouse gas emissions from the operation of the boilers or from the generation of the electricity they use.

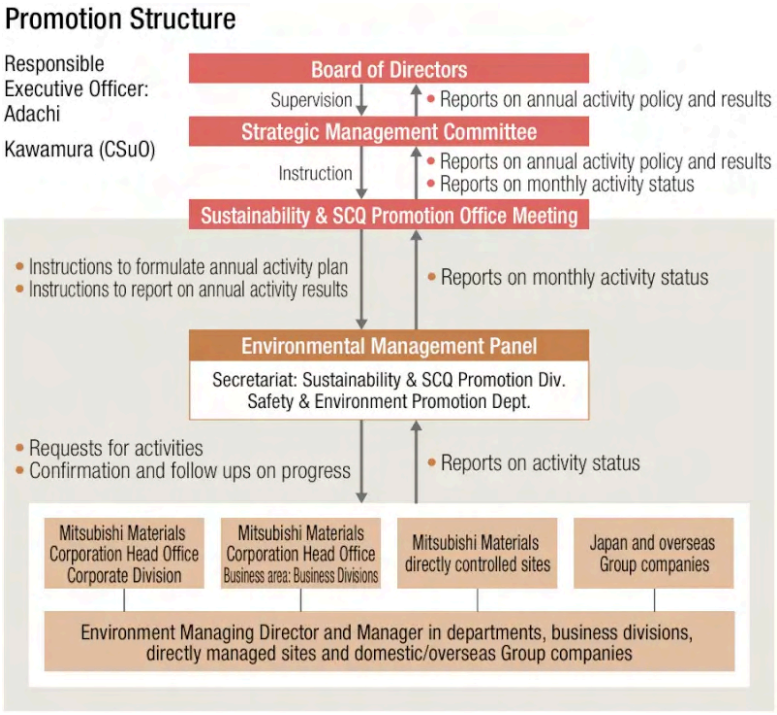
Pollution Prevention

Promotion System | Addressing Environmental Risks | Environmental Management Activities | Overall Environmental Impact
Compliance with Environmental Laws and Regulations | Preventing Air Pollution | Preventing Water Pollution
Chemical Substance Management | Waste Management | Environmental Accounting | Managing Closed Mines

Promotion System

We have established the Environmental Management Panel to be a dedicated subcommittee under the Sustainability & SCQ Promotion Office Meeting that formulates and implements Group-wide environmental measures. The head office environmental management department collaborates closely with each business division, site and Group company to prevent pollution and ensure compliance with environmental laws and regulations.

Environmental Management System



Status of ISO14001 certification

Among the 86 companies in our Group, 43 have obtained ISO14001 environmental management system certification. Focusing on manufacturing sites, 64 out of 74 sites* have been certified.

* This includes sites that are covered within the certification scope of other Group sites that have obtained certification (i.e., sites that are not certified independently).

Addressing Environmental Risks

In accordance with its Environmental Policy, the Mitsubishi Materials Group identifies environmental risks it faces and takes measures to prevent such risks from materializing.
Pollution of air, bodies of water, soil or groundwater by hazardous substance leaks, or inadequate treatment of industrial waste could have a detrimental impact on the environment, as well as a serious impact on our business activities as a group. We carry out risk assessments in line with the nature of our business activities, the substances that we handle, and the locations of individual sites, and take action as necessary. In addition to preventing inadequate waste treatment at our own departments, we take steps to ensure that we do not overlook inadequate treatment by contractors by taking measures including on-site confirmation.
At the closed mines (non-ferrous metal mines) we own, in order to prevent mining-induced pollution, we continue to maintain tailings dams, mining tunnels and mining water conduit, and to appropriately process acid wastewater containing heavy metals generated from these locations. Biodiversity is also an important environmental risk for us. At the mines from which we procure raw materials (such as ores), we have established environmental and social standards, including standards for the conservation of biodiversity, and we confirm our compliance with these standards. In addition, we manage the company-owned forests in Japan to ensure a high level of ecosystem services from them. Compliance with certain standards is assured through forest certification.

To reduce climate change risks, we take multiple approaches for the conservation of energy and the reduction of CO_2 emissions. We also study CO_2 capture and use, and generate renewable energy. Regarding the risk that a shortage of freshwater resources could impact our business activities, we conduct risk assessments for our major facilities in Japan and overseas and take measures including the effective utilization of seawater, water conservation through the improvement of the efficiency of the production process, water recycling, and ensuring that wastewater is treated and purified.

Environmental Management Activities

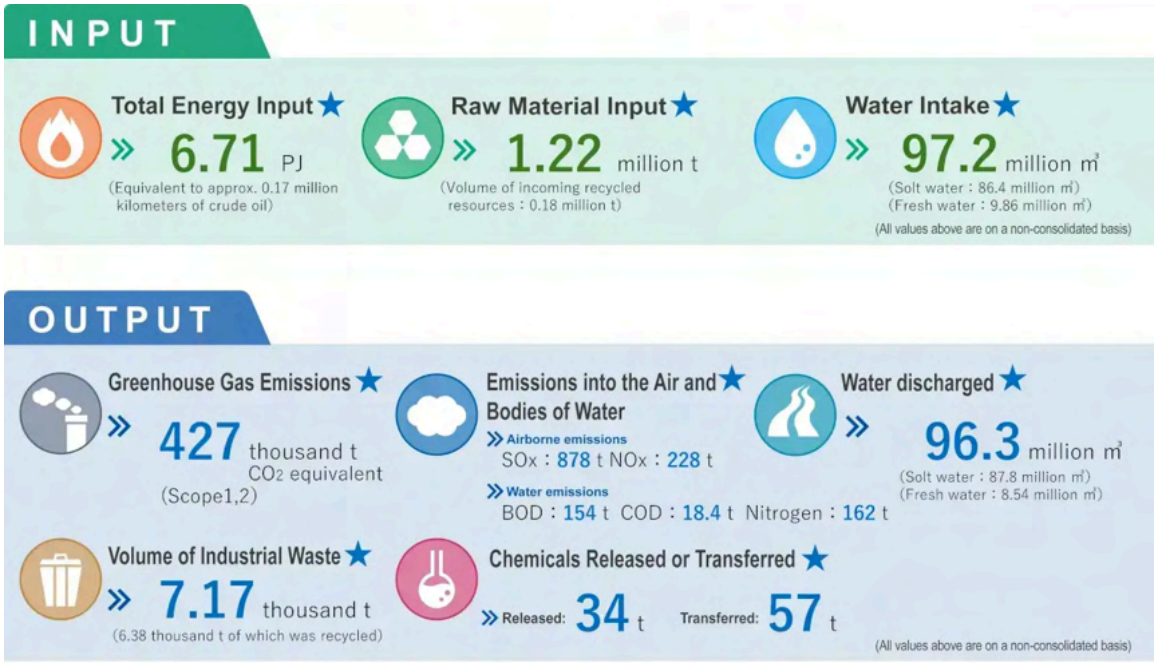
Environmental Training

As a licensed waste treatment business, some companies in our Group accept waste as raw materials or fuel. Accordingly, the Group regards waste management — including compliance with waste related laws and regulations and the proper treatment of waste—as a key business process. We appoint staff who are responsible for waste management and those in charge of practical operations at each facility. We provide training on laws and regulations and apply strict operating rules in our efforts to ensure appropriate waste management and compliance with relevant laws and regulations. We provide education for staff responsible for waste management with the aim of understanding waste risks and the roles required by introducing the latest case studies on waste management. For staff in charge of practical operations, we organize seminars for understanding the specific regulations of the Waste Management and Public Cleansing Act.
In addition, as part of broader environmental management education, management-level staff at our various sites receive education designed to improve their understanding of pollution prevention management systems, and other basic management requirements from an environmental management perspective.

Sharing Information to Address Environmental Issues

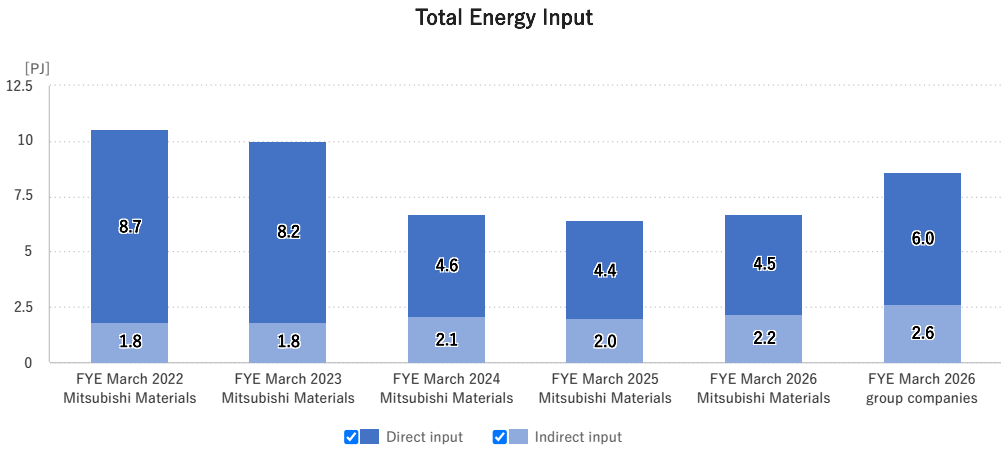
To handle the environmental issues that arise at our sites, we have established an office providing the consultation services of staff specialized in environmental issues, at our head office. This office provides detailed support, ensures that useful information is shared between the head office and other sites, and responds to environmental issues.

Overall Environmental Impact



Total Energy Input

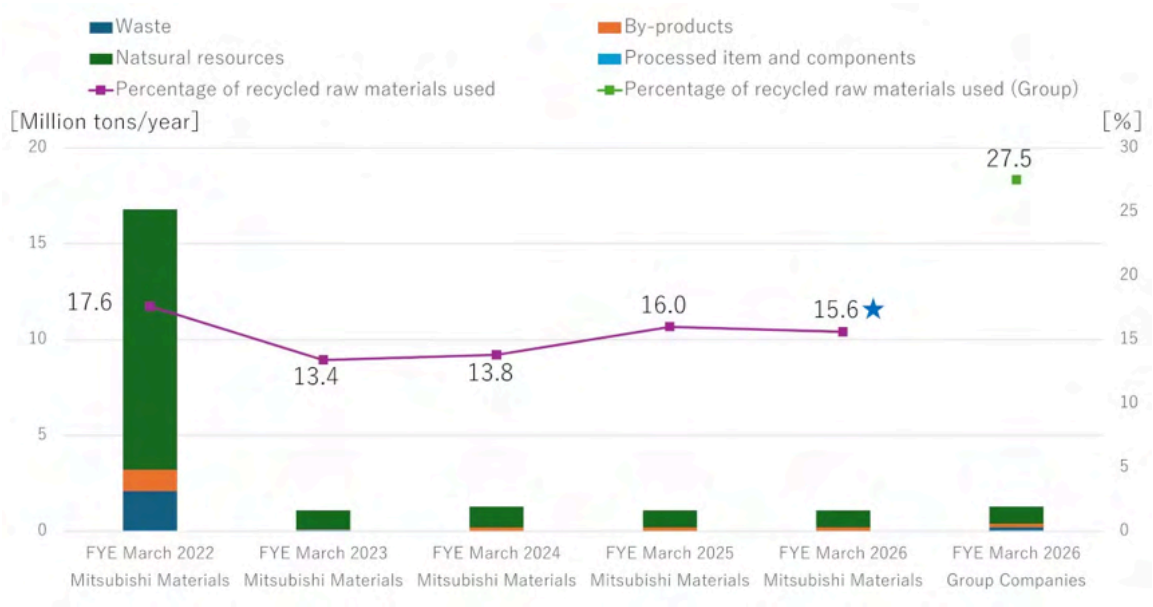
Total energy input (non-consolidated) in the fiscal year ended March 2026 increased by approximately 6% (0.4 petajoules: crude oil equivalent of 10 thousand kiloliters) in comparison with the fiscal year ended March 2025. This was due to an increase in operating hours and fuel consumption at some plants in response to increased production, despite energy-saving activities such as the electrification of facilities and the introduction of high-efficiency equipment.



* 1PJ＝1,000TJ
* Group figures exclude the parent company's non-consolidated data

Raw Material Input

To contribute to the establishment of a material-cycle society, we are actively engaged in the recycling of waste and by-products, and promote the use of recycled raw materials such as waste and by-products.
Total raw material input for the Company for the fiscal year ended March 2026 increased by 10% compared with the fiscal year ended March 2025 to 1.22 million tons★. As a percentage of total raw material input, waste products and by-products accounted for 15.6%.

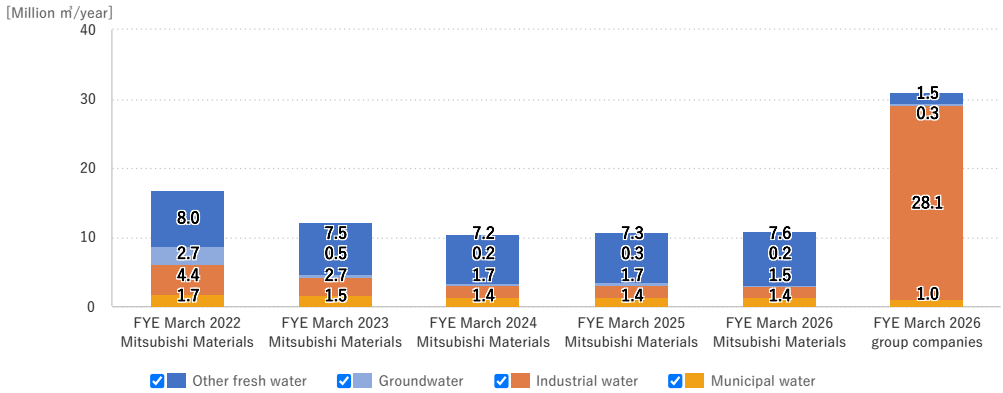


* Natural resources include limestone procured from Group mines up to the fiscal year ended 2022.
* Group figures exclude the parent company's non-consolidated data

Water Intake

The vast majority of our water intake is seawater used as cooling water at our copper smelters and refineries.
The Company's total water intake in the fiscal year ended March 2026 increased by 4% compared with the fiscal year ended March 2025 to 97.2 million m^3★. 10.8 million m^3★ (approximately 11%) of the total water intake was fresh water.

Water Intake (Excluding Seawater)

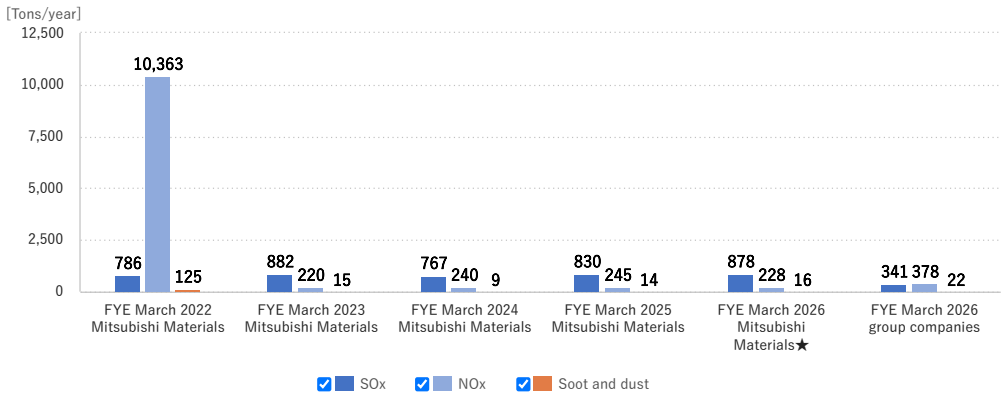


* Excluding fresh water used in hydroelectric power generation
* Excluding seawater used for cooling
* Group figures exclude the parent company's non-consolidated data

Emissions into the Air and Bodies of Water

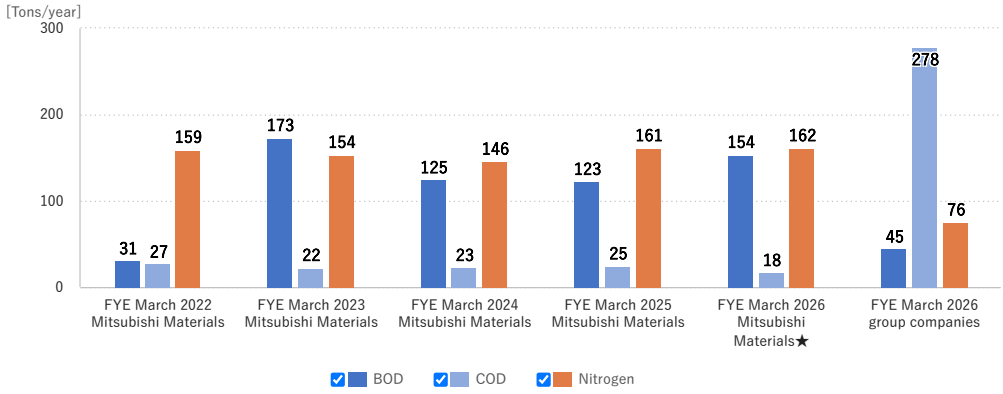
We monitor the amounts of sulfur oxides (SOx), nitrogen oxides (NOx) and dust contained in waste gases from facilities, as well as attributes such as BOD (biochemical oxygen demand), COD (chemical oxygen demand)　and nitrogen content in wastewater.

Emissions into the Air



* Group figures exclude the parent company's non-consolidated data

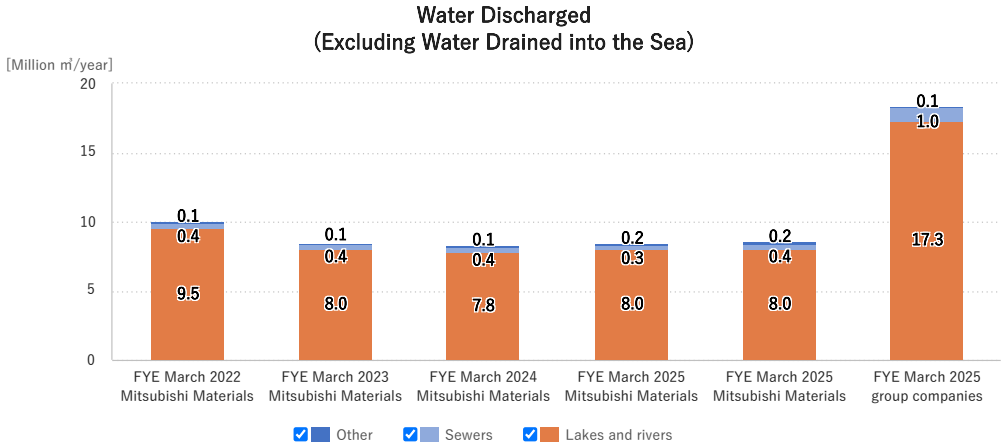
Emissions into Bodies of Water



* Group figures exclude the parent company's non-consolidated data

Water Discharged

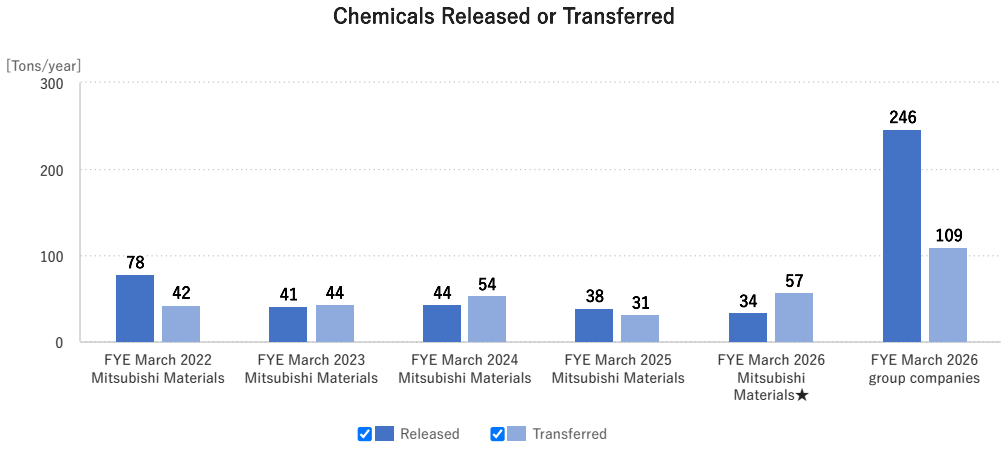
On a non-consolidated basis, the volume of water discharged (excluding water drained into the sea) by the Company in the fiscal year ended March 2026 was 8.54 million m3★, about the same as in the fiscal year ended March 2025. Water drained into the sea by the Company (non-consolidated) was 87.8 million m3, and the vast majority was seawater that had been used as cooling water.
Please note that acid mine drainage treatment water at closed mines, which was previously included in the volume of water discharged, has been excluded from the reporting scope beginning this fiscal year. Historical data have also been restated using the same methodology.



* Excluding water drained into the sea
* Group figures exclude the parent company's non-consolidated data

Chemicals Released or Transferred

The amount of chemical released in the fiscal year ended March 2026 decreased by 9% compared with the fiscal year ended March 2025, to 34 tons★. The amount of chemical transferred increased by approximately 82% compared to the fiscal year ended March 2025, reaching 57 tons★. This was due to increased chemical substance usage associated with higher production volumes and a resulting increase in waste generation.

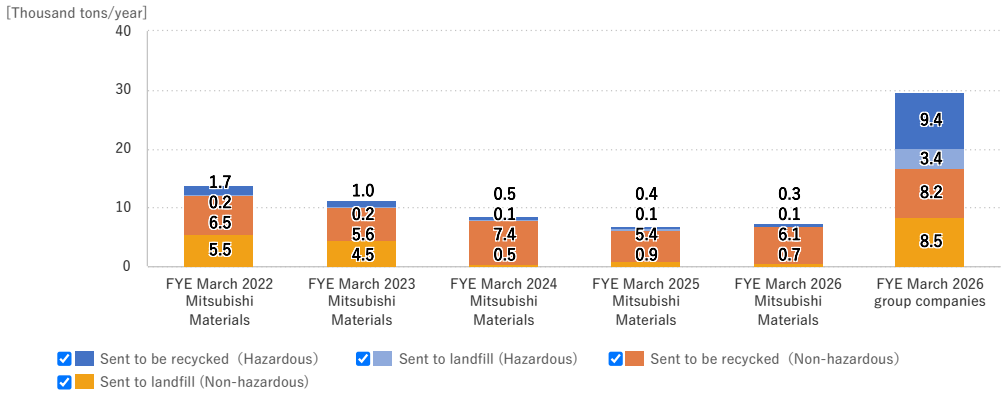


* Group figures exclude the parent company's non-consolidated data

Volume of Industrial Waste

The volume of industrial waste from the Company (non-consolidated) in the fiscal year ended March 2026 increased by 6% compared with the fiscal year ended March 2025 to 7.17 thousand tons★. The volume of waste sent to landfills by the Company (non-consolidated) was 0.79 thousand tons, which decreased by approximately 17% from the fiscal year ended March 2025.
The total volume of waste for the Group as a whole, including Mitsubishi Materials, came to 36.7 thousand tons★, of which approximately 65% was recycled.

Volume of Industrial Waste



* Group figures exclude the parent company's non-consolidated data

Compliance with Environmental Laws and Regulations

We operate environmental management systems under the ISO14001 standard and other environmental management systems at our sites. Under those systems, we engage in continuous activities to ensure compliance with laws and regulations and improve our environmental performance.
In the event of installation of new facilities, facility upgrades/changes, or any other projects involving new operations above a certain scale, individual sites as well as relevant head office divisions determine what notifications they are required to submit.

Status of Compliance with Environmental Laws and Regulations

With regard to our compliance with environment-related laws and regulations in the fiscal year ended March 2026, including water pollution, air pollution and waste disposal, we were not subject to any adverse dispositions (revoked permits, orders to cease operations, orders to stop use of equipment, fines, etc.) by regulatory authorities.
We received 1 complaint regarding insect infestation in the site's drainage ditch. We promptly implemented the necessary countermeasures.

Preventing Air Pollution

The Group uses manufacturing processes that emit air pollutants such as dust and sulfur oxides (SOx) as a result of burning fuel, etc. In particular, emissions from our copper smelters and refineries account for the majority of those emissions. Each site is working to suppress emissions of air pollutants by stabilizing and increasing the efficiency of operations that generate emissions, and by installing advanced waste gas treatment equipment and maintaining appropriate performance.

Preventing Water Pollution

To prevent water pollution, at all of our sites we appropriately treat effluent and impose wastewater management standards that are even stricter than those required by law or municipal ordinance. In addition, to ensure we are ready to deal with leaks of chemical substances or oil spills, we take measures such as installing dikes and inspecting equipment on a daily basis. We also conduct regular training aimed at preventing the spread of substances in the event of a leak.

Chemical Substance Management

The Group's manufacturing plants handle a diverse range of chemical substances. Each site is implementing measures to reduce environmental risks, such as reducing the use of hazardous chemical substances, preventing their leakage into the environment, and reducing emissions. Specific initiatives include the review of processes according to the characteristics of each chemical substance, the installation of new equipment, as well as the switch to less hazardous alternative substances.

Waste Management

Our Group's Efforts to Reduce Industrial Waste Emissions

Our Group promotes the use of recycled raw materials, such as in our metal smelting and refining business, and is also committed to reducing industrial waste emissions generated through our business activities to contribute to building a resource-recycling society.
Specific activities at manufacturing sites include increasing the rate of converting packaging materials and auxiliary materials for raw materials into valuable resources, and reducing sludge generated during wastewater treatment in the manufacturing process. Furthermore, our Group has set targets for reducing industrial waste emissions across the entire organization.

Group Target

"Reduce industrial waste emissions per unit of sales (sales-to-waste ratio) by 6% in the fiscal year ended March 2031 compared with the fiscal year ended March 2024."

The result for the fiscal year ended March 2026 showed an increase of 1% compared with the fiscal year ended March 2024.

Initiatives to Reduce the Release of and Recycle Industrial Waste, From Plastic Products

The Company falls under the category of large-volume waste generating business operator (a business operator generating at least 250 tons of industrial waste from plastic products a year) as defined by the Act on Promotion of Resource Circulation for Plastics. The Company has set targets concerning the reduction and recycling of industrial waste from plastic products as required by this designation, and is working to switch from heat recovery and landfill disposal to usage reduction and resource circulation.

Company Target
"By FYE March 2028, achieve a 35% reduction and recycling rate for industrial waste from plastic products compared with FYE March 2022 levels (1,115 tons)."

- Switch to material recycling for the packaging plastics used for Company products
- Reduce the amount of plastic materials used in site business activities, consider the use of alternatives or switch to material recycling

The amount of industrial waste from plastic-using products, etc. in the fiscal year ended March 2026 was 1,060 tons. Of this amount, 737 tons was plastic that was not recycled (heat recovery, landfill, etc.), resulting in a 34% reduction in emissions and recycling compared with the fiscal year ended March 2022 (1,115 tons).
We ascertain the actual plastic waste generation of each Group company to confirm whether any fall under the category of large-volume waste generating business operators, and promote waste reduction and recycling activities.

Environmental Accounting

In the fiscal year ended March 2026, we invested approximately ¥2.8 billion in areas including the renewal of equipment at copper smelting and refining plants, with the goal of preventing air pollution and water pollution.
Costs associated with environmental preservation came to around ¥7.2 billion, including environmental measures such as exhaust gas treatment, wastewater treatment and waste disposal, as well as the maintenance and management of equipment to prevent pollution, waste disposal, and maintenance of pollution prevention facilities.

Spending on Environmental Preservation in the FYE March 2026 [Millions of yen]

Category		Investment Amount	Expense Amount
Business area costs	Business area costs	2,770	6,836
	Pollution prevention costs	1,940	2,679
	Global environmental conservation costs	664	363
	Resource recycling costs	166	3,794
Upstream/downstream costs		0	0
Administration costs		0	143
R&D costs		17	100
Social activity costs		0	1
Environmental remediation costs		19	113
Total		2,806	7,192

※ Calculations of environmental costs are based on the 2005 version of the Environmental Accounting Guidelines published by the Ministry of the Environment.
※ Figures refer to Mitsubishi Materials on a non-consolidated basis.

Managing Closed Mines

Managing Closed Mines

We are a company with its origins in the mining industry. The Mitsubishi Materials Group owns a wide range of mines around Japan, including limestone, coal and nonferrous metal mines, such as copper, lead and zinc mines. Operations at all of our non-ferrous metal mines have now been suspended or discontinued. Currently, we are managing 20 closed mines across 15 locations. We have continued to implement the following controls and management programs for our closed mines on a long-term basis, pursuant to Article 5 of our Code of Conduct, which states, "[Environmental Management] We will work to manage our environmental impact and promote decarbonization, make efficient use of natural resources, and accelerate recycling."

- Appropriate treatment of the heavy metal-containing wastewater (acid mine drainage) released from former mining sites
- Management of tailings dams (sites used to store rubble from mining minerals, slag and sediment from mine drainage treatment).
- Inspection and maintenance of excavated mine underground spaces, drifts and channels for conducting mine drainage
- Safety measures to prevent unauthorized entry at disused mine mouths and subsidence sites

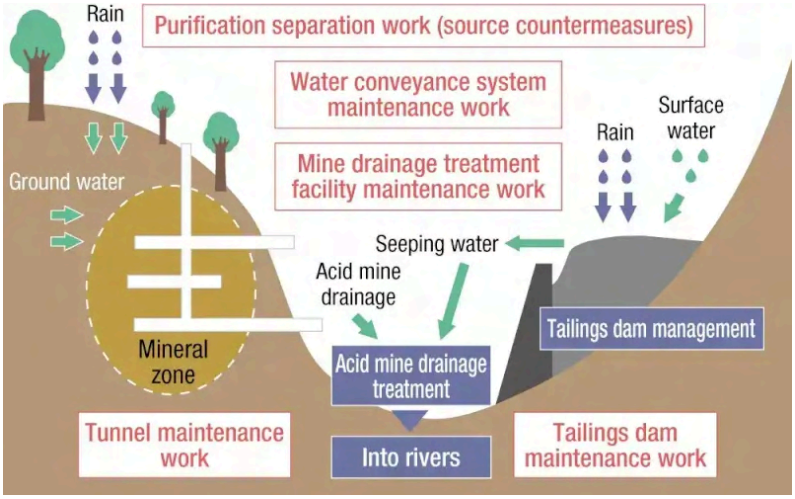
We continue to preserve and maintain sections of mine drift in some closed mines as cultural heritage sites or tourist facilities to exhibit their former conditions and preserve historical mining technologies for future generations.

Closed Mitsubishi Materials (non-ferrous) Mines



Overview of Acid Mine Drainage Treatment at Closed Mines

Broadly speaking, acid mine drainage can be generated in two ways. There is the acidic water in the pits (mine water) containing heavy metals, generated through contact between oxidized ore and rainwater and groundwater, which can fill the underground pits and mining cavities formed in mineralized belts due to mining operations. Then there is the permeated water (wastewater) generated when small amounts of heavy metals, which are contained in slag and other substances in the tailings dams, come into contact with rainwater and surface water. The acid mine drainage goes to processing plants, where it undergoes neutralization and the removal of heavy metals. The water is then discharged into rivers at water quality levels that fall within wastewater standards.



Major Management Tasks for Closed Mines

The Group controls acid mine drainage treatment, tailings dams, mine drifts and entrance drifts. Acid mine drainage treatment involves the appropriate processing. Tailings dam control involves preventing stored slag and sediment from leaking out in case of dam body collapse. Mine drift and entrance drift control involves inspections to maintain waterways for acid mine drainage and sealing entrances to prevent injuries due to third-party trespassing in mine drifts and mine drift collapse. Of these measures, acid mine drainage control is carried out around the clock every day of the year.



Acid mine drainage treatment facilities (Yatani Mine)



Example of tailings dam management (Osarizawa Mine)

Digitalization of Management Tasks for Closed Mines

We are pushing forward with the digitalization of management tasks for closed mines to improve the management and efficiency of the tasks.

- Operational data is collected automatically and centrally managed and utilized as digital data. The use of this digital data enables the remote management of operations at acid mine drainage treatment facilities and other locations.
- We have improved management by creating a system for the early detection of abnormalities, including the visualization of operational data (such as the creation of graphs showing change over time) and remote alarms that are triggered when an abnormality is detected.
- We use smart devices to inspect and maintain records of acid mine drainage treatment facilities and tailings dams, digitizing the inspection results for centralized management. This ensures the efficiency of the tasks by, for example, automatically creating reports.



Visualization of operational data (displaying data trends)



Recording inspection results using smartphone (digitalization of inspection data)

Facility Upgrading and Environmental Countermeasures for Closed Mines

Since 2015, our Group has been implementing responses to deteriorating natural disasters and other risks by conducting protective construction to guard against contamination, as well as reinforcing tailings dams to prevent uncontrolled release of slag and sediment in anticipation of a major earthquake, reducing wastewater at the source, strengthening the capacity of acid mine drainage treatment facilities, and upgrading aging facilities. We recorded an environmental countermeasure reserve for work expenses from the fiscal year ended March 2016 to the fiscal year ended March 2019, and in the fiscal year ended March 2023 we appropriated some additional funds to cover expenses for the repair and toughening of locations damaged due to torrential rains.

Tailings Dam Reinforcement

Drawing on lessons learned from the leakage of slag and sediment at tailings dams managed by other companies during the Great East Japan Earthquake, in November 2012, the Ministry of Economy, Trade, and Industry revised its technical guidelines on aseismic performance. Based on this, we evaluated the stability of the tailings dams managed by the Group, which revealed that measures needed to be implemented at 10 locations. Thus, we started construction work for stabilization measures at the target stockpile sites in the fiscal year ended March 2016, and have completed these measures at all 10 locations by the fiscal year ended March 2026.



Reinforcement work by soil stabilization at the Yatani Mine Tailings Dam (completion)

Countermeasure Projects Related to Acid Mine Drainage Treatment

The operational burdens and risks associated with acid mine drainage treatment due to environmental changes (large-scale typhoons and guerrilla rainstorms) in recent years have increased. To ease these burdens and mitigate the risks, we are proceeding with source countermeasure construction, the strengthening of acid mine drainage treatment facility capacity and updating aging equipment. One way of the source countermeasures is to cover exposed surfaces of mineralized belts on a large scale, such as by using the latest technology (which enables greening that was previously difficult due to acidic rock conditions). This prevents rainwater from coming into direct contact with the mineralized belts, which reduces the amount of water to be processed as well as the burden of contamination.



Source control work （Komagi Mine）
(before work)



Source control work （Komagi Mine）
(After work)



Upgraded pit wastewater treatment facility (Osarizawa Mine)

Human Resources Development

All the Group's non-ferrous metal mines are closed and some time has passed since the mines were closed down. As such, we have seen a decrease in relevant human resources as engineers with skills in non-ferrous metal mine management have either reached advanced age or retired. In order to continue to sustainably manage closed mines, we are continually providing opportunities to train young engineers with little mining experience, and setting up a variety of educational programs for engineers (including programs for acquiring skills for the management of closed mines and for obtaining relevant qualifications), including the use of web training and on-demand instruction. In this way, we strive to transfer mine management skills.



Training on mine wastewater treatment process



Engineer training (basic training)

Joint Industry-academic Activities

We have opened an endowed laboratory in the field of resources environment and remediation at Hokkaido University, and since the fiscal year ended March 2018, we have continued to engage in a variety of education and research activities related to the protection of the mine environment. In coordination with the endowed course described above, we engage in a variety of R&D activities to repair and protect mine environments with the help of Hokkaido University as well as other universities and research institutions. We have widely publicized the achievements of these R&D efforts by presenting them in research papers, at symposiums and at other events.

- Greening of former mining sites (University of Tsukuba, Hokkaido University): We are researching the heavy-metal resistance that endophytic fungi can provide to plants in former mining sites, as well as researching and investigating greening by native plants, in our efforts to facilitate the greening of former mining sites, where it has been difficult for plants to take root.
- Examination of a method to evaluate ecological effects (National Institute of Advanced Industrial Science and Technology): We are examining a method of evaluating ecological effects of inflow of mine drainage on rivers from the viewpoint of effects on aquatic organisms by using field surveys.
- Development of a remote monitoring technology (National Institute of Advanced Industrial Science and Technology): We are developing a super power-saving remote monitoring system with radio wave directivity, a technology that will enable the collection of management data from remote locations in mining areas without a power grid or communications network.
- Other (Hokkaido University): To improve issues with the operation and management of acid mine drainage treatment, we have begun a new study to evaluate the risks of the leaching of heavy metals from neutralizing precipitate and understand the sedimentation mechanisms of manganese oxides under low concentration conditions.



A plant tour given to students from an endowed laboratory (site tour)



A greening survey at a former mining site



A river ecological survey (collection of benthos)

Communication with Local Residents

To promote local residents' knowledge of our measures for preventing mining-induced pollution at our closed mines, we proactively hold sessions to explain countermeasure work and offer facility tours. We also strive to take part in environmental conservation activities and contribute to local communities through tree-planting and the release of juvenile fish, as well as participation in and cosponsoring of local events and festivals. In addition, we accept inspection tours of our mining facilities by students and researchers from Japan and overseas. We thus offer our facilities as locations for research and development and skills training related to the prevention of mining-induced pollution.

Resource Recycling

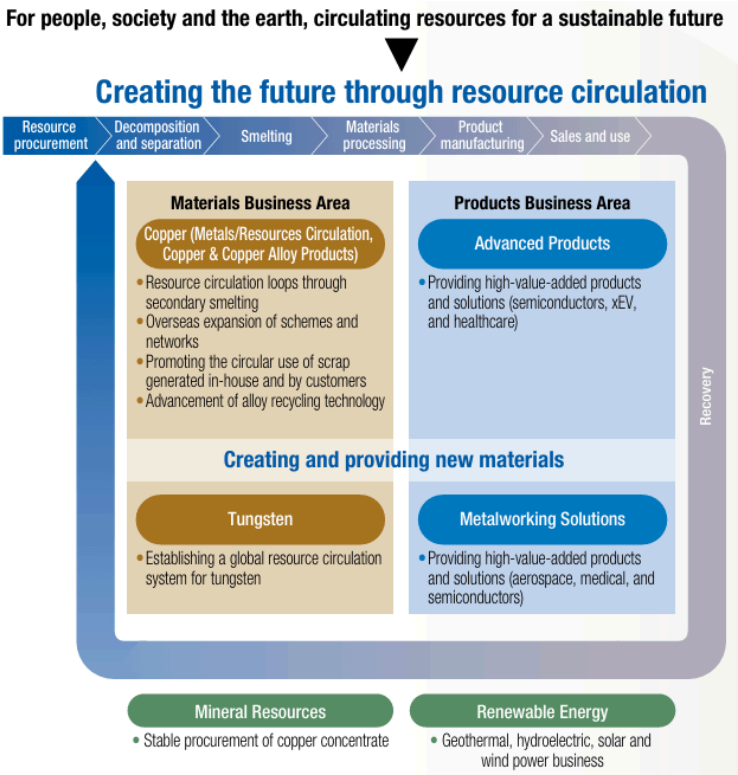
- Resource Circulation Business Model
- In Pursuit of a Resource Circulation Business Model
- Resource Circulation with No Need for Final Disposal Sites
- Securing a Stable Supply of Copper products
- Securing a Stable Supply of Cemented Carbide Tools
- Recycling in Individual Businesses
- Environmental Considerations Across the Product Life Cycle

Resource Circulation Business Model

Resource Circulation Business Model

The Mitsubishi Materials Group is a complex corporate entity encompassing a wide range of technologies and expertise, from resources upstream to materials midstream to processed products downstream. We have continued to make the most of those capabilities on a Group-wide scale, in an effort to establish a recycling-oriented business model based on recovering resources from a wide range of waste products.
We strive to create cyclical value chains in each of our businesses, so that resources and materials are processed into products and then recycled back into materials. This also helps to promote recycling-oriented social systems (Circular Economy).
We will achieve growth throughout the value chain to expand resource recycling. We will achieve this by leveraging our strength in advanced dismantling and separation technologies in the home appliance recycling business, along with recycling technologies in the smelting business, expanding the range of items to which these technologies are applied, the regions in which we operate, and the scale of operations.
In the recycling of metal resources, we will recover used or discarded products, disassemble or separate them, input the materials into smelting or other processes to extract useful metal elements, then process or fabricate those elements into high-performance materials and products that will be supplied to the market.
In this way, we will design and build a circulatory system for resources through “veins” that circulate resources, “arteries” that supply high-performance materials and products, and once again through “veins” via the market. At the same time, the Renewable Energy Business will supply the renewable energy-based power it has generated to the entire business, contributing to progress in reducing greenhouse gases on the way to achieving carbon neutrality.

Resource Circulation Business Model of the Group



Click to enlarge images

In Pursuit of a Resource Circulation Business Model

Purpose of activities	Activities during FYE March 2026	Self-assessment	Targets/plans for activities FYE March 2027 onwards
Expand processing of recyclables (Metals/Resources Circulation Businesses)	An increase in the E-Scrap processing capacity of the Naoshima Smelter & Refinery was planned	A	Strengthen and expand the scale of networks aimed at recycling resources
	Facilities for enhancing the recycled raw material pre-processing at the Onahama Smelter & Refinery of Onahama Smelting & Refining Co., Ltd. were installed and planned		Increase the recycling rate by expanding E-Scrap processing
			Create a recycling business for rare earth elements and rare metals
Aiming to be the driving force of resource-recycling systems Providing reliable recycling systems, such as by ensuring traceability (Metals/Resources Circulation Businesses))	Launched an ISO-compliant mass balance electrolytic copper supply service as a new REMINE series, expanding the lineup to seven products and services	A	Gradually extend the application of the mass balance supply scheme to additional products
	Strengthened the business foundation for secondary-material smelting in North America and accelerated global expansion		Promote the full-scale operation of the North American business through the establishment of smelting technologies and collaboration with partners
	Considered commercialization of home appliance recycling business in Malaysia		Investment decision after enactment of legislation, consideration of expansion to other regions
	Established implementation and management policies for the resource recycling system with users and expanded applicable users		Established implementation and management policies for the resource recycling system with users and expanded applicable users
	Expanded the home appliance recycling business, promoted the automation of home appliance recycling, and improved the added value of collected items		Expand the home appliance recycling business, promote automation of home appliance recycling, and improve the added value of collected items
	Expanded the introduction of the home appliance recycling operation management system and model number recognition technologies (other sites, upstream processes)		Expand introduction of home appliance recycling operation management system and model number recognition technologies (other sites, upstream processes)
	Demonstrated HV motor recycling technologies and LIB recycling technologies		Commercialization of HV motor recycling technologies and LIB recycling technologies
Promoting the recycling of fluorine resources (Advanced Products Business (Electronic Materials & Components))	The amount recycled was 1,172 tons/year, 2% below plan	B	Stable plant operations and achievement of recycled material usage targets Production of hydrogen fluoride is scheduled to be terminated, and the plant shut down in March 2027
	The raw material recycling rate was 14%		
Improving our tungsten recycling rate (Tungsten Business)	Conducting a feasibility assessment for expanding tungsten recycling capacity	A	Expansion of tungsten recycling processing capacity

Self-assessment:
A = Target achieved
B = Target mostly achieved
C = Target not achieved

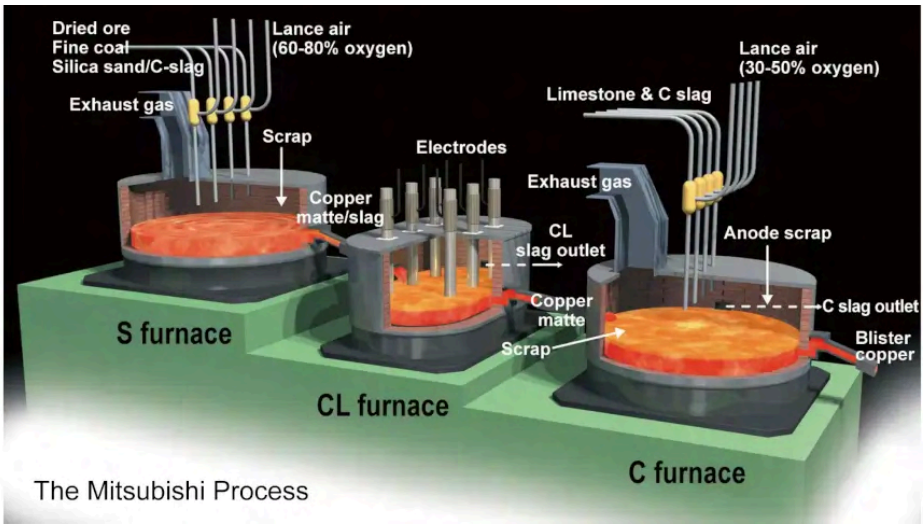
Resource Recycling with No Need for Final Disposal Sites

Smelter & Refinery: Recycling Resources from Urban Mines

The Mitsubishi Process

Our unique Mitsubishi Continuous Copper Smelting and Converting Process (The Mitsubishi Process) continuously produces blister copper from copper concentrate and recycled raw materials by connecting a series of three furnaces with pipes. As the required facilities are compact and help save energy and reduce costs, they have an exceptionally low environmental impact and produce a copper manufacturing process renowned for its high efficiency.



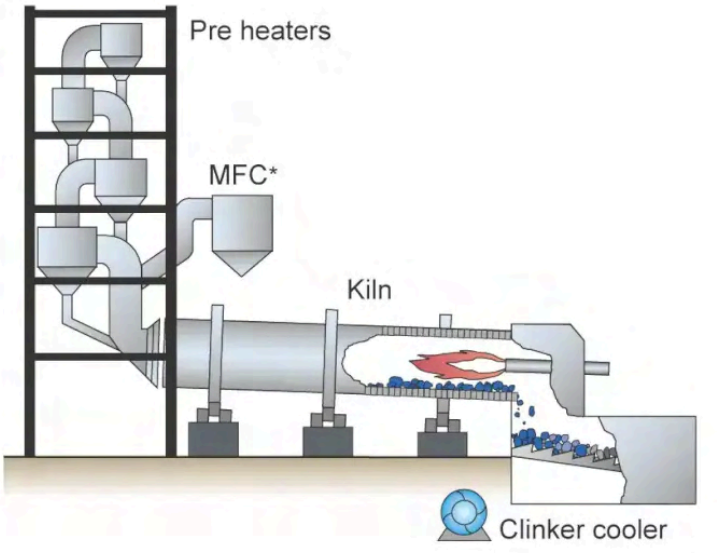


Cement Plants: Taking in, Detoxificating and Stabilizing Difficult-to-treat Waste from Other Industries

High Temperature Burning Process

Raw materials (including wastes and by-products) are prepared during the raw material grinding process and then sintered at high temperatures to produce a hydraulic mineral during the burning process. Once the raw mixture has reached the maximum temperature (1,450°C) and a series of chemical reactions are completed, it is quickly cooled into an intermediate product called clinker.





* MFC: Calciner

Key Features of Waste Treatment at Our Cement Plants

- Capacity to treat large volumes of waste
- Detoxification of waste products
- No secondary waste (extending life span of final disposal sites)

Home Appliance Recycling Plants: Used Home Appliances are Dismantled and Recovered Items are Supplied as Materials

Reduction in Environmental Impact due to Recycling Home Appliances (LCA analysis for the fiscal year ended March 2026)

If recycling home appliances is conducted, so that resources are recovered from used appliances and reused as new materials.

Item	Total
Reduction in GHG emissions (CO_2 equivalent)	170 thousand tons
Reduction in consumption of natural mineral resources	440 thousand tons
Reduction in energy consumption (crude oil equivalent)	90 thousand tons
Reduction in waste sent to landfill	120 thousand tons

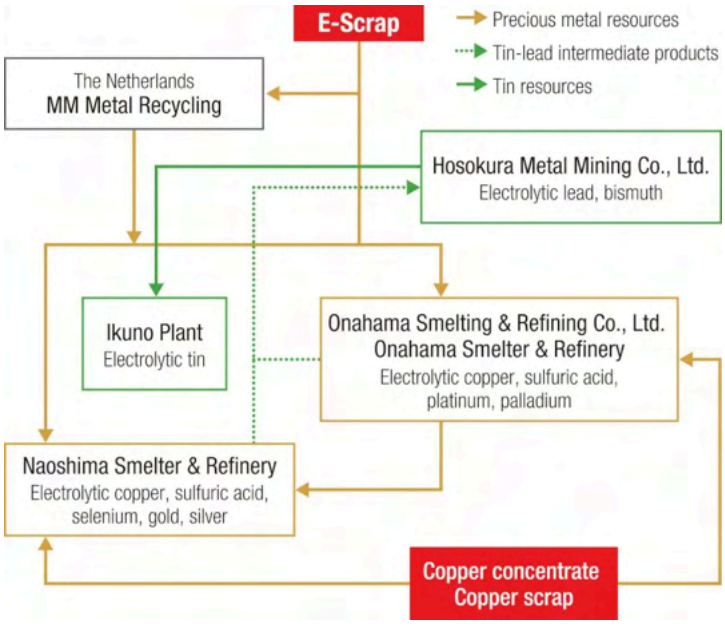
The above table does not take into account the impact of recovering fluorocarbons (refrigerant fluorocarbons in air conditioners, refrigerators, and washing machines, and insulation fluorocarbons in refrigerators). Expressed in terms of CO_2 emissions, recovering approximately 541 tons of recovered freon would equate to a reduction of approximately 1,080 thousand of tons.

* The home appliance recycling plants subject to LCA evaluation are as follows.
  Hokkaido Eco Recycle Systems Co., Ltd.
  East Japan Recycling Systems Corp.
  Kansai Recycling Systems Co., Ltd. Main Plant, Second Plant
  Panasonic Eco Technology Kanto Co., Ltd.
  Chubu Eco Technology Co., Ltd.
* "The National Institute of Advanced Industrial Science and Technology AIST-IDEA Ver. 4.0" is used to assess the effectiveness of reduction in environmental impact assessment.

Securing a Stable Supply of Copper Products

Using copper concentrate from environmentally friendly copper mines and leveraging the competitive edge of the Mitsubishi Continuous Copper Smelting and Converting Process, we operate a recycling business that boasts world-leading processing capacity, thus ensuring the steady supply of cleaner non-ferrous metal materials to society. While copper and precious metals grow more important reflecting various shifts such as EVs, IT, and decarbonized society, we fulfill our responsibility to supply materials with environmental considerations, thus contributing to the development of society and realization of a sustainable society.

Material Grid framework

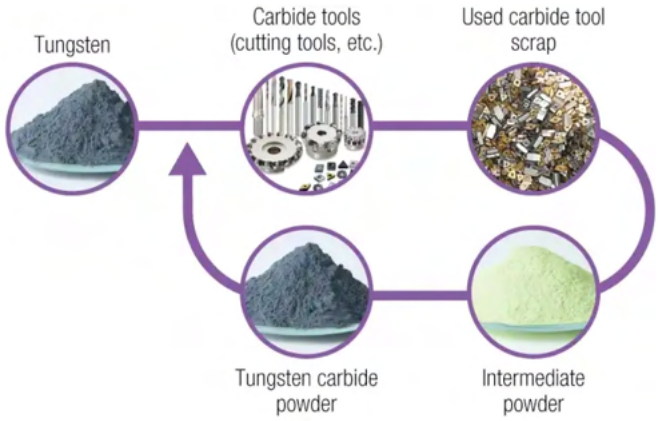


Securing a Stable Supply of Cemented Carbide Tools

Tungsten, the main raw material used in cemented carbide tools, is a type of rare metal considered politically important for ensuring stable supply. Tungsten ore mines are unevenly distributed in some countries and regions, and there are risks of sharply rising prices and availability issues due to instability in international relations. We will actively promote the recycling of used cemented carbide tools and continue to ensure the stable supply of tungsten in the future.

	FYE March 2021 result	FYE March 2022 result	FYE March 2023 result	FYE March 2024 result	FYE March 2025 result	FYE March 2026 result
Ratio of recycled cemented carbide tools as raw materia	41.8%	43.5%	50.0%	56.0%	58.6%	59.8%

Tungsten Recycling Process



Recycling in Individual Businesses

Metals/Resources Circulation Businesses

Recycling Rare Metals

PGM[*1] are rare metals that are found in E-Scrap, etc. Group company Onahama Smelting & Refining Co., Ltd. refines PGM intermediate materials obtained from our Naoshima Smelter & Refinery, to create products such as metals and chemical compounds.
Platinum and palladium in particular are key materials in the automotive, electric and electronic sectors. With that in mind, we applied to register our brand with the London Platinum and Palladium Market (LPPM), as a means of ensuring credibility in the market, and successfully obtained certification in September 2012. We are determined to keep on improving the quality of our products, and make every effort to ensure stable supplies of rare metals.

The rare metal recycling process



*1 Platinum Group Metals

Recycling Scrap

We use smelting technology for the purpose of recycling at our smelters and refineries. We take in a wide variety of scrap, including shredder dust and used batteries from sources such as used home appliances or scrap vehicles, and E-Scrap from sources such as used substrates and connectors. We then recycle scrap, by using it for raw materials or thermal energy, and recover valuable metals.

Home Appliances Recycling

Home appliances are made by combinations of various materials such as glass, plastic and rubber as well as metals such as steel, aluminum, and copper. Home appliances are first of all disassembled manually, then crushed and sorted at our home appliances recycling plants[*2], which are operated in partnership with home appliance manufacturers. We have adopted several advanced sorting processes for components and materials, and are always trying to create more value from recovered materials and to improve recycling efficiency. We recover copper and other precious metals from recovered copper-based materials and printed circuit boards in our copper smelting process. Thus, we maximize the effect of synergies within our Group. In the fiscal year ended March 2026, we recycled 2,584 thousand units of home appliances at six plants of our five affiliated companies (6 companies, 7 plants, 3,444 thousand units). Recycling of this volume could reduce landfill disposal equivalent to 116 thousand tons.[*3]



Automated robotic picking of dismantled parts

> Home appliance recycling plant
* This information is available only in Japanese on the website.

*2 Major partners: Hitachi, Ltd., Sharp Corporation, Panasonic Corporation

*3 The home appliance recycling plants subject to LCA evaluation are as follows.

- Hokkaido Eco Recycle Systems Co., Ltd.
- East Japan Recycling Systems Corp.
- Kansai Recycling Systems Co., Ltd. Main Plant, Second Plant
- Panasonic Eco Technology Kanto Co., Ltd.
- Chubu Eco Technology Co., Ltd.

TOPICS

Launch of an ISO-Compliant Mass Balance Electrolytic Copper Supply Service - Added to the REMINE Lineup as a New Series

We launched an electrolytic copper supply service applying the mass balance credit model[*4] in accordance with guidelines that have been confirmed to comply with ISO standards. The service provides the environmental attributes sought by customers with the high level of reliability afforded by ISO compliance.
At conventional copper smelters, where ore-derived copper concentrates are mixed with various types of scrap raw materials to produce copper, it is difficult to supply customers with electrolytic copper derived from specific materials, such as recycled materials or materials recovered from end-of-life vehicles. The mass balance credit model has attracted increasing attention in recent years as a means of addressing this challenge.
To this end, Mitsubishi Materials established the Guideline of Mass Balance Credit Model for Copper Products (the “Guideline”), which sets out the rules for applying the mass balance credit model to copper products. ISO TC 308[*5] experts from Mitsubishi Materials participated in the development of the Guideline, ensuring both the high level of reliability associated with ISO compliance and its practical feasibility in business operations.
Following a critical review[*6] by the Japan Life Cycle Assessment Facilitation Centre, chaired by Dr. Atsushi Inaba, the Guideline became the first in the industry[*7] to receive third-party confirmation of compliance with ISO 22095[*8] and ISO 22095-2[*9], the latter of which was published in January 2026.
The electrolytic copper supply service, which applies ISO-compliant mass balance in accordance with the Guideline, has been added to the lineup of Mitsubishi Materials’ recycled metal brand REMINE as a new series. The Guideline and the certificate of critical review issued by the third party are available on the dedicated REMINE website. The service will initially be applied to electrolytic copper and will subsequently be expanded to the Company’s copper and copper alloy products.

The Mitsubishi Materials Group has established Our Commitment as “For people, society and the earth, circulating resources for a sustainable future.” Through the continued supply of products and services under the REMINE series, the Group will maximize the effective use of finite resources and work toward achieving Our Commitment.

*4 Mass balance credit model:
A mass balance model under which specific characteristics of raw materials are issued as credits and the issued credits are allocated to a product or a portion of a product. A mass balance model is one of the five chain of custody models defined in ISO 22095:2020. Under this model, raw materials or products with specified characteristics are mixed with raw materials or products without those characteristics in accordance with defined criteria. Chain of custody refers to the process by which inputs, outputs and related information are transferred, monitored and controlled as they move through each stage of the relevant value chain.

*5 ISO TC:
An ISO technical committee established to develop standards in a specific technical field. ISO technical committees comprise representatives of ISO member countries and are responsible for considering and drafting standards. ISO TC 308 is responsible for ISO 22095, ISO 22095-2 and related standards.

*6 Critical review:
A process in which ISO TC 308 experts assess whether the Guideline meets the requirements of ISO 22095 and ISO 22095-2.

*7 The first in the industry to receive third-party confirmation of compliance with both ISO 22095 and ISO 22095-2. Based on Mitsubishi Materials’ research as of January 2026.

*8 ISO 22095:2020, Chain of custody — General terminology and models:
Specifies the requirements for five chain of custody models, including the mass balance model.

*9 ISO 22095-2:2026, Chain of custody — Part 2: Requirements and guidelines for mass balance:
Specifies the requirements and guidelines for applying the mass balance model across all industries.

Tungsten Business

Recycling Tungsten

Waste containing rare metals has a high concentration of valuable materials, enabling rare metals to be recovered more efficiently than from natural resources. Recognizing that tungsten is a critical resource used in a wide range of applications, including cemented carbide tools as well as semiconductor and electronic materials, the Mitsubishi Materials Group leverages its integrated production system spanning from raw materials to finished products, together with a site network centered on Japan and Europe, to promote the global recycling of used products and scrap. Through these efforts, we contribute to the advancement of resource recycling while helping to ensure a stable supply of raw materials and mitigate supply risks.

Advanced Products Business (Electronic Materials & Components)

Recycling Fluorine Resources

We manufacture a range of fluorine compounds at the Group company Mitsubishi Materials Electronic Chemicals Co., Ltd., including materials for use in semiconductor manufacturing, flame retardant and antistatic materials, and hydrofluoric acid.Since the fiscal year ended March 2007, we have continued to engage in the recycling of fluorine resources in which we recover calcium fluoride waste emitted by companies using fluorine compounds and recycle it back into fluorine resources that can be used as alternative raw materials for fluorite.

* Due to the deterioration of the business environment, production of hydrogen fluoride will be terminated in March 2027.
Accordingly, the recycling of fluorine resources will also be discontinued as of March 2027.

Affiliated Business

Recycling Industrial Waste and Byproducts

Using a burning process that reaches temperatures of 1,450° C, the Group's cement plants detoxify and make effective use of industrial waste and other difficult-to-treat materials without generating any secondary waste. As well as using substances such as coal ash, construction sludge, sludge, incineration fly ash, copper slag byproducts from copper smelters, and gypsum as the raw materials of cement, we also turn materials such as waste plastics, waste tires and wood waste back into cement, by using them as a source of thermal energy.

Environmental Considerations Across the Product Life Cycle

Our company conducts Life Cycle Assessment (LCA) to quantitatively assess and analyze environmental impacts — such as energy consumption during manufacturing, waste generation, and hazardous substance usage — across all stages of cutting tools, from development through recycling and disposal. This initiative aims to minimize these impacts. For newly developed products, we conduct evaluations based on the Environmental Harmony Product Evaluation Standards established by the Japan Cutting & Wear-resistant Tool Association (JTA). Evaluation criteria include factors such as long service life, reduced environmental impact for customers, and minimized manufacturing waste. As a result of this process, after JTA review, our products are certified as “Environmentally Friendly Products” for their contribution to reducing environmental impact.

Water Resource Management

Water Resource Management Management of Water Resources at Mines in Which We Hold Interests

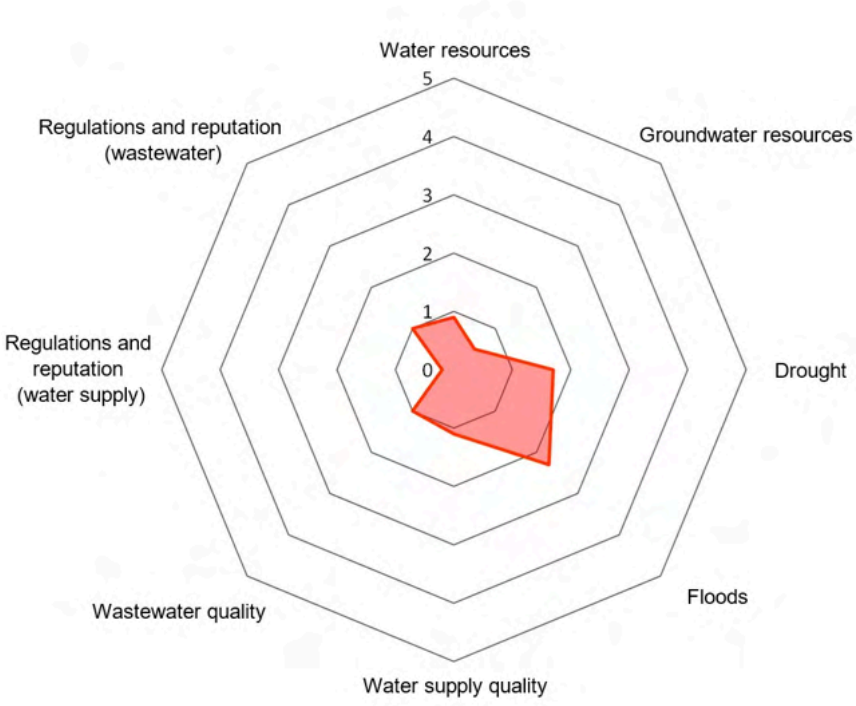
Water Resource Management

The vast majority (approx. 90%) of the water used by the Mitsubishi Materials Group is seawater. However, since shortages of freshwater including industrial water and groundwater could affect our business operations, we have included “Effectively Use and Conserve Water Resources” in our Environment Policy. We are working to reduce water usage through initiatives such as reuse and recycling.
In addition, we manage water-related risks arising from disasters such as typhoons and flooding, which have become increasingly frequent in recent years. We implement measures for reducing water risks at each site. To reduce our use of freshwater resources, we take actions such as the effective use of seawater, water conservation through more efficient production processes, the introduction of water-saving equipment, water recycling, and the thorough purification of wastewater. As measures against flooding, we take initiatives including the elevation of buildings, pumps, and electrical equipment, the installation of drainage pumps, as well as the implementation of disaster drills assuming high-water events. We also take measures to prevent abnormalities in the quality of the effluent from our facilities and to prevent water quality accidents. These measures include the management of effluent under our own standards that are stricter than laws and regulations, as well as the introduction of sensors that detect abnormal water quality and a system that stops water discharges automatically.

State of Water Risk Assessment Initiatives

To ascertain the state of water risks at the Group’s manufacturing facilities (some of which include research institutes), we are utilizing the Aqueduct water risk assessment tool developed by the World Resources Institute (WRI) to conduct individual risk assessments for each facility, covering various water risks including those relating to securing water resources and those of incurring flood damage.
There were 11 Group company locations rated as having high water stress, but sales related to these locations accounted for 0.7% of Group company sales. In the fiscal year ended March 2026, water withdrawal was 317 thousand m^3 and water consumption was 70 thousand m^3★. Additionally, in order to ensure that water risk assessments are in line with actual conditions at these facilities, we supplement the results of water risk assessments performed using Aqueduct by taking into account information including the history of any past water risks that have materialized at each facility (history of occurrences of flood, drought, and water supply quality deterioration, etc.) and water usage associated with business activities (amount of fresh water and groundwater used, emissions of pollutants contained in wastewater).
The results of these supplemented water risk assessments are used to produce visual representations of water risks for each facility, using radar charts displaying risk scores for each assessment item, and shared with each business location. Each business site registers items assessed as high risk as risk factors unique to that facility, and engages in risk management by formulating and implementing measures including the reduction of water risks.

Example Radar Chart Showing Water Risks for Each Site



"Water quality risks" are assessed separately for both water supply and wastewater, from the viewpoints of impact on operations due to the deterioration of water supply quality and impact on the environment due to wastewater at business sites. "Regulatory and reputation risks" are also assessed for both water supply and wastewater, from the perspectives of the strictness of water supply and wastewater regulations and local reputation.

Management of Water Resources at Mines in Which We Hold Interests

Our company is engaged in copper mining operations in Chile, a region with a high risk of water stress. To ensure a stable supply of the significant volumes of water required for operations, we are working to maximize water-use efficiency and reduce new water withdrawals. In collaboration with joint venture partners, we strive to coexist with local communities and maintain long-term business continuity by minimizing freshwater consumption, promoting water reuse, and mitigating environmental impacts.

Mantoverde Mine

The Mantoverde Mine sources all the water required for its operations from desalinated seawater. In 2025, seawater withdrawal amounted to 20.5 million m^3, an increase of 41% from 14.6 million m^3 in 2024. Water-use intensity increased by 36% from 2024 to 0.697 m^3 per tons of ore processed. This increase was attributable to higher water demand associated with the ramp-up of sulphide ore processing and copper concentrate production. The Mantoverde Development Project achieved commercial production in September 2024, and its sulphide concentrator ramped up to full nominal throughput by the end of that year.
In 2025, 11.1 million m^3 of brine generated through the seawater desalination process was returned to the ocean as managed discharge. The discharge complied with Chile's *Norma de Emisión DS 90*, which regulates the discharge of liquid waste into marine and inland surface waters.
The desalination plant has also introduced an ocean monitoring and early-warning system. By enabling the plant to identify and respond proactively to risks associated with changing oceanographic conditions, the system supports a stable supply of desalinated water and improved operational continuity

Los Pelambres Mine

The Los Pelambres Mine is working to increase its use of seawater and maintain a high water recirculation rate. Its desalination plant commenced operations in 2024 and currently has a desalination capacity of 400 liters per second. The mine achieved a water recirculation rate of 80% in 2025.
To further reduce its reliance on continental water and enhance the resilience of future operations, the mine is expanding the desalination plant to double its production capacity from 400 to 800 liters per second. The project is targeting completion in 2027.
Antofagasta Minerals is also working to standardize water management across its operations and has appointed Water Leaders at each site to support the implementation of water management practices and monitor compliance. In 2025, more than 70 employees across the Group participated in training on water management and related standards. The company also implemented a centralized system that provides real-time visibility of the water balance at each operation.

Escondida Mine

At the Escondida Mine, investment in seawater desalination infrastructure and the recovery of water from operational processes are key elements of its water strategy. In addition to reducing water consumption through water conservation, recovery and reuse, the mine invested US$ 3.43 billion, including associated water conveyance and power infrastructure, to develop a seawater desalination plant with a production capacity of 2,500 liters per second.
Since groundwater withdrawal from the Monturaqui borefield ceased in the second half of the fiscal year ended March 2021, the mine's operational water requirements have been met entirely with desalinated seawater, except for small quantities of groundwater extracted through pit dewatering to support safe mining operations

Biodiversity Initiatives (Disclosure in Accordance with TNFD)

Preserving Biodiversity Initiatives to Conserve Biodiversity at Mines in Which We Hold Interests

Preserving Biodiversity

Basic Approach

In the 2019 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Global Assessment Report on Biodiversity Conservation Challenges, the scientific evidence points to the global degradation of nature and the acceleration over the past 50 years of the factors that cause natural change. With the adoption of the "Kunming-Montreal Biodiversity Framework" at the Conference of the Parties to the Convention on Biological Diversity (COP15) in 2022, companies are now expected to engage in socio-economic activities aimed at halting and reversing biodiversity loss by 2030, the so-called "nature positive."
The preservation of biodiversity is an element that forms the basis of our approach to business. We clarify this point both internally and externally by stating, “We will be more considerate of biodiversity and work to live in harmony with nature”, in the Article 5 of our Code of Conduct. In our Environmental Policy we state, “We engage in business activities that take ecosystems into account throughout our value chain, including the development of natural resources.” In light of changes in the social environment regarding biodiversity issues, since it is considered necessary to make our policy more concrete, we have established a Biodiversity Conservation Policy as a detailed version of our Environmental Policy.

> Biodiversity Conservation Policy

> News Release
Mitsubishi Materials Group Biodiversity Conservation Policy Established

Information Disclosure

Based on the TNFD[*1] recommendations announced in September 2023, the Group appropriately analyzes and discloses dependencies, impacts, risks and opportunities as they relate to biodiversity and our business. We have also endorsed the disclosure recommendations and have become a TNFD Adopter[*2]. In May 2025, we prepared a TNFD report based on analysis results, disclosing information such as assessment of the dependency and impact on nature of our business activities, assessment of our points of contact with nature in our main activity sites, and assessment of business risks and opportunities that have a significant impact on nature. To prepare for the report, in the fiscal year ended March 2024, we conducted trial analysis based on the LEAP approach targeting the Naoshima Smelter & Refinery, Onahama Smelter & Refinery, and Komatagawa New Power Plant, taking into consideration the scale of our operations and the extent of their impact on nature, then expanded the scope of our analysis to include our major businesses and sites in the fiscal year ended March 2025. Moving forward, we plan to compile specific responses and goals based on the results of our analysis.

> TNFD report 2025 PDF (3,386KB)

*1 Taskforce on Nature-related Financial Disclosures. Established in June 2021.
*2 TNFD Adopters are companies and organizations that have expressed their intention to provide financial disclosures in accordance with the TNFD recommendations and registered on the TNFD website.

Strategy

Understanding Dependencies and Impacts on Biodiversity from Business Activities

We used "ENCORE" to evaluate dependencies and impacts in our business. ENCORE is an online tool for organizations to study exposure (sensitivity) to nature-related risks and to understand dependencies and impacts in nature. Since the evaluation by ENCORE is a generalization of the industry, the evaluation was qualitatively corrected based on the actual conditions and characteristics of our business.
Following the ENCORE evaluation, we conducted a 5-point evaluation of VH, H, M, L, and VL from highest to lowest, and created a heat map. The 5-point evaluation in the heat map does not mean that a higher evaluation is worse, but rather that it takes into account opportunities as well as risks, and shows the degree and strength of the relationship between dependencies and impacts that can occur regardless of whether it is positive or negative.
The following are the main reasons and characteristics of the items for which the evaluation was high.

- The procurement of copper concentrates and the renewable energy business, which have extensive interaction with nature, tend to have higher ratings in terms of land use area and soil-related items.
- The water-related items tended to be higher in impacts across all businesses. This may be due to the possibility of soil and water pollution caused by chemical substances and heavy metals emitted during the manufacturing process.
- Some projects had a high level of disturbance, but this may have been due to concerns about impacts affecting the ecosystem caused by the noise of machinery and lighting.

	Minor items	Mines investment	Non-ferrous metals smelting	Metal resource recycling		Copper & copper alloy products	Electronic materials (semiconductors, automobile-related, etc.)				Metalworking solutions	Renewable energy		Closed mines management	Forest management
		Copper concentrate procurement		Metal recycling	Home appliances recycling		Devices	Manufacture of basic chemicals	Manufacture of other rubber products	Manufacture of other fabricated metal products		Geothermal power generation	Hydroelectric power generation	Acid mine drainage treatment	
Dependencies	Biomass provisioning	VL												VL	VH
	Water supply	H	M	M	M	M	M	M	L	M	M	M	VH	M	H
	Global climate regulation services	H	VL	VL	VL		VL	VL	VL	VL	VL	VL	M	VL	VH
	Rainfall pattern regulation	VH	M	M	M	M	VL	VL						M	VH
	Air filtration	VL	M	M	M	M	VL	VL	VL			VL		L	H
	Soil and sediment retention	M	L	VL	VL	M	L	M	L	L	L	H	VH	M	VH
	Water purification	VH	M			M	M	M	M	M	M	M	L	L	VH
	Water flow regulation	H	M	L	L	M	M	M	M	M	M	M	VH	M	H
	Flood mitigation	H	M	VL	VL	M	M	M	M	M	M	M	VH	M	H
Impacts	Area of freshwater use	VH											H	M	M
	Emissions of non-GHG air pollutants	H	H	M	M	M	L	M	M	L	L	H			H
	Emissions of toxic pollutants to water and soil	VH	VH	M	M	H	H	VH	M	VH	M	M		H	M
	Generation and release of solid waste	H	M	M	M	L	L	M	M	L	L	VL	L	H	L
	Disturbance (e.g. noise, light)	VH	VH	H	H	H	M	VH	M	M	M	M	H	M	H

Evaluation of the Interface Between Business Locations and Nature

In accordance with TNFD disclosure standards, priority sites were selected from among sites in our company. The selection was based on the following criteria:

- All sites were evaluated as "sensitive locations" and "material locations"
- Among all sites, large sites in dependencies and impacts (e.g., factories and company-owned forests) related to the nature of business activities were selected
- Among large sites in dependencies and impacts related to the nature of business activities, sites that meet either "sensitive locations" or "material locations" were identified as priority areas

Under the TNFD, priority areas are evaluated in terms of "sensitive locations" and "material locations," and areas that meet both criteria are selected. There are five definitions of "sensitive locations," and at least one of the criteria must be met in the evaluation.

In this study, "areas important for biodiversity *3" and "areas of high ecosystem integrity *4" in the TNFD definition of "sensitive locations" were evaluated at all sites to be evaluated as common indicators.

In addition, businesses that were evaluated in the Evaluate phase as having dependencies and impacts items of high importance were evaluated as "material locations" by setting individual indicators for important nature-related items in dependencies and impacts.

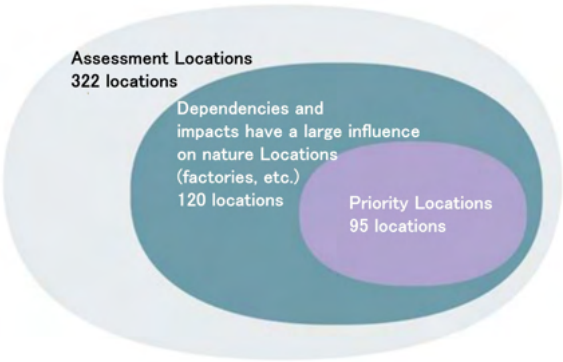
After that, factories other than offices and company-owned forests were selected as places where business activities could have impacts on ecosystems and the environment. In this study, priority areas were identified among the places where business activities can impact ecosystems and the environment, focusing on places classified as either "sensitive locations" or " material locations."

*3 Areas that meet the following criteria: These include protected areas and World Heritage Sites designated by law.
- They are recognized as priority ecosystems at the local, national, and international levels.
- The ecosystem/habitat at the site is regionally specific or highly localized.
- The site is home to endangered species and has a high extinction risk.
- They have important cultural and economic roles for stakeholders (Water supply, recreation, etc.).
- The Integrated Biodiversity Assessment Tool (IBAT) was used as the assessment tool.

*4 The ability of ecosystems to maintain and sustain ecological processes and diverse communities. Areas with low ecosystem integrity have degradation/loss of ecosystem assets or services. The WWF Biodiversity Risk Filter was used as the assessment tool.

In the assessment results, 95 of 322 locations were rated as priority locations. Assess will evaluate the status of its efforts in risks and opportunities from these priority locations.

Since many locations were judged to be priority locations, we will consider further prioritizing them by screening them based on such criteria as understanding the habitat conditions of plants and animals at each site, the amount of production, and the amount of business activities. As a concrete initiative, we have conducted a literature survey based on the materials of the National Museum of Nature and Science (see the next page), and are considering field surveys based on the survey.



TOPICS **Literature Survey on Rare Species Habitat by the National Science Museum**

Although the tools used in the LEAP approach are commonly used worldwide, we conducted a survey on the habitat of rare species at our domestic locations using the database of vascular plant specimens (seed plants and pteridophytes) owned by the National Museum of Nature and Science in order to confirm the existence of rare species based on detailed analysis.
The survey covered a total of 58 locations, including manufacturing sites directly operated in our company, renewable energy power generation areas, abandoned mines, and company-owned forests. The following activities were carried out.

1. For company land, the relevant secondary regional mesh (about 10 km on 1 side) is extracted based on GIS data or address. If it spans multiple meshes, all applicable meshes are extracted (70 meshes).
2. Data corresponding to the mesh of company land is extracted from the database of vascular plant specimens (seed plants and pteridophytes) owned by the National Museum of Nature and Science.
3. Specimen records that match either the 2020 the Ministry of the Environment Red List or the prefectural Red List are extracted.

As a result of the survey, a total of 1,642 specimens were recorded as red-listed species in the 70 secondary area meshes where company land is located.
By red list, 577 specimens were listed in both the Ministry of the Environment and prefectures, 138 were listed only in the Ministry of the Environment Red List, and 927 were listed only in the prefectural Red List.
Some specimens were identified in the 1800s and early 1900s, and some species are not known if they can be identified at present. Therefore, we will consider conducting field surveys to confirm the habitat status of many rare species at sites where specimens were found.

Analysis of Risks and Opportunities

For the analysis of risks and opportunities, based on the results of ENCORE and the fact that these businesses are considered to have extensive interaction with nature, we selected the hydroelectric power generation, geothermal power generation, and acid mine drainage treatment. The non-ferrous metal smelting business was selected by taking into account the large proportion of sales in our group and the size of risks by nature and impacts by opportunities. The main risks and opportunities identified are listed below. Prioritized risks and opportunities are marked with ★.
(The results of trial analysis conducted in January 2024 for the non-ferrous metal smelting business and the hydroelectric power generation business, and in January 2025 for the geothermal power generation business and acid mine drainage treatment business.)

Risks and Opportunities of Non-ferrous Metals Smelting

No.	Risks and opportunities category		Possible major changes in risks and opportunities and business activities
1	Physical risks	Chronic	Enhancement of sea-burn caused by wastewater heat
2	Transition risks	Policy and legal	Finance impacts by CO_2 emission regulation and introduction of carbon tax
3			Temperature regulation of wastewater due to the progress of sea-burning in neighboring seas
4		Market	Reduced competitiveness when other companies develop products produced by processes with lower CO_2 emissions
5		Technology	Finance impacts associated with capital investment to reduce the heat of wastewater and discharge
6	Opportunities	Financial flows and financing	Enjoyment of policy support and incentives for CO_2 reduction such as emissions trading schemes
7			Contribution to local communities by rehabilitating seagrass beds to prevent seashore burning and use of blue carbon credit schemes
8		Reputational capital	Cooperative engagement with stakeholders at the local level (e.g. seagrass rehabilitating activities)

Risks and Opportunities of Hydroelectric Power Generation

No.	Risks and Opportunities category		Possible major changes in risks and business activities
1	Physical risks	Acute	Sudden accidents such as water pollution caused by damage to power plant facilities due to floods and oil spills
2		Chronic	Response of flood control functions of dams to frequent extreme heavy rainfall and changes in annual rainfall due to climate change, such as impacts, and instability of power generation plans
3	Opportunities	Products/services	Continue to grasp the ecosystem of the dam and surrounding area, disclose it, and maintain the environment in cooperation with local governments and research organizations, and promote the continuous supply of renewable energy power

Risks and Opportunities of Geothermal Power Generation

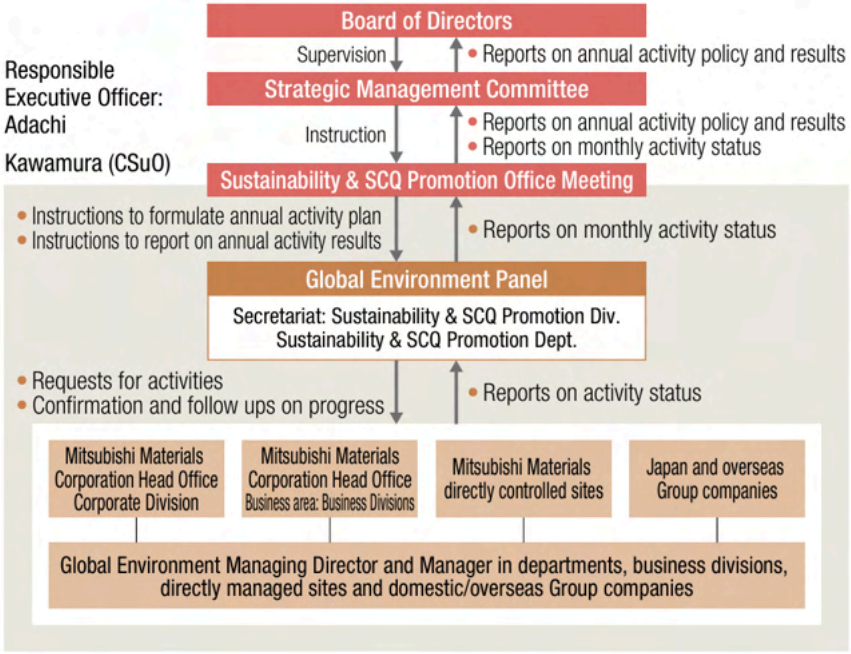
No.	High priority dependencies, impacts	Risks and opportunities category		Possible major changes in risks and opportunities and business activities
1	[Dependencies] Soil and sediment retention	Physical risks	Acute	Landslides and the collapse of the project area caused the suspension of operations and the burden of repair work.
2	[Impacts] Emissions of non-GHG air pollutants	Transition risks	Market	Destabilization of stock prices due to increased ESG investment as investors become more environmentally conscious
3	[Impacts] Use of terrestrial ecosystems		Policy	Due to concerns about impacts on terrestrial ecosystems, restrictions will be placed on business activity areas by stricter regulations on conservation of terrestrial ecosystems, including the establishment of protected areas. Sales will decrease due to restrictions on business activities
4				Due to concerns about impacts on terrestrial ecosystems due to development and steam production activities, requests for response will increase due to stricter regulations on conservation of terrestrial ecosystems, including the restoration of nature within operating areas, and the burden of responding to regulations such as tree planting will increase
5	[Impacts] Emissions of non-GHG air pollutants	Opportunities	Capital and funds	Stabilization of stock prices by attracting ESG investments
6			Resource efficiency	Reduction of personnel costs by optimizing processes to improve operational efficiency

Risks and Opportunities of Acid Mine Drainage Treatment

No.	High priority dependencies, impacts	Risks and opportunities category		Possible major changes in risks and opportunities and business activities
1	[impacts] Emissions of toxic pollutants to water and soil	Transition risks	Reputation	Decrease in sales due to loss of brand value due to ecosystem destruction caused by water and soil pollution
2	[impacts] Generation and release of solid waste		Responsibility	If new regulations (laws) are violated, fines and sanctions are imposed.
3	[impacts] Emissions of toxic pollutants to water and soil	Oppotunity	Reputation	Earning the trust of government and other stakeholders by fulfilling their responsibilities as the final holder of mining rights. Enhancing reputation also improves business continuity
4	[impacts] Use of terrestrial ecosystems		Protection, restoration and regeneration of ecosystems	Activities to protect, restore, and regenerate ecosystems around abandoned mines

Governance of Biodiversity

Under the supervision of the CSuO, who is responsible for sustainability, we address sustainability-related issues, including biodiversity conservation. We have also established a Safety, Environment & Quality Department of the Corporate Division to plan and promote the Group's strategic initiatives for risks and opportunities related to biodiversity conservation. In addition, the Global Environment Committee, for which the Safety, Environment & Quality Department serves as the secretariat, promotes internal educational activities related to biodiversity conservation, establishes activity policies, identifies nature-related issues based on the TNFD recommendations, assesses and manages nature-related risks and opportunities, prepares activity plans for a nature-positive society, and facilitates discussions and information sharing related to biodiversity conservation. These activities are reported to the Strategic Management Committee and the Board of Directors for appropriate monitoring (Matters for deliberation by and reporting to the Strategic Management Committee and Board of Directors).



Risk Management of Biodiversity

While critical risks inherent to each field of business are identified by individual business divisions and critical risks inherent to each site are identified by individual sites compulsively, each corporate department identifies and evaluates serious, high priority risks which share a high degree of commonality across the Group and which are expected to have a severe impact on the Group's business management.
Each critical risks is reviewed and selected annually by the Strategic Management Committee in which all executive officers participate. The response plan for these Critical risks is reported and deliberated by the Sustainability Council, and the status of its efforts is shared at meetings such as the Sustainability Review.
Executive Officer Adachi is responsible for overall risk management activities, and these activities are managed independently of the Audit Committee.
In terms of education, we strive to improve the quality of our activities by providing educational content that covers everything from an overview of risk management to specific approaches to management, and by holding seminars to improve risks sensitivity by external lecturers.
We recognize nature-related issues as one of the major risks issues that may have an important impact on our group's business performance and financial position, and promotes these issues in its risk management activities.
Details of our group's risk management structure and operational status, and the selection process for Critical risks are disclosed in "Enhancing Internal Control through Group Governance" in our Sustainability Report 2024.

Metrics and Targets

We are also promoting initiatives related to climate change and resource recycling, and the targets set in relation to nature are as follows. We will consider indicator targets for items not included in this page based on the results of this assessment.

GHG → Please refer to "Climate Change (Disclosure in Accordance with TCFD) - Indicators and Targets ."
Plastics → Please refer to "Pollution Prevention - Waste Management ."

Specific Initiatives

Initiatives at Manufacturing Sites

We also take initiatives to preserve biodiversity at our manufacturing facilities by considering the characteristics of each site. For example, at Naoshima Smelter & Refinery (Naoshima Town, Kagawa County, Kagawa), we have been engaged in tree-planting activities with the aim of promoting vegetation and restoring forests which were partially destroyed by forest fires in the past and where it is difficult for plant life to grow due to the dry soil conditions and low rainfall. Naoshima Smelter & Refinery also ensures thorough treatment of exhaust gas and effluent released from the facility under its own standards, which are stricter than government standards, in its efforts to protect the natural environment of Setouchi.

Initiatives in Company-Owned Forests

We own 13,000 hectares of forest across Japan and manage it by considering the habitats of the plants and animals that live there. We carry out wildlife monitoring and include rare species confirmed to be living in the areas on our red list. Our eight forests in Hokkaido have obtained certifications for sustainable forest management with consideration for biodiversity. We will continue to consider the contact points between our business activities and biodiversity, and take action to conserve biodiversity from a broad perspective.

In April 2022, MMC was registered as a participating company in the "30by30 Alliance for Biodiversity" (Alliance), an initiative of the Ministry of the Environment of Japan. The Alliance is a coalition of volunteers established to achieve the international Nature Positive goal of halting and restoring biodiversity loss by 2030. In order to achieve this goal, Japan aims to conserve and protect at least 30% of its terrestrial and marine areas by 2030 (30by30), and in addition to expanding protected areas such as national parks, Japan will establish OECMs (Other Effective area-based Conservation Measures) for areas that contribute to biodiversity conservation such as corporate forests outside protected areas. The Ministry of the Environment has certified these OECM areas as "the Nationally Certified Sustainably Managed Natural Sites," and MMC's Teine Forest in Hokkaido received this certification in October 2023. The certified areas were registered in the international database as "OECM*5," in August 2024, excluding overlaps with protected areas. Teine Forest, which has been certified this time, is a suburban forest adjacent to the urban area of Sapporo City, although it is home to a wide variety of flora and fauna. Teine Forest has been highly evaluated for its adoption of a work system with low environmental impact on forest management to conserve its biodiversity and for its monitoring activities using digital tools.
In addition, following the certification, we have been carrying out awareness-raising activities related to "the Nationally Certified Sustainably Managed Natural Sites," including holding "Nature Observation Events" for local residents in cooperation with Sapporo City.

*5 Other Effective Area-based Conservation Measures: Areas that contribute to biodiversity conservation other than officially protected areas, such as corporate forests.

> OECM official website

TOPICS **Development of a Biodiversity Monitoring Plan for Major Company-Owned Forests in Hokkaido**

In our “Materials’ Forests,” we have been assessing the impact of forest management practices on biodiversity through ongoing monitoring surveys conducted since 2010, primarily in certified forests in Hokkaido. Under this plan, we compiled and analyzed the results of monitoring surveys conducted through 2024 and clarified the current status, or baseline, toward the realization of a Nature Positive society by 2030.
Based on this baseline, we established 12 biodiversity targets, including the habitat status of rare species, with the aim of maintaining nature’s benefits and contributing to putting biodiversity on a recovery path by 2030. Going forward, we will continue monitoring toward the achievement of these targets and further promote forest management with consideration for biodiversity conservation.

Environmental Impact Assessment on Construction of Power Plants

Environmental Impact Assessment for Launch of Operations of Appi Geothermal Plant

In 2015, we established Appi Geothermal Energy Corporation in conjunction with Mitsubishi Gas Chemical Company, Inc. to the west of Appi Highlands in Hachimantai City, Iwate. We were joined by Electric Power Development Co., Ltd. in 2018, and the three companies are promoting the project towards the launch of the operation. The project involves the operation of a 14,900 kW geothermal power plant in 2024. Appi Geothermal Energy Corporation began procedures for an Environmental Impact Assessment in 2015, and studied, predicted, and assessed the impact of the construction of the Appi Geothermal Power Plant on the surrounding environment. The company received approval for the final environmental impact statement from the Minister of Economy, Trade and Industry in January 2018 and began construction of the plant in August 2019.

Voluntary Assessment of the New Komatagawa Hydroelectric Power Plant

We own a hydroelectric power plant immediately below the Moriyoshi Dam in the Komata River, a branch stream of the Ani River in the reservoirs along the Yoneshiro River in Kita-Akita City, Akita. In May 2019, we began construction on the New Komatagawa Hydroelectric Power Plant (rated output: 10,326 kW), a hydroelectric power plant that will use the discharged water which was used for power generation at the existing plant. When planning the construction of the new power plant, we undertook a voluntary environmental assessment to determine the impact on the surrounding environment. We are also creating a new plan to ensure that the flow rate of surplus from the new plant will be appropriate for the river to preserve the surrounding river environment. In addition, we will carry out eco-friendly construction work. We will use power supplied from the existing hydroelectric power plant, a renewable energy, for construction work on the headrace tunnel with TMB method. We will also engage in environmental initiatives including the recycling trees that were felled to construct the new power plant.

Initiatives to Conserve Biodiversity at Mines in Which We Hold Interests

We depend on imports of copper concentrates, our main raw material, from overseas mines, and are investing in overseas mines for stable procurement. However, the development and operation of mines may have a significant impact on biodiversity. As a non-operator, we do not directly operate mines. However, to fulfill our responsibility for sustainable development, we place importance on legal compliance and the concept of a “Social License to Operate.”
Prior to the commencement of mining operations at copper mines in which we have a stake (Escondida (Chile), Los Pelambres (Chile), Mantoverde (Chile)), an appropriate environmental impacts assessment is conducted in accordance with the laws of the countries and regions where the mining operations are conducted and international agreements such as the “10 Principles for Sustainable Development.” An appropriate mine closure plan is formulated through dialogue with stakeholders such as the government and local residents. Even after the commencement of mining operations, ongoing environmental monitoring is conducted, and we periodically confirm with the business entities that operate the mines that efforts are being made to prevent and reduce impacts on the ecosystem.
We also periodically conduct a questionnaire survey with suppliers of copper mines in which we do not have a stake to confirm that they are taking care of nature conservation areas and protecting biodiversity.

Mantoverde Mine

Mantoverde Mine is located in Chañaral Province, Atacama Region, Chile, and covers an area of approximately 29 km². A portion of the mine area adjoins the Guamanga Ravine, which is recognized as a Biodiversity Conservation Prioritized Site, with a minor overlapping area, and the site also adjoins Pan de Azúcar National Park. To minimize the impacts of its operations on surrounding ecosystems, the mine conducts continuous monitoring and implements conservation activities.
In 2025, biodiversity-related monitoring of flora, fauna, and the marine environment continued. Semi-annual guanaco (*Lama guanicoe*) monitoring recorded the highest number of individual observations to date. The site also continued to implement flora and fauna rescue and relocation linked to exploration and development activities, as well as its marine environmental monitoring program associated with the desalination plant. The results of the marine environmental monitoring were consistent with baseline conditions and regulatory expectations. In addition, impact monitoring did not identify any need for further mitigation actions or adaptive management.
The survival rate of the transplanted Sandillón cactus (*Eriosyce rodentiophila*), a species of concern, remained above 95%. Long-term monitoring, nursery propagation, and genetic material conservation also continued to support species resilience. Biodiversity information was also updated on the Global Biodiversity Information Facility (GBIF) platform.
In 2025, Capstone Copper also launched its Corporate Biodiversity Standard, which applies the mitigation hierarchy of avoidance, minimization, restoration, and offsets, with the objective of achieving No Net Loss and an ambition for a net gain in biodiversity. All sites, including the Mantoverde Mine, completed assessments against the Standard and established a roadmap to achieve full compliance by 2027. Going forward, Biodiversity Action Plans with measurable targets aligned with the mitigation hierarchy and the No Net Loss ambition will be developed at all sites. Capstone Copper also plans to conduct a gap analysis against the Taskforce on Nature-related Financial Disclosures (TNFD) requirements and develop a roadmap for the commencement of nature-related disclosure.
Through these efforts, our company, together with its partners, places importance on biodiversity conservation and harmonious coexistence with local communities, promoting sustainable mine operations in areas adjacent to national parks and nature reserves.

Los Pelambres Mine

Los Pelambres Mine is located in Chile's Coquimbo Region and operates in proximity to wildlife habitats and protected natural areas. The mine works closely with relevant local authorities to support conservation activities in four nature sanctuaries in Los Vilos, where its port and desalination facility are located.
At the partially closed Quillayes tailings storage facility, phytostabilisation is being carried out across approximately 300 hectares to control dust emissions, prevent soil erosion and restore the local ecosystem. Phytostabilisation uses plants to prevent the movement and dispersal of contaminants in soil, thereby reducing their environmental impacts. By the end of 2025, a total of 96,800 native plants comprising 12 local species had been planted, with 92% of the work undertaken by local workers.
Los Pelambres also manages 27,808 hectares of land under biodiversity management plans, including four designated nature sanctuaries. Its Biodiversity Standard is aligned with the principles of the International Council on Mining and Metals (ICMM) and the Taskforce on Nature-related Financial Disclosures (TNFD), which guide its risk assessments, management plans and disclosures. In 2025, no biodiversity-related incidents or regulatory breaches were recorded.

Environmental Impact Assessment as part of Copper and Gold Deposit Development Project

The Zafranal Project, located in the Arequipa Region of southern Peru, has received regulatory approval for its EIA*6 and is implementing measures to avoid and minimize potential environmental impacts associated with its development. Where potential impacts on flora, fauna or ecosystems are identified, mitigation measures, including the establishment of alternative habitats, are considered. Participatory environmental monitoring involving local communities and relevant authorities also continues, with the results shared with stakeholders.
In 2025, a Category II Semi-Detailed Environmental Impact Assessment covering additional exploration activities in the surrounding mining concessions was also approved by Peru's Ministry of Energy and Mines.

*6 Environmental Impact Assessment



Exploration drilling



River water quality survey



TNFD Report

マテリアルの森

Pamphlet for
“Materials’ Forests”

* This information is available only in Japanese on the website.



Past Columns of
“Materials’ Forests”

* This information is available only in Japanese on the website.

マテリアルの森
Instagram

* This information is available only in Japanese on the website.

Sustainable Use of Forest Resources (Materials' Forest)

- Sustainable Management and Operation of Company-owned Forests
- Effective Use of Resources
- Creating Forests Loved by the Community
- Initiatives to Conserve Biodiversity
- Initiatives to Produce and Improve Value of Company-owned Forests

Sustainable Management and Operation of Company-owned Forests

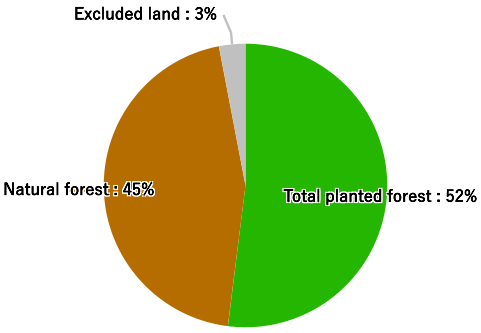
Basic Information on Company-owned Forests

We currently own around 13,000 ha of forestland (Materials' Forest) in Japan, mainly in Hokkaido, making us one of the largest owners of forestland in the country. We previously began acquiring forests for the purpose of supplying wooden supports for our own mines and coal mining activities. Today, however, we aim to manage forests so as to fully demonstrate their ecosystem services (public functions). In Hokkaido, we obtained forest certification under the SGEC*1 for 10,000 ha across eight forests on September 1, 2015, as third-party evaluation of our efforts toward sustainable forest management.

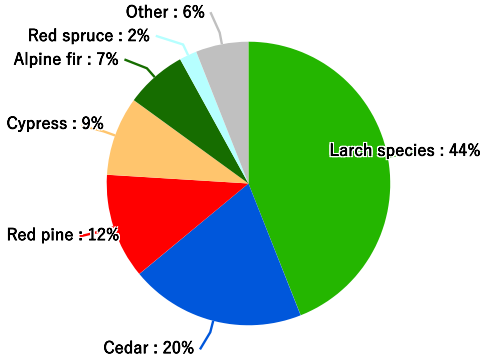
*1 SGEC (Sustainable Green Ecosystem Council), endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC): Established in 2003. SGEC certification became an international certification in June 2016 through mutual recognition with PEFC, a European certification body.

SGEC
SGEC/31-21-1448
Promoting Sustainable Forest Management
www.sgec-pefcj.jp

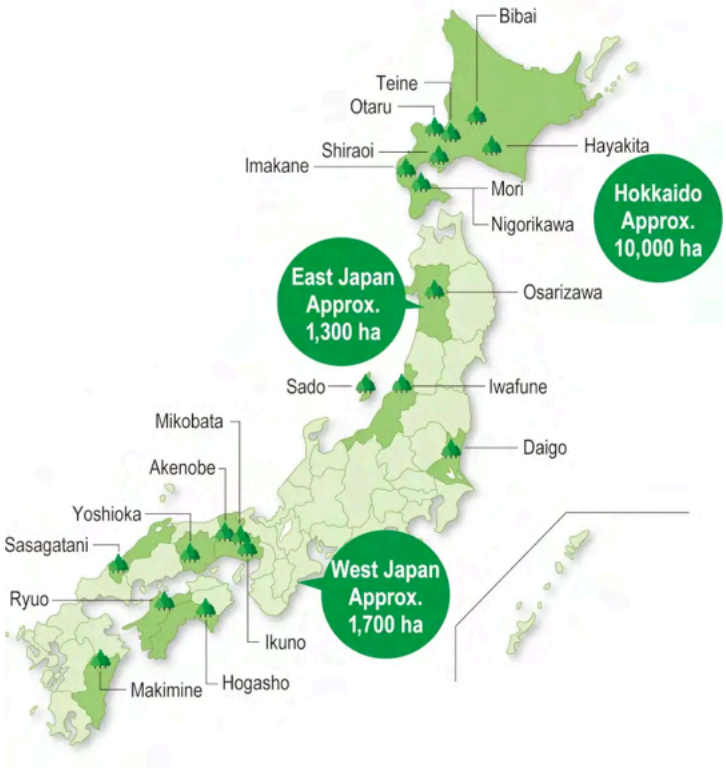
Mitsubishi Materials Company-owned Forest Area of Planted and Natural Forests



Mitsubishi Materials Company-owned Forest
Area Ratio by Artificial Forest Tree Species



Distribution and Scale of Company-owned Forests

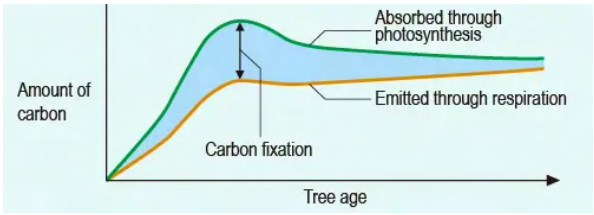


CO_2 Fixation in Company-owned Forests

An important ecosystem function of forests is their ability to fix CO_2. Our company-owned forests fix around 44,000 tons of CO_2 annually, equivalent to the annual emissions of around 23,000 people*2. We are also contributing to the prevention of global warming with proper forest management.

*2 Calculation method: growth volume (m^3) x wood density (t/m^3) x carbon conversion rate x ratio of total tree to trunk biomass x CO_2 molecular weight / carbon molecular weight

Relationship between Tree Age and Carbon Absorption/Emissions



* Taken and modified from data by the Forestry and Forest Products Research Institute, now the Forestry and Forest Products Research Institute of the Forestry Research and Management Organization

About Forest Development

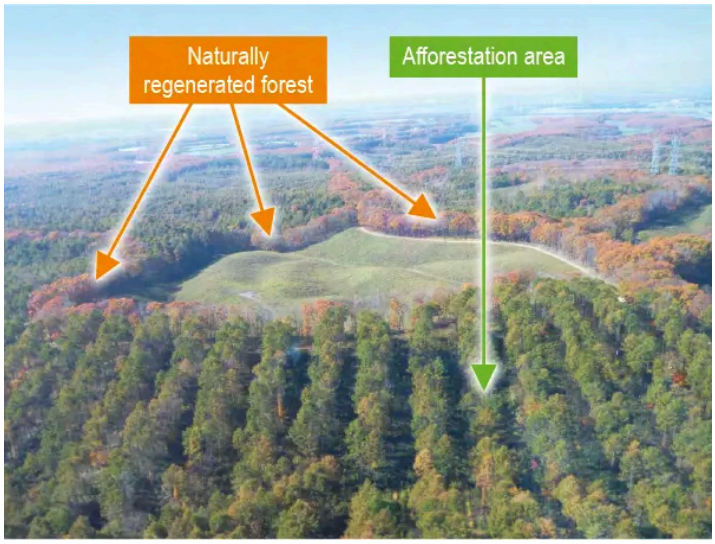
Management Philosophy

Our vision for the next 100 years is to realize a beautiful forest that society truly requires by utilizing the forces of nature and maximizing the functionality and utilization of forests. In addition to producing timber as a renewable resource, we are working to develop forests that showcase their diverse functionality, including providing spaces for public recreation, preventing global warming through CO_2 fixation, and conserving biodiversity.

The Zoning of Company Forests and Management Policies

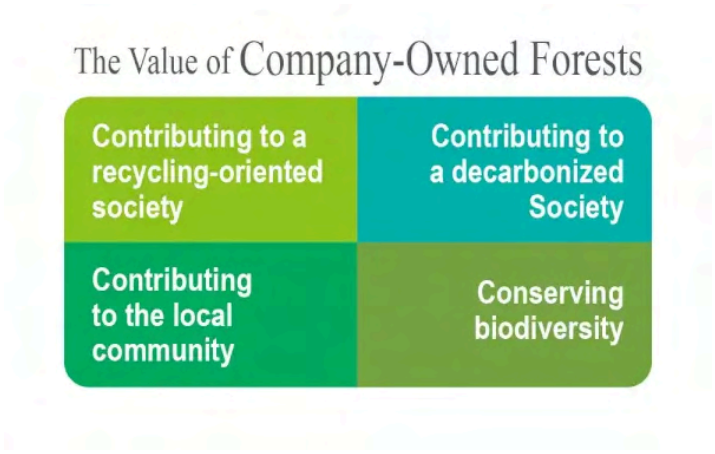
As each company-owned forest features a different location and environmental condition, and the functions required of them also vary, we have introduced four zoning categories for our forest management: water and ecosystem conservation zones, health and cultural usage zones, selective natural forest cutting zones, and timber resource recycling zones. The functions that should be improved and management methods for each are clarified below.

Zone	Activity
Water and ecosystem conservation zones	Maintain the natural forest by the water and convert it into a natural forest if artificial
Health and cultural usage zones	Create a model forest and facilities for walking and other forms of forest recreation
Selective natural forest cutting zones	Produce useful broad-leaved trees in a sustainable manner by felling trees in naturally regenerated forests within a range not exceeding their growth
Timber resource recycling zones	Actively encourage tree-planting and thinning in the artificial forest cycle to contribute to decarbonization



Hayakita Forest

The forest is laid out in a mosaic pattern, based on appropriate zoning between naturally regenerated forest (a forest made up of trees that have grown naturally), which has been conserved as a water and ecosystem conservation zone, and afforestation areas (trees grown from seedlings planted manually), planted with Japanese larch to be used as recycled resources for efficient lumber production.

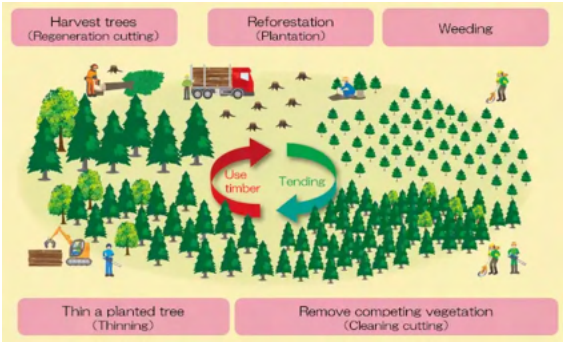


Operational Policies

We have defined a vision for our forests and have established operational plans for each individual zone toward achieving that vision. Forests are operated in as consolidated a manner as possible to improve efficiency and maximize revenue. At the same time, we also place importance on soil and water conservation and biodiversity preservation, in addition to economic performance. This includes carefully designing road networks required for forest operations, keeping them to a minimum necessary width to protect soil, and selectively retaining invasive broadleaf trees so that the environment can support a diverse range of tree and plant species.

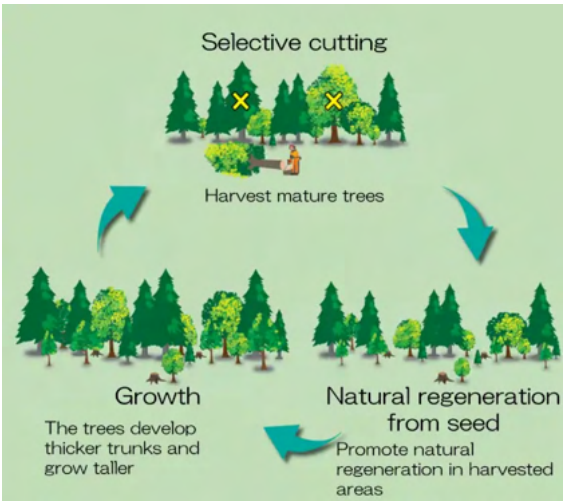
Operating Environmentally Friendly Artificial Forests

In timber resource recycling zones of artificial forests, we have introduced long-rotation operations with 80+ year cycles with the goal of producing large-diameter timber. To avoid creating large bare areas, clear-cutting is carried out only on small, dispersed plots. Strict rules are also set in place, including the prohibition on clear-cutting in conservation areas such as ridges and valleys in order to secure animal migration routes and habitats. The forest regeneration cycle, where a certain area is clear-cut on a rotating basis, also contributes to biodiversity preservation by creating diverse forest environments for different species.



Challenges in Operating Natural Forests

On average, naturally-developed forests are resilient to natural disasters and rich in biodiversity, allowing for higher ecosystem services (of public interest). By fully utilizing the forces of nature (soil conditions, light environments, potential vegetation, etc.), we aim to minimize forest management costs while achieving a balance between economic and environmental considerations. In natural forests, we aim to cultivate a variety of broadleaf tree species that are at risk of depletion, with the goal of restoring broadleaf tree resources and supplying them for use in furniture and other products.



Specific Initiatives

To carry out the above policies, we also incorporate cultivation, work systems combining small-scale machinery and narrow-width work roads, and horse logging where needed, in addition to conventional work systems.



Narrow-width forestry work roads



Horse logging

Effective Use of Resources

Timber is an outstanding sustainable resource. We produce timber through forest maintenance activities such as thinning and we make it available to society as raw materials and fuels for a variety of products, from building materials to woody biomass fuels. We also supply timber from our company-owned forests in visible forms. The timber has been utilized for tables in the Company cafeteria of the head office, as well as the office furniture, etc. including meeting tables and chairs for Sapporo Office, where the forest management division is located. In recent years we have also provided timber for beams and pillars at an integrated elementary and junior high school for compulsory education in Abira Town, for structural material in an office building in Sapporo, and for furniture material in a commercial facility table in the same city. We are also working on new ways of using the timber, including using it in the wooden pallets we use in our own logistics as well as in the wood grips of ballpoint pens sold by another company.

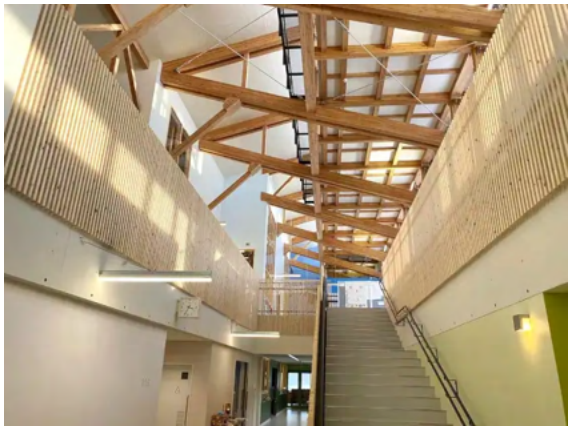




Supplying timber from forest thinning to society



A big table at the Company cafeteria of the head office



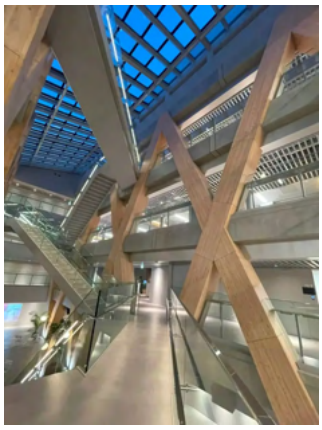
School building using timber from our company-owned forest



Meeting table in the Sapporo Office



Commercial facility table



Structural material for an office building

TOPICS **Utilizing Timber from Company-Owned Forests for Logistics Pallets**

We started manufacturing wooden logistics pallets made from the timber produced in Materials' Forest and using them at our Wakamatsu Plant (Aizuwakamatsu City, Fukushima Prefecture), which manufactures our copper and copper alloy products.
The wooden pallets are easy to repair and rework and can also be reused in applications such as wood chips, fuel and compost after use. Since the process of manufacturing wooden pallets consumes less energy and produces less CO_2 emissions than the process of manufacturing plastic pallets, this initiative promotes the circular use of timber resources and also helps us achieve our goal of establishing a sustainable supply chain.





News Release
Utilizing Timber from Company-Owned Forests for Logistics Pallets, Contributing to Sustainable Use of Timber Resources

Creating Forests Loved by the Community

As well as being company assets, our company-owned forests are an important element of the environment, in terms of shaping the local area. We contribute to local communities through appropriate forest management, which improves the quality of ecosystem services, including watershed protection, prevention of soil loss and recreation.

Providing Company-owned Forests as Venue for Community Activities

Located in the Teine area of Sapporo, Teine Forest has excellent transport access from the city center and opens up part of the forest to the people of Sapporo as a public forest, for purposes such as nature walks and camping grounds. We also provide access to fields for nature activities organized by a local NPO and for research by universities and other institutions.
Instead of just offering our company-owned forests for use by local residents, we implement initiatives such as tree planting festivals, tree growing festivals, and other environmental events in our forests to teach about the value and fun that forests provide, including their biodiversity.



An environmental event making tree name plates in a company-owned forest

Educational Activities

As part of our educational program for elementary schools in cities and towns where our company-owned forests are located, in addition to conducting classes about forests, we have offered our Materials' Forests for hands-on forestry experience. Under the program, after learning about forests through classes and videos, the students actually observe and experience activities such as tree planting and forest cutting work. This provides the opportunity for children to learn about forests in greater depth, and also deepens ties between the Company and the local community.
We continue to donate wooden graduation certificates made using the wood waste of broad-leaf trees generated in forest maintenance to preschools that use Materials' Forests as a place for contact with nature.



Forestry class by employees
(Kamiatsuma Elementary School,Hokkaido)



Hands-on Forest Programs at
our Materials' Forests
(SDGs Event Organized by Sapporo City
Children's Association Development Group)

Support Activities in Area Affected by Natural Disasters

We actively pursue support activities in areas that were affected by natural disasters in the past. We worked on the recovery of a forest owned by Mori Town, Hokkaido, which was damaged by the typhoon in 2016. In 2023, we held tree-planting and tree education events for local residents, with 40 participants (cancelled in 2024 due to rainfall). In Atsuma Town, which suffered damage from the Hokkaido Eastern Iburi Earthquake in 2018, we donated Christmas trees from our company-owned forests to two local kindergartens and held tree-planting events. 24 kindergarten children participated in the 2025 tree-planting event.



A Christmas tree sent to a nursery in Atsuma
Town, which was affected by the Hokkaido
Eastern Iburi earthquake

Initiatives to Conserve Biodiversity

Biodiversity Conservation Policy

Our company-owned forests are extremely important as a habitat for a diverse range of wildlife. We therefore take the utmost care to ensure that our various activities, including timber production, do not have a detrimental impact on living organisms.
In particular, forest ridge and riverside areas are migration pathways for creatures. They are called green corridors because those forests are extremely important for expanding the habitat of wild animals and allowing their interactions. We therefore prohibit clearcutting these forests, in principle. If clearcutting is carried out, it is limited to small and dispersed areas so as to minimize any reduction in biodiversity. In addition, artificial forest areas that are deemed difficult to secure long-term profitability are guided toward becoming natural forests with richer biodiversity. We have also introduced forest maintenance methods aimed at conserving biodiversity. These include mixed forest management between coniferous and broad-leaf trees in certain areas, in order to leave naturally invasive broad-leaf trees in conifer-dominated resource recycling zones, thus giving the forest a more diverse structure. By developing various types of forests in this way, we are striving to increase the diversity of the overall forest environment, thereby contributing to conserving biodiversity.

Monitoring

We also proactively monitor wildlife. As well as recording wildlife sightings during regular patrol activities, we have positioned a large number of survey sites in our forests, where we regularly inspect the wildlife living there and confirm the positive or negative impact of our forest maintenance. When felling standing trees, we carry out separate monitoring surveys before and after the operations to confirm that wildlife has not been adversely affected. If rare species are found during pre-cutting monitoring, we consider changing the timing or method so as not to affect them.
Rare species that have been confirmed to be living in the area (most endangered species included on red lists published by the Ministry of the Environment and Hokkaido Government) are included in our own red list of rare species living in Mitsubishi Materials company-owned forests. We issue warnings to all involved parties with access to the relevant forests to conserve biodiversity, such as by holding regular training sessions for them.
Additionally, we produced a Biodiversity Monitoring Plan in line with the Hokkaido Government's certified mountain forest requirements, with a view to achieving a nature positive society by 2030. Going forward, we will continue monitoring activities in cooperation with outside agencies based on this plan.

› Related Information：Sustainability website – Environment – Biodiversity Initiatives (Disclosure in Accordance with TNFD)



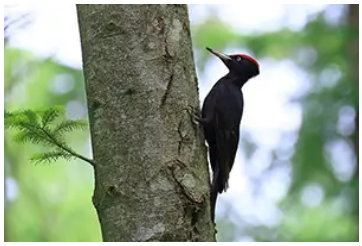
Daily monitoring activities



Wildlife camera trap



Japanese sable



Black woodpecker



Masu salmon



Cephalanthera longifolia (L.) Fritsch

OECM (Other Effective area-based Conservation Measures)

We have obtained certification of the entire Teine Forest as a Sustainably Managed Natural Site as part of efforts to contribute to the Ministry of the Environment's 30by30 target. In addition, areas outside designated protected zones have been registered as OECM.

› Obtaining OECM certification in company-owned forests
› Participation in the 30 by 30 Alliance for Biodiversity
› Cooperation with a Demonstration Project for Certifying "Natural Symbiosis Sites (Tentative Name)"

Biodiversity policy in company-owned forests

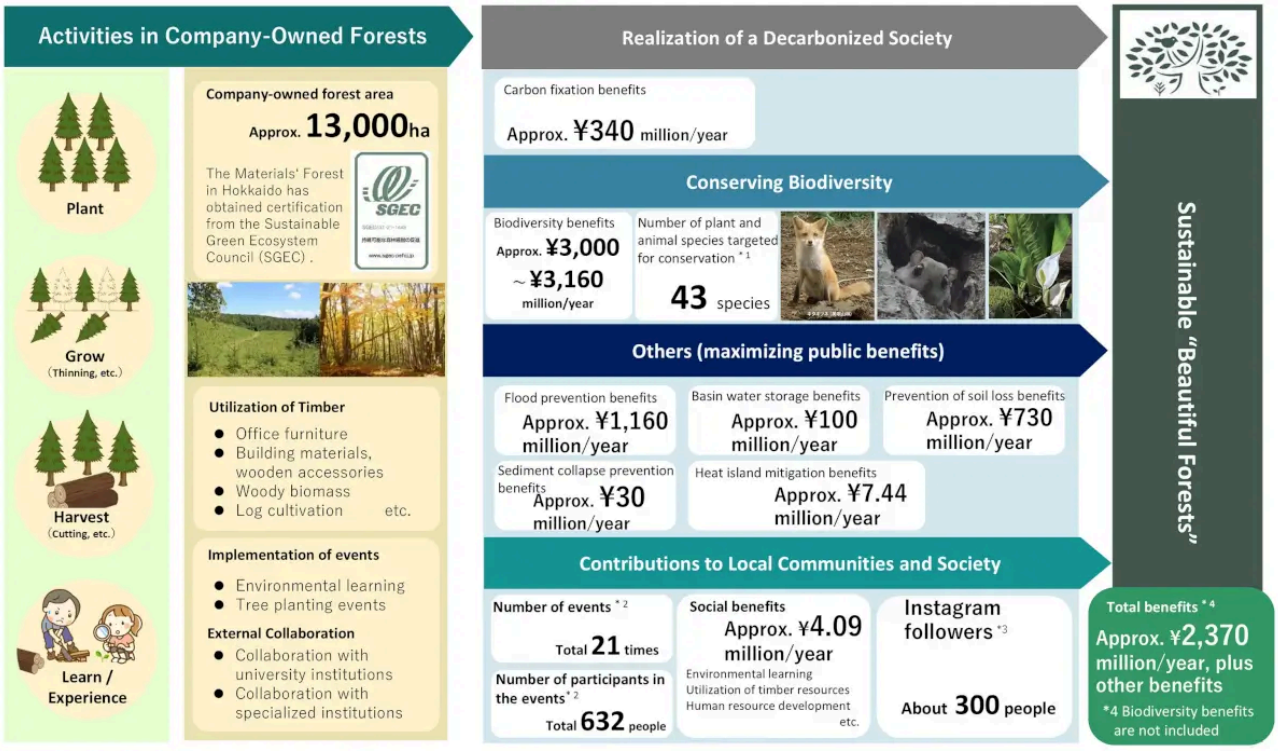
1. In carrying out operations, in accordance with the separately specified 'Guidelines for operations in consideration of the conservation of biodiversity', consideration shall be given to maintaining a healthy forest with a good balance of diverse vegetation and diverse stages of growth and to conserving the environment in which valuable plants and animals grow, in order to maintain and conserve biodiversity.
2. Identify species of valuable natural vegetation and animals with high potential for growth and habitat, distribute a 'List of valuable natural vegetation and animals' to staff and contractors (workers), and have them carry it with them when they visit the site for monitoring.
3. Promote activities that contribute to the conservation of biodiversity, such as the Nationally Certified Sustainably Managed Natural Sites, in order to contribute to Nature Positive and the 30by30 target.
4. Organize on-site training sessions by experts to improve the knowledge of staff.

(Excerpt from a company forest management and administration plan)

Initiatives to Produce and Improve Value of Company-owned Forests

Evaluation of the Economic Value of Public Benefit Functions of Company-Owned Forests

Forests provide various public benefit functions, including timber production, water and soil conservation, and recreational spaces. These public functions benefit our daily lives in the form of ecosystem services.
In our company-owned forests (the Materials' Forests), we are engaged in social contribution activities such as providing timber through forest maintenance and offering environmental education as part of our efforts to contribute to society toward nature-positive. We quantitatively assessed the public benefit functions provided through these activities and the economic value derived from forest management.
The economic value (total benefits) generated through forest maintenance, such as thinning, and social contribution activities, including environmental education events amounted to approximately ¥2.37 billion per year for 30 forest blocks (excluding biodiversity conservation benefits). We also found that biodiversity conservation benefits amounted to approximately ¥3.1 billion per year (see the figure below, as the calculation method for biodiversity benefits still has issues, they are not included in the total benefits).
Since the evaluation reflects the management status of each forest block, we will make use of the results in the development policies of each block, and will proceed with efforts toward "beautiful forests 100 years from now," which is the goal of our company's forests. For details, please refer to the papers submitted at the Environmental Systems Research Paper Presentation Meeting.



*1: The target is limited to the Materials' Forest in Hokkaido that has obtained "SGEC Forest Certification" *2: Events held from 2017 to 2024 *3: As of March 2025

> Papers submitted at the Environmental Systems Research Paper Presentation Meeting PDF (1,344KB)
* This information is available only in Japanese on the website.

Promotion of Digitalization

We have introduced a variety of digital tools with the aim of ensuring safety and improving operational efficiency. This includes drone-assisted resource surveys, as well as using tablets and smartphones to record information on safety and biodiversity. Today, we plan to investigate forest management using LiDAR technology and an expansion of the application of digital tools in areas with limited connectivity, aiming for further improvements in efficiency.



Use of drones



Use of GPS equipment

Internal Talent Development

There is a saying: “Forestry is people development.” We value this philosophy and strive to cultivate our forest managers, known as “foresters.” We define the necessary knowledge and experience required at each level and establish an annual training plan. Essential content includes forest survey techniques, safety and ecosystem knowledge, and legal regulations.
We also invite experienced foresters from Japan and abroad to serve as instructors for field training sessions. These sessions hone the “observation skills” essential for forest management while enhancing the skills required of foresters.



Group training within a company-owned forest



TNFD Report

マテリアルの森

Pamphlet for “Materials’ Forests”

* This information is available only in Japanese on the website.



Past Columns of “Materials’ Forests”

* This information is available only in Japanese on the website.

マテリアルの森
Instagram

* This information is available only in Japanese on the website.

Sustainable Financing

Sustainable Financing | Background of the Transition-Linked Finance Execution | Transition-Linked Bonds | Transition-Linked Loan | Reporting

Sustainable Financing

Mitsubishi Materials Corporation establishes the Transition-Linked Finance Framework (the framework) to promote our efforts to achieve carbon neutrality.
Transition-Linked Finance is a bond or loan with an unrestricted use of proceeds, in which a company has developed a long-term strategy to achieve a decarbonized society, sets targets in line with its transition strategy, and may change its financial and/or structural characteristics depending on the degree of achievement of targets.
Based on the framework, we execute the Transition-Linked Bond and Transition-Linked Loan.
We have obtained a second-party opinion from Japan Credit Rating Agency, Ltd. (JCR), which is an independent external institution on the framework's conformance.

- Transition-Linked Finance Framework (2,398KB)
  * This information is available only in Japanese on the website.
- Third Party Opinion from Japan Credit Rating Agency, Ltd.
  * This information is available only in Japanese on the website.

Background of the Transition-Linked Finance Execution

The Group has set out its GHG emissions reduction targets (Scope 1 + Scope 2) of 47% reduction compared to the fiscal year ended March 2021 level by the fiscal year ending March 2031, excluding GHG emissions from resource circulation efforts. We also aim to achieve carbon neutrality including GHG emissions from resource circulation efforts by the fiscal year ending March 2046. To achieve carbon neutrality by the fiscal year ending March 2046, we have set a target to achieve a 100% renewable energy usage rate for electricity by the fiscal year ending March 2036.
In order to raise the necessary funds to achieve the goals and promote our efforts to achieve carbon neutrality, we have issued the Transition-Linked Bond and executed the Transition-Linked Loan.

Transition-Linked Bonds

38th unsecured Bonds (limited inter-bond pari passu clause) (Transition-Linked Bonds)

Tenor	5 years
Issue Amount	￥20 billion
Amount of Each Bond	￥100 million
Issue Price	￥100 per face value of ￥100
Coupon	0.863% per annum
Pricing Date	November 22, 2023
Issue Date	November 29, 2023
Maturity Date	November 29, 2028
Interest Payment Date	29th each of May and November annually
Credit Rating	A- (Japan Credit Rating Agency, Ltd. (JCR))
KPI	Renewable energy utilization rate*1
SPT*2	Achieve 30% renewable energy utilization rate by FYE March 2026 Determination date: At the end of August 2026
Lead Managers	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. / Mizuho Securities Co., Ltd. / Nomura Securities Co., Ltd. / Daiwa Securities Co. Ltd.
Structuring Agent	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Trustee	MUFG Bank, Ltd.

39th unsecured Bonds (limited inter-bond pari passu clause) (Transition-Linked Bonds)

Tenor	5 years
Issue Amount	￥15 billion
Amount of Each Bonds	￥100 million
Issue Price	￥100 per face value of ￥100
Coupon	0.856% per annum
Pricing Date	April 18, 2024
Issue Date	April 24, 2024
Maturity Date	April 24, 2029
Interest Payment Date	24th each of April and October annually
Credit Rating	A- (Rating and Investment Information, Inc. （R&I）)
KPI	A- (Rating and Investment Information, Inc. （R&I）)
SPT*2	Achieve 30% renewable energy utilization rate by FYE March 2026 Determination date: At the end of August 2026
Lead Managers	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. / Mizuho Securities Co., Ltd. / Nomura Securities Co., Ltd. / Daiwa Securities Co. Ltd.
Structuring Agent	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Trustee	MUFG Bank, Ltd.

*1 Ratio of renewable electricity purchased by the Company (including electricity procured by other companies) divided by total electricity purchased.
*2 Sustainability Performance Target. Set targets to be achieved with respect to key performance indicators (KPIs).

Transition-Linked Loan

Loan Amount	¥20 billion
Execution Date	February 13, 2024
KPI	GHG emission reduction rate for Scope 1 and Scope 2
SPT	47% reduction of Scope 1 and 2 GHG emissions by FYE March 2031 (Base year: FYE March 2021) (Excluding GHG emissions from resource recycling efforts) *3
Arranger	MUFG Bank, Ltd.
Co-arranger	Mizuho Bank, Ltd.
Lender	MUFG Bank, Ltd. / Mizuho Bank, Ltd. / Development Bank of Japan Inc. / The Norinchukin Bank / The Hachijuni Bank, Ltd. / The Chiba Bank, Ltd. / THE TOHO BANK, LTD.
Structuring Agent	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Loan Characteristics	An interest subsidy of up to 0.2% will be granted by the government if the SPT is achieved

*3 Based on the METI's performance-linked interest subsidies program, multiple SPTs have been set over the loan period.

Reporting

The following table shows the actual performance of the KPIs and the achievement of the SPTs. In addition, our performance data for the fiscal year ended March 2024 and subsequent years has been subject to third-party assurance by Sustainability Accounting Co., Ltd.

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Percentage of electricity from renewable energy sources	0%	2%	4%	17%	36%	★45%
Total GHG emissions in Scope 1 and Scope 2	935 thousand t - CO_2e	949 thousand t - CO_2e	902 thousand t - CO_2e	887 thousand t - CO_2e	688 thousand t - CO_2e	★636 thousand t - CO_2e
GHG emission reduction rate in Scope 1 and Scope 2 (Base year: FYE March 2021)	–	▲1%	3%	5%	26%	32%

* The results for fiscal years ended March 2021 to 2024 reflect the consolidated scope as of the end of March 2024.

Third Party Assurance by Sustainability Accounting Co., Ltd. (3,331KB)

Management of Tailings Dams

Management of Tailings Dams
Compliance with International Standards and Third-Party Evaluation

Management of Tailings Dams

Tailings dams are important facilities for the management and storage of tailings, and if a catastrophic failure occurs, the surrounding environment and local communities could suffer severe impacts. Our Group recognizes that ensuring the safety of tailings dams is an extremely important issue for local communities, even at overseas mines that we do not directly operate. In cooperation with stakeholders, including joint venture partners and local communities, we are working to prevent disasters such as tailings dam failures by implementing appropriate design, management, and review processes.

Compliance with International Standards and Third-Party Evaluation

At overseas mines in which we invest, we work with joint venture partners to comply with the Global Industry Standard on Tailings Management (GISTM), an international safety standard, in the management of tailings dams.

Los Pelambres Mine

GISTM compliance was achieved in 2023 for El Mauro tailings dam, and work in 2024 included a third-party evaluation for the facility. At Quillayes tailings dam, a smaller-scale tailings facility, the self-assessment process for GISTM compliance is underway.

Escondida Mine

Actions are being taken to achieve compliance with the GISTM for the Amburgo and Laguna Seca tailings dams. As of August 2025, an assessment is ongoing for the former, while a third-party review of the latter was conducted in July 2025.

Mantoverde Mine

Actions are being taken to achieve GISTM compliance for the tailings dam.

Through these initiatives, our company aims to ensure the safety of tailings dams and minimize risks to local communities and the environment.

Human Capital and Human Rights

- Talent Retention
- Human Resources Strategies and Initiatives
- Implementation Structure for Execution of Our Human Resources Strategies
- Mid-to-Long-Term Goals and Current Status
- Addressing labor shortage issues
- Development of Talents
- Status of Employment
- Labor Union and Management Partnership
- Promotion of DE&I (Diversity, Equity & Inclusion)
- Our DE&I Initiatives
- Support for Diverse Working Styles
- Human Rights
- Human Rights Policy Promotion System
- Human Rights Due Diligence in Our Group

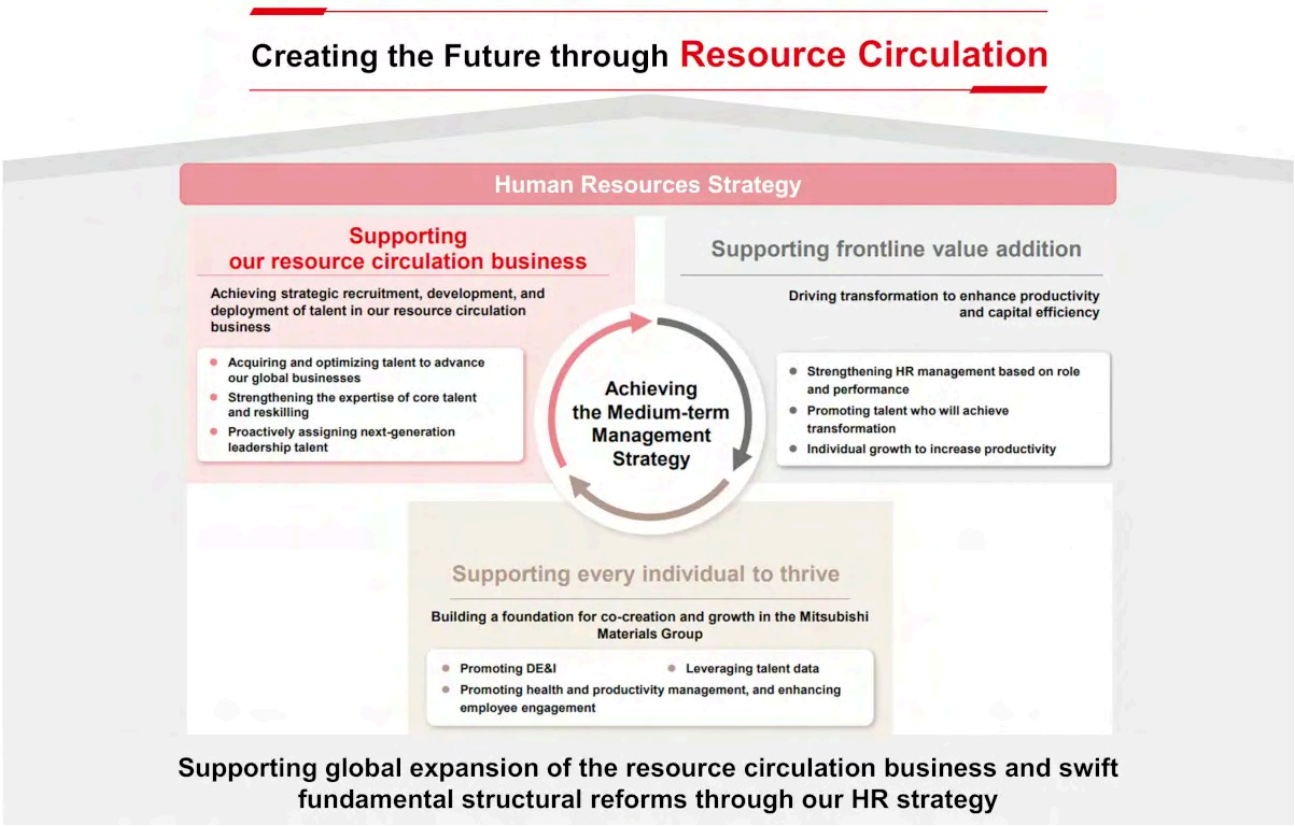
Talent Retention

Basic Approach to Human Capital

The Group has established Our Commitment: “For people, society and the earth, circulating resources for a sustainable future.” It is employees who fulfill this commitment through our business activities, and so we believe that employees are the source of new value creation and the Group’s sustainable growth. We have formulated human resources strategies in the Medium-term Management Strategy (FYE March 2027-2029) to serve as the foundation for this and are investing in various measures. We will continue to view our employees as human capital and maximize their value to facilitate the growth of both individuals and the Company.

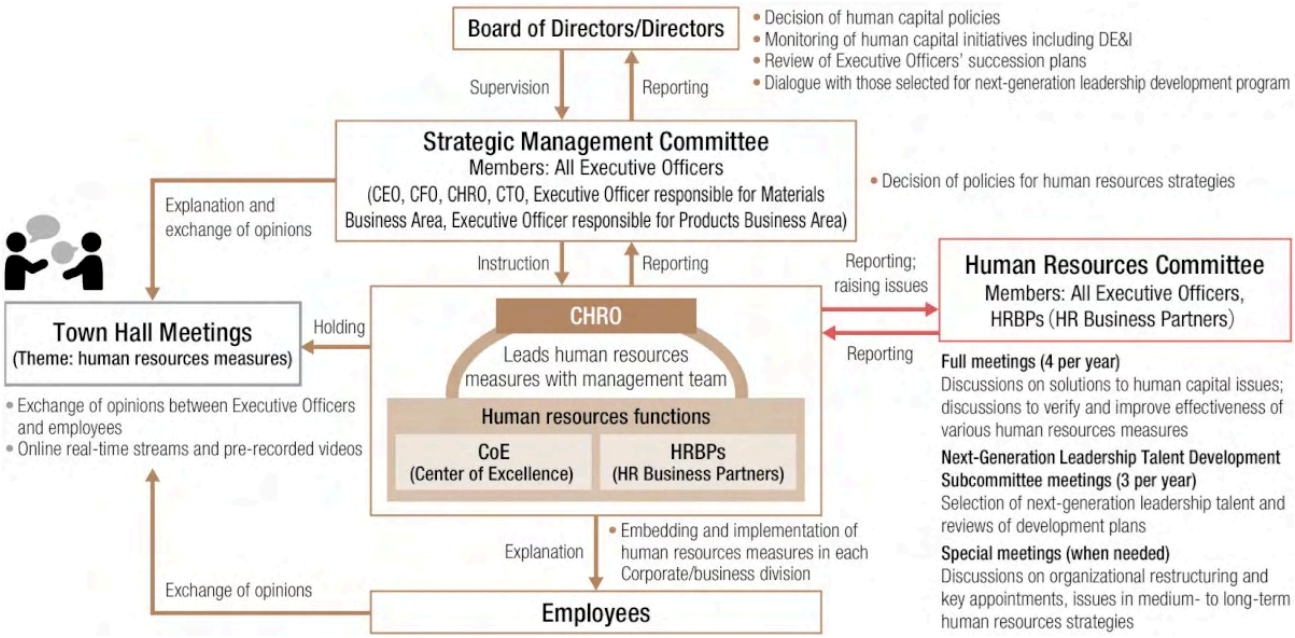
Human Resources Strategies and Initiatives

As set forth in our Medium-term Management Strategy (FYE March 2027-2029), we aim to become a company that is “creating the future through resource circulation,” and have formulated human resources strategies linked with business strategies that will support the management foundations.
These strategies are based on the three pillars of “supporting our resource circulation business,” “supporting frontline value addition,” and “supporting every individual to thrive.”
Based on these three pillars, we will first achieve strategic recruitment, development, and deployment of talent for the global expansion of our resource circulation business. As we implement fundamental structural reforms, we will also encourage talent who can drive reforms aimed at increasing productivity and capital efficiency, and we will build a foundation for co-creation and growth in the Mitsubishi Materials Group. Through the implementation of human resources strategies composed of these three pillars, we will support our evolution into a company that is “creating the future through resource circulation.”



Implementation Structure for Execution of Our Human Resources Strategies

We have established the position of an Executive Officer overseeing the Group's human resources strategies (CHRO), along with human resources functions including the CoE (Center of Excellence) and HRBPs (HR Business Partners), and are strengthening our human resources functions through close coordination among them. Through discussions on issues concerning human capital by the Human Resources Committee, whose members include all Executive Officers and the HRBPs, and measures such as selection of candidates for next-generation leadership talent development and reviews of those candidates' development plans, we implement various measures that combine our management strategies and human resources strategies. We also hold Town Hall Meetings where we communicate with each employee about the beliefs behind our human resources strategies and various initiatives, which provides opportunities for two-way dialogue.
The Board of Directors regularly monitors these human capital initiatives and reviews Executive Officers' succession plans, and actively works on initiatives such as meetings and dialogue between Directors and next-generation leadership talent.
The Board of Directors regularly monitors these human capital initiatives and reviews Executive Officers' succession plans, and actively works on initiatives such as meetings and dialogue between Directors and next-generation leadership talent.



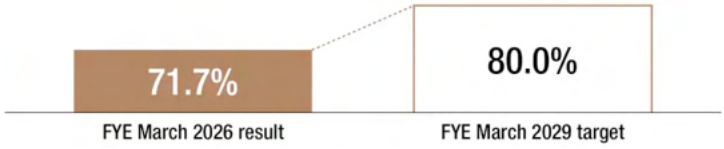
Mid-to-Long-Term Goals and Current Status

In our human resources strategy, we have established four key KPIs to assess implementation status and effectiveness.

Ratio of Candidates on the Next-Generation Leadership Talent Development Program to Successors of Executive Officers

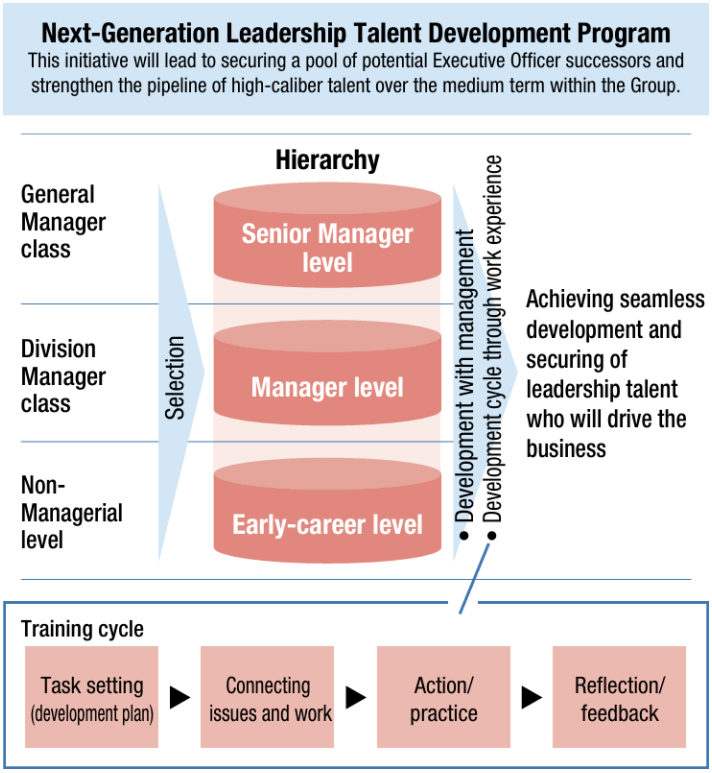
For the Group to continue to grow over the medium to long term, the continuous development and retention of leadership talent who will drive the Group's business is the most important issue in our Human Resources Strategy. Accordingly, we have set the "Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers" as a key KPI regarding the continuous retention and development of management leadership candidates. The results for the previous fiscal year are as shown in the figure below; we achieved a figure exceeding the 70% target set for March 31, 2026. To achieve the 80% target for the fiscal year ending March 2029, we will further accelerate efforts to strengthen talent development, including the direct involvement of management, and foster growth through practical work experience.

Ratio of Candidates on the Next-Generation Leadership Talent Development Program to Successors of Executive Officers



Next-Generation Leadership Talent Development Program

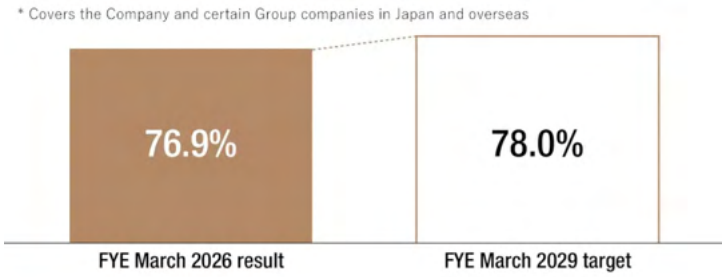
We established the training system: “Next-Generation Leadership Talent Development Program” in the fiscal year ended March 2006, and have developed future leaders with the aim of training qualified candidates for Executive Officer positions. Against the backdrop of four management reforms and human resource reforms, we revised the program in the fiscal year ended March 2023. Under the new program, we will select high-potential talent from younger generations, and shifting from the previous training-centered approach, formulate development plans that emphasize work experience. With this as a basis, we are developing future leadership talents with cross-divisional and Group-wide perspectives. Furthermore, we have continued to strengthen the development of next-generation leadership talent across the Group through initiatives such as “cross-mentoring” between Executive Officers and next-generation leadership talent, launched in the fiscal year ended March 2025, and “roundtables,” introduced in the fiscal year ended March 2026, as well as by expanding the scope of candidate selection to include Group companies.



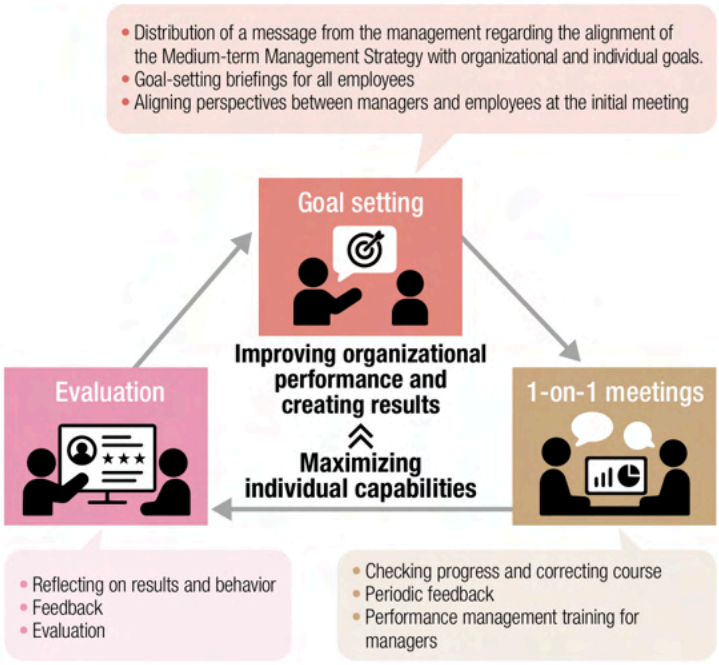
Positive Response Rate for the Performance Management-related Questions in Employee Engagement Survey

Under our Medium-term Management Strategy, we are undertaking sweeping structural reforms with a sense of urgency, shifting our management focus from volume to value and transforming our earnings structure from copper concentrate processing to secondary smelting. As we face this major transition, we recognize that, in order for each employee to maximize their performance, it is essential to clarify each employee’s duties and roles, set personal goals that are linked to organizational goals, provide continuous feedback toward goal achievement, and improve the credibility of performance evaluations. Therefore, we view performance management as the “foundation for creating organizational results,” and have established the “positive response rate for the performance management-related questions in the employee engagement survey” as a key KPI from both perspectives: ensuring a thorough management cycle and enabling each employee to feel a sense of engagement.

Positive Response Rate for the Performance Management-related Questions in Employee Engagement Survey



Flow of performance management

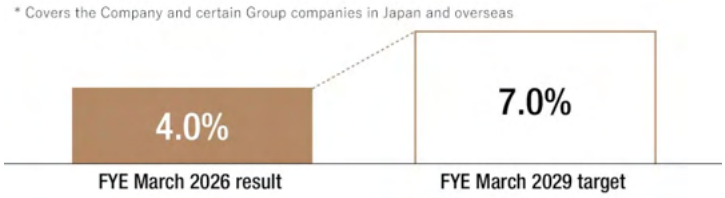


Percentage of Women in Management Positions

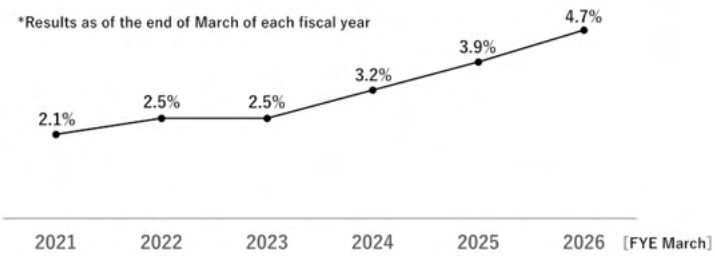
Under our Medium-term Management Strategy, as the diversity of our talent continues to increase as our business expands globally, in order to bring together our shared knowledge and create new added value, it is essential to foster an organizational culture based on DE&I (Diversity, Equity & Inclusion) and to create an environment where every individual can thrive.

Recognizing the importance of ensuring diversity within decision-making bodies, our Group is focusing first on advancing women's participation and strengthening the talent pipeline. By expanding the scope of women's participation through recruitment, development, and promotion, and by enhancing our decision-making and organizational capabilities through inclusion, we have established the percentage of women in management positions as a key KPI.

Percentage of Women in Management Positions



Trends for Percentage of Women in Management Positions (non-consolidated)



The number and ratio of female Directors and Executive Officers in the fiscal year ending March 2027 are as follows. All four figures increased year on year.

Number and Ratio of Female Directors, Executive Officers in the Fiscal Year Ended March 2027(non-consolidated)

Subject	Number	Ratio
Female Directors (as of June 23, 2026)	4 (out of 10)	40.0% (+10.0% year on year)
Female Executive Officers (as of April 1, 2026)	3 (out of 6)	50.0% (+21.4% year on year)

Percentage of Numbers of Female, Non-Japanese and Mid-Career Hire Managers

We have set ourselves the targets of achieving year-on-year increases in the percentage of non-Japanese and mid-career hire managers respectively throughout the period of the Medium-term Management Strategy (FYE March 2027-2029).

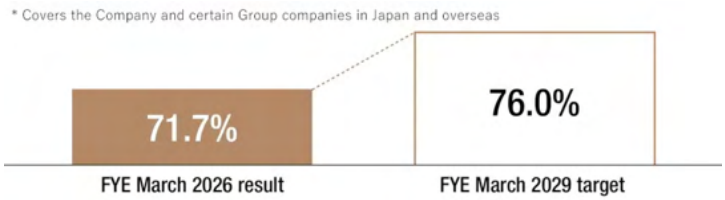
Targets for the Number of Female, Non-Japanese and Mid-Career Hire Managers (non-consolidated)

Subject	FYE March 2026 Target Result
Percentage of non-Japanese managers	1.3%
Percentage of mid-career hire managers	25.1%

Positive Response Rate in Employee Engagement Survey

People are the driving force behind the implementation of the Group's management and business strategies. We are implementing various measures with the aim of becoming a company where the individuality of each employee is accepted and respected, and where employees can feel job satisfaction while the organization delivers its maximum performance. Accordingly, to visualize the effectiveness of these measures, we have established the "positive response rate for all questions in the employee engagement survey" as a key KPI.

Positive Response Rate in Employee Engagement Survey



Engagement Survey

We are working to improve employee engagement in order to foster job fulfillment through the promotion of well-being. We have conducted engagement surveys since the fiscal year ended March 2023* to visualize issues related to organizations and talent. The Human Resources Committee deliberates on policies and other measures to address these issues, and we work to implement and improve related initiatives.

* The surveys have been conducted on a non-consolidated basis since the fiscal year ended March 2023, and covered the Company and certain Group companies in Japan and overseas since the fiscal year ended March 2026.
* Human Resources Committee: Composed of all Executive Officers and HRBPs (HR Business Partners)



* Human Resources Committee：Comprising all Executive Officers and HRBPs (HR Business Partners)

Our survey consists of five categories: "Work," "Colleagues," "Compensation," "Organization," and "Growth Opportunities." On a non-consolidated basis, the target for the Positive Response Rate in Employee Engagement Survey for the fiscal year ended March 2026 was set at 75.0%, but the actual result was 74.4%, falling slightly short of the target. In particular, “Organization” decreased by 3.7 p.p. year on year. We believe that this was affected by changes in the organization and roles associated with structural reforms implemented in the first half of the fiscal year ended March 2026. In response to this, this fiscal year we are focusing on promoting understanding of management and fostering a sense of conviction through detailed explanations and dialogue at workshops held during the MTMS* Executive Caravan, in which Executive Officers visit each site, as well as at Town Hall Meetings that provide opportunities for dialogue between Executive Officers and employees.
On the other hand, “growth opportunities,” which has been an area of focus since the start of the survey, improved by 1.7 p.p. compared to the fiscal year ended March 2025, and 11 p.p. compared to the fiscal year ended March 2023. We believe that this is the result of steady efforts to support autonomous career development and growth, such as the enhancement of our Internal Job Posting System and career planning month, which is held every November.

* Medium-term Management Strategy

Category	Work	Colleagues	Organization	Compensation	Growth Opportunities	All Questions
Year-on-year change	+1.0 p.p.	-0.4 p.p.	-3.7 p.p.	-2.1 p.p.	+1.7 p.p.	-0.5 p.p.

Moving forward, based on an analysis of the fiscal year ended March 2026 survey results on a consolidated basis, we will position “fairness and a sense of conviction regarding evaluations,” “autonomous career development,” and “self-growth” as priority issues. We will also implement career-related initiatives, including further strengthening performance management and revitalizing the internal job posting system, with the aim of enhancing individual and organizational performance and, ultimately, increasing corporate value.

Development of Talents

Support for Autonomous Career Development

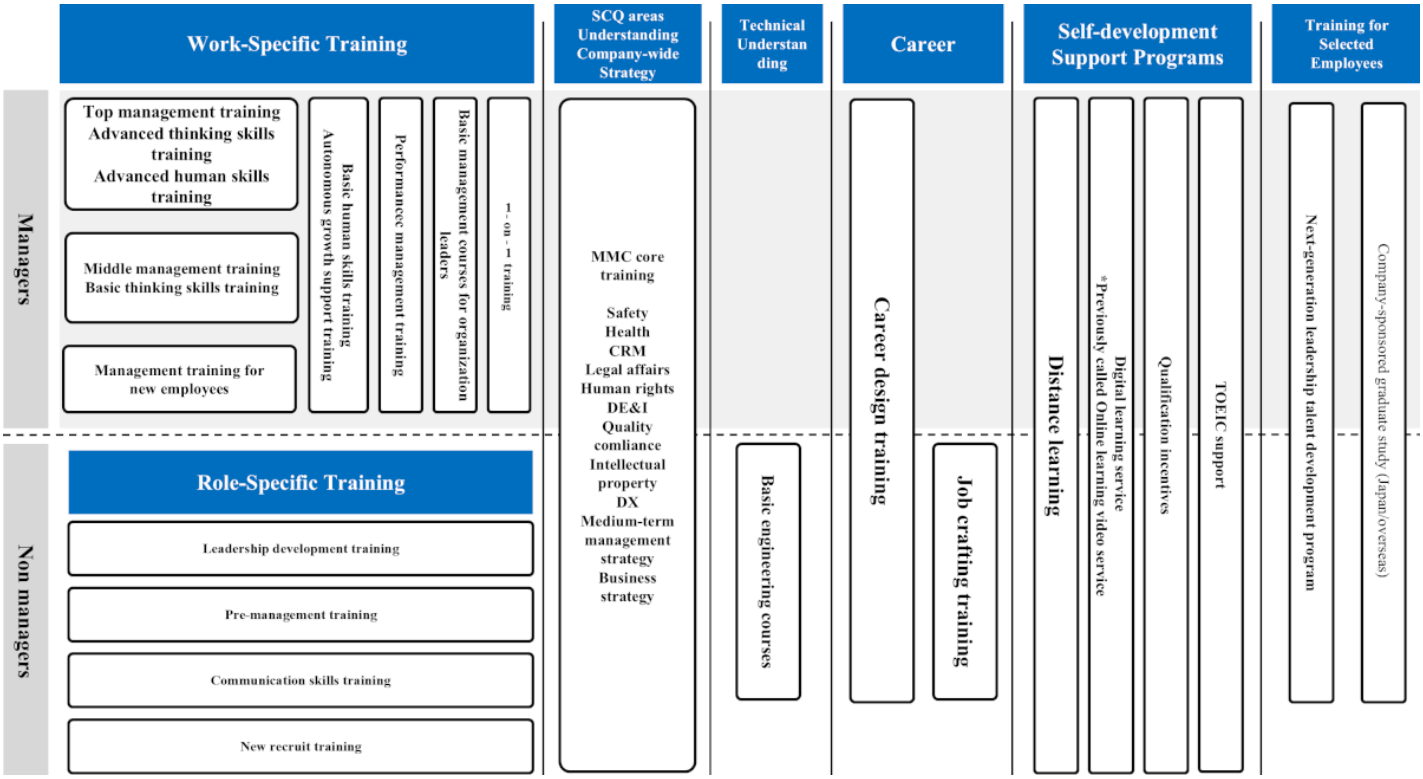
To enhance retention and development of talent who can support our business growth, we are working to assist in career development by providing employees with opportunities for self-growth.

- Activation of the Internal Job Posting System (relaxing criteria for eligibility and expansion of internal communication)
- Holding a career event so that people can learn about jobs at MMC, get to know employees and develop a vision for their career, aiming to increase employees’ awareness of self-directed career development opportunities (lectures by experts, round-table talk by employees with experience of Internal Job Posting, overseas postings, side jobs/side businesses and childcare leave, etc.) (from the fiscal year ended March 2024)
- Providing opportunities to consult outside career counselors (union members added to the target group from the fiscal year ended March 2026)
- On-demand digital learning services and providing correspondence education to provide support for re-skilling

Talent Development System

In the fiscal year ending March 2025 we redesigned our training system for non-union members. Based on the recognition that improving management skills is essential for achieving the Medium-term Management Strategy, the new training system will shift to a curriculum more focused on management issues. We will work to enhance employees’ management skills by combining theme-specific training such as “transformational skills” and “the ability to cultivate self-directed talent” with complementary skills-based training including thinking and interpersonal skills.
We also view it as important for employees to develop their careers in a self-directed manner and develop their abilities proactively. To reflect this, we offer “Career Design Training” for employees across various age groups and provide career development support through interviews with career advisors.
At the same time we are improving support for self-development based on the provision of digital learning services and correspondence education.
These training measures and the growth employees achieve through experiences in their day-to-day work are closely connected, and we make every effort to cultivate talent and foster an organizational culture of adapting flexibly and promptly to changes in society and the business environment while taking on challenges.

Talent Development System (non-consolidated)



Employee Training (non-consolidated)

Annual total hours of training

Annual total hours of training (aggregated)	Average hours per employee (annual)
124,043hours (▲5,209 hours year on year)	22.71 hours (+0.95 hours year on year)

* Subjects of the above data for education and training program hours include non-regular employees as well as regular employees.
* In addition to mandatory trainings, the above also include trainings that employees voluntarily take.

Status of Employment

Status of Employment at the Mitsubishi Materials Group (As of March 31, 2026)

Number of Employees (full-time equivalent)

Subject	Employees		Temporary Staff
Non-consolidated		5,084	437
Consolidated		17,591	1,686
	Japan	10,832	
	Overseas	6,759	

Employee Numbers According to Location (consolidated, full-time equivalent)

Location	Employees
Japan	10,832
North America	744
Central America	77
South America	64
Oceania	8
Europe	1,799
East Asia	726
Southeast Asia	3,144
Southwest Asia	197
Total	17,591

Recruitment (Recruits for FYE March 2026) (Non-consolidated)

Subject	Graduate Recruitment		Experienced Recruitment
	University graduates (including graduate school)*1	High school graduates etc.*2	
Men	66	37	33
Women	27	5	12
Total	93	42	45

*1 Bachelor's degree or above.
*2 This includes high school graduates, technical college graduates, vocational college graduates, and junior college graduates.

Employees Who Left the Company for Their Own Reasons (employees who left the company in FYE March 2025) (Non-consolidated)

Subject		Age under 30	Age 30-49	Age 50 or over	Total
Number of employees who left the company for their own reasons	Men	45	55	22	122
	Women	11	7	3	21
	Total	56	62	25	143
Percentage of employees who left the company for their own reasons	Men	5.3%	2.5%	1.2%	2.5%
	Women	4.6%	2.1%	1.2%	2.5%
	Total	5.1%	2.5%	1.2%	2.5%

Labor Union and Management Partnership

Under our union shop scheme, we respect collective bargaining rights and freedom of association as the basic rights of workers, thereby striving to maintain a good labor-management relationship. The scheme also enables us to share information and exchange opinions between labor union and management on a regular basis. In particular, our biannual Labor-Management Conference, which is held within a year with the Mitsubishi Materials Federation of Labor Unions, is aimed at strengthening solidarity through active discussion, covering subjects such as recent issues, strategies and policies in each sector, and establishing a shared direction in the interests of the Company's sustainable growth for the future.
Also, management spends substantial time on careful explanation and consultation with labor upon facing such events as proposal of measures. The current number of union members amongst those directly employed by Mitsubishi Materials (including employees on assignment) stood at 3,977. Including labor unions of Group companies that belong to Mitsubishi Materials Federation of Labor Unions, the total number of members was 6,285 (as of April 2026).

Number of Union Members (full-time equivalent)

Item	Number of employees
Non-consolidated	3,977
Consolidated	6,285

Promotion of DE&I (Diversity, Equity & Inclusion)

Basic Policy

We have stipulated our basic policies regarding Diversity, Equity and Inclusion in the Basic Policy on Corporate Governance, Sustainability Policy, and Human Rights Policy. We have also established the Guidelines for Support of Women's Development and Advancement as our policy on promotion of women's development and advancement.
We have posted these basic policies in our internal HR portal website and continue to inform and cultivate the policies for all employees through activities such as explanations during internal training programs.

Basic Policy on Corporate Governance (Excerpt)
Based on the belief that employees are the source of new values and the Group's sustainable growth, we aim to maximize organizational performance by creating workplace environments in which team members with diversity in every respect, including race, religion, gender, sexual orientation and gender identity, age, disability, nationality, national origin, social origin, and professional background, can coexist, and recognize one another in an equitable manner, and actively demonstrate their individual abilities at their very best. (Article 10)

> Basic Policy on Corporate Governance

Sustainability Policy (Excerpt)
We embrace diversity and acknowledge its importance in creating new value. We will promote Diversity, Equity and Inclusion as a source of sustainable growth within the Group. (Article 3)

> Sustainability Policy

Human Rights Policy (Excerpt)
We aim to build workplaces where team members with diverse attributes, values, and experiences can coexist, and respect one another in an equitable manner, and where individuals can work confidently with a sense of growth and fulfillment as they elevate each other and demonstrate their capabilities to the full. (Article 8)

> Human Rights Policy

Guidelines for Supporting Women's Development and Advancement

(1) Actively promoting Diversity, Equity and Inclusion to embrace and respect diverse personalities, as well as to create new values, that are the sources of sustainable growth for the Group. Such promotion is one of our management strategies, and active participation of female talents is indispensable.
(2) Aiming to be a place where all female talents with diverse personalities can demonstrate their individual abilities at their very best at all workplaces, occupation fields and positions, while experiencing growth and self-realization.
(3) Fostering culture where every female talent can independently and autonomously build and develop their careers by improving the work environment, expanding the work area and support that respect viewpoints of work.

Our DE&I Initiatives

We are pushing forward with initiatives to establish an environment which enables all of our employees, who are diverse, to proactively demonstrate their capabilities.

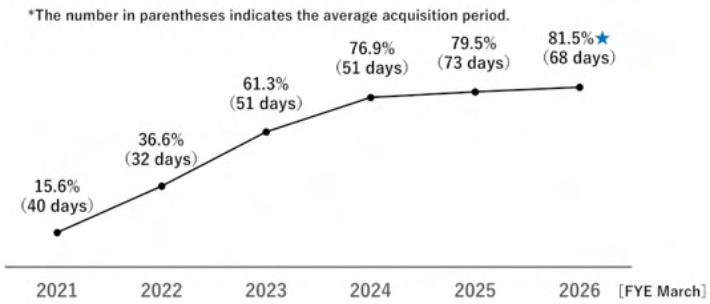
Main measures

General	• Monitoring and discussion by the Board of Directors • Monitoring and discussion by the Human Resources Committee (members: all Executive Officers and HRBPs) • Lectures by experts for Officers • Set DE&I promotion goals as one of the non-financial evaluation criteria for executive annual bonuses ▶ For details, please refer to "Corporate Governance - Policy on Determining Remuneration for Officers ." • Employee training using the MMC Core Training system • Distributing video content to all employees
Support of women's development and advancement	• Setting targets and selection of female candidates in the Next-Generation Leadership Talent Development Program • Supporting career development • Providing external training opportunities • Holding "DE&I Forum" as an International Women's Day event in cooperation between seven nonferrous metal companies and the Japan Mining Industry Association • Implementation of pre-childcare leave interviews • Introduction of fertility support and health services
Support for non-Japanese employees	• Holding recruitment events for international students • Foreign language support for company entrance exams and exams for promotion to management positions • Language education support both before and after hiring • Discussions to determine requests or other requirements for the Company at the time of hiring FYE March 2024:10 employees
Support for mid-career hires	• Enriching information related to mid-career recruitment on our website • Onboarding and networking initiatives
Support for employees with disabilities	• Implementing action plans at offices and plants • Strengthening of connection with external associations for employees with disabilities • Employment support for employees with disabilities (trainees from special education schools) • Model workplace for disabled employees
LGBTQ+ Support	• Seminars by Outside Directors for all employees • Sponsorship of Tokyo Pride 2026 • Business for Marriage Equality Endorsement • Release of in-house handbook to promote understanding of LGBTQ+ issues • Training sessions led by LGBTQ+ people for Human Resources staff • Awareness-raising events during Pride Month • Acquisition of PRIDE Index certification • Activities related to LGBTQ+ allyship by the employee community
Activities at business sites	• Executing a three-year action plan for the promotion of DE&I and improvement of engagement (FYE March 2027–FYE March 2029)
Other	• Family care seminars for all employees • Establishing the employee DE&I hotline • Employee community activities related to work and childcare

Support for Male Employees to Take Childcare Leave

We have set a target of 100% for male employees to take childcare leave from the fiscal year ended March 2023 onward. In the fiscal year ended March 2026, this figure was 81.5% (+2.0% year on year) and the average number of days of childcare leave taken was 68 days (▲5 days year on year). Since the fiscal year ended March 2026, we have continued actively working to achieve the goal, including the provision of opportunities to attend fathers' classes and seminars for those returning to work after parental leave, and the distribution of videos.

Trends for Percentage of Male Employees to Take Childcare Leave

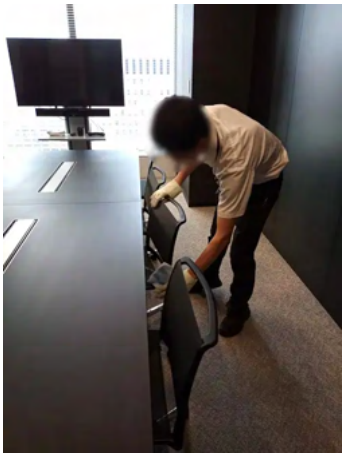


Promoting Employment of People with Disabilities

We engage in a range of initiatives to promote the employment of people with disabilities.
An action plan regarding the employment of people with disabilities for the entire company, including plants, was formulated, and their work areas were expanded. As a result, 3.0% of employees were employees with disabilities as of the end of March 2026. This exceeds the statutorily required percentage, which was raised in July 2026. Many employees with disabilities work at the Marunouchi Head Office and the Saitama Office, a “model workplace for disabled employees” aimed at enabling people with disabilities to learn, grow and contribute to society through their work.
At the Marunouchi Head Office, we mainly provide jobs such as cleaning and sterilization of the cafeteria and work in the mail room. At the Saitama Office, in addition to cleaning and sterilization of the cafeteria and training and accommodation facilities and work in the mail room, the jobs include maintaining greenery on company premises, and producing business cards, including for the Group companies. We assign guidance staff to each workplace to respect the individuality and potential of each employee with a disability, innovate and improve how they work, and to foster their growth in a way that promotes a sense of fulfillment and job satisfaction.
We also accept the internship of students from local schools for special needs education, actively hold events such as company tours, and support the employment of students attending schools for special needs education, such as by motivating them to work at a company through these activities.



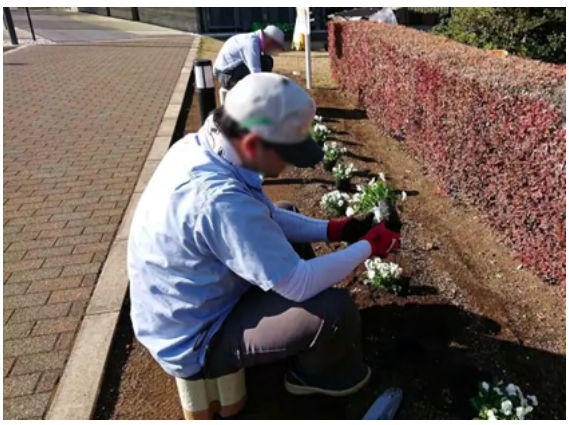
Cleaning of Cafeteria
(Marunouchi Office)



Cleaning of meeting rooms
(Marunouchi Office)



Replanting flowers in the flowerbeds
(Saitama Office)



Green space maintenance
(Saitama Office)

TOPICS Selected for the First Time as Nadeshiko Brand in the Fiscal Year Ended March 2026

In the fiscal year ended March 2026, we were selected for the first time as a Nadeshiko Brand. The purpose of the Nadeshiko Brand is to evaluate companies that excel in promoting the active participation of women from the perspective of enhancing corporate value over the medium- to long-term, and to promote investment and accelerate the efforts of individual companies. We position the advancement of women as a key management priority and have driven effective initiatives—such as establishing a framework where senior management bears responsibility and incorporating DE&I-related indicators into officer remuneration. We were further recognized for expanding the scope of women's participation through recruitment, development, and promotion, as well as for making steady progress in ensuring diversity within decision-making bodies.

> News Release：
Accelerating Value Creation Centered on People: Selected as a "Nadeshiko Brand" for the First Time in FYE March 2026

* This information is available only in Japanese on the website.

TOPICS Expanding the Circle of Allies Beyond Corporate Boundaries

In February 2026, we partnered with Daimaru-Yu* SDGs ACT 5 Executive Committee and Idemitsu Kosan Co., Ltd. in hosting Connecting from Daimaru-Yu! Yurutto Ally Exchange Meeting, an event aimed at expanding the circle of allies beyond corporate boundaries. Held in a hybrid format blending face-to-face and online interactions, the meeting attracted 149 participants, including ally initiative supporters, LGBTQ+ individuals and those in charge of diversity at companies.
Feedback from talk sessions and the exchange meeting included that participants now had an idea of what they could do as allies and they had learned that being more informed and changing their way of speaking could help make someone else's life easier.
We will use the lessons and connections gained through this event to energize the activities of TRAM (Together, Rainbow, Ally, MMC Group), which is the ally community within the Group, and we will promote greater understanding for LGBTQ+ and the development of workplaces where everyone feels safe and can embrace their true identities.



* Otemachi/Marunouchi/Yurakucho area

> News Release：
Expanding the Circle of Diversity: "Connecting through Otemachi, Marunouchi and Yurakucho!
Casual Ally Networking Event" Brings Together 149 Participants from 51 Companies, Launching Cross-Company Ally Collaboration
* This information is available only in Japanese on the website.

Click here to learn more about our Diversity, Equity & Inclusion.

> Diversity, Equity & Inclusion
* This information is available only in Japanese on the website.

TOPICS **Received a "Gold" Award in the PRIDE Index 2025 for two consecutive years**

We have received a "Gold" award in the PRIDE Index 2025*, which is an evaluation index of corporate engagement with LGBTQ+ and other sexual minorities.

* The PRIDE Index is an evaluation index first developed in Japan in 2016 by "work with Pride," a voluntary organization.



> News Release：
Received a "Gold" Award in the PRIDE Index 2025 for two consecutive years

* This information is available only in Japanese on the website.

Support for Diverse Working Styles

We promote creating working environments that enable our employees to strike a balance between their work and their home life. We strive to develop and expand a variety of support systems in order to create an environment where every employee can take on the challenge of career advancement while realizing a work style that suits the events in their lives.
In the fiscal year ended March 2023, we introduced a Work-from-home System for the entire Company, including plants, to help employees work with more flexibility while improving productivity, as well as a Remote Work System for managers. We also abolished the core times from the flextime systems in place at our Head Office locations and some of our other business sites, supporting employees in adopting a more flexible way of working. In the fiscal year ended March 2024, we introduced a trial system for side jobs/side businesses and in the fiscal year ending March 2025, we began full-scale operation of this system.
To reduce long working hours, we have formulated a policy, targets for total working hours, and action plan, and are working to reduce overtime hours and encourage employees to take paid leave in accordance with the actual conditions at each business site, while holding labor-management meetings of the Shorter Working Hours Study Committee.
The Company is a signatory to the United Nations Global Compact and supports the Ten Principles of the Compact in four areas (human rights, labor, environment and anti-corruption). In the Group's human rights policy, we state our commitment to respecting applicable international norms concerning human rights in the countries and regions where we do business, observing relevant laws and regulations, and appropriately managing employee working hours, holidays, leave and wages.

Systems Supporting Flexible Workstyles

System		Outline
All employees	Work-from-home system	A system that allows employees to work from home who are in charge of work that can be handled at home.
	Remote work system	A system that allows managers to work without restrictions on location (Japan only)
	Half-day paid leave system	A system under which paid leave may be taken in half-day units
	By-the-hour paid leave system	A system under which paid leave may be taken in hour units
	Wellness leave	We allow employees to carry over up to 5 days per year of their expiring annual paid leaves, with an upper limit of 60 days. These paid leaves may be used when an employee or their family is receiving in-patient or home treatment for a non-work-related illness or injury, when an employee undergoes a complete medical checkup/gynecological examination or has in- and out-patient fertility treatment, and when an employee takes part in volunteer activities or other activities.

System		Outline
All employees	Flextime system	A system which permits employees to determine their start and finish times (without core time requirements at some business sites)
Childcare support	Maternity nursing leave (for male employees)	When the wife of an employee has given birth, the employee is entitled to three days of leave within two weeks of the date of birth.
	Support interviews for employees returning to work after childcare leave (leave to raise children), etc.	For employees taking prenatal and postnatal maternity leave and childcare leave for a total of three months or longer and who wish to have an interview
	Lump sum payment for early return to work after childcare leave (leave to raise children), etc.	Paid to employees who return to work early after maternity leave, or after one month or more of childcare leave (during the month following the month when they return to the month when the child becomes one year old).
	Shortening of prescribed working hours	Employees caring for a child up until the sixth grade of elementary school are eligible. The number of prescribed working hours per day may be shortened to a minimum of six hours.
	Childcare time	A female employee with a child younger than one year old is entitled to take two 30-minute breaks during shortened prescribed working hours.
	Staggered work hours and additional break time	Female employees who are pregnant or have given birth to a baby may move up or down their start and finish times by up to 60 minutes under certain conditions. They are also permitted to take two breaks for up to 60 minutes in total per day.
	Exemption from out-of-hours work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work overtime.
	Limitations on out-of-hours work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work over 24 hours of overtime a month and over 150 hours of overtime a year.
	Limitations on late-night work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work from 10:00 pm to 5:00 am.
	Child nursing care leave	Employees caring for a child up until the sixth grade of elementary school are entitled to take this leave on a daily or hourly basis, in principle, separately from annual paid leaves. (For employees with children up to the age of 3, up to 5 days of paid leave will be granted per year.) ・One child: 10 days / year ・Two or more children: 15 days / year
	Childcare fee subsidy system	Paid to employees with children under the age of 3 who attend preschool or a day care facility
Caregiving support	Extended caregiving leave	Employees may take up to a maximum of 36 months' leave per person requiring care.
	Caregiving leave	Employees with family members requiring care may take leave as follows. The leave may be taken on a daily or hourly basis, in principle, separately from annual paid holidays. - One family member requiring care: 5 days - Two or more family members requiring care: 10 days
	Shortening of prescribed working hours/staggered work hours/flextime	Employees with family members requiring care may take leave under one of the following schemes specified by the Company. - Shortening of prescribed working hours - Staggered work hours - Flextime
	Exemption from out-of-hours work	Employees with family members requiring care are entitled not to work overtime.

System		Outline
Caregiving support	Limitations on out-of-hours work	Employees with family members requiring care are entitled not to work more than 24 hours of overtime a month and more than 150 hours of overtime a year.
	Limitations on late-night work	Employees with family members requiring care are entitled not to work from 10:00 pm to 5:00 am.

Systems Related to Diverse Careers and Employment Continuation, etc.

System	Outline
Internal job posting system	Implemented as a part of promoting autonomous career development
Side business / Side jobs	A system allowing employees to engage in non-employment side jobs and side businesses has been introduced with the aim of enabling employees to acquire knowledge, skills, and experience that cannot be obtained within the Group, bringing value to the Group while also further promoting awareness of autonomous career building
Special temporary leave-of-absence system	A system that allows employees who are accompanying a spouse on an overseas assignment or who are studying at their own expense to take leave for a certain period of time
Alumni recruitment	A system designed to encourage former employees who had previously left the Company to rejoin it to again demonstrate their capabilities
Overseas study program	A system that dispatches employees desiring to study overseas who have passed an internal selection to graduate schools, etc. in Japan or abroad

For details, please refer to "Promotion of flexible work styles" under "Diversity, Equity & Inclusion".

› Promotion of flexible work styles

* This information is available only in Japanese on the website.

Status of Utilization of the Systems, etc. (FYE March 2026)

Item	Male	Female	Total
Number of employees taking caregiving leave	6	1	7
Number of employees taking childcare leave	97	29	★126
Number of employees taking prenatal and postnatal maternity leave	—	28	28
Percentage of paid leave taken (Non-consolidated union member) (January to December 2024)	—	—	85.0%
Average overtime hours (Non-consolidated union member) (January to December 2025)	—	—	14.2hours

* To develop an environment in which it is easy for employees to take paid leave as part of measures to increase the percentage of paid leave taken, we have determined days when employees are strongly recommended to take paid leave and days when employees are encouraged to take paid leave, before or following holidays, etc. Thus, we recommend employees to proactively take paid leave.
* Regarding employee working hours, we use a dedicated attendance management system in which employees, including managers, input their working hours. Their workplace superiors can use the system to regularly check the attendance status of all team members.

Working Styles for Employees Aged 60 and over

As of April 2021, we have extended the mandatory retirement age from 60 to 65 years old, as a measure to secure stable employment and improve the treatment of senior employees, to enable them to work with peace of mind, and to further increase their motivation. In addition, we are catering to the needs of individual employees by incorporating options such as selective retirement age and re-employment with shorter working hours, taking the state of health and life plans of each employee into account.

Human Rights

Basic Approach

Human Rights Policy

This "Human Rights Policy of the Mitsubishi Materials Group" (the "Policy") was established based on the Sustainability Policy and is considered to be the foundation of the business activities of the Mitsubishi Materials Group.
The Mitsubishi Materials Group understands that its business may directly or indirectly have an impact on human rights across all areas of its operations, from procurement of raw materials to the development, manufacturing, distribution, consumption, disposal, and recycling of materials and products.
This Policy applies to all executives and employees*1 of the Mitsubishi Materials Group companies*2.

*1 Employees include short-term, contract, part-time, and temporary employees of the Mitsubishi Materials Group.
*2 "Mitsubishi Materials Group companies" (or "Group companies") refers to our consolidated subsidiaries.

We expect our business partners to support and practice this Policy and aim to work together towards the promotion of respect for human rights.

1. Respect for International Human Rights Norms
The Mitsubishi Materials Group respects the human rights stipulated in the International Bill of Human Rights*1 and the Declaration on Fundamental Principles and Rights at Work*2 of the International Labour Organization (ILO) and understands them to be the minimum standard to be observed. We also support international human rights norms such as the Guiding Principles on Business and Human Rights and the 10 principles of the UN Global Compact*3 and conduct our business activities in line with these principles.

*1 The International Bill of Human Rights is the term applied to the set of three documents: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.
*2 The ILO's Declaration on Fundamental Principles and Rights at Work sets forth four areas as the minimum standard to be observed in relation to labor: "freedom of association and the effective recognition of the right to collective bargaining," "the elimination of forced or compulsory labour," "the abolition of child labour," and "the elimination of discrimination in respect of employment and occupation."
*3 Approved by the UN Human Rights Council in 2011, the Guiding Principles on Business and Human Rights set forth the responsibilities and actions required of business enterprises to respect human rights and provide access to remedy in the context of Business and Human Rights.

The Mitsubishi Materials Group complies with the laws and regulations applicable in the countries and regions where we conduct our business activities. In cases where there is a conflict between internationally recognized human rights and the laws and regulations of the country or region in which we operate, we will seek ways to honor the international principles while complying with the laws and regulations.

2. Governance and Promotion Structure
Sustainability & SCQ Promotion Office regularly reports on the status of compliance with this Policy and the Group's human rights efforts to the Executive Officers' Meeting and the Board of Directors of the Mitsubishi Materials Corporation, and promotes the efforts under the supervision of the Board of Directors.

3. Human Rights Due Diligence
The Mitsubishi Materials Group conducts due diligence to identify, assess, prevent, and mitigate negative human rights impacts related to its business activities. Where we identify that our business activities are causing or contributing to negative human rights impacts, we will take appropriate measures to correct and remedy the situation.

4. Stakeholder Engagement
The Mitsubishi Materials Group recognizes the importance of understanding human rights issues from the perspectives of stakeholders whose human rights have been or may be impacted. We further recognize that there are vulnerable or marginalized groups which require special consideration.
Therefore, we will continue to engage in constructive dialogue with relevant stakeholders to understand, improve and address human rights issues.

5. Grievance Mechanisms
The Mitsubishi Materials Group promotes a culture of free and open communication. Employees may consult with their superiors regarding human rights concerns and/or report such concerns to our internal whistleblowing system.
We have also established a "Responsible Minerals Sourcing Hotline" which is available to internal and external stakeholders for any concerns or violations of the Responsible Minerals Control Policy.
To identify and respond to the human rights concerns of our stakeholders in a timely manner, we work to establish an effective reporting and grievance handling system.

6. Training and Awareness-Raising
The Mitsubishi Materials Group provides all executives and employees of each Group company with the training and capacity building necessary to put this Policy into practice.

7. Reporting and Disclosure
The Mitsubishi Materials Group periodically discloses the progress of efforts based on this Policy.

8. Commitment to Human Rights Issues

- Prohibition of Forced Labor and Human Trafficking
  We do not permit forced labor. We also do not tolerate modern slavery in any form, including bonded labor and human trafficking.

- Prohibition of Child Labor
  We prohibit child labor and observe the statutory minimum working age. In addition, we do not allow young workers to engage in hazardous labor.

- Prohibition of Discrimination
  We do not tolerate any form of discrimination based on race, religion, gender, sexual orientation and gender identity, age, disability, nationality, national origin, social origin, or personal history.

- Prohibition of Harassment
  We do not tolerate behavior, whether physical or psychological, which threaten the dignity of individuals. These include power harassment, sexual harassment, harassment related to pregnancy, and other forms of harassment such as those related to childcare and nursing care leave.

- Promotion of Diversity, Equity and Inclusion
  We aim to build workplaces where team members with diverse attributes, values, and experiences can coexist, and respect one another in an equitable manner, and where individuals can work confidently with a sense of growth and fulfillment as they elevate each other and demonstrate their capabilities to the full.

- Respect for Freedom of Association and the Right to Collective Bargaining
  We engage in constructive dialogue between labor and management and respect the freedom of association and the right to collective bargaining.

- Working Hours and Wages
  In accordance with the laws and regulations applicable in the countries and regions in which we operate, we duly manage employees' working hours, holidays, vacations, and wages.

- Occupational Safety and Health
  In accordance with the laws and regulations applicable in the countries and regions in which we operate, we protect the safety and health of employees and aim to create workplaces that are conducive to maintaining mental and physical wellbeing.

- Respect for Privacy
  We respect and protect the privacy of individuals. When handling personal information, we comply with relevant laws, regulations, and internal rules.

- Impact on Local Communities
  We recognize that the Group's business activities may have an impact on local communities such as the health of local residents, land rights, access to water, and indigenous peoples' rights. We respect local cultures and customs, engage in dialogue and consultation with local communities, and take necessary actions in accordance with relevant international norms to prevent and mitigate any negative impact on the rights of local residents.

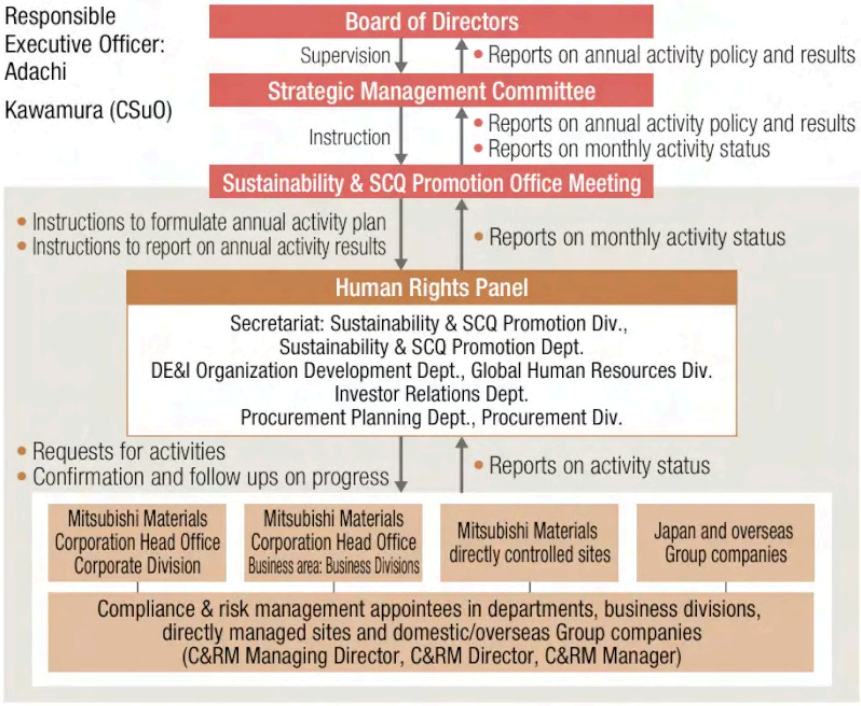
- Responsible Procurement of Raw Materials and Minerals
  We work together with our suppliers to procure raw materials and minerals in a responsible manner. Specifically, we ensure that our suppliers are fully aware of our procurement guidelines and conduct supplier evaluations. We also work together with our suppliers to promote cooperation with industry associations and international initiatives.

- High Risk Circumstances
  In the event that we are confronted with a specific situation or environment where there is a high risk of human rights abuses, we, based on the basic principle of respect for human rights, will strive to prevent such abuses with the utmost care.

Stipulated on December 1, 2021
Revised on April 1, 2024
Revised on April 1, 2026

Human Rights Policy Promotion System

In developing our businesses globally, we believe that it is essential not only to comply with the laws and regulations of each country, but also to respect international human rights standards. For this reason, the Mitsubishi Materials Group established the Human Rights Subcommittee under the Sustainable Management Office (now known as Sustainability & SCQ Promotion Office Meeting) in July 2021, and that December established a Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights. The Human Rights Subcommittee consists of people that are in charge of human rights measures at the corporate divisions who have expertise in different areas to ensure the Committee can perform at a high level and provide necessary advice to each site and Group company, thereby promoting effective activities. Furthermore, reports are regularly submitted to the Executive Officers' Meeting and the Board of Directors via the Sustainability & SCQ Promotion Office Meeting.



Our company signed the UN Global Compact and was registered as a participating company as of March 22, 2022.

Human Rights Due Diligence in Our Group

To prevent or mitigate the negative impacts its business activities have on human rights initiatives, the Mitsubishi Materials Group drives human rights due diligence within Group companies in Japan and overseas as we seek to reduce human rights risks. We also drive collaborative initiatives with our business partners. We have established a PDCA cycle to identify and review assumed risks based on the results of fact-finding surveys on human rights issues, and continually implement it. We will further instill it internally through human rights awareness training and other measures.
Since the fiscal year ended March 2023, we have been working on the following three items in accordance with the United Nations Guiding Principles on Business and Human Rights in order to identify, mitigate and prevent the negative impacts our business activities have on human rights, and to take responsibility for how to address those issues.

- Dissemination of commitment to human rights policy
- Implementing human rights due diligence
- Remedial action (processes that enable remedial action for negative impact on human rights caused or promoted by businesses)



1. Commitment under the Policy

The Group has signed the United Nations Global Compact (UNGC), and also participates in Global Compact Network Japan (GCNJ), the local network of UNGC in Japan. The Group participates in GCNJ activities related to its business, gathers relevant information and utilizes it in the formulation of measures related to human rights.

Additionally, the Group dispatches corporate department representatives to GCNJ subcommittees that are relevant to its business in order to stay informed of the latest developments in sustainability, including human rights, and to leverage the insights gained in the formulation of its human rights–related initiatives as well as their dissemination within the Group.

In addition, to deepen understanding of these policies on respect for human rights and of various human rights issues, the Group conducts the following training programs for employees both in Japan and overseas.

- Corporate governance training for corporate officers of Group companies in Japan and other countries
- Compliance training for employees of the Company and Group companies in Japan
- Compliance training for employees of the Company and Group companies in Japan
- Human rights training for employees of the Company and Group companies in Japan
- Human rights training for overseas Group companies (provided in twelve languages)

In the fiscal year ending March 2026 in particular, the Group provides human rights training for all employees working at overseas Group companies. In this training, fully dubbed videos in local languages are used rather than subtitle-based materials, thereby lowering language barriers and enhancing understanding of the content.

In addition to raising awareness of our Human Rights Policy, the program is designed to help employees learn about human rights from the perspective of protecting themselves. Using familiar examples and case studies, the training encourages employees in each country and region to think proactively about human rights issues.

2. Implementing Human Rights Due Diligence

(1) The Group began establishing a human rights due diligence system in the fiscal year ended March 2023. The Group currently operates, on a continuous basis, a series of processes, including the assessment of human rights risks, identification of risks, implementation of response measures, and progress management and monitoring, covering the Company's sites and Group companies.

To identify human rights risks, the Group utilizes a Self-Assessment Questionnaire (SAQ). In the fiscal year ended March 2024, the SAQ was distributed to a total of 105 sites across the Group, including the Company's sites and Group companies. By analyzing the responses received from each site, the Group identified potential human rights risks.

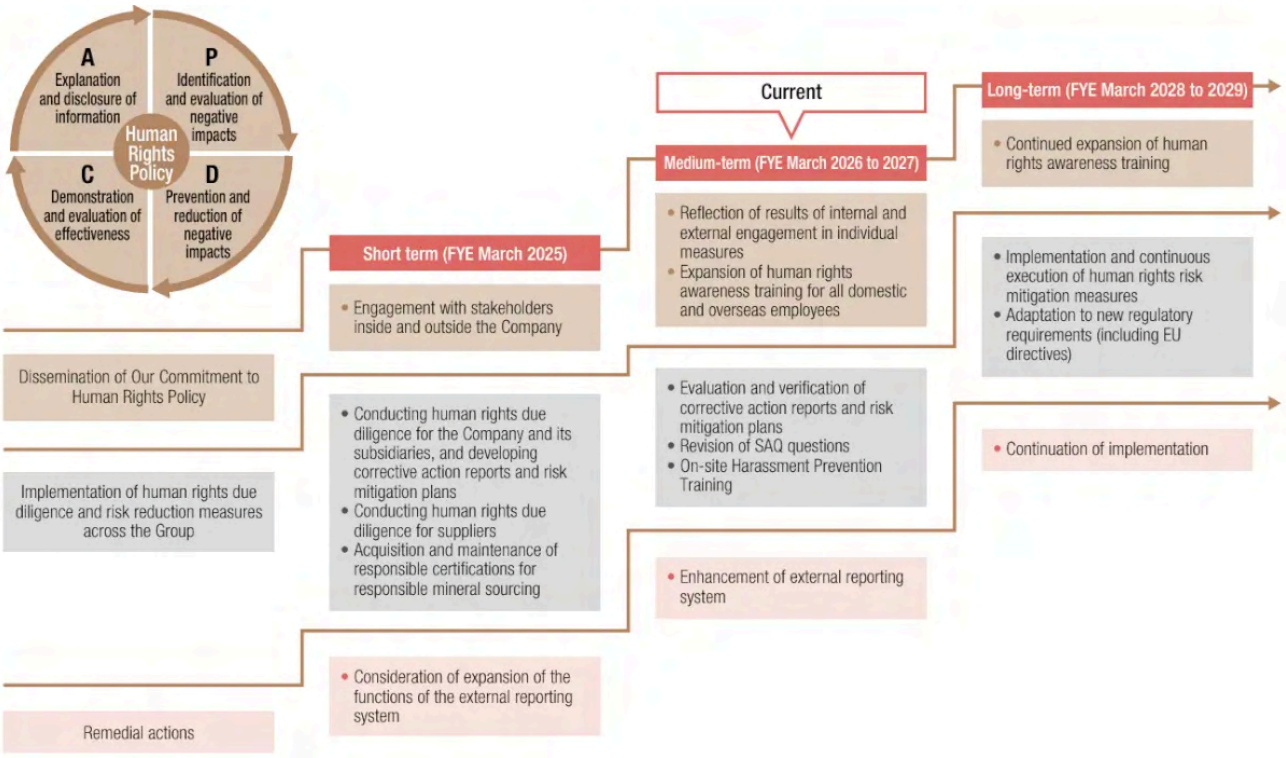
Based on the results of the SAQ analysis, the Group decided to focus on two priority areas: "harassment" and "responsible sourcing of raw materials and minerals." With respect to harassment, as past incidents have been confirmed at certain sites, the Group determined that focused measures are required from the perspectives of preventing recurrence and mitigating risks before incidents occur. Regarding responsible sourcing of raw materials and minerals, the Group recognizes that, given the nature of its business, respect for human rights throughout the entire supply chain is a particularly important issue.

As part of its initiatives to address harassment, the Group conducts awareness-raising workshops at priority sites, taking into account past incidents and sites identified as having higher risks. In addition, the Group confirms the status of internal regulations and grievance mechanisms at each site, and where deficiencies are identified, provides follow-up support for corrective actions, thereby promoting effective and practical measures.

With regard to responsible sourcing of raw materials and minerals, the Group positions this issue as a key priority. The Group conducts risk assessments through due diligence on its smelting raw material supply chains and maintains and renews various certifications, including those of the LBMA, RMI, and LME. Furthermore, both the Naoshima Smelter & Refinery and Onahama Smelter & Refinery have been recognized for their implementation of human rights due diligence and have obtained The Copper Mark certification, which assures responsible copper production. In addition, the Group operates Sustainability Investment and Financing Guidelines and conducts questionnaire-based assessments of mining companies subject to these guidelines.

Moreover, Japan New Metal Co., Ltd., which is responsible for tungsten smelting within the Group, revised its policy to the "Responsible Minerals Sourcing Management Policy" in June 2021, thereby strengthening the responsible procurement and management of raw materials. The company also obtained the RMI's RMAP certification in November 2021, and this certification was successfully renewed following the recertification audit conducted in January 2025.

In addition, based on the results of the analysis of the responses to the SAQ conducted in the fiscal year ended March 2023 and the fiscal year ended March 2024, the Group formulated a roadmap for initiatives regarding respect for human rights for the five years from the fiscal year ended March 2025 to the fiscal year ending March 2029. The roadmap and key measures are detailed below.



These initiatives are promoted under a common Group-wide framework, while being continuously improved by taking into account the specific business characteristics and risk profiles of each site and Group company.

(2)Human rights due diligence in the supply chain

As outlined in the Group's roadmap, in the fiscal year ended March 2025 the Group expanded the scope of its human rights due diligence to include companies providing services on the Company's premises and companies to which it outsources the processing of its products. Please refer to the section "Suply Chain Management – Operating CSR Procurement Guidelines for the Procurement & Logistics Division " within our Sustainability Report.

3. Remedial Measures

For employees of the Group, the Group has established reporting and consultation offices in Japan, and also accepts consultations regarding human rights. The Group's reporting and consultation offices began to comply with the revised Whistleblower Protection Act in June 2022, developing systems to strictly guarantee confidentiality and implement remedial measures. The Group also raises awareness through training and other measures in an effort to improve the effectiveness of these systems.

The Group has established a contact point on its corporate website to receive inquiries regarding human rights from outside the Group. The Group is currently receiving inquiries from a wide range of external stakeholders and is responding to them appropriately. The Group will continue to ensure appropriate responses going forward.

Engaging with Indigenous Peoples

Of the forests owned by our company, eight forest areas in Hokkaido Prefecture have obtained SGEC forest certification. The SGEC has established guidelines for FPIC (which stands for Free,Prior and Informed Consent and consists of three elements: Free Consent, Prior Consent and Informed Consent.) implementation for the Ainu people. We understand the necessity of FPIC implementation and are implementing activities in accordance with the guidelines.

In our company-owned forests, which are located in various areas of Hokkaido, we report on our forest activities and conduct hearings with the Hokkaido Ainu Association and Ainu associations in the municipalities where our forests are located. Through these activities, we confirm opinions and requests regarding our company forests, and strive to contribute to the preservation of Ainu customs while building and maintaining good relationships.

Statement Regarding Modern Slavery and Human Trafficking

Statement Regarding Modern Slavery and Human Trafficking

In accordance with the Modern Slavery Report pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act, which came into force in Canada in January 2024, we have issued the following report regarding our efforts to prevent forced and child labour in our operations and suppliers during the fiscal year ended March 31, 2026 (FYE March 2026).

Report pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act CA

- FYE March 2026 Modern Slavery Report pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act CA (5,561KB)

In accordance with the Modern Slavery Act, which came into force in the UK in July 2015, we released a statement on our efforts to prevent forced labour and child labour at our businesses and suppliers during the fiscal year ended March 2026. The statement based on the UK Modern Slavery Act 2015 includes statements concerning our Group companies, Luvata Oy and Mitsubishi Materials Tools Europe GmbH.

Statement under the UK Modern Slavery Act 2015

- FYE March 2026 Modern Slavery Act Statement to the UK Modern Slavery Act 2015 (5,873KB)

Occupational Safety and Health

- Basic Approach
- Promotion System
- Management Priorities
- Safety Record
- Enhancing Safety and Health Education
- Strengthening Safety and Health Systems
- Raising Employees' Awareness of Health: Creating Mentally and Physically Pleasant Workplaces
- Health and Productivity Management Initiatives

Basic Approach

In the MMC Group, one element of our Code of Conduct is “We are committed to providing a safe and healthy environment for all our stakeholders.” This is based on the notion that, if we cannot keep our employees and all stakeholders around us safe and healthy, they will not be able to provide stable and happy lives for their families, we will not be able to operate effectively, and we will never be able to keep on expanding as a company.

MMC Group Safety and Health Basic Policy

1. We will carry out safety and health activities based on full participation from all employees, underpinned by leadership and initiative from the CEO and other managing personnel.
2. We will ensure that all employees comply with the Industrial Safety and Health Act and other applicable legislation, manuals and operating procedures, and establish a workplace culture whereby everyone follows the rules and ensures that others do too.
3. We will make every effort to create pleasant workplaces that are healthy for both body and mind, for all employees, through activities aimed at creating open workplaces and promoting health.
4. We will take preventive measures in accordance with Ministry of Health, Labour and Welfare guidelines on the prevention of work-related traffic accidents and improve road etiquette amongst all employees, in order to eliminate traffic accidents based on our commitment to promoting road safety activities as an example to society as a whole.

Established on November 10, 2014
Renamed on April 1, 2025

And since 2018, among the goals represented by SCQDE enacted as the guideline to decision-making concerning conduct of our work (priority order), we have positioned “S” which represents “Safety and Health”, as the first priority.

Guidelines for Work-Related Decision-Making

Always act in accordance with the SCQDE order of priorities.

1	S Safety & Health	Safety & Health come first
2	C Compliance & Environment	Compliance & Environment to ensure fair activities
3	Q Quality	Quality of products and services provided to our "customers"
4	D Delivery	Delivery dates to be met
5	E Earnings	Reasonable profit (Obtained based on “customer” trust after satisfying SCQD)

“SCQDE” shows the order of priority of our business decisions. In providing customers with our products & services, we should thoroughly fulfill SCQ at first and then satisfy D. We believe that we will be able to obtain trust from customers and society by continuously executing SCQD in good faith, and this will produce a reasonable profit.

Promotion System

In the wake of the fire and explosion at the Yokkaichi Plant (which was transferred to SUMCO Corporation on March 31, 2023) in January 2014, we launched a Zero Occupational Accident Project in April that same year. Under the Zero Occupational Accident Project, we work to strengthen the foundations of safety and health on a Group-wide scale, with the aim of “not causing any occupational accident resulting in four or more lost days for one year.”
The Zero Occupational Accident Project is led by the Zero Occupational Accident Subcommittee, which serves as a special subcommittee under the Sustainability & SCQ Promotion Office Meeting headed by the “Executive Officer and President.”

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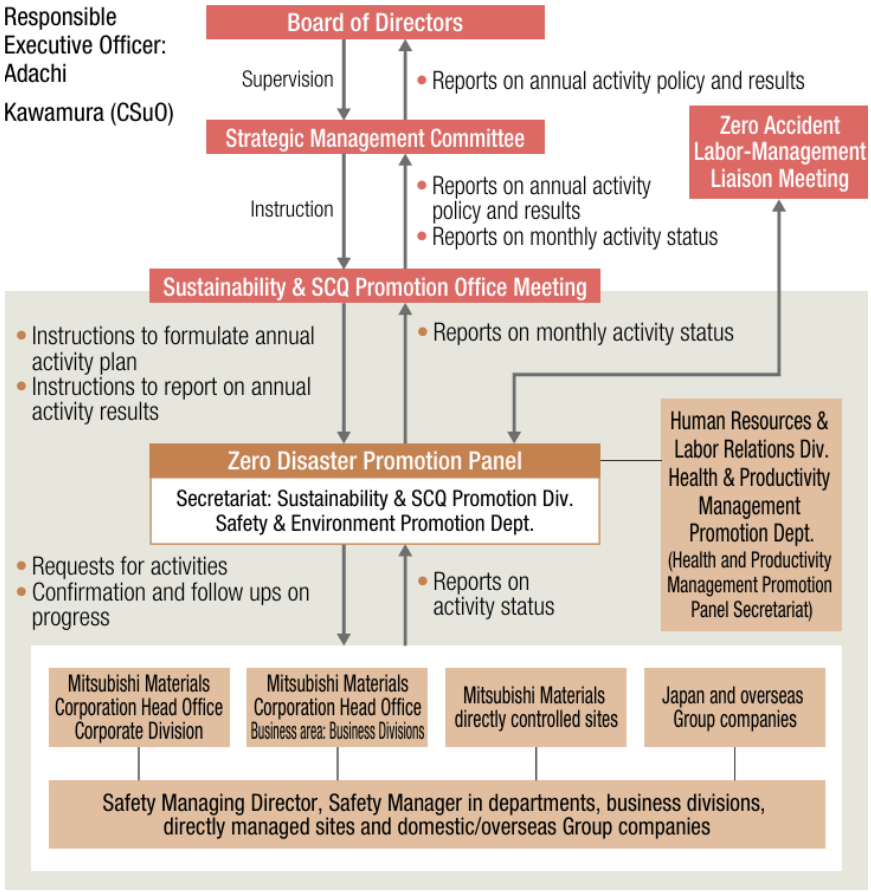
The Zero Occupational Accident Project is led by the Zero Occupational Accident Subcommittee, which serves as a special subcommittee under the Sustainability & SCQ Promotion Office Meeting headed by the “Executive Officer and President.”

Based on analysis of factors including occupational accidents that have occurred, the Zero Occupational Accident Subcommittee, which consists of members of the Sustainability & SCQ Promotion Division Safety & Environment Promotion Department and safety coordinators from the departments, identifies priority issues that our Group should tackle. The committee exchanges opinions about these priority issues with the Zero Accident Labor-Management Meeting, which consists of the Executive Officer responsible for Sustainability & SCQ, members on the business divisions consisting of representatives of business divisions, and labor union members representing sites under the jurisdiction of in-house Companies, and sets priority tasks for safety and health management. Specific measures for the Zero Occupational Accident Project such as these priority tasks are implemented after deliberations and approval at the Strategic Management Committee made up of Executive Officers. The Safety & Environment Promotion Department of the Sustainability & SCQ Promotion Division receives reports from each site and other relevant organizations on the progress of their respective measures. The Office facilitates the sharing of information and discussion of solutions regarding the progress of occupational safety and health activities and related issues at the sites under the supervision of each division, including Group companies. The progress of these measures is also reported regularly at the Sustainability & SCQ Promotion Office Meeting, which is attended by Executive Officers. In addition, the status of occupational accidents, fires, explosions and other incidents, as well as measures for major cases, are reported by the Executive Officer responsible for Sustainability & SCQ to the Strategic Management Committee and the Board of Directors, where they are appropriately monitored.

Additionally, we have an integrated Group-wide promotion framework in place whereby matters that extend beyond the confines of business divisions are reported and discussed at the above-mentioned Zero Occupational Accident Subcommittee, with improvements suitable for the conditions at each site made based on the PDCA cycle.

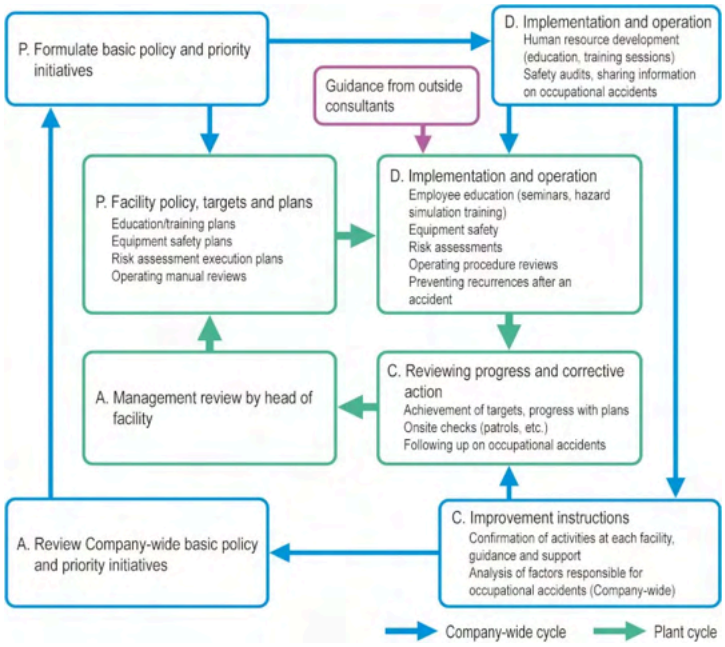
The occupational safety and health management systems are operated at individual business sites, and Safety and Health Committee meetings with members representing both the Company and the labor union are also held. The committee discusses measures related to worker hazards, investigates the causes of and works to prevent recurrences of serious matters including occupational accidents, and implements measures to prevent health issues and maintain the health of workers. In addition, Safety Managers, Safety Coordinators and Safety Instructors are assigned to individual business sites, where their role is to promote safety activities.

We hold regular Group-wide Safety Manager meetings and meetings for Safety Coordinators and Safety Instructors, where we exchange opinions on a wide range of occupational accident information and health and safety activities across the Group and the various business sectors in which it is involved, and strive to raise the level of health and safety.



Management Priorities

To promote labor-management collaboration in pursuing zero occupational accidents, the MMC Group exchanges views between labor and management, identifies issues based on occupational accidents and other incidents that occurred in the previous year, and designates the items requiring particular attention to address those issues as Management Priorities through the Sustainability and SCQ Promotion Office Meeting and the Zero Disaster Promotion Panel. In 2025, we set out the following management priorities, and rolled out occupational safety and health management systems at each of our plants/factories accordingly.



Group-wide Priorities for Safety and Health Management (2025)

Thorough Efforts to Make Equipment Safe (engineering measures) through Risk Assessments (RA)

While the number of serious occupational accidents related to machines and electricity and those related to handled materials caused by equipment has been decreasing in the long term, there remains residual risk that we have yet to reduce, and accidents have occurred due to unrecognized hazard sources. In response, we decided to examine the appropriateness of risk assessments continuously from the fiscal year ended March 2021 onward, and implement a review. The actions we are taking are as follows.

- Identify new risks and lower the risk level
- Check for hazard sources and dangerous tasks that have yet to be identified
- Reassess risks which have been identified and take corrective actions against insufficient measures
- Promote the inherent safety of existing equipment
- Improve the skills of those conducting risk assessments, etc.

An analysis of the types of occupational accidents occurring at the MMC Group has revealed that many occupational accidents occur due to two main causes: flawed protective and safety measures and proximity to dangerous areas. As physical measures to address these issues, we have been reviewing structures and mechanisms from the perspectives of foolproof*1 and failsafe*2, and are employing thorough engineering-based action through risk assessments. Further, with respect to occupational accidents caused by “flawed operating methods” such as the use of inappropriate tools and jigs or incorrect operating procedures, we implement improvement measures that reflect the results of risk assessments, such as improvements including the verification of operating methods, and revised operating procedures that reflect hazard prediction.
Risk assessment is an effective means of discovering, eliminating or mitigating potential danger or harm attributable to operating practices and other work performed at a manufacturing site. At the MMC Group, we implement risk assessment activities from the perspective of workers on the production floor at each business site. We have trained risk assessment instructors at each business site to improve their ability to identify unsafe equipment states. We began offering training classes in October 2015, and as of March 2020, more than 520 people have taken the course (although classes could not be held from April 2020 onward due to the impact of COVID-19), contributing to enhancing and stimulating on-site activities. In addition, since August 2020, we have been conducting risk assessment classes by remote learning, led primarily by front line supervisors with the aim of raising the ability level of employees responsible for conducting risk assessments. 42 people received training in those classes in the fiscal year ended March 2025, bringing the cumulative total to 676.

*1 Foolproof: A function that prevents human error from resulting in an incident or occupational accident
*2 Failsafe: A function ensuring that equipment will operate on the safe side in the event of mechanical malfunction, power outage or otherwise

Prevention of Similar Occupational Accidents through Reviews of Past Accident Information

To prevent similar occupational accidents, we strengthened the dissemination of safety information through the Materials Group Safety Database (MGSD) and other channels, enabling information on occupational accidents to be promptly shared across the Group. We also conducted site visits by safety advisors to assess the effectiveness of accident prevention measures and the extent to which they had been implemented at other sites, and provided guidance as necessary.
In addition, to promote compliance with safety rules and raise safety awareness through the Green, Yellow and Red Card System (GYR System), which recognizes good practices and issues warnings, we actively issued and used Green Cards to commend good safety practices.

Theme of activities	Results of activities during FYE March 2026	Self-assessment	Targets/plans for activities from FYE March 2027 onwards
• Promoting safety and health activities	• Not causing any occupational accident resulting in four or more lost days for more than 365 days • Zero recurrence of similar accidents	C	• Not causing any occupational accident resulting in four or more lost days for more than 365 days • Zero recurrence of similar accidents
	• Elimination of occurrence of fires and explosions	B	• Prevent disasters by improving hazard sensitivity
	• Make efforts to ensure equipment safety based on risk assessments (ongoing)	B	• Make efforts to ensure equipment safety based on risk assessments (ongoing)
	• Prevention of occupational accidents by enhancing hazard awareness	A	• Promotion of safety and health education
	• Continue to promote health and productivity management	A	• Continue to promote health and productivity management
	• Enhanced mental healthcare initiatives	A	• Enhanced mental healthcare initiatives

Self-assessment:
A = Target achieved
B = Target mostly achieved
C = Target not achieved

Safety Record

State of Occurrence of Occupational Accidents

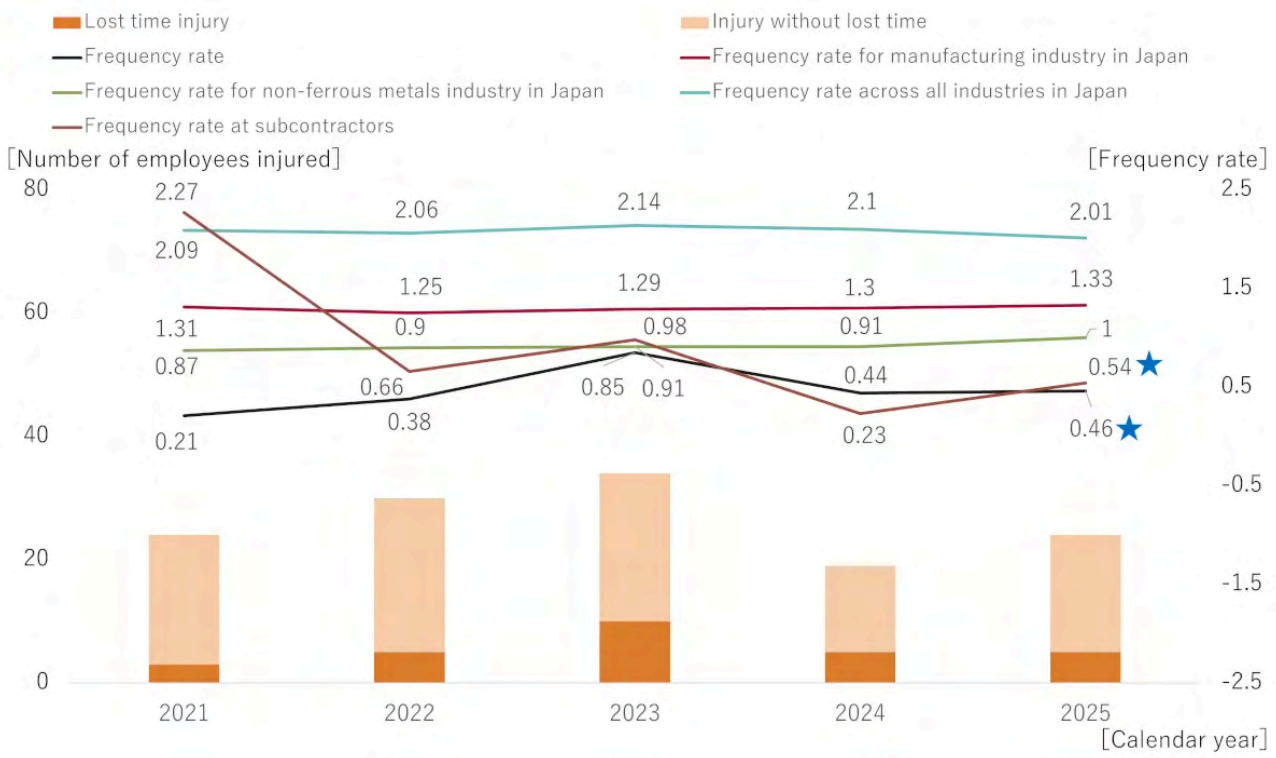
The number of employees involved in occupational accidents (injuries without lost time) in the Company and at 30 major Group companies stood at 68 in 2025. Sadly, 18 of these were accidents requiring employees to take leave. The number of individuals affected by occupational accidents at the Company, on a non-consolidated basis, remained flat in 2025 compared with 2024. (The number of business sites increased by two as a result of the merger of the former Mitsubishi Shindoh Co., Ltd. in April 2020. In addition, after 2022 the cement business and aluminum business, in 2023 Yokkaichi Plant were shifted outside the Group due to business reorganization.)
We did not meet our goal of not causing any occupational accident resulting in four or more lost days for 365 days and more, producing a result of 150 days.

Change in the number of continuous days without an occupational accident resulting in four or more lost days

	2022	2023	2024	2025
Maximum number of consecutive days without an occupational accident	135	82	55	150

In response to the serious occupational accident that occurred in July 2025, we again reminded employees of the need to maintain a strong safety awareness, including strict compliance with rules, thorough communication, and rigorous hazard prediction.
The accident frequency rate which evaluates the state of occurrence of occupational accidents taking place at the Company (LTIFR (Lost-Time Injury Frequency Rate): casualties per million actual hours worked (employees taking time off work)) was 0.46★; a lower figure than the 2025 manufacturing business average of 1.33, and the non-ferrous metals industry average of 1.00 (Ministry of Health, Labour and Welfare (MHLW) statistical data). The accident frequency rate including accidents not requiring employees to take leave (TRIFR (Total Recordable Injury Frequency Rate): casualties per million actual hours worked including accidents not requiring employees to take leave) was 2.21★.
In 2025, too, we worked thoroughly to further increase the safety of facilities through risk assessments, added further measures to prevent accidents, and made other efforts toward achieving our zero occupational accident target.

Safety Record Trend (Mitsubishi Materials)



* The figures are based on calendar years. Occupational accidents frequency rate and incident rate do not include accidents during commuting or minor injuries. (After 2022, accidents from business sites related to the cement business and aluminum business, in 2023 Yokkaichi Plant were excluded.)

Number of employees injured

		2022	2023	2024	2025
MMC (Employees)	Fatal	0	0	0	★0
	Lost-time	4	9	5	3
	No lost-time	22	21	13	17
MMC (Temporary workers, etc.)	Fatal	0	0	0	0
	Lost-time	1	1	0	2
	No lost-time	3	3	1	2
MMC (Subcontractors)	Fatal	0	0	0	★0
	Lost-time	2	4	3	2
	No lost-time	6	7	6	4
Group companies (Incl. subcontractors)	Fatal	1	0	0	0
	Lost-time	9	10	13	11
	No lost-time	41	35	31	27
Total	Fatal	1	0	0	0
	Lost-time	16	24	21	18
	No lost-time	72	66	51	50

Injury Frequency Rate Trend

		2022	2023	2024	2025
Non-consolidated	LTIFR	0.38	0.85	0.44	★0.46
	TRIFR	2.30	2.88	1.66	★2.21
Subcontractors	LTIFR	0.66	0.98	1.23	★0.54
	TRIFR	2.62	2.70	3.69	★1.63

* LTIFR (Lost-Time Injury Frequency Rate): casualties per million actual hours worked (number of victims of accidents requiring employees to take leave including deaths) = accident frequency rate, TRIFR (Total Recordable Injury Frequency Rate): casualties per million actual hours worked (number of victims of accidents requiring employees to take leave including deaths + number of victims of accidents not requiring employees to take leave)

State of Occurrence of Fires and Explosions

In 2025, the number of fire and explosion incidents at our company alone was limited to three fire accidents. Each incident was classified as a minor accident under our company's accident evaluation criteria, which measures the scale of damage and impact, scoring 1.3 points or less. Furthermore, in 2025, there were no explosion or high-pressure gas leak accidents at our company alone. The number of Tier 1 PSE (process safety events), as defined by CCPS (The Center for Chemical Process Safety), remained at zero per million hours★, continuing the previous year's trend.*
This year, we will continue to promote initiatives such as internal sharing of accident information to prevent fire, explosion, and other accidents.

* Tabulated values are for the Company (non-consolidated) for the calendar year. Tier 1 PSE (Process Safety Events) are identified based on the "Process Safety Metrics: Guide for Selecting Leading and Lagging Metrics" Version 4.1 issued by CCPS.

Occurrence of Fires, Explosions and Other Accidents

	2022		2023		2024		2025	
	Number of accidents	Score	Number of accidents	Score	Number of accidents	Score	Number of accidents	Score
Fire	13	35.1	3	3.9	0	0	3	2.2
Explosion	0	0	0	0	0	0	0	0
Leakage, etc.	2	0.6	2	0.6	1	0.3	0	0
Total	15	35.7	5	4.5	1	0.3	3	2.2

MMC-Method Accident Assessment Criteria

Severity level (points)	Assessment items			
	Human injury	Property damage	Impact of leakage/spill (Leakage of high-pressure gas, spill of hazardous material)	Time it takes before a fire is extinguished (Duration of time between occurrence and extinguishment of a fire)
V (27)	Multiple deaths	Property damage outside the premises	Impact on a wide area outside the premises, such as a river	4 hours or longer
IV (9)	One death or multiple lost days	Property damage to adjacent facilities on the premises	Impact on the area around the premises	2 - 4 hours
III (3)	Lost time injury	Burnout or damage to the building with equipment as the fire source	Impact on adjacent facilities on the premises	1 - 2 hours
II (1)	Injury without lost time	Burnout or damage of the equipment as the fire source, or minor damage to a part of the building with such equipment	Leakage/spill only inside the building with equipment as the fire source or inside protective facilities such as dikes	30 minutes - 1 hour
I (0.3)	Below Level II (Minor incidents)	Below Level II (Minor damage to a part of the equipment as the fire source)	Below Level II (Minor leakage/spill)	Shorter than 30 minutes

* Set by referring to accident assessment criteria of the Japan Petroleum Industry Association and the severity indicators for fire and spill accidents at dangerous facilities, which were notified by the Fire and Disaster Management Agency.
* To be evaluated based on the total number of points by summing the points for the intensity level of each evaluation item that applies.
* The number of points shall be zero (0) if none of the intensity levels applies.

Enhancing Safety and Health Education

We thought that personal experiences of hazards are important to improve hazard awareness, so started running an Occupational Safety and Health Education Center - “Midori-kan” in March 2017. The center has 50 different hazard experience facilities inspired by the actual work environment and the dangers that hide in everyday tasks. It also regularly provides specialized education needed for work safety and health in dedicated classrooms, in addition to Hazard Sensitivity Education by expert instructors. In the fiscal year ended March 2026, 617 employees underwent hazard experience education, and 328 employees completed specialized education. Since its establishment, the center has provided hazard sensitivity training for about 5,860 Group employees, approximately 2,060 of whom have also completed specialized training courses as of March 2026.



Occupational Safety and Health Education Center - “Midori-kan”



In the courtyard of the Midori-kan, a monument for safety and health surrounded by five mat erials symbolizing our business has been installed. The design employs a green cross repres enting safety.

Hazard Sensitivity Education Using Virtual Reality (VR)

We introduced VR as a part of hazard sensitivity training at our Occupational Safety and Health Education Center in May 2018. The system enables experiences that are difficult to simulate with regular equipment, providing participants with a 360° field of vision, better realism and immersion through haptic and other technologies. With the use of VR, participants can experience hazards through to the end (for example before, during and after falling), and is helpful for creating better hazard awareness. Because the devices are portable, we provide the training at each plant of the Group. In 2019, we introduced the second and third sets of devices and added five new hazard experience courses. We added another four courses in 2021. We began to lend them to Group companies as well, aiming to improve hazard awareness further.

VR hazard experience courses (Occupational Safety and Health Education Center)



Accidents involving contact with high temperatures
(gas releases)



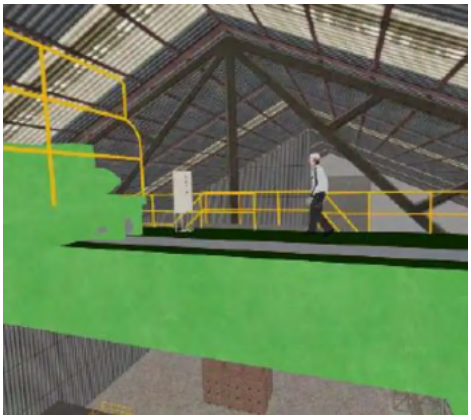
Accidents involving contact with high temperatures
(steam explosions)



Accidents involving contact with forklifts
(driver moving forward)



Accidents involving contact with forklifts
(pedestrian moving backward)



Falling accidents
(falling from crane)



Falling accidents
(stepping through the floor)



Caught-between accidents
(press)



Caught-in accidents
(high-speed conveyor belt)



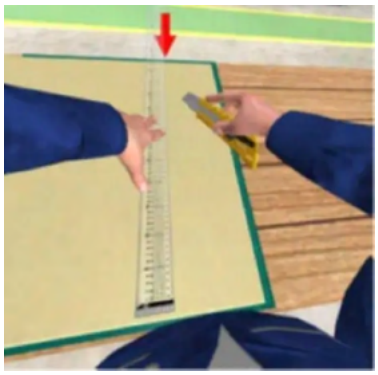
Caught-in accidents
(slow-speed conveyor belt)



Electric shock accidents at power panels



Tripping accidents caused by difference in height (falls)



Accidents involving cutter incision wounds



Falling accidents while descending stairs (fall)



Stepladder fall accidents



Flying object accident caused by failed crane operation



Grinder kickback accident



Fall accident while putting a cover on a trailer



Pinched in a V-shaped belt

Commendation System for Business Sites with Excellent Safety Records

Advancing Safety and Security through DX

Under its basic policy of putting safety and health first, the MMC Group promotes the Zero Occupational Accident Project and works to prevent occupational accidents before they occur.
To further enhance these efforts, we are advancing “Safety and Security DX” through the use of data and digital technologies.
Specifically, through the continued development and use of the Materials Group Safety Database (MGSD), which became operational in June 2024, we are accumulating and sharing information on past occupational accidents. This enables knowledge and lessons learned to be shared across the Group and strengthens measures to prevent similar accidents from recurring. Through these efforts, we are enhancing our safety activities without relying solely on the experience and expertise of individual sites.
We are also using this data infrastructure to visualize risks, enhance risk assessments, and digitalize and standardize safety activities. These initiatives enable us to identify risks associated with specific work activities and working environments more accurately and to implement appropriate measures promptly.
Furthermore, by analyzing accumulated safety data, we are working to identify potential risks and provide more effective safety alerts. We are also developing mechanisms that encourage greater safety awareness and behavioral change among employees.
Through these initiatives, we will accelerate the shift from reactive to preventive safety management, work toward achieving zero occupational accidents, further foster a strong safety culture, and reinforce the foundations for sustainable business operations.

Commendation System for Business Sites with Excellent Safety Records

Commendation System for Business Sites with Excellent Safety Records

To encourage improvements to safety management, we commend business sites that have made outstanding achievements in the Mitsubishi Materials Group. Business sites that are eligible for commendations are those of Mitsubishi Materials Corporation, consolidated subsidiaries in the manufacturing and construction industries etc. in Japan, and some unconsolidated subsidiaries. Commendation criteria stipulate that the business site must achieve the required period (number of years) with no accidents requiring employees to take leave (a period during which no accidents requiring employees to take leave occur with regard to either company employees or contractors). Commendations are classified into the following three types.

(1) Safety distinction award (Business sites that achieve the number of years stipulated by commendation criteria)
(2) Safety excellence award (Business sites that achieve the number of years stipulated by commendation criteria x 2)
(3) Safety grand prize (Business sites that achieve the number of years stipulated by commendation criteria x 3 or more)

Since risks vary significantly between industries and business types, the number of years stipulated as commendation criteria is set for each business site based on the business type. Business sites are classified into the following groups.

- Group A (Criteria: every two years)
  Business types: plant type (smelting), equipment-oriented industry (copper & copper alloy, etc.), construction industry
- Group B (Criteria: every three years)
  Business type: advanced materials & tools / processing and assembly type
- Group C (Criteria: every five years) *Established in July 2025
  Business type: Other than Group A or Group B

October 2025 Commendations

Safety grand prize winners:

Metalworking Solutions Company	Japan New Metals Co., Ltd. (No lost time injuries for 6 consecutive years

Safety distinction commendation:

Metals Company	Ikuno Operations Center (No lost time injuries for 5 consecutive years)
Advanced Products Company	Ryosei Kiko Co., Ltd. (No lost time injuries for 3 consecutive years)
Metalworking Solutions Company	Mitsubishi Materials Hardmetal Corp. (No lost time injuries for 3 consecutive years)
Corporate Division	Incubation Center (No lost time injuries for 3 consecutive years) Akita Plant (No lost time injuries for 5 consecutive years) Naka Energy Research Laboratory (No lost time injuries for 5 consecutive years) Innovation Center (No lost time injuries for 5 consecutive years)

April 2026 Commendations

Safety grand prize winners:

Metalworking Solutions Company	MMC Tooling Co., Ltd. (No lost time injuries for 24 consecutive years)
Corporate Division	Maintenance Techno Corporation (No lost time injuries for 12 consecutive years)

Safety distinction commendation:

Advanced Products Company	GOTOH MFG Co., Ltd. (No lost time injuries for 2 consecutive years)
Renewable Energy Business Division	Appi Geothermal Energy Corporation (No lost time injuries for 2 consecutive years)
Corporate Division	ECO MANAGEMENT Co.,Ltd. (No lost time injuries for 5 consecutive years)

- The names of the supervising divisions and commended organizations are those in use when the relevant award criteria were met.

Safety and Health Instruction Utilizing Outside Consultants

The results of an analysis of past occupational accidents revealed issues in risk identification at MMC Group business sites. For this reason, we have been providing safety and health guidance through outside consultants. Risks that have previously not been recognized are identified from the viewpoint of an external expert and measures are taken to reduce such risks. This helps raise the on-site safety level and improves the hazard sensitivity of employees.

Promoting the Rollout of Information within the Group through Consolidation and Dissemination

The Sustainability & SCQ Promotion Division Safety & Environment Promotion Department has been running an internal portal website since February 2017 for the collection, dissemination, and viewing of information about safety, health, disaster prevention and the environment. Safety data and safety chronology to which there was previously only limited access along with occupational accident case studies, documents used for safety and health training and information concerning health and mental health have been classified, organized and published to the internal portal website. We produce videos depicting cases of typical occupational accidents that have occurred in the MMC Group, thus offering straightforward explanations of the conditions of an occupational accident, its cause, countermeasures taken and the lessons learned.
In June 2024, we updated the database of accidents that had occurred within the Group, which has been available on the above internal portal website. The features of the safety activity database include it being accessible using mobile devices, it can be searched and users can create accident calendars, contributing to the preparation of safety education materials, measures against similar accidents, and safety reminders given before work. It is constructed so that all plants can obtain the necessary information swiftly and accurately, helping to bolster our safety foundation and foster a safety culture.

Disseminating Examples of Safety and Health Best Practices

Since 2014, we have been compiling a collection of safety and health best practices on a yearly basis, highlighting highly-effective initiatives implemented at each MMC Group business site to prevent occupational incidents. We are promoting the spread of best practices by presenting them during National Safety Week as a shared asset for improving the Group's safety and health. We introduce individual case examples in the form of a "Safety Column" on the internal portal site, which serves to widely share knowledge related to safety and health along with information about related initiatives.

Assessing potential occupational and safety risks in new projects

We work to assess potential risks by investigating occupational and safety issues in the course of due diligence activities carried out with respect to potential acquisitions when we acquire companies or otherwise deal with new developments.
When high-risk events are discovered during due diligence activities, we require that the risks be eliminated within a certain period of time or stipulate how the risks are to be handled in the final contract. If the risks are not eliminated or no point of agreement can be found on how to handle them, we may forgo the contract.

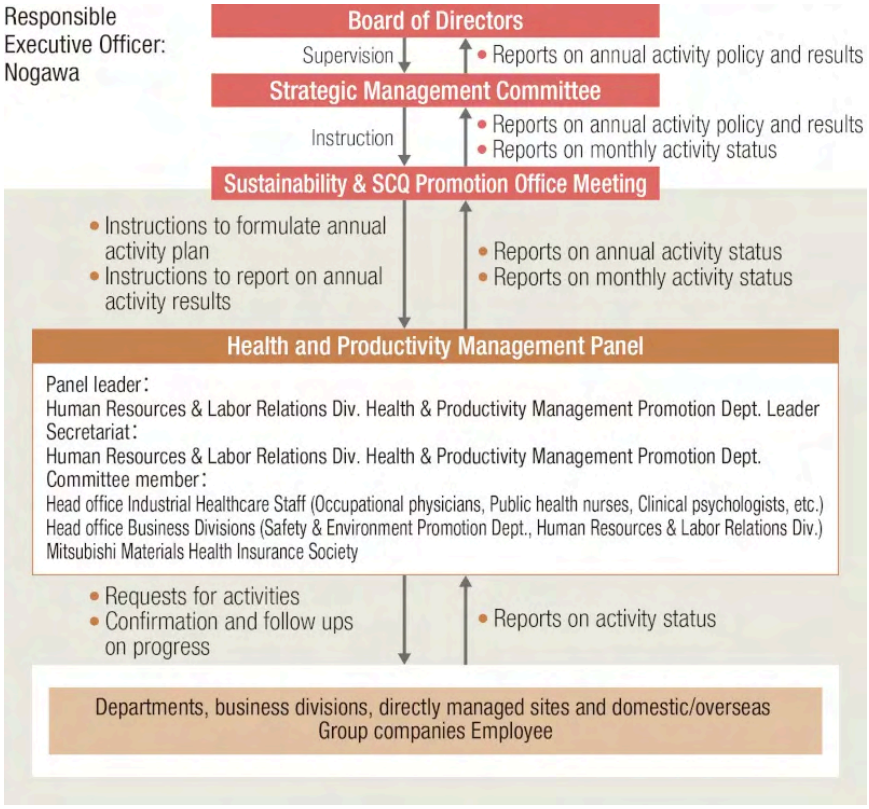
Raising Employees' Awareness of Health: Creating Mentally and Physically Pleasant Workplaces

Promoting Measures to Maintain and Enhance Employees' Health, and Improve Workplace Environments, in order to Prevent Work-related Diseases

We are making Group-wide efforts to promote safety and health under our Code of Conduct, which states that "We are committed to providing a safe and healthy environment for all our stakeholders." In particular, for operations related to hazardous substances, we place an emphasis on preventing occupational diseases and are striving to continually reduce exposure risks, such as by managing the workplace environment and by thoroughly ensuring the proper use of protective equipment (protective respiratory equipment, protective gloves, etc.).
We centrally manage records of work handling hazardous substances (including work involving exposure to asbestos) using a health management system that we introduced in 2018 and use them to identify employees who should receive special health checkups. Using these records of work handling hazardous substances, we apply our own criteria based on numerical data, such as the cumulative total number of days worked and the period during which an employee engaged in such work, to judge whether each employee regularly engaged in such work or not. We biannually identify the employees, including employees on assignment, who should receive special health checkups. Through activities like these, we continuously conduct special health checkups.
We also ensure that workers assigned overseas who were required by law to continue receiving special health checkups when working in Japan may receive the special health checkups when they return to Japan temporarily upon request. Further, to address region-specific risks of infection such as HIV, malaria, yellow fever, and rabies, we provide workers to be assigned overseas with pre-assignment health training, vaccinate them at the expense of the Company, and take other measures to address international health issues.
After health checkups, we identify employees that need health guidance or secondary examinations based on the results of checkups and the status of their utilization of medical services. We have meetings with them or send them e-mails to encourage them to receive health guidance or seek medical attention, and manage progress using our health management system, preventing any necessary countermeasures from being omitted. Above all, we intensively take measures to address risks of lifestyle diseases such as hypertension and diabetes.
We collect and analyze the results of health checkups from all our sites every year to assess the status of health management activities at each site. Sites whose health management activities are deemed to be unsatisfactory are paid a visit or given online support by industrial healthcare staff from head office. Going forward, we will continue promoting the maintenance and improvement of employee health and the creation of safe and comfortable workplaces and keep working to prevent occupational diseases.

Health and Productivity Management Initiatives

We have positioned employee safety and health as our top priority. Accordingly, various initiatives have been implemented at each office and plant. However, issues have emerged that require Group-wide action, including measures to address the declining birthrate, aging population and mental health, and support for balancing treatment and work. In light of this, we have positioned employees' health management as a business challenge and are implementing strategic health and productivity management across the Group. We are focusing on the mental and physical health of employees and their families in collaboration with the Mitsubishi Materials Health Insurance Society.
Specifically, The Mitsubishi Materials Group Health and Productivity Management Declaration was enacted in October 2020, and the Health and Productivity Management Panel was established as a specialized committee under the Sustainability & SCQ Promotion Office headed by the Executive Officer and President. Under this system, we have rolled out a variety of Company-wide measures related to maintaining and improving health.
Annual policies, plans, and progress updates related to health and productivity management are also regularly reported at Sustainability & SCQ Promotion Office Meeting. In addition, the Responsible Executive Officer of Sustainability & SCQ promotion reports to the Strategic Management Committee and the Board of Directors, and systems for appropriate monitoring and supervision have been put in place.



We have set medium-term health and productivity management targets in conjunction with the Group's Medium-term Management Strategy. High blood pressure, diabetes and smoking, all of which increase the risk of death, have been identified as priorities and are being systematically tackled through the determination of medium-term numerical targets.
In addition, to prevent employees from engaging in overwork, we implement initiatives including the formulation and dissemination of overwork prevention plans and ongoing follow-ups on employees given guidance in mental health interviews based on our Company-wide policy to shorten working hours. The progress of these initiatives to prevent overwork is checked at a meeting on the reduction of working hours convened between labor and management and steady progress is being made.

Each site has also formulated its own measures where appropriate, based on Company-wide priority implementation items, and is systematically implementing initiatives for maintaining and improving the health of employees.
As a result of these activities, in September 2023, we were recognized as an Excellent Health Company (Gold Certification) by the Tokyo Promotion Council for the National Federation of Health Insurance Societies. In addition, in March 2026, we were selected for the KENKO Investment for Health Stock Selection program jointly implemented by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, for a second consecutive year. At the same time, we were certified as an Outstanding Organization of KENKO Investment for Health Program (Large Enterprise Category) White 500 jointly by METI and the Nippon Kenko Kaigi (Japan Health Council) for a third consecutive year.
Further, our health and productivity management initiatives have also received external recognition, including our certification under the Sports Yell Company 2026 (Japan Sports Agency) program and our recognition as a Tokyo Sports Promotion Company (FY2025) (Tokyo Metropolitan Government) and a Food and Nutrition Education Practice Excellent Corporation 2026 (Ministry of Agriculture, Forestry and Fisheries), as well as our being honored as an Outstanding Company for Cancer Control Promotion for the fiscal year ended March 2026 (Ministry of Health, Labour and Welfare).
Through continued efforts to improve every employee's health awareness and the creation of workplaces where employees can thrive through health and productivity management activities, we will drive the Group's sustainable growth and enhancement of our corporate value.

〈The Mitsubishi Materials Group Health and Productivity Management Declaration〉

Under our Corporate Philosophy of "For People, Society and the Earth" and our Code of Conduct which states that “We are committed to providing a safe and healthy environment for all our stakeholders,” Mitsubishi Materials Group will make maximum efforts and engage in continual improvement to prevent occupational accidents, ensure occupational hygiene, and manage the health of its employees.
Specifically, we will develop initiatives for work system reform and measures to improve the mental and physical health of employees and their families in cooperation with the health insurance society.
In response to global pandemics and other new diseases, we will also work to prevent infections and ensure the health of employees and their families.



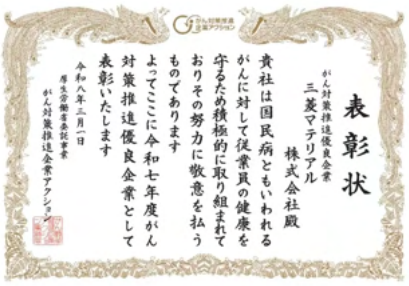











表彰状

貴社は国民病ともいわれるがんに対して従業員の健康を守るため積極的に取り組まれておりその努力に敬意を払うものであります
よってここに令和七年度がん対策推進優良企業として表彰いたします

令和八年三月一日

三菱マテリアル株式会社殿



Enhancing Mental Healthcare Initiatives

As our primary mental healthcare initiative, we continuously provide a range of training to prevent employees from developing mental health issues. Specifically, we provide job-class-specific training in addition to self-care training for all employees and line-care training for management supervisors. In the fiscal year ended March 2019, we introduced a consultation service provided by a clinical psychologist stationed at each office and plant for employees who are in their third year at the Company, in an effort to prevent mental health issues from developing.
We make all employees aware of our response policy, procedures and the internal and external consultation services available in the event they develop mental health problems. We have developed an environment in which employees can seek consultation with peace of mind, and we offer meetings and consultations with industrial healthcare staff at each of our offices and plants. For employees who are taking sick leave, we operate a program to support them in returning to work, including the use of external back-to-work programs and other initiatives to facilitate a smooth return to work.

* This information is available only in Japanese on the website.

We simultaneously perform stress check surveys at all sites, including those with fewer than 50 employees. Those diagnosed with high stress levels are given face-to-face guidance by a physician in accordance with laws and regulations as well as an interview with industrial healthcare staff (public health nurses and clinical psychologists) as a preliminary step and are provided with ongoing individual follow-up support. We also conduct a detailed analysis of group analysis results and share information with All Executives and Business Divisions to help identify issues in each workplace and develop improvement proposals. Going forward, we will continue supporting individual employees in maintaining and improving their mental health and promote the creation of workplaces where everyone can work with peace of mind.
Click here to read about our "Health Management Initiatives".

> Our health and productivity management initiatives
* This information is available only in Japanese on the website.

Supply Chain Management

- Basic Approach
- Targets and KPI
- Operating CSR Procurement Guidelines for the Procurement Division
- Metals/Resources Circulation Business's Value Chain
- Value Chain for the Advanced Products Business
- Metalworking Solutions Business's Value Chain
- Renewable Energy Business's Value Chain
- Affiliated Businesses's Value Chain
- International Issues Surrounding Resources and the Group's Role
- Copper Product Raw Material Procurement Initiatives
- As a Responsible Business Operator Procuring and Smelting Minerals

Basic Approach

As a comprehensive materials manufacturer, we promote partnership and coexistence with a wide range of suppliers throughout the value chain to improve added value. We also actively develop global procurement activities with the aim of stable product supplies and more competitive products.
As stable procurement leads to consistent operations and reduced opportunity loss, we aim to build cooperative relationships that prevent and mitigate negative impacts on society and the environment with all of our suppliers, ensuring that all transactions are fair, avoiding corruption, complying with the law and taking into account issues such as human rights.

Mitsubishi Materials Group Procurement Policy

1. **Open Door/Fair Trade**
   When selecting suppliers, we provide a wide range of opportunities for all suppliers to engage in transactions.
   We select suppliers based on fair and appropriate assessments of quality, price, delivery time, management base and so on, predicated on mutual trust for the sake of mutual prosperity.

2. **Legal Compliance**
   In conducting procurement operations, we comply with legislation in Japan and abroad.

3. **Observance of Ethical Procurement**
   In conducting procurement operations, we do not engage in any inappropriate transfer of profits with suppliers.

4. **Working Environment and Occupational Health and Safety**
   In conducting procurement operations, we strive to improve working environments and ensure occupational health and safety.

5. **Environmental Protection and Decarbonization**
   In conducting procurement operations, we endeavor to protect the environment, apply every measure for the effective use and recycling of natural resources, and work toward decarbonization.

6. **Respect for Human Rights**
   In conducting procurement operations, we respect the fundamental principles of human rights as declared internationally.

7. **Information Security**
   In conducting procurement operations, we maintain strict confidentiality of information obtained from suppliers.

In conducting procurement operations, we promote CSR initiatives in all business activities, including the procurement of raw materials, development, production, distribution, consumption, disposal, and recycling of materials and products.

Establishment date: December 1, 2021

Targets and KPI

Purpose of activities	Activities during FYE March 2026	Self-assessment	Targets/plans for activities FYE March 2027 onwards
• Operating CSR Procurement Guidelines for the Procurement & Logistics Division	• New supplier approval process: 100% Implementation（23 companies） • Regular Evaluation of Existing Clients: 100% Implementation Planned for FYE March 2026 (151 Companies) • Human rights due diligence initiatives: 100% implemented for suppliers that were assessed as high risk (10 suppliers of the Procurement Division)	A	New supplier approval process: 100% Implementation Regular Evaluation of Existing Clients: 100% Implementation Planned for FYE March 2027 Human rights due diligence initiatives: 100% implemented for suppliers that were assessed as high risk
• Copper Product Raw Material Procurement Initiatives	• Operated a policy on the responsible procurement of minerals	A	• Operated and maintained a policy on the responsible procurement of minerals

Self-assessment:
A = Target achieved
B = Target mostly achieved
C = Target not achieved

Operating CSR Procurement Guidelines for the Procurement Division

In an effort to reinforce our organizational responsiveness with regard to CSR priorities throughout the global supply chain, we inform suppliers of the CSR Procurement Guidelines for the Procurement Division and make efforts such as entering into a General Terms and Conditions Agreement that incorporate the guidelines following mutual verification and consensus regarding the details with suppliers. The guidelines apply to all raw materials (excluding copper concentrate) and equipment. They consist of a Basic Procurement Policy, our top-level policy setting out requirements to which we must adhere in terms of fair trade, respect for human rights, legal compliance, ethical procurement, occupational hygiene, environmental protection, and information security, and in addition to these items, we require our suppliers to comply with other requirements stated in our CSR Procurement Standards, including fair business practices, the development of work environments, working hours, freedom of association, responsible raw material procurement, quality and safety of products, protection of intellectual property, disclosure of information, and protection of whistleblowers. Starting in 2025, we translated these guidelines into multiple languages (Japanese, English, and Chinese) and work to promote CSR procurement through ongoing communication with our global suppliers.

- Mitsubishi Materials Corporation CSR Procurement Guidelines（Japanese） PDF (166KB)
- Mitsubishi Materials Corporation CSR Procurement Guidelines（English） PDF (240KB)
- Mitsubishi Materials Corporation CSR Procurement Guidelines（Chinese） PDF (2,992KB)

In addition, to ensure the effectiveness of the initiatives of our suppliers, we began to audit new suppliers and regularly evaluate existing suppliers in April 2016, and we also began to conduct on-site audits as necessary.

■New supplier audits
Before starting transactions with new suppliers, we comprehensively audit the new supplier based on its responses on the Supplier Self-Check Sheet below and confirm that specific criteria have been met.

■Regular evaluations of existing suppliers
We select important suppliers, focusing on suppliers of key items, and regularly evaluate them based on the Supplier Self-Check Sheet as we do during audits of new suppliers. We provide the results of the regular evaluations individually to suppliers as feedback. We comprehensively examine the contents of evaluations, and where necessary, request improvements to address items which received poor evaluations.

* Supplier Periodic Evaluation Process
- Step 1: Investigate 13 items including CSR, human rights, ESG, quality, and price using the supplier self-check sheet described below.
- Step 2: Based on the investigation results, re-evaluate internally and identify suppliers with low scores.
- Step 3: Provide feedback to all suppliers who responded to the survey. Submit improvement requests to suppliers with low scores.
- Step 4: Verify the status of corrective actions and continuously follow up until improvements are achieved.

■Supplier Self-Check Sheet Operations
Before auditing a new supplier or the regular evaluation of an existing supplier, we request that the suppliers that will be audited conduct self-evaluations using the Supplier Self-Check Sheet. This self-check sheet includes items regarding quality, price, supply capacity, and technological capabilities, which are common evaluation items. In the fiscal year ended March 2024, based on the standard survey tool (Common SAQ) developed by the Global Compact Network Japan (GCNJ), of which we are a member, we added items related to CSR, human rights, and ESG to the self-check sheet. Using this form, we confirm the policies, systems, initiatives, and existence of corrective mechanisms regarding 13 items in total.

■Training for Employees of the Procurement Division

We conduct briefings for the Procurement Division employees to promote supplier evaluations and the dissemination of our CSR procurement policy. Additionally, we provide group training sessions led by internal and external instructors to educate employees and managers in the Procurement Division on procurement compliance. Through these initiatives, we deepen understanding of the importance of CSR, human rights, and ESG risk management in the supply chain and strive to embed this understanding throughout the entire organization.

Supplier self-check items

1.CSR	1) Establishment of a CSR promotion system 2) Establishment of a business continuity plan (BCP) system 3) Establishment of an in-house reporting system
2.Human rights	1) Basic approach to human rights 2) Respect for human rights and prohibition of discrimination 3) Prohibition of forced labor 4) Prohibition of child labor 5) Respect and consideration of the lives and culture of local communities and indigenous peoples
3.Labor	1) Basic approach to labor practices 2) Prohibition of discrimination in employment 3) Provision of equal human resource development, career advancement and other opportunities to employees 4) Prohibition of inhumane treatment 5) Payment of appropriate wages 6) Fair working hours, leave, paid leave, etc. 7) Recognition of and respect for freedom of association and collective bargaining rights 8) Appropriate management of employees' health and safety
4.Corporate activities and corporate ethics	1) Basic approach to fair corporate activities 2) Establishment of appropriate relationships with governments and public officials of countries where business activities are carried out 3) Prevention of inappropriate transfer of profits with customers, suppliers, or other parties in sales or purchase activities 4) Prohibition of conflicts of interest 5) Prevention of violation of competition law in sales activities, etc. 6) Prevention of unauthorized use of third parties' intellectual properties and illegal reproduction of copyrighted works 7) Elimination of relationships with antisocial forces and groups 8) Confirmation of the status of individuals regarding their concurrent positions, related parties, etc.
5.Environmental management	1) Basic approach to environmental initiatives 2) Management of chemical substances specified by laws, regulations, or other rules in manufacturing process, products, and services 3) Control of wastewater, sludge, and exhaust and reduction of their generation 4) Sustainable and efficient use of resources (energy, water, raw materials, etc.) 5) Reduction of greenhouse gas (GHG) emissions 6) Identification, management, and reduction of waste and responsible disposal or recycling of waste 7) Sustainable use of natural resources 8) Certifications related to environmental management that have been acquired
6.Quality and safety	1) Basic approach to quality and safety of products and services 2) Assurance of the quality and safety of products and services 3) Appropriate responses to product or service accidents or the distribution of defective products 4) Certifications related to quality and safety that have been acquired
7.Information security	1) Basic approach to information security 2) Defense against attacks on computers or networks 3) Protection of personal information and privacy 4) Prevention of abuse of confidential information

8.Supply chain	1) Basic approach to supply chain 2) Provision of information about CSR procurement policies to suppliers 3) Evaluation of suppliers 4) Use of raw materials that are not associated with conflicts or crimes (initiatives regarding conflict minerals)
9. Quality management	1) Establishment of a quality management system
10. Cost management	1) Supplier pricing 2) Specific initiatives and contents of activities related to cost management
11. Delivery management	1) Strict observance of delivery times 2) Specific initiatives and contents of activities related to delivery management
12. Production and supply management	1) Production management and supply management 2) Specific initiatives and contents of activities related to production management and supply management 3) Excess supply capacity 4) Specific initiatives and contents of activities related to excess supply capacity
13. Technological capabilities	1) Technological capabilities 2) Specific initiatives and contents of activities related to technological capabilities

■Initiatives regarding human rights due diligence

- Initiatives implemented by the Procurement Division
  By regularly evaluating existing suppliers, we also identify and assess human rights risks in the supply chain, with a focus on key suppliers. Where corrective actions are deemed necessary, we request improvements regarding the matter in question and monitor the status of improvements on an ongoing basis. We request that tier one suppliers not only do the supplier self-check but also have their suppliers do it, facilitating risk assessments of tier two suppliers as much as possible.
  In addition, during the fiscal year ended March 2025 and the fiscal year ending March 2026, for suppliers other than key suppliers, we quantitatively assessed risks by country and industry, and selected 270 companies. We are also conducting human rights risk assessments for these 270 companies using the Supplier Self-Check Sheet. In the fiscal year ended March 2025, we requested that 140 companies do the self-check, and in the fiscal year ending March 2026, we requested that 130 companies do the self-check.
  As a result of the assessment of the human rights risks regarding each supplier, a total of 22 companies were identified as suppliers at high risk in the fiscal year ended March 2025. We are promoting awareness of our Sustainability Policy, Human Rights Policy, and CSR Procurement Guidelines among high-risk concern suppliers, providing guidance to facilitate the establishment of appropriate systems within each company. Additionally, we present specific examples of desirable responses for each item and encourage continuous improvement. We have confirmed that all of the suppliers have made or are making improvements. We will continue to encourage our suppliers to make improvements in our efforts to improve the entire supply chain.
  For new suppliers, we include the specific results of human rights risk assessments in the requirements for starting to transact business with us. For suppliers with low evaluation scores, we indicate policies for handling these issues and take appropriate actions, such as the continuous monitoring of these suppliers.

- Initiatives implemented by divisions other than the Procurement Division
  In the fiscal year ended March 2025, we expanded the scope of our human rights due diligence activities to include suppliers providing services on the premises of our sites and in other places and those to which we outsource the processing of our products (hereafter, “suppliers of services, etc.”).
  In the fiscal year ended March 2025, we conducted human rights risk assessments of approx. 270 target suppliers of services, etc. using the Supplier Self-Check Sheet. As a result of the assessments, four suppliers at high risk were identified. We continuously followed up with them to facilitate the implementation of improvements.
  We also informed target suppliers of services, etc. of the CSR Procurement Guidelines used by the Procurement & Logistics Division and requested that they comply with the Procurement Standards.

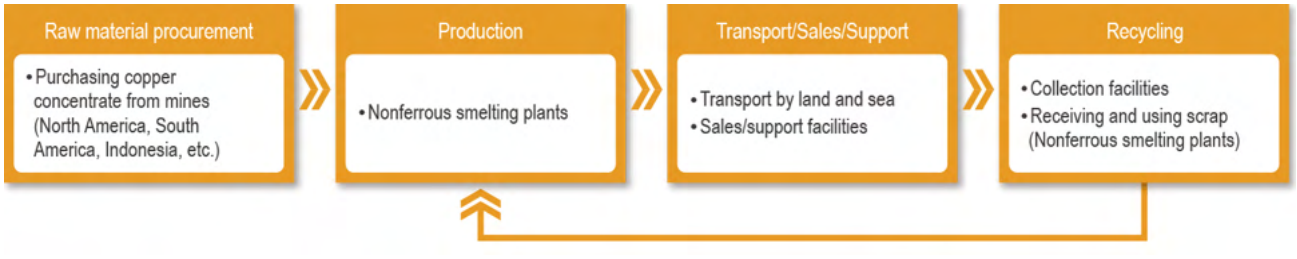
Participation in an international initiative

In order to advance CSR procurement initiatives, the Procurement Division participates in the Supply Chain Subcommittee of the Global Compact Network Japan. Through activities with other companies, including those in different industries, we appropriately promote the identification of trends in society and issues that we face, as well as initiatives and monitoring activities to solve issues that have been identified.

Metals/Resources Circulation Business's Value Chain

In the Metals Business, we manufacture and sell high quality products, thanks to the Mitsubishi Process, which combines high efficiency with exceptionally low environmental impact. Making the most of the smelting process, we have also established a recycling system for efficiently recovering and recycling valuable metals from E-Scrap and other sources. We also provide precious metal bullion products and services under the brand "Mitsubishi Gold," including our accumulation plan service called "MY GOLD PARTNER" for gold, silver and platinum for individual customers. In the Resources Circulation Business, we work on a joint basis with partner companies in the operation of recycling plants for waste products such as home appliances and automobiles, while also coordinating with the smelting and refining sector in an effort to expand resource circulation model.

Value Chain for the Metals Business



TOPICS **Naoshima and Onahama Achieved The Copper Mark**

Naoshima Smelter & Refinery of Mitsubishi Materials Corporation and Onahama Smelter & Refinery of its Group company Onahama Smelting & Refining Co., Ltd. have been assessed under the Copper Mark Assurance Framework and awarded The Copper Mark as of October 4, 2024.
The Copper Mark is a framework developed in 2019 to demonstrate the copper industry's "responsible production" and contribution to the SDGs advocated by the United Nations. The Copper Mark is the leading assurance framework to promote responsible practices across the copper, molybdenum, nickel and zinc value chains. The Copper Mark works with companies and organizations throughout these metals' value chains to enable them to better understand and meet the increasing demands for independently verified responsible practices, and to contribute positively to sustainable development.
We started the procedure for participation in the Copper Mark Assurance Framework in December 2023 and have now achieved the award after an audit by an independent third-party organization. The Group has established key material issues in its Medium-term Management Strategy FY2031 and promoted various initiatives for "contribution to the global environment," "sustainable supply chain management," and "respect for human rights." Attaining The Copper Mark certification is an objective recognition of the steady results of these efforts.
The Group set "For people, society and the earth, circulating resources for a sustainable future" as "Our Commitment." Going forward, we aim to realize Our Commitment by taking full advantage of our copper smelters & refineries.

THE COPPER MARK | RESPONSIBLY PRODUCED COPPER



Naoshima Smelter & Refinery
(Kagawa Prefecture)

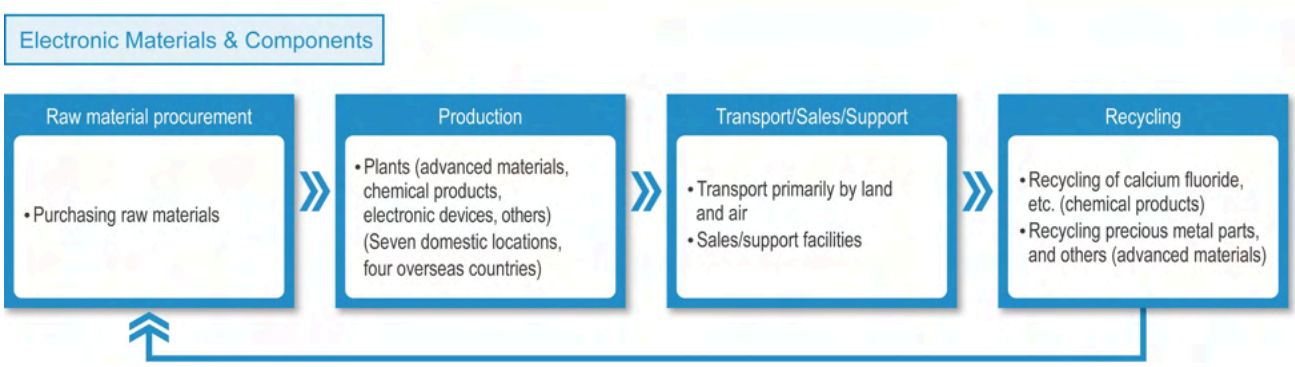


Onahama Smelting and Refining Co., Ltd.
Onahama Smelter & Refinery
(Fukushima Prefecture)

Value Chain for the Advanced Products Business

Advanced Products Division (APD) supplies materials and products primarily for the semiconductor, automotive, healthcare and electronics industries, and aims to become a Global First Supplier providing high-value-added products and solutions, with a particular focus on the semiconductor field.
For the next-generation vehicle market, we supply solar heat-ray shielding paints for automotive windows that contribute to energy efficiency, and in-vehicle electronic components such as sensors. For the semiconductor manufacturing and electronics markets, we supply processed silicon products and sealing products for such manufacturing equipment. For industrial equipment, robotics, and infrastructure applications, we supply superconducting wires used in MRI systems and scientific research.
In this way, APD contributes widely to the development of society, like a popularization of new mobility services, by providing high value-added products in response to mega trends.

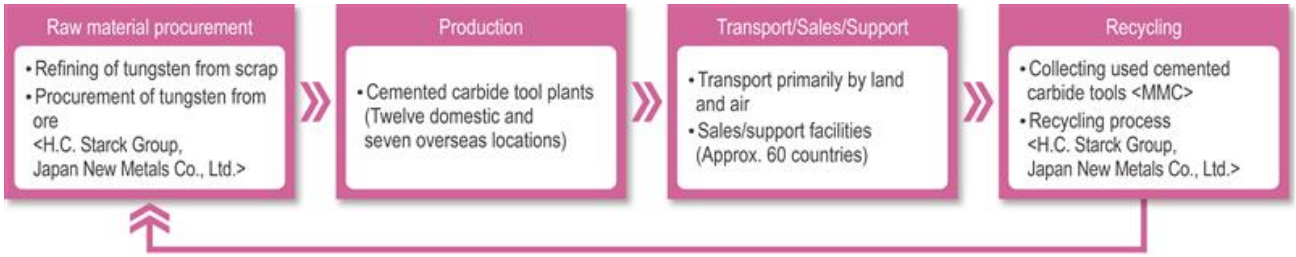
Value Chain for the Advanced Products Business（Electronic Materials & Components）



Metalworking Solutions Business's Value Chain

We supply cutting tools and cemented carbide tools such as civil construction tools, mining tools and wear- resistant tools that are essential for processing metal parts. We operate manufacturing and sales facilities worldwide, in the U.S., Europe, China, and other parts of Asia. By providing high value-added products and services that cater to customer needs, underpinned by high levels of technical expertise and reliability, we support manufacturing across various fields. Our share of the market in Japan is large. Tungsten, which is the main material of cemented carbide, is a rare metal and there are procurement risks related to this mineral resource. We are therefore focused on the collection and recycling of used cemented carbide tools. H.C. Starck Holdings (Germany) GmbH (H.C. Starck), which engages in the production, sale, and recycling of tungsten raw materials, joined the Group, and we are continuing to strengthen our supply chain.

Value Chain in the Metalworking Solutions Business



Renewable Energy Business's Value Chain

In the Renewable Energy business, we contribute to the building of a decarbonized society by providing a stable supply of renewable energy, including geothermal, hydroelectric, solar and wind power.

Affiliated Businesses's Value Chain

We have developed former mining sites for utilization as tourist roadways.
In the Cement business, we have established a wide-ranging business structure, from mining limestone, the main raw material in cement, through to cement plants, transportation, sales, ready-mixed concrete plants, and construction companies, etc. With this structure, we contribute to the development of social infrastructure and undertake global activities via production and sales facilities in Japan and other countries. We also supply high quality products such as low-heat cement, ultra-high strength concrete cement, and non-shrink grout, in addition to regular Portland cement and other general-purpose products. Furthermore, we actively take in difficult-to-treat waste products at our cement plants, and detoxify them using a high-temperature burning process at approx. 1,450°C. Effectively reusing resources like this enables us to contribute to the establishment of a recycling-oriented society.

* Effective April 1, 2022, the MMC's Cement business were subject to an absorption-type demerger with Mitsubishi UBE Cement Corporation as the successor company.

International Issues Surrounding Resources and the Group's Role

Worldwide Demand and Restrictions on Resources

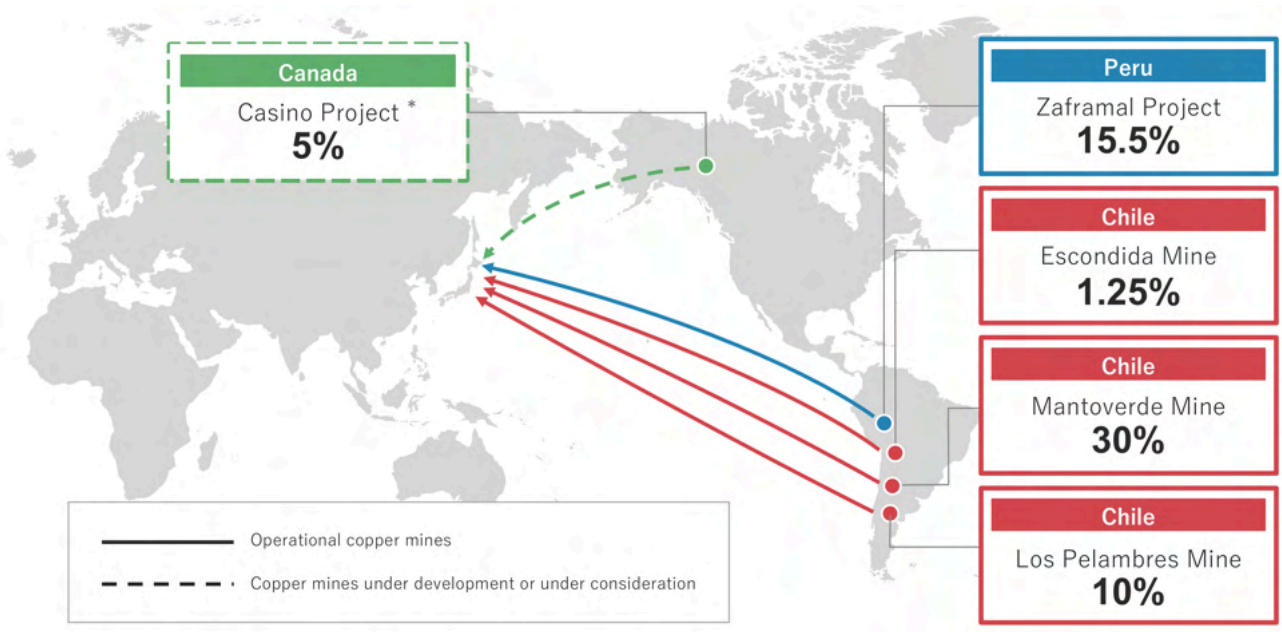
Of all the base metals, copper in particular is used for a wide range of purposes. While there are risks such as short-term metal prices and exchange rate fluctuations, demand is forecast to continue growing over the long term, not least due to infrastructure development in emerging economies.
However, as copper-producing regions around the world are limited and competition for the resource is intensifying, promising production regions are becoming increasingly rare. Recently, policies to protect national resources in resource-holding countries and anti-development campaigns due to growing environmental awareness are on the rise. In addition, newly developed mines require mining at higher elevations and to greater depths, while the quality is lower and also contains more impurities. This has made securing clean copper concentrates a more important challenge than ever.

Sustainable Mine Operation

Since the closure of our domestic Akenobe Mine in 1987, we have been reliant on imports from overseas mines for copper concentrates*, the main raw material used in our products. To reduce the environmental impact caused by mine development and ensure the sustainable development of local communities, when investing in overseas mines we emphasize not only legal and regulatory compliance but a "Social License to Operate" approach, and endeavor to minimize the ecological impact caused by the mines in which we invest. Depending on our level of investment, we also assign employees to mines in other countries, and provide support to ensure that mines are developed sustainably in the best interests of the environment and the local community.
At the Mantoverde Mine, one of the mines in which we invest, we aim to continually achieve our target of zero accidents involving employees based on our belief that all occupational illnesses are preventable, and all accidents are opportunities for improvement. We strive to strengthen our efforts in this regard through commendations and training provided to employees and contractors.
To learn more about our biodiversity initiatives for overseas mines, see the section on "Biodiversity Initiatives (Disclosure in Accordance with TNFD) ."

* Copper concentrate: The state mined in the mine is "Ore", but when it is beneficiated and the copper grade is improved, it becomes "Concentrate". "Copper Concentrate" is imported into Japan.

Overseas Copper Mines and Development Projects



* Investment in Western Copper and Gold Corporation, which owns the interest (Project participation under consideration)
* Figures indicate ownership interest in mines and development projects.

The Growing Importance of Developing Urban Mines

The efficient recycling of resources is becoming increasingly important, in terms of securing stable supplies of metal resources and enabling the sustainable development of society as a whole. In particular, waste electrical and electronic equipment (WEEE), such as televisions, computers and cellular phones contain large quantities of valuable metals such as precious metals and rare metals. These “urban mines”* are also being thrust into the spotlight because they enable highly efficient extraction (recycling) of resources with minimal impact on the environment and local communities compared to natural mines.
In addition to the smelting and refining technologies that our Group has built up over more than a century, for nonferrous metals, we have a wealth of technologies and expertise in recycling, and continue to actively work on recycling, particularly E-Scrap (mainly printed circuit boards and other recyclable materials picked out from dismantled and crushed WEEE).
Alongside our high-level operational expertise and “the Mitsubishi Process,” a unique continuous copper smelting and converting process developed exclusively by Mitsubishi Materials, we have established a global collection network, and are constantly working to improve and reinforce acceptance and processing capacity, as well as services such as our online E-Scrap trading platform “MEX. ” Our E-Scrap information network includes recyclers from more than 60 countries around the world. In February 2018 we newly established MM Metal Recycling B.V., which handles the intake, inspection and sampling of E-Scrap in the Netherlands. In September 2024, we established Mitsubishi Materials Europe B.V. as the base overseeing our recycling business in Europe. We are responding to the expansion of the E-Scrap market with a focus on Europe which leads the world in terms of environmental policy.

* A concept that treats the above-ground accumulation of discarded electronic equipment and other industrial products as resources from which valuable resources can be recovered.

Acting as a Responsible Partner in Recycling International Resources

In recent years, we have been disposing of large quantities of electric and electronic devices that have outlived their useful lifespan as WEEE. These devices still have potential value as urban mines. However, there are concerns that they could also cause environmental contamination from lead, mercury or other harmful substances if they are processed inappropriately. To address this issue, in 2003 the European Union (EU) introduced a directive to limit volumes, and promote the reuse and recycling of WEEE.

Within the EU, a certification scheme is being put in place for companies throughout the recycling chain, to encourage them to handle WEEE in an appropriate manner. In fall 2016, we became the first company in Japan to obtain certification under the Standard on End-Processing of WEEE Fractions (E-Scrap) at the Naoshima Smelter & Refinery and Onahama Smelter & Refinery (Onahama Smelting & Refining Co. Ltd.). In addition, both the Naoshima Smelter & Refinery and the Onahama Smelter & Refinery have been certified as recycling operators pursuant to the provisions of Article 15 of the Basel Act.
Revised annexes to the Basel Convention came into force in January 2025, and all transboundary movements of WEEE became subject to the Prior Informed Consent Procedure (PIC). In Europe, waste transportation regulations were revised in 2024, and this is one of the developments that are resulting in transboundary movements of recycled resources being strictly controlled and the increasing promotion of the local production and local consumption of these resources. The Group will continue to build on the technologies and knowledge developed so far and leverage the strong networks it has developed with suppliers in Japan and overseas to respond appropriately to changing laws, regulations, and other rules while communicating closely with customers. The Group will continue to contribute to the sustainable development of society as a leading company in responsible E-Scrap recycling.

Copper Product Raw Material Procurement Initiatives

We procure copper concentrate, a raw material for copper products, primarily from the overseas mines in which we invest, to ensure a stable supply to smelters and refineries in Japan. While this places us in the position of a non-operator not directly involved in mine management, as a company engaged in global procurement activities, we hope to fulfill our sustainable development responsibilities.
We place importance on dialog with indigenous peoples and members of local communities. For example, we assign specific staff members to participate in the advisory committees of mines in which we have a certain scale of interests.
Moreover, our Metals Company requires the mining companies to comply with Sustainability Investment & Loan Standards before we invest in them. We also check the status of compliance with those standards, for example through regular questionnaire surveys, and as necessary seek to understand and improve the situation.
We also regard environmental preservation and respect for human rights as important matters to consider in management of the global supply chain and have incorporated these considerations into our business processes.

Metals Company: Outline of Sustainability Investment & Loan Standards

[Ethical business]

- Legal and regulatory compliance
- Prevention of corruption
- Support for payments to government agencies and the Extractive Industries Transparency Initiative (EITI)
- Sustainability governance
- Acquisition of outside certification on sustainability

[Risk management]

- Assessment of environmental and social risks
- Management of environmental and social risks
- Formulation of emergency response plans
- Appropriate response to conflict and high-risk regions
- Encouraging responsible action by suppliers, contractors and other partners

[Human rights]

- Avoiding forced relocation and economic loss
- Respect for voluntary principles of safety and human rights
- Prohibition on child labor
- Prohibition on forced labor
- Respect for freedom of association and rights to collective bargaining
- Compliance with minimum wages and statutory limits on overtime work
- Respect for the livelihoods and rights of indigenous peoples
- Implementation of free, prior and informed consent (FPIC)
- Respect for women’s rights, prohibition on discrimination and harassment
- Complaint handling mechanisms
- Stakeholder engagement

[Health and safety]

- Implementation and monitoring of health and safety measures
- Health and safety training, monitoring of health status

[Environmental performance]

- Formulation of mine closure plans
- Appropriate water management and sustainable water use
- Appropriate management of tailings
- Prevention of pollution, appropriate disposal of waste
- Improved energy efficiency, disclosure of GHG emissions
- Respect for protected zones
- Biodiversity impact and risk assessments

[Local communities]

- Support for community development
- Provision of economic opportunities for community-based companies
- Support for artisanal and small-scale mining (ASM)

Environmental Impact Assessment for Zafranal Project (Peru)

Mitsubishi Materials Corporation joined Zafranal copper mine development project in Peru with Canadian mining company Teck Resources Limited and its subsidiary.
Compania Minera Zafranal S.A.C. (CMZ) is tasked with operating the project. MMC has established a subsidiary in Peru and is working closely with CMZ to continually monitor local conditions and advance the project.
CMZ prizes the cultures, values, traditions and historical heritages of local communities, and has been establishing transparent and sincere long-term partnership with them. Accordingly, CMZ establishes opportunities for formal dialogue with local communities and additional stakeholders, and also conducts individual briefings and responds to their inquiries. CMZ has been building public trust while reflecting local opinions and needs through these activities.
Before obtaining approval for the Environmental Impact Assessment, CMZ consulted with local communities. It also conducted environmental and social baseline studies in the project and related infrastructure areas.

As a Responsible Business Operator Procuring and Smelting Minerals

From Conflict Mineral Management to Responsible Mineral Procurement Management

The United States' Dodd-Frank Wall Street Reform and Consumer Protection Act requires all companies listed in the US to disclose whether their products contain "conflict minerals," defined as gold, tin, tantalum and tungsten, along with details of reasonable survey on producing countries and the survey results, in an effort to prevent minerals mined in the Democratic Republic of Congo (DRC) or its neighboring countries from being used to fund the activities of armed groups responsible for human rights violations and other acts of violence. Recently, the scope of conflict minerals has been expanded, particularly in EU countries, with consideration also being given to cobalt and silver from a broader perspective of responsible mineral procurement. In tandem with this trend, the OECD, SEC, and organizations such as RMI*1, LBMA*2, and LME*3 have formulated guidance related to the issue of conflict minerals (responsible mineral procurement management).
As a responsible business operator smelting gold, silver, copper, lead and tin, we have instituted initiatives such as conducting efficient surveys of the suppliers of these metals based on due diligence standards stipulated in each standard to respond to these global requirements, and we have formulated and disclosed our Responsible Minerals Sourcing Policy.

*1 Responsible Minerals Initiative (RMI)
*2 London Bullion Market Association (LBMA): The LBMA implements and oversees compliance with quality requirements for gold and silver bullion circulated in the market.
*3 London Metal Exchange: The world's largest exchange primarily for non-ferrous metals

Contact the Responsible Minerals Control Hotline if you identify any act in violation of the provisions of our Responsible Minerals Control Policy.

Initiatives with Respect to Gold, Silver, and Tin

Mitsubishi Materials Corporation recognizes the importance of transparency in the extractive industries and has supported the principles of the Extractive Industry Transparency Initiative (EITI)*1 since June 2011. We began preparations for tackling the issue of conflict minerals in 2012, obtained certification in August 2013 for our compliance with the London Bullion Market Association (LBMA)*2 gold guidance on avoiding use of conflict minerals and have had this certification renewed every year since. We have also begun operations and obtained certification with regard to silver.
Since February 2014, we have received annual certification of our conformance with the RMI*3 of RMAP*4 regarding tin.

*1 Extractive Industries Transparency Initiative (EITI): The EITI is a global framework established to improve the transparency of financial flows from extractive industries engaging in the development of oil, gas and mineral resources to the governments of resource-producing countries. Its aim is to prevent corruption and conflicts, and thus to promote responsible resources development that can facilitate growth and help to reduce poverty. https://eiti.org/
*2 London Bullion Market Association (LBMA): The LBMA implements and oversees compliance with quality requirements for gold and silver bullion circulated in the market. http://www.lbma.org.uk/
*3 Responsible Minerals Initiative (RMI)
*4 Responsible Minerals Assurance Process (RMAP, formerly the Conflict-Free Smelter Program [CFSP])

Mitsubishi Materials Corporation
Responsible Minerals Control Policy for Gold, Silver, and Tin

Establishment date: 19th June 2013
Last revised date (Rev. 10): 27th May 2026

Mitsubishi Materials Corporation (hereinafter the “MMC”) engages in bullion manufacturing for gold, silver, and tin. MMC does not procure materials originating from high-risk areas, such as conflict-affected areas, connected to human rights abuses, terrorist financing, money laundering and illegal trade. Also, MMC recognizes the importance of addressing environmental and sustainability responsibilities in the procurement of materials. To rigidly maintain this practice, MMC has adopted a control system that follows the London Bullion Market Association (LBMA) guidance for gold and silver, and for tin, the Responsible Minerals Assurance Process (RMAP) by Responsible Mineral Initiative (RMI) with the commitment to the due diligence steps specified in Supplement on Tin, Tantalum and Tungsten of “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" (hereinafter “OECD Guidance”), and undergoes regular audits by third-party bodies.
MMC hereby sets out its responsible minerals control policy applicable to gold, silver and tin as follows and will implement the following measures.

1. General Provisions
   (1) MMC will respect human rights and avoid direct or indirect involvement with inhumane acts. For this purpose, MMC will not use suspicious minerals which may be connected to conflict-affected and high-risk areas where armed conflict, widespread violence and other risks may harm individuals. Risks listed in OECD Guidance Annex II (listed below①～⑥) and risks of gold and silver listed in LBMA’s guidance are managed.(＊: When the difference of the expression or content of risks of LBMA’s guidance from risks of OECD Guidance, the risks of LBMA’s guidance are added with”＊”.)
      ① Direct or indirect support to non-state armed groups (①* Direct or indirect support to illegitimate non-state armed groups, or public or private security forces)
      ② Serious abuses associated with the extraction, transport or trade of minerals (②* Systematic or widespread human rights abuses associated with the extraction, transport or trade of minerals)
      ③ Direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
      ④ Bribery and fraudulent misrepresentation of the origin of minerals
      ⑤ Money laundering (⑤* Money laundering or terrorism financing.)
      ⑥ Non-compliance with taxes, fees and royalties due to governments related to mineral extraction, trade and export from Conflict-Affected and High-Risk Areas (CAHRAs)
      ⑦ * Contribution to conflict
      In addition, in accordance with LBMA's guidance on gold and silver, MMC will address ESG factors such as environmental and sustainability responsibilities in its mineral procurement.
   (2) MMC will control risks associated with material procurement and take appropriate measures including stopping a transaction.

2. Control System and Responsibility
   (1) MMC’s headquarters deals with all operations for mineral control. Smelters and refineries do not procure materials independently.
   (2) The Compliance Officer appointed by MMC assumes authority and responsibility stipulated in the control manual, including those for overseeing relevant sections and divisions and for operating the control system.
   (3) The Responsible Sourcing Management Council appointed by MMC assumes authority and responsibility stipulated in the control manual, including those for overseeing the entire control system and for regularly conducting a management review.

3. Judgment Criteria for Material Procurement from Conflict-Affected and High-risk Area, and Zero-tolerance Supply Chains of LBMA.
   MMC considers the procurement of materials containing gold, silver and tin as high-risk when those materials are determined to have a high relation to OECD Guidance Annex II risks and risks listed in LBMA guidance (as described in above 1.General Provisions (1)①-⑥,①*-⑦*) in conflict-affected and high-risk areas defined by MMC. MMC also considers the procurement of materials containing gold and silver as high-risk when those materials are determined to have high risks of adverse ESG factors including environmental and sustainability responsibilities.
   Furthermore, by LBMA guidance, the below cases are zero-tolerance supply chains, and MMC must terminate the procurement of materials containing gold, and silver immediately.
   The Mined Gold/Silver is known to originate from areas designated as World Heritage Sites**
   ① The Mined or Recycled Gold/Silver is known to be sourced in breach of international sanctions (including but not limited to those of the UN, EU, UK and US)
   ② The Mined or Recycled Gold/Silver supplying counterparty, other known upstream companies or their UBOs are known money launderers, fraudsters or terrorists, or have been implicated in serious human rights abuses, or in direct or indirect support to illegitimate non-state armed groups.

4. **Implementation of Due Diligence on Material Suppliers, and the High-risk Supply Chains of LBMA.**

MMC will practice due diligence and perform risk assessments on all suppliers of materials containing gold and silver and all suppliers of materials containing tin. MMC will take an appropriate counteraction, which contains immediately stopping the transaction, or undertaking an investigation in detail (Enhanced Due Diligence：EDD), when the transaction is deemed as being high risk, as a result of the risk assessment.

After MMC implements EDD on the high-risk supply chains in accordance with LBMA guidance, MMC will take a counteraction as below.

① In case MMC concludes that there are known instances of Money laundering, Terrorist financing, Serious human rights abuses, Direct or indirect support to illegitimate non-state armed groups, and/or fraudulent misrepresentation of the origin of minerals, MMC should immediately stop the transaction.

② In case MMC concludes that there is a founded suspicion of Money laundering, Terrorist financing, Serious human rights abuses, Direct or indirect support to illegitimate non-state armed groups, and/or fraudulent misrepresentation of the origin of minerals, and that there are reported catastrophic ESG impacts, MMC should suspend the transaction. If additional information/data refuting the preliminary suspicions or a timely and appropriate response to addressing the ESG impacts has been obtained from the supplier, which is verified by EDD and approved by Responsible Sourcing Management Council, MMC may resume the transaction.

③ In case MMC concludes that the counterparty is using reasonable and good faith efforts despite instances of Bribery, Non-fraudulent misrepresentation of the origin of minerals, Non-compliance with taxes, fees and royalties due to government, Material breaches of environmental, health, safety, labour and community-related local legislation, and/or ESG risks that have the high likelihood to result in highly adverse impacts, MMC may continue the transaction under the improvement plan of the counterparty.

④ In case MMC concludes, as a result of EDD, that the supply chain is free from, or having a low possibility of violating, OECD Guidance Annex II risks, then MMC may obtain approval of Responsible Sourcing Management Council to continue (or commence) the transaction.

5. **Monitoring of Materials Purchased by MMC's Headquarters**

(1) Materials purchased by MMC headquarters are supplied to smelters and refineries, which will check the actual goods and analyze the content of gold, silver, tin and/or other metals for every lot, to examine consistency with the information from suppliers provided in advance by MMC headquarters and to report the findings to MMC headquarters.

(2) MMC will effectively utilize the monitoring system for incoming materials, which has long been in place, for the purpose of responsible minerals procurements control at MMC headquarters and operate it as a system for the prevention of contamination with high risk minerals.

6. **Operation of the Responsible Minerals Sourcing Control System**

(1) The Compliance Officer will provide education and training to the relevant sections and divisions of MMC headquarters, MMC group companies and refineries as needed.

(2) The Compliance Officer will perform at least one internal monitoring per year of the relevant sections and divisions of MMC headquarters, MMC group companies and the smelters and refineries to assess if operations are properly performed in accordance with the responsible minerals sourcing control system or if there are any deviances from the system.

(3) In the event of starting transactions with a new supplier for material procurement, MMC will ensure that the relevant information is communicated to the Compliance Officer in an effort to prevent contamination with high risk minerals.

(4) The Compliance Officer will keep the records of all operations concerning responsible minerals sourcing control and retain them for five years. The relevant documents of the control manual will be revised as needed and properly managed.

› Our LBMA Compliance Report for Gold and Silver, and the corresponding Independent Practitioner's Reasonable Assurance Report by KPMG AZSA Sustainability Co., Ltd. PDF (13,207KB)

› Our RMAP Due Diligence Report for Tin PDF (118KB)

› RMAP Conformant Certificate for Tin by RMI PDF (112KB)

Initiative with respect to Copper and Lead

Copper cathodes and Lead Ingots which Mitsubishi Materials Group manufactures are registered with LME (London Metal Exchange). In line with LME's initiative to introduce "LME Policy on Responsible Sourcing of LME-Listed Brands", Mitsubishi Materials Corporation has set out its Responsible Minerals Sourcing Policy for Copper and Lead as below and will implement responsible sourcing measures to comply with LME's requirements.

Mitsubishi Materials Corporation
Responsible Minerals Sourcing Policy for Copper and Lead

Establishment date: September 1, 2023
Last revised date (Rev.2): May 27, 2026

Naoshima Smelter & Refinery of Metals Div, Mitsubishi Materials Corporation, Onahama Smelter & Refinery of Onahama Smelting & Refining Co., Ltd., and Hosokura Metal Mining Co., Ltd. manufacture copper cathodes and lead ingots. In procuring raw materials for these metals, Mitsubishi Materials Corporation (hereinafter referred to as the "MMC") establishes and operates a control system in accordance with the Responsible Sourcing Policy of the London Metal Exchange as well as the Joint Due Diligence Standard of The Copper Mark, and will undergo independent third party assessment of its risk assessment.
MMC hereby sets out its Responsible Minerals Sourcing Policy for Copper and Lead as follows and will implement the following measures.

(1) MMC implements the five-step due diligence process defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Annex I for its raw material procurement of copper and lead.

(2) MMC identifies, assesses and responds to risks of adverse impacts and actual adverse impacts in its mineral supply chains including those listed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area Annex II (as listed below).
① Direct or indirect support to non-state armed groups
② Serious abuses associated with the extraction, transport or trade of minerals
③ Direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
④ Bribery and fraudulent misrepresentation of the origin of minerals
⑤ Money laundering
⑥ Non-compliance with taxes, fees, and royalties due to governments related to mineral extraction, trade and export from Conflict-Affected and High-Risk Areas (CAHRAs)

(3) If a serious abuse of human rights or any support to non-state armed groups is identified, MMC will immediately terminate the transaction or cancel the contract. Risks other than serious abuse of human rights or support to non-state armed groups will be mitigated. If it is determined that the risk cannot be mitigated, MMC will immediately terminate the transaction. A risk management plan will be used as a framework for procedures to be implemented to manage and mitigate the risks of adverse impacts and actual adverse impacts. The risk management plan will enable MMC to manage risks through engagement with suppliers that could exercise their influence further upstream of the supply chain, initiatives with business alliances and diverse stakeholders, and involvement with local and central governments. It will also monitor and track performance through feedback from stakeholders.
(4) MMC will undergo an independent third party assessment of the risk assessment of the supply chain for the procurement of raw materials including copper and lead, and will also provide an annual report on the implementation status of the management system for procurement of raw materials including copper and lead.

- Annual Report on Responsible Mineral Sourcing (Copper) (from April 2025 to March 2026) PDF (347KB)
- Annual Report on Responsible Mineral Sourcing (Copper) (from April 2025 to March 2026 - Onahama Smelting and Refining Co., Ltd.) PDF (209KB)
- Annual Report on Responsible Mineral Sourcing (Lead) (from April 2025 to March 2026 – Hosokura Metal Mining Co., Ltd.) PDF (151KB)

Onahama Smelting and Refining Co., Ltd. (Supervised by the Metals Company) (Initiatives with respect to Platinum and Palladium)

The company had previously outsourced the smelting and refining of platinum and palladium to one of our Group companies, Materials Eco-Refining Co., Ltd. and since April 1, 2025, Onahama Smelting and Refining Co., Ltd. has taken over this business. Accordingly, Onahama Smelting and Refining Co., Ltd. established "Responsible Minerals Sourcing Policy for Platinum, Palladium" in April 2025. Since the raw materials for platinum and palladium are sourced not only from our precious metals refinery at Naoshima Smelter and Refinery, but also from outside the Group, Onahama Smelting and Refining Co., Ltd. has implemented a system to manage risks in the raw materials supply chain related to human rights abuses, terrorist financing, money laundering, illegal trade, etc. in accordance with the Responsible Platinum/Palladium Guidance of the London Platinum and Palladium Market (LPPM). And in July 2025, as a result of an assurance audit by a third-party organization, Onahama Smelting and Refining Co., Ltd. was awarded LPPM Good Delivery certification.

- Onahama Smelting & Refinery Co., Ltd. Responsible Minerals Control Policy for Platinum, Palladium PDF (274KB)

Japan New Metals Co., Ltd. (Supervised by the Tungsten Division) (Initiatives with Respect to Tungsten)

In June 2021, Japan New Metals Co., Ltd., a Group company whose operations include tungsten smelting and refining, revised the existing Conflict Mineral Management Policy to the Responsible Mineral Procurement Management Policy, which has expanded its scope of control to a wider range of areas and minerals. As a company smelting and refining tungsten in Japan, Japan New Metals Co., Ltd. carries out management to ensure that raw materials put into the smelting and refining process are ones conforming to the Responsible Mineral Procurement Guidelines. The company also carries out the similar management for raw materials purchased from external tungsten smelting and refining companies. Furthermore, in November 2021, the company acquired the Responsible Minerals Assurance Process (RMAP) conformance certification, which was updated from the CFS Certification. In January 2025, following a renewal assessment, the certification was renewed and extended.


JAPAN NEW METALS CO., LTD.

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Products R & D Data Company

HOME » Company » Responsible Mineral Procurement Policy and Management System

Company

Responsible Mineral Procurement Policy and Management System

Action for Aiming to build a more transparent mineral supply chain

In response to the enactment of the "Dodd-Frank Wall Street Reform and Consumer Protection Act" by U.S. Securities and Exchange Commission, in April 2014, We established the "Conflict Minerals Management Policy" and recognized "Efforts regarding the non-use of conflict minerals" as an important issue. As a company that promotes activities and carries out tungsten smelting in Japan, we have obtained third-party certification as a "Conflict Free Smelter".

Organization for Economic Cooperation and Development's (OECD) publishes "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas", where companies respect human rights with respect to mineral supply chain management. Through mineral mining activities, in order to avoid lending to the conflict, environmental destruction, providing or receiving any bribes and involvement in money laundering. we are building a transparent mineral supply chain and aiming for sustainable corporate involvement in the mineral sector

As a member of the Mitsubishi Materials Group, We, Japan New Metals have established a "responsible mineral procurement policy and management system", under our vision, values, code of conduct, etc. based on the group's corporate philosophy "For people, Society and the Earth", communicated above contents with any our suppliers. By getting their cooperation in it's operating, we will work to build a more transparent mineral supply chain with our business partners and other stakeholders.

June 18, 2021
Japan New Metals Co., Ltd.
Yoshikazu Okada

Responsible Mineral Procurement Management Policy of Japan New Metals Co., Ltd.


RESPONSIBLE MINERALS INITIATIVE

Recognition that

CID000825

Japan New Metals Co., Ltd.

Completed an assessment against the Responsible Minerals Assurance Process Standard for Tungsten 2017

Assessment date: 07/05/2024

Assessment Cycle: 3 years

RBA CEO
Robert Lederer

RMAP certification obtained by Japan New Metals Co., Ltd.

H.C. Starck Tungsten Powders (HCS) (Tungsten Division) (Initiatives with Respect to Tungsten)

H.C. Starck Tungsten Powders has established a management framework based on internationally recognized standards, including environmental and social aspects, to ensure responsible supply chain management. Its Integrated Management System (IMS) and Responsible Supply Chain Management System (RSCM) are regularly audited and certified by internationally recognized certification bodies.
The RSCM is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and with EU Regulation 2017/821 (the Conflict Minerals Regulation). It is also operated in accordance with internationally recognized frameworks for responsible mineral sourcing, including the Responsible Minerals Initiative (RMI). In addition, compliance with the requirements of the German Supply Chain Due Diligence Act (LkSG) has been confirmed through audits conducted by independent third-party certification bodies.
Furthermore, the company has implemented the Eco-Management and Audit Scheme (EMAS) at its headquarters in Germany and discloses and manages environmental and climate-related information concerning both its own operations and its supply chain through annual environmental statements.

Quality

- Product R&D and Approval Risk Management
- Quality Management and Group-wide Quality Initiatives
- Improving Customer Satisfaction

Product R&D and Approval Risk Management

We endeavor to prevent quality issues by engaging in risk management activities for reducing quality risks at Group companies both in Japan and overseas. We aim to prevent quality risks from materializing and provide stable quality to customers.
In order to ensure that delivery time and cost are not prioritized over quality, we have established the order of priority for decision making in the performance of duties as SCQDE*. By repeatedly informing and educating employees, we are fostering an environment that encourages consistent judgments. The same concept is applied in product R&D, and is a fundamental principle in all decisions that require problem solving or responses to potential risks. Furthermore, we have established a front-loading system guideline, whereby the design and development, manufacturing, quality assurance, research, and sales departments identify risks and problems to be considered at each stage from design to mass production, deliberate on improvements and countermeasures, and ensure the execution of new projects through expert review and customer evaluation. This process is reviewed by experts and evaluated by customers to ensure the execution of new business.

＊ SCQDE" shows the order of priority of our business decisions. In providing products and services to customers, we must thoroughly implement SCQ and satisfy D. We believe that we will be able to obtain trust from customers and society by continuously executing SCQD in good faith, and this will produce a reasonable profit.

1. S (Safety & Health: safety and health come first)
2. C (Compliance & Environment: legal compliance, fair activities and environmental conservation)
3. Q (Quality: quality of products and services provided to our customers)
4. D (Delivery: strict adherence to delivery deadlines)
5. E (Earnings: appropriate earnings)

With reflection on quality issues, we prioritize adherence to SCQ.
The trust of customers is secured only when all requirements up to and including D have been satisfied.
E is obtained based on the trust of customers after satisfying SCQD.

Product Safety

In order to deliver safe, high-quality products to customers as a manufacturer, we ensure product quality and safety based on a precautionary approach, in addition to complying with laws and regulations. We have also formulated a set of regulations for the control of hazardous chemical substances contained in our products. As well as thoroughly ensuring that we do not release any products containing hazardous substances to customers, including via Group companies, we are committed to disclosing product information as necessary.

Ensuring Safety in Transit

We make every effort to ensure safety when transporting products that require special precautions during transit, such as sulfuric acid.
Specific measures include ① avoiding contact with other substances, ② wearing protective equipment when filling and unloading products, ③ taking measures to prevent leaks or dispersal from containers, and ④ providing drivers with Safety Data Sheets (SDS) that clearly outline procedures to follow in the event of an accident

Providing Safety Information

Providing safety information on our own products is vitally important, to ensure product safety further along the supply chain. We therefore attach Safety Data Sheet (SDS) to Mitsubishi Materials products so as to effectively disclose and convey information on chemical substances.

Controls on Chemical Substances Contained in our Products

We have formulated a set of regulations for the control of hazardous chemical substances contained in our products, and continue to reinforce management and ensure legal compliance in relation to chemical substances contained in our products. As laws and regulations governing chemical substances vary by country and region, in Japan, we register and manage chemical substances based on the Chemical Substances Control Law*2. In the EU, we successfully completed the registration of chemical substances in accordance with REACH regulations*3, which apply within EU regions, in September 2017, and continue to manage those substances. We are also complying with the new REACH regulations that came into effect in the UK (commonly known as UK-REACH) in response to the UK's departure from the EU. We also continue to gather information on chemical-related laws and regulations in other countries as needed, reinforcing our management of chemical substances.
We provide Group companies with the latest information through quality control subcommittee, and give them advice on compliance with all applicable legislation.

*1 Chemical Substances Control Law: Japanese Act on the Regulation of Manufacture and Evaluation of Chemical Substances
*2 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals): The comprehensive system established by the EU for the registration, evaluation, authorization and restriction of chemical substances manufactured within or imported into the EU

Impact Assessments at the Development and Prototype Stages

We carry out reviews during four key stages of the R&D process, when exploring areas of R&D, conducting R&D and prototyping, conducting mass production trials, and commercializing products. While continually taking safety in our processes and products into account, we implement checks and careful examination regarding the use of hazardous chemical substances, compatibility with customer requirements and compliance status with various laws and regulations.

Quality Management and Group-wide Quality Initiatives

Establishment of Quality Review Day

The Group had declared November 1 of each year to be our Group-wide Quality Review Day so that the quality issues that occurred in 2017 will not be forgotten and the same issue will not occur again. In the fiscal year ended March 2026, this was an opportunity to review quality issues by watching a video message from the President and a video of lessons learned from the series of quality issues. It is also an opportunity to once again verify that the products and services provided to customers at each site do not have quality issues. We have also implemented various initiatives, including the verification of the effectiveness of the measures for preventing the recurrence of complaints, and a review of the standards and procedures.

Quality Management System

We operate in accordance with the "Fundamental Quality Provisions at Mitsubishi Materials Group" in order to enhance governance relating to quality. Under the quality provisions, we have formulated a Group-wide "Quality Policy" that aims to provide first-class products and to obtain customer satisfaction, and established the "Quality Control Guidelines at Mitsubishi Materials Group" to complement the Group Quality Policy. We have established and are working to maintain our quality management, from design and development to production, shipping and sales, for the processes involved in quality improvement of products and services provided by us.
The Group handles a wide variety of products at its domestic and overseas sites, and it is important to share the latest information related to quality management. For this purpose, we hold quality officers meeting regularly attended by parties involved in the Group's quality management. The objectives of these meetings are as follows.

(1) Sharing of various up-to-date information on the Group's quality, which is transmitted from the Quality Promotion Office.
(2) Sharing of examples of improvements at each site and group discussions on themes to promote understanding among participants.
(3) Promotion of improvements at each site based on the shared information.

We have also set up a Quality control subcommittee comprised of the persons in charge of quality from Quality Promotion Office, each business department, and others, in our efforts to enhance our governance system. At the Quality Liaison Conference, the progress and status of quality initiatives at each in-house Company, including Group companies, are reported. The necessary information is then shared by participants.
Further, where necessary, Safety, Environment & Quality Department and the Company holds quality meetings that are aimed at sharing quality information. At quality meetings, we provide detailed support to each site, such as checking the status of quality management with each site individually and exchanging views. Quality audits are conducted as part of themed audits. The purpose of the quality audit is to confirm the lack of quality fraud and the implementation of effective quality initiatives based on objective evidence. It also aims to identify issues and improvements related to quality, and to provide an opportunity for the audited sites to make continuous improvements. Our company maintains a database of quality issues that have occurred, including those within our group companies. This database helps us review past quality problems and prevent similar incidents from recurring.

Quality Management Initiatives at Overseas Manufacturing Sites

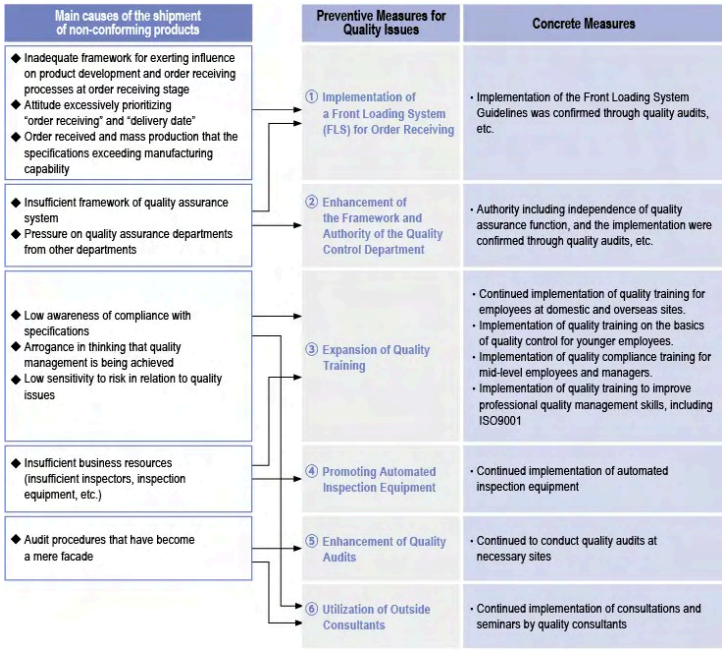
Total of seven overseas manufacturing sites in Europe, the US and Asia of our Metalworking Solutions Division produce high-quality products in cooperation with the domestic sites. To standardize quality levels worldwide, the domestic sites provide continuous technical advice to the overseas manufacturing sites on equipment maintenance, production technology, and the development of quality documentation. As a result of multi-year efforts, local employees now lead improvement meetings and quality control reviews, and their motivation to learn new skills is a driving force for quality improvement. Total of three overseas manufacturing sites in Europe, the US and Asia of our Tungsten Division are working in cooperation with the domestic sites to maintain and improve our quality control levels.
Also, the Advanced Products Division, has seven manufacturing sites (including Group companies and partners) in Southeast Asia, and China has established a production and quality control system in close cooperation with locations (Ceramics Plants, Mitsubishi Cable Industries, Ltd., GOTOH MFG Co., Ltd.) in Japan. In addition, the Luvata Group operates a total of 10 manufacturing sites across Europe, the Americas, and Asia, and is working to improve the quality performance of each site through regular quality meetings and quality audits. In the copper products business, a slit yard is maintained in Malaysia, and efforts are being made to maintain and enhance the level of quality management in cooperation with Wakamatsu Manufacturing Works, which supplies master coils.

Quality Training

Given the reflection that crisis sharing within the Group was not working and a poor sense of ownership was seen when the quality issues occurred, quality training is conducted for each level of younger employees, middle employees and managers, to continue to change their mindset on quality. The quality management system (QMS) based on ISO9001 is fundamental to our quality management and quality assurance. ISO9001 internal auditor training is conducted regularly for newly appointed auditors. In the fiscal year ended March 2026, sixteen classes were held with a total of 77 participants. Furthermore, we also held seven classes aimed at maintaining and improving the auditing skill and capabilities for the experienced internal auditors. A total of 22 people participated in these classes.

Governance Restructure Relating to Quality Management and Preventive Measures

As a result of the Group’s efforts to implement and strengthen prevention measures for recurrence in quality management, we have improved both quality awareness and control level across the Group and various measures have been disseminated across the Group. To prevent the recurrence of quality issues going forward, we will incorporate a series of measures to prevent quality issues into our quality management systems such as the systems that comply with the ISO9001 standard, and continuously implement them.



From “Reactive Quality Management” to “Proactive Quality Management”

Currently, as part of our "proactive quality management" efforts, we are also working to realize designs, facilities, and processes that prevent the occurrence of out-of-specification products. Each Company and base sets quality targets and promotes various improvement activities to achieve them.
Currently, as part of our "proactive quality management" efforts, we are also working to realize designs, facilities, and processes that prevent the occurrence of out-of-specification products. Each Company and base formulates activity plans and promotes various improvement activities to achieve them.
Since quality is the brand asset of our Group, we will continuously improve the level of quality through quality education and quality improvement activities, and continue to provide products that satisfy our customers.

Improving Customer Satisfaction

Customer Satisfaction Surveys

As a part of our quality management activities, we analyze complaints and conduct customer satisfaction surveys at all Mitsubishi Materials business sites and Group companies in order to reflect the diverse demands of our customers. The results of analyses and customer feedback obtained from surveys are reported to management reviews, taken seriously and reflected in improvements to provide 'better products and services'.

Metals/Resources Circulation Business

By taking advantage of the Mitsubishi Process for continuous copper smelting, a unique copper smelting technology that has achieved the industry's top environmental impact reduction, we have long accepted and processed E-Scrap and currently boast the world's number one E-Scrap acceptance and processing capacity of approximately 160,000 tons annually. To respond to the growing E-Scrap market and higher recycling rates, we aim to double our annual E-Scrap acceptance and processing capacity by the fiscal year ending March 2036. Against this background, we began operating the new MEX (Mitsubishi Materials E-Scrap EXchange) platform for E-Scrap trading, on December 20, 2021, to further improve our customer services. MEX uses the latest digital technologies and includes a large number of features, which are being steadily expanded to meet customer needs. We aim to be an accessible partner for all customers in Japan and overseas by offering our long-standing experience and high technological capabilities through MEX.
In the recycling and resource circulation sector, the Company carries out recycling treatment of waste products, etc. and devises ways to accumulate improvements in the recycling process, including methods for recovering raw materials, so that recycled resources (copper, iron, resins, etc.) can be systematically supplied in grades and quantities that meet the needs of customers. In addition, each recycling plant actively conducts plant tours for customers in order to provide opportunities for environmental education as part of its social contribution activities.

Copper & Copper Alloy Products Business

Our copper and copper alloy products business provides integrated capabilities spanning materials development through processing, using high-grade electrolytic copper as its primary raw material. Our expertise encompasses oxygen-free copper and high-performance copper alloys. We supply high-performance wrought copper products to a wide range of industries that underpin the advancement of society, including the automotive, semiconductor, electronics and energy sectors. The oxygen-free copper produced by our Group offers excellent electrical conductivity, thermal conductivity and formability, meeting the demanding requirements of growing markets such as next-generation mobility, AI and data-center applications, and advanced energy technologies. Through our extensive product portfolio—including the MSP™ Series of high-performance copper alloys and the MOFC™ Series of high-performance oxygen-free copper—we help customers address technical challenges involving high-voltage and high-current applications, component miniaturization and enhanced heat dissipation.
To deliver products and services that provide genuine value to our customers, we regard quality as the foundation of all our business activities. As markets and technologies continue to evolve at an accelerating pace, we engage in close dialogue with our customers to accurately identify their needs and challenges. Our product development, manufacturing and quality assurance teams collaborate closely to improve quality and drive continuous improvement.

We are committed to meeting customer expectations through both quality and technology. By pursuing continuous improvement, we seek to enhance customer satisfaction and build lasting relationships of trust.

Tungsten Business

At each of our Tungsten Business sites, our sales, development, and manufacturing teams work together to improve quality and ensure a stable supply in order to meet customers' quality requirements. To further enhance supply stability, we continue to refine our proprietary smelting technologies that utilize recycled raw materials, including used cemented carbide tools, while incorporating customer needs identified through ongoing dialogue into product development and process improvements. By leveraging the Group's global network to build a resilient supply system, we aim to be a trusted partner to our customers.

Metalworking Solutions Business

The Machining Technology Center provides a wide range of solutions to help customers use cutting tools more efficiently. These include hosting training programs such as "Cutting Academy," designed to enhance knowledge of cutting tools and machining processes, as well as conducting preliminary analyses (such as CAE/CAM), and cutting tests. Through these activities, we place strong emphasis on maintaining close, direct communication with our customers. In recent years, by introducing advanced computer-based analysis technologies, we have continuously updated the evaluation facilities at the Chubu Technical Center to enhance our capabilities in cutting tests. As a result, a growing number of customers have visited our facilities to attend on-site tests and observation sessions.
Going forward, we will continue to provide comprehensive solutions by sharing expertise that supports the resolution of customer challenges, as well as through preliminary analyses and cutting processes.



Basic Cutting Training at the East Japan Technical Center

Advanced Products Business

We deliver advanced products that are essential for customers, leveraging our manufacturing technologies like silicon products, as well as process technologies like bonding different materials.
By sharing the future product road map with customers to identify the functional value they demand promptly, we will be a good partner of our customers as their first call vendor.

Renewable Energy Business

We are contributing to the creation of a recycling-oriented society through the development of renewable energy. In the renewable energy sector, we are actively engaged in the maintenance and management of facilities on a daily basis to ensure the stable supply of environmentally friendly energy over the long term, aiming to contribute to the creation of a decarbonized society through the provision of renewable energy. Furthermore, we strive to provide new value derived from "renewable sources" by supplying electricity to local new power initiatives based on the concept of "local production and consumption of energy" and participating in auctions for non-fossil fuel certificates. Through these efforts, we aim to meet the trust of our customers and the community.

Community

Community Social Contribution Activities Initiatives at Mines in Which We Invest

Community

Signing of the UN Global Compact

Mitsubishi Materials Corporation signed the United Nations Global Compact (UNGC) and was registered as a participating company as of March 22, 2022. In addition, it has joined the Global Compact Network Japan, the UNGC's local network in Japan.

The UNGC is a voluntary initiative in which companies and organizations act as good members of society and participate in the creation of a global framework for realizing sustainable growth by demonstrating responsible and creative leadership. The companies and organizations that sign the UNGC are required to observe and practice the Ten Principles in the four areas of human rights, labor, environment, and anti-corruption, which are set forth by the UNGC.
The vision of the Mitsubishi Materials Group is to "become the leading business group committed to creating a sustainable world through materials innovation, with use of our unique and distinctive technologies" based on its Corporate Philosophy of "For People, Society and the Earth" and we intend to more actively and positively promote sustainability as exemplified by the establishment of a "Sustainability Policy " as of December 1, 2021.

We will support the Ten Principles of the UNGC and practice them in our business activities, thereby contributing to the realization of a sustainable society.

> Global Compact Network Japan Website

* This information is available only in Japanese on the website.

> United Nations Global Compact Website

The Ten Principles of the UN Global Compact

Human Rights

- Principle 1:
  Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:
  make sure that they are not complicit in human rights abuses.

Labour

- Principle 3:
  Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:
  the elimination of all forms of forced and compulsory labour;
- Principle 5:
  the effective abolition of child labour; and
- Principle 6:
  the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7:
  Businesses should support a precautionary approach to environmental challenges;
- Principle 8:
  undertake initiatives to promote greater environmental responsibility; and
- Principle 9:
  encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10:
  Businesses should work against corruption in all its forms, including extortion and bribery.

Donations to Organizations That are Addressing Social Issues

We take the Group's 150th anniversary, which we celebrated in 2021, as an opportunity to make the donations and provide ongoing support, with the aim of supporting organizations addressing social issues proactively, towards achieving our Corporate Philosophy, "For People, Society and the Earth."
We selected recipients of the donations from among organizations engaged in activities consistent with our Corporate Philosophy to solve social issues, with a particular focus on those that support children, students, or refugees, while also considering their relationships with us, among other factors.

Organizations Supporting Children or Students

- **International Volunteer University Student Association**
  Under the vision of "a society to live together," this organization plans and implements volunteer activities for solving social issues, with the leading role played by approximately 2,500 students from 80 universities across Japan as its members.

- **Katariba (Approved Specified Non-Profit Organization)**This organization engages in activities to deliver various educational opportunities to children with the aim of creating a society where "No matter what environment they grew up in, they should be able to develop their motivation and creativity to make their own future."

Organizations Supporting Refugees

- **Japan Association for Refugees (JAR)**
  This organization supports refugees who have fled to Japan from conflicts, human rights abuses, or other forms of persecution, so that they can live in a new land with a sense of security, aiming to build an inclusive society.

- **Nonprofit Corporation WELgee**
  This organization co-creates shared value for Japanese society and those refugees who have fled to Japan, aiming for a society where refugees and Japanese can build a future together, regardless of their circumstances.
  We also use and collaborate with one of the organization's activities, a career program that accompanies the training, recruiting, and retention of refugee talents.

Social Contribution Activities

Based on the Corporate Philosophy of "For People, Society and the Earth", the Mitsubishi Materials Group has adopted Our Vision of "Circulating resources for a sustainable future" and Our Mission of "Create a sustainable future (a prosperous, recycling-oriented and decarbonized society)," and has established "We will contribute to the development of each region and build a harmonious relationship of mutual prosperity with local communities" as a rule we must observe in our Code of Conduct.

Community Contribution Activity Policy

Since its establishment, the Mitsubishi Materials Group has maintained not only manufacturing sites but also procurement and sales offices and other facilities in Japan and other parts of the world, and we believe that we can continue that business by earning the trust of local communities. In order to carry on this idea of the Mitsubishi Materials Group and pass it on to the next generation, each of us must act in accordance with the expectations of our stakeholders and be aware of our social responsibility.
To this end, we will actively engage in contribution activities to solve issues in society such as nature conservation in each region, Diversity, Equity and Inclusion including next generation education support and minority support, and aim to coexist in harmony with local communities.
We will also fulfill our social responsibility by appropriately distributing earnings from our business activities to our stakeholders, including local communities.

- **Focus Areas**
  In line with our Corporate Philosophy, Our Mission, and Code of Conduct, we will focus on the following three areas to achieve sustainable business growth.
  1. Promotion of local environmental protection and conservation activities
  2. Supporting next-generation education and Diversity, Equity and Inclusion
  3. Coexistence with local communities

- **Approach**
  Through dialogue with each community and partner organization, we understand social needs and issues, and formulate and implement specific action measures to contribute to and resolve them.

We will continue to contribute to sustainable local communities by implementing the ongoing communication activities with local communities that have been conducted by each of the Mitsubishi Materials Group's sites.

Stipulated on July 21, 2023
Revised on November 01, 2024

Investments in community contribution activities

In the fiscal year ended March 2026, Mitsubishi Materials non-consolidated expenditures on community social contribution activities totaled approximately ￥514 million,* including ￥503 million in donations, ￥9.75 million in services provided by employees, and ￥1.25 million in facility openings.

* Amounts are based on calculation methods established by the Company.

Effective use of emergency food, drinking water, etc. that are due for renewal

To make effective use of these stockpiled supplies rather than disposing of them, we donate emergency food, drinking water, and other supplies that are due for renewal to facilities and organizations, including Food Bank Sapporo. The donated food and drinking water are provided free of charge to people in need of food assistance, as well as to social welfare facilities and organizations. Through this initiative, we contribute to supporting people in need in local communities while promoting the reduction of food loss and the effective use of resources.

Participating Business Site

- Enviromental Stewardship Center Forest Administration Department
- MOLDINO Tool Engineering, Ltd. Narita Plant

PET Bottle Cap Recycling

Some of our Group business sites and Group companies engage in activities to collect PET bottle caps with the aim of making effective use of resources and supporting children in Japan and overseas. The collected PET bottle caps are provided to General Incorporated Association Kodomo Shokudo and the nonprofit organization Cap Savings Box Promotion Network. The donated caps are sold as recyclable resources and recycled, and part of the proceeds is used to support children's cafeterias in Japan and, through the Japan Committee, Vaccines for the World's Children, to provide children in developing countries with polio, BCG (tuberculosis), and other vaccines.

Participating Business Site

- Mitsubishi Materials Corporation Innovation Center
- Tohoku Power Service Station, Corporate Production Management Engineering Department, Renewable Energy Business Division, Mitsubishi Materials Corporation
- Mitsubishi Materials Corporation Osaka Plant (Sakai Site, Sambo Site)
- Mitsubishi Materials Trading Corporation
- MMC Tooling Co., Ltd.
- Hachimantai Green Energy Co. Ltd.

Children's Rights

As children and young people are in a weak social position and their rights are susceptible to exploitation, they require particular protection and consideration, and their support across society as a whole is important in ensuring the same rights as adults are acknowledged so they can expand their future potential and growth in a healthy manner.
In the Mitsubishi Materials Group, we respect the human rights of all people, and respect the rights of children, including not allowing child labor or any forms of forced labor.
The Company supports its employees in their roles as parents and care-givers to children, and has established a workplace environment that helps employees balance their work and child-rearing responsibilities.
The Group also provides support through donations and social contribution activities at its business sites so that children and young people can grow by fully developing their innate abilities.

Examples of activities:

- Accepting tours and internships from day care facilities, elementary schools, junior high schools, high schools, special needs schools and other educational institutions at the Mitsubishi Materials Corporation Head Office, Innovation Center, Sustaiability & SCQ Promotion Division Environmental Resources Management Center, Wakamatsu Plant, Renewable Energy Business Division Tohoku Power Service Station, Hosokura Metal Mining Co., Ltd., Hachimantai Green Energy Co. Ltd., Appi Geothermal Energy Corporation, MOLDINO Tool Engineering, Ltd. Narita Plant, Tamagawa Engineering Co., Ltd., Golden Sado Co., Ltd., Golden Sado Co., Ltd., H.C. Starck Tungsten GmbH, ECOMANAGEMENT, INC.
- Plant and office tours for family members at the Head Office, Osaka Plant (Sambo Site), MOLDINO Tool Engineering, Ltd. Narita Plant
- Sending instructors to nursery schools, elementary schools, junior high schools, high schools, universities, research institutions, associations, and other organizations at the Sustaiability & SCQ Promotion Division Environmental Resources Management Center, Mitsubishi Materials Corporation; Resources Division, Mitsubishi Materials Corporation; Vancouver Office, Resources Division, Mitsubishi Materials Corporation; Sustainability Promotion Department, Material Strategy Management Division, Mitsubishi Materials Corporation; Mitsubishi Materials Techno Corporation; MOLDINO Tool Engineering, Ltd. Narita Plant; Hachimantai Geothermal Energy Corporation; Appi Geothermal Energy Corporation
- Facility rental and sponsorship to youth sports groups at the Naoshima Smelter & Refinery
- Volunteer activities to fix things and plant trees at Jaofasang School　Mitsubishi Materials (Thailand) Co., Ltd
- Road Safety Education for Students at Wat Sri Pho School　Mitsubishi Materials (Thailand) Co., Ltd
- Donating books, school supplies, toys, and other items at the Luvata Superconductors (Zhongshan) Limited; Mitsubishi Materials Mexico; MMC Hardmetal Poland Sp. z o.o.; Mitsubishi Materials (Thailand) Co., Ltd.

Related Articles:

- Human Capital and Human Rights
- Supply Chain Management
- Sustainable Use of Forest Resources (Materials' Forest)

Effects of Social Contribution Activities on Employees

In addition to tracking the results of its social contribution activities, our Group surveys changes in employees' awareness and behavior associated with these activities. For volunteer activities conducted in the fiscal year ended March 2026, the departments and Group companies that implemented the activities assessed their effects from three perspectives: increased job satisfaction, changes in behavior, and the acquisition of skills useful for work.
The survey found that, among the activities for which responses were received, 16.8% were reported to have contributed to increased job satisfaction, 16.2% to have resulted in changes in behavior, and 12.0% to have contributed to the acquisition of skills useful for work.

Initiatives at Mines in Which We Invest

Mantoverde Mine

Mantoverde identifies the needs of local communities through participatory planning and ongoing dialogue, and works to create employment opportunities, develop local capabilities, promote local procurement, and support education and healthcare initiatives.

Local Employment and Human Capital Development

As of the end of 2025, Mantoverde had 1,297 employees, of whom 544, or 42%, were from the Atacama Region. One of its 10 senior managers was also from the local area. Despite the geographical constraints associated with the mine's remote location, Mantoverde provides employment opportunities by maintaining an on-site camp.
To expand employment opportunities in the region, the "Learning for Development" program supported by Mantoverde provided certified technical training to more than 375 participants in 2025. By combining vocational training, skills certification and employment support, the program aims to improve access to employment opportunities.
Women accounted for 59% of all program participants and 75% of participants in the high-tonnage truck operator course, helping to increase women's participation in occupations traditionally dominated by men.

Community Investment and Support

In 2025, expenditure on suppliers based in the Atacama Region amounted to US$54.5 million, an increase of 67% from approximately US$33.0 million in 2024. As total expenditure on goods and services also increased, local supplier expenditure as a proportion of total procurement spending rose from 6% in 2024 to 7% in 2025.
Mantoverde also invested US$338,000 in local organizations and community projects in 2025. These initiatives addressed locally identified priorities, including vocational training, the development of employment and entrepreneurship capabilities, educational support for students, and the provision of equipment and supplies to local healthcare institutions.

Stakeholder Engagement

Mantoverde maintains ongoing dialogue with fishing associations and Indigenous organisations to understand matters of interest to local communities and identify opportunities for collaboration.
Following the Chilean Government's recognition of Costeños Ancestrales as an organization of the Chango people in late 2024, Mantoverde established a permanent working group with the organization in early 2025. Through this working group, Mantoverde is maintaining ongoing dialogue regarding project development, addressing concerns and identifying opportunities for collaboration.
As part of the environmental permitting process for the Mantoverde Optimized Project, Mantoverde engaged with stakeholders through a government-led process and publicly disclosed its responses to the questions received. The project obtained environmental approval in 2025.

Together with our co-investors, we support these initiatives undertaken by the operating company to build enduring relationships with local communities and create social and economic value in the region.

Corporate Governance

Basic Approach

The basic approach to corporate governance of Mitsubishi Materials Corporation is described below.

- We have, based on the Corporate Philosophy of the Group, Our Vision, Our Values, Code of Conduct, Our Commitment and the Basic Policy on Corporate Governance* established by the Board of Directors, developed trust with all stakeholders related to the Company and its subsidiaries, such as shareholders and investors as well as employees, customers, client or supplier companies, creditors and local communities, and also develop our corporate governance.
- Among the governance systems under the Companies Act, we have chosen to be a Company with a Nomination Committee, and by separating supervision and execution, will strengthen the Board of Directors' management supervisory functions, improve the transparency and fairness of management and accelerate business execution and decision making.
- We acknowledge the enhancement of corporate governance to be one of the most important management issues, and continuously make efforts to improve our corporate governance.

In order to promote the basic policy of "Creating the future through resource circulation" laid out in the Medium-term Management Strategy (FYE March 2027-2029), the Group introduced a business division system in the fiscal year ending March 2027, with the aim of strengthening its management foundation by enhancing resource allocation from a company-wide perspective and consolidating various functions.

* We publish on our website both the "Basic Policy on Corporate Governance ," which compiles our fundamental approach and framework for corporate governance, and the "Corporate Governance Report " that we submit to the Tokyo Stock Exchange.

Overview of Corporate Governance

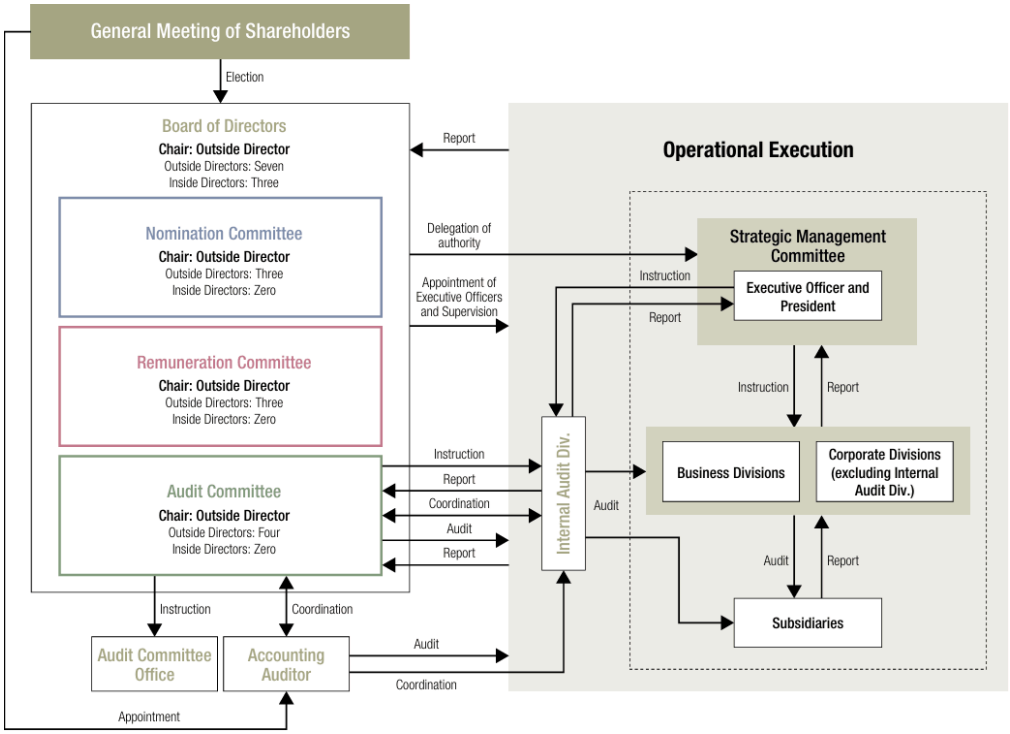
Board of Directors

The functions and duties of the Board of Directors shall be as follows:

- Upon delegation by shareholders, the Board of Directors shall indicate the direction of its management and make an effort to enhance the Group's medium- to long-term corporate value by, for example, engaging in freewheeling and constructive discussion on management policies and management reforms.
- The Board of Directors shall determine matters that may have a serious impact on management, such as management policies and management reforms, in accordance with the provisions of laws, the Articles of Incorporation and the Board of Directors Rules.
- The Board of Directors shall accelerate decision-making in business execution by delegating the authority over business execution to an appropriate extent to Executive Officers in accordance with the provisions of the Board of Directors Rules, etc. so that Executive Officers may assume the responsibility and authority to make decisions and execute business in response to changes in the business environment.
- The state of Group governance and the progress of the execution of duties, including the progress of the management strategy, shall be reported by Executive Officers to and supervised by the Board of Directors on a periodic basis.

Further, Outside Directors play a role in supervising the appropriateness of Directors and Executive Officers in the execution of their duties from an objective standpoint and in providing a diverse range of values regarding the management of the Company based on expert knowledge and through experience that differs from that of officers who advanced internally, so that the Board of Directors' management supervisory functions would be further strengthened.
A majority of the Board of Directors shall consist of Independent Outside Directors, and the Chair of the Board shall be a Director who does not concurrently serve as an Executive Officer (including the Executive Officer and President).The Board of Directors is comprised of 10 Directors (including 7 Outside Directors), and the Chair of the Board is performed by Ichiro Sasaki (Independent Outside Director).

Overview of the Corporate Governance System (Chart as of June 23, 2026)



Nomination Committee

The Nomination Committee determines the policy for nomination of candidates for Director and dismissal of Directors and the content of proposals for the appointment and dismissal of Directors to be submitted to the General Meeting of Shareholders. In addition to this, the Committee deliberates on the appointment and dismissal of Executive Officers, etc. in response to inquiries from the Board of Directors and reports back to the Board of Directors thereof. Furthermore, the Committee deliberates on the candidates for the successor of the Executive Officer and President with the development plans and exercises supervision to ensure that the development of successor candidates is performed appropriately. The Committee deliberates on candidates for the next Executive Officer and President in response to the inquiries from the Board of Directors and reports back to the Board.
Majority of the Nomination Committee members shall be Independent Outside Directors, and the Chair shall be performed by an Independent Outside Director. The Nomination Committee is comprised of 3 Directors (All are Outside Directors), and the Chair is Rikako Beppu (Independent Outside Director).

Audit Committee

The Audit Committee audits the legality and validity of duties performed by Directors and Executive Officers, via audits either using internal control systems or directly by the Audit Committee member selected by the Audit Committee. Majority of the Audit Committee members shall be Independent Outside Directors, and the Chair shall be performed by an Independent Outside Director. The Audit Committee is comprised of 4 Directors (All are Outside Directors) , and the Chair is Kazuhiko Takeda (Independent Outside Director).

Remuneration Committee

The Remuneration Committee establishes policies for determining individual remuneration for Directors and Executive Officers, and determines the individual remuneration to be received by Directors and Executive Officers based on such policies. Majority of the Remuneration Committee members shall be Independent Outside Directors, and the Chair shall be performed by an Independent Outside Director. The Remuneration Committee is comprised of 3 Directors (All are Outside Directors), and the Chair is Koji Igarashi (Independent Outside Director).

Furthermore, in each committee, the committees will allow Outside Directors other than committee members to participate as observers to eliminate information gaps among Outside Directors, and will also allow the "Executive Officer and President" and others to attend committee meetings as necessary to hear explanations and opinions.

Executive Officer

Executive Officers execute business in accordance with the prescribed segregation of duties, based on the delegation of authority from the Board of Directors. The Company has 6 Executive Officers, of which the Executive Officer and President Tetsuya Tanaka, and Managing Executive Officer Kayo Hirano, are elected as Representative Executive Officers upon the decision of the Board of Directors.

Strategic Management Committee

Following the delegation of authority from the Board of Directors, the Strategic Management Committee reviews and determines particularly important matters concerning the management of the entire Group. The Strategic Management Committee consists of all Executive Officers. The Executive Officer and President serves as the chairperson of the committee.

Nomination of Candidates for Director, Dismissal of Directors and the Appointment and Dismissal of Executive Officers

1. Policy for Nomination of Candidates for Director and Dismissal of Directors

Our basic approach to the structure of the Board of Directors, which fulfills the roles of determining the direction of management and exercising supervision over the progress of business execution, is to ensure that it comprises a diverse range of human resources with different expert knowledge, experience, and other qualities. In particular, the Nomination Committee will consider candidates for Outside Director to ensure that they comprise individuals who possess experience and knowledge in corporate management (including in businesses similar to and/or different from the Group's business) and organizational management, and individuals who possess broad and advanced expert knowledge and extensive experience in relation to finance and accounting, legal affairs, production engineering, research and development, sales and marketing, or international relations, etc.
In light of the basic policy on the structure mentioned above, the Nomination Committee will nominate and select individuals who satisfy the following requirements as candidates for Director, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual who can properly fulfill his or her duties concerning the exercise of supervision over the management of the Company and the determination of the direction of management.

Further, with respect to candidates for Independent Outside Director, the Nomination Committee will nominate and select individuals who satisfy the following requirement in addition to the above requirements:

- An individual who has no material interest in the Group and who can remain independent.

The specific selection of candidate shall be decided after deliberation by the Nomination Committee.
If a Director falls under any of the following events, the Nomination Committee may make a determination on the content of a proposal to be submitted to the General Meeting of Shareholders for the dismissal of that Director.

- If a Director has committed a serious violation of a law, regulation or the Articles of Incorporation
- If a Director has committed an act that is significant misconduct regarding performance of duties
- If a Director lacks the judgment required of the position or significantly lacks the ability to discern facts and circumstances
- If a Director is expected to be unable to attend Board of Directors meetings for a significant period of time

The Company considers that an Outside Director is not independent if he or she falls under any of the conditions listed below in addition to meeting the standards for independence established by Tokyo Stock Exchange, Inc.

1. An individual who falls under or has fallen under any of items (1) or (2) below, either presently or in the past:
   (1) An executive or non-executive Director of the Company (excluding Outside Directors); or
   (2) An executive or non-executive Director of the Company's subsidiary.

2. An individual who falls under any of items (1) through (5) below:
   (1) An executive of a client or supplier company of the Company, whose value of transactions amounted to 2% or more of the consolidated net sales of the Company or the client or supplier company as of the end of the previous fiscal year;
   (2) A person who received, as a professional or consultant, etc., consideration of not less than ¥10 million from the Company in the previous fiscal year, excluding his/her consideration as a Director;
   (3) An executive of an organization that received a donation of not less than ¥10 million from the Company in the previous fiscal year;
   (4) A shareholder who directly or indirectly holds at least 10% of the total number of voting rights of the Company or an executive of such shareholder; or
   (5) The Company's Accounting Auditor or its employee, etc.

3. An individual who has fallen under any of items (1) to (5) of 2 above at any time in the past three (3) years:

4. A close relative of any of the persons listed in item (1) or (2) of 1 above, items (1) to (5) of 2 above, or 3 above (excluding unimportant persons); or

5. A person who has served as the Company's Outside Director for a period of more than eight (8) years.

2.Policy for Election and Dismissal of Executive Officers

In electing Executive Officers responsible for the execution of business tasks, individuals who satisfy the following requirements will be elected, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual well-versed in management and the business activities of the Group.

In relation to the election process, CEO will first draft a proposal for the election of Executive Officers after consulting with relevant officers as necessary. CEO will then submit a proposal for the election of Executive Officers to the Board of Directors based on the deliberations and responses to inquiries at the Nomination Committee meeting, and Executive Officers will be elected by resolution of the Board of Directors based on a comprehensive review of the candidates' personal history, achievements, specialist knowledge, and other capabilities.

In addition, if any event occurs that makes an Executive Officer highly ineligible in light of these standards, the Executive Officer shall be dismissed by resolution of the Board of Directors following a review by the Nomination Committee.

Expertise and Experience of the Directors

The main expertise and experience possessed by the Directors are shown in the Skill Matrix in Table 1. Table 2 also shows from what perspectives the Directors contribute and provide knowledge to realize the Medium-term Management Strategy (FYE March 2027-2029) based on their respective expertise and experience.

[Table 1] Expertise and Experience of Directors (Skill Matrix)

		Expertise and experience						
Name	Business experience outside the Company	Corporate management & organizational management	International experience	Sales & marketing	Production engineering	Research & development	Legal affairs	Finance & accounting
Ichiro Sasaki Independent Director	Electronic devices and industrial equipment	●	○	○	○	●		
Koji Igarashi Independent Director	Food and food materials	●	○		●	○		○
Kazuhiko Takeda Independent Director	Conglomerate	●	○	○			○	●
Rikako Beppu Independent Director	Legal profession		●				●	
Hatsunori Kiriyama Independent Director	Consumer goods	●	●	○				○
Nozomi Sagara Independent Director	Economic, trade and industry government	●	○			○	○	
Jason Frank Independent Director	Automotive-related business and renewable energy	●	●	○				○
Tetsuya Tanaka	–	●			○	●	○	
Kayo Hirano	Housing equipment	●	○					●
Makiko Nogawa	Conglomerate, chemicals, and IT	●	●				○	

○indicates expertise and experience possessed (● indicates primary expertise/experience).

* The above Skill Matrix does not cover all the expertise and experience owned by the Directors.

[Table 2] Contribution and Perspectives of the Directors on Key Themes

Name	Supervision of management strategy execution	Medium-term Management Strategy (FYE March 2027-2029)		Supervision of tackling of main sustainability challenges	
		Formulation of the strategy	Improve profitability and capital efficiency	Strengthen human capital	Strengthen tackling of global environmental issues
Ichiro Sasaki Independent Director	Perspective from experience as top management in manufacturing		Perspective from experience in leading customer-oriented product development and company-wide efforts to leverage IT	Perspective from experience of HR management in manufacturing and engineers	Perspective from experience in leading environmental initiatives as CEO within the manufacturing industry
Koji Igarashi Independent Director	Perspective from experience executing medium- to long-term business strategies	Perspective from experience of business structure reform	Perspective from practical experience in manufacturing techniques and development	Perspective from experience of HR management in manufacturing and engineers	Posing of issues from a wide range of perspectives including future trends and exchange with external experts
Kazuhiko Takeda Independent Director	Perspective from practical experience in global management in manufacturing	Posing of issues from a financial perspective	Perspective on business management from extensive experience as CFO	Perspective from experience as a management executive of a global company	
Rikako Beppu Independent Director	Perspective from deep knowledge of global business expansion	Perspective from experience being responsible for collaboration with many Japanese and overseas companies		Perspective from experience in diversity activities and initiatives	
Hatsunori Kiriyama Independent Director	Perspective from corporate management experience at a global manufacturer		Perspective from extensive marketing experience	Perspective from deep knowledge of the development of senior management executives	
Nozomi Sagara Independent Director	Perspective from technological knowledge across different fields	Perspective from experience being involved in government administration of resource recycling		Perspective from experience in HR management in government offices	Perspective from experience being involved in government administration of global environment preservation
Jason Frank Independent Director	Perspective from extensive practical experience of investment projects at multiple companies in Japan and Europe		Perspective from experience of leading and supporting management reforms at multiple companies in Japan and Europe	Perspective from experience of HR management at multiple companies in Japan and Europe	Perspective from experience of involvement in renewable energy business in Europe
Tetsuya Tanaka	Perspective from experience of overall management of the Group and perspective in leading discussion as the Company's CEO		Perspective from extensive practical experience in the Group's manufacturing sites	Perspective from experience of HR management in manufacturing sites of the Company	Perspective from experience as the officer in charge of the global environment of the Company
Kayo Hirano	Perspective from experience as the Company's CFO		Perspective from the standpoint of leading improvement in the Company's financial structure	Perspective from experience of HR management in a manufacturing company	
Makiko Nogawa	Perspective from experience as the Company's CHRO		Perspective from experience in organizational and talent development and planning and operation of HR systems at global companies		

* The items above are focused on those with high contribution by the Directors.

Policy on Determining Remuneration for Officers

With the aim of creating an attractive remuneration system for outstanding management talent that will drive improvements in the Group's corporate value from a medium- to long-term viewpoint and establishing remuneration governance that will enable the Company to fulfill its accountability to stakeholders, including shareholders, the Company shall establish a policy on determining the remuneration for Directors and Executive Officers (collectively, "Officers") and a remuneration system as follows:

* The remuneration system has been partially revised as of the fiscal year ending March 2027. Information such as remuneration systems under the applicable new structures are described later in this section. The main revisions are as follows.

- The remuneration composition ratio for Executive Officers has been changed (e.g., the ratio for the President has been changed from a ratio of basic remuneration:annual bonus:stock-based compensation = 1:0.5:0.3 to basic remuneration:annual bonus:stock-based compensation = 1:1:1).
- ROIC and ROE have been added to the financial performance indicators for Executive Officers' annual bonus.

1. Policy on Determining Remuneration for Officers

(1) A system shall be created that provides competitive levels for remuneration compared with companies of a business category and size similar to the Group.
(2) The performance of the functions and duties assumed by each Officer and contributions to the improvement of medium- to long-term corporate value shall be evaluated in a fair and equitable manner, and the evaluation results shall be reflected in remuneration.
(3) Regarding Executive Officer remuneration, in order to have remuneration function as a sound incentive to improve the Group's medium- to long-term corporate value, remuneration shall consist of basic remuneration, an annual bonus based on performance evaluations in each fiscal year, etc. and stock-based compensation, which is a medium- to long-term incentive linked to medium- to long-term performance and corporate value. The remuneration composition ratio shall be determined appropriately in accordance with one's job position. For Director (excluding those who concurrently hold the posts of Director and Executive Officer) remuneration, in principle, only basic remuneration shall be paid in cash, in light of their function and role of supervising the performance of job duties by the Executive Officers. However, Directors who serve as Chair of the Board or any other committee will be paid allowances in addition to basic remuneration in consideration of their responsibilities.

(4) An annual bonus shall be determined with the emphasis on the performance in each fiscal year, while appropriately evaluating the relative results of Total Shareholder Return (TSR)* and the status of each Executive Officer's implementation of medium- to long-term management strategies, etc.

$$* \text{TSR} = \frac{\text{Average closing price of the stock on each day in March of the current year} + \text{Total amount of dividends per share in the current fiscal year}}{\text{Average closing price of the stock on each day in March of the previous year}}$$

(5) A medium- to long-term incentive shall be stock-based compensation that enables Executive Officers to share awareness of profits with shareholders in order to enhance corporate value from a medium- to long-term viewpoint.

(6) The policies for determining remuneration and the amount of individual remuneration shall be deliberated and determined by the Remuneration Committee composed of a majority of Independent Outside Directors.

(7) Necessary information shall be disclosed actively so that stakeholders including shareholders can monitor the relationship between performance, etc. and remuneration.

2. Remuneration System for Officers

(1) Directors (excluding those who concurrently hold the posts of Director and Executive Officer)
The remuneration system for Directors shall be, in principle, only basic remuneration paid in cash. However, Directors who serve as Chair of the Board or Chair of each committee shall be paid an allowance in addition to their basic remuneration in consideration of their responsibilities. The amount shall be determined, referring to the levels for remuneration of other companies based on the research of outside experts.

(2) Executive Officers
The remuneration payable to Executive Officers shall consist of basic remuneration, which is fixed remuneration, and an annual bonus and stock-based compensation, which are performance-linked remuneration. The remuneration composition ratio shall be in line with "Basic remuneration/ Annual bonus/Stock-based compensation = 1/1/1" (*In the case where the annual bonus payment rate is 100%) for the Executive Officer and President, and for other Executive Officers, the ratio of performance-linked remuneration to basic remuneration shall be set lower than that for the Executive Officer and President. Furthermore, the standards for remuneration shall be determined by referring to the standards of peer companies (similar-sized companies determined by the Remuneration Committee) based on the research of outside experts.

＜Basic Remuneration＞

Basic remuneration shall be paid in cash as fixed remuneration in accordance with one's job position.

＜Annual Bonus (Short-term Incentive Remuneration)＞

The annual bonus shall be determined based on the performance evaluation, relative comparison of TSR, and status of achievement of the non-financial target set for each Executive Officer, on a single-year basis.

The specific evaluation items shall be as follows:

【Evaluation Items】

<Financial Performance Indicators>

(i) Evaluation based on consolidated operating profit and consolidated operating profit by business segment (only consolidated operating profit for the President and Corporate Executive Officers) for the purpose of strongly encouraging management efforts in the core business

(ii) Evaluation based on consolidated ROIC for the purpose of strongly promoting the efficient use of total invested capital
In the event that performance figures fall below the projected WACC values in the forecast for the current fiscal year published at the time the year-end financial results announcement for the previous fiscal year was made (hereinafter referred to as the "published forecast"), certain restrictions will be imposed on the payment rate that is based on the evaluation of consolidated ROIC.

(iii) Evaluation based on consolidated ROE for the purpose of strongly promoting management that is conscious of shareholders' equity

The evaluation factors (i) through (iii) are to be multiplied by an adjustment factor based on the consolidated operating profit growth rate compared with other companies to enhance consciousness of growth greater than market growth (relative comparison with six domestic nonferrous metal companies and the companies chosen mainly from among similar-sized domestic manufacturing companies).

<Stock Price Performance Indicator>

(i) Relative comparison of TSR for the purpose of strongly promoting management that is conscious of stock price (relative comparison with six domestic nonferrous metal companies and the companies chosen mainly among similar sized domestic manufacturing companies)

<Non-financial Performance Indicator>

(i) Qualitative non-financial evaluation based on the status of achieving qualitative non-financial targets for the purpose of strongly encouraging each Executive Officer to fulfill his/her expected role from the perspective of corporate sustainability, such as demonstrating leadership and promoting communication, and further promoting initiatives under the Medium-term Management Strategy and initiatives in line with the Sustainability Policy*

* Sustainability Policy Items

1. Build a Work Environment that puts Safety and Health First
2. Respect for Human Rights
3. Promote Diversity, Equity and Inclusion
4. Cultivate Mutual Prosperity with Stakeholders
5. Strengthen Corporate Governance and Risk Management
6. Engage in Fair Business Transactions and Responsible Sourcing
7. Ensure Stable Provision of Safe, Secure, and High Value Added Products
8. Proactive Engagement for the Global Environment

【Calculation Formula】

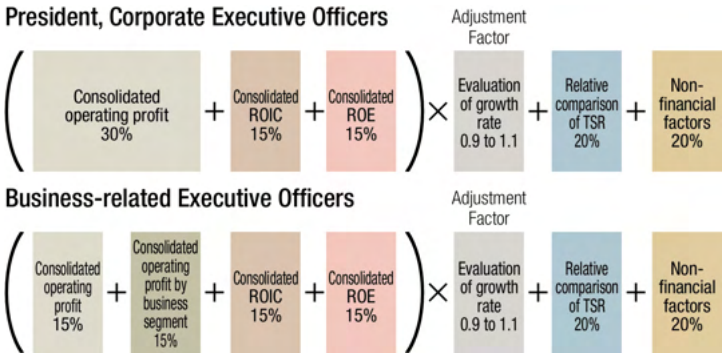
By deeming the amount payable for achievement of the target (Base Annual Bonus) as 100%, the amount for each individual shall be calculated by using the following calculation formula:

Annual Bonus = Base Annual Bonus by Job Position × Payment Rate Based on Performance Evaluation*

* Payment Rate Based on Performance Evaluation shall range from 0% to approx. 200% depending on the degree of achievement for each evaluation item.

【Evaluation Weight】

The annual bonus amount shall be determined by evaluating the base annual bonus amount corresponding to each position level at a ratio of 60% for single-year performance evaluation (adjusted using consolidated operating profit growth rate compared with other companies), 20% for relative TSR evaluation, and 20% for non-financial evaluation.



＜Stock-based compensation (Medium- to long-term incentive remuneration)*＞

Stock-based compensation shall be a system that utilizes a trust for the purpose of achieving the sharing of a common profit awareness with shareholders. This shall be used as an incentive for improving the medium- to long-term corporate value of the Group and under which the Company's common shares and cash equivalent to the proceeds from the realization of the Company's common shares shall be delivered and paid in accordance with one's job position, upon retirement from the post of Executive Officer. No performance conditions nor stock price conditions shall be set with respect to the shares to be delivered.

Please note that in the case of a non-residents of Japan, different treatment may be applied under laws or for any other relevant circumstances.

* The Officers' remuneration system adopts a structure called BIP (Board Incentive Plan) and grants to the Executive Officers the shares of the Company's common stock, etc. It is an incentive plan to, during the determined period of the trust, accumulate points to be given to Executive Officers, and to grant the shares of the Company's common stock equivalent to 70% of such accumulated points (shares less than one unit shall be disregarded) and cash equivalent to realized value of the shares of the Company's common stock equivalent to the remaining accumulated points as compensation to Executive Officers after their retirement. One point is deemed equal to one share of the Company's common stock, and if a stock split or reverse stock split occurs during the trust period, the number of the Company's shares per point shall be adjusted according to the stock split ratio or reverse stock split ratio of the Company's shares.

＜Claim for return of remuneration, etc. (Malus and Clawback System)＞

- If Executive Officers violate laws and regulations or the duty of care of a good manager, the Company may, upon resolution of the Remuneration Committee, revoke the right to receive an annual bonus or demand that the Executive Officer return the bonus after it has been paid, and revoke the right to receive the shares of the Company's Stock, etc. or demand the return of an amount equivalent to the accumulated number of points.

For the fiscal year ended March 2026, the individual remuneration, etc. of the Officers was determined in accordance with the Remuneration System for Officers, which is based on the Policy on Determining Remuneration for Officers. The Remuneration Committee therefore determined that the details of the individual remuneration, etc. for the fiscal year ended March 2026 were in line with the Policy on Determining Remuneration for Officers.

Details of non-financial evaluation items for annual bonuses for Executive Officers (excluding CEO) (FYE March 2027)

For non-financial evaluation, each Executive Officer (excluding CEO) is required to set three target items, one of which is a sustainability issue. Each item is broken down into two or three sub-items. The table below categorizes details of non-financial evaluation items set for the fiscal year ending March 2027 in accordance with the Sustainability Policy, etc.

Since the fiscal year ended March 2024, we have mandated the promotion of Diversity, Equity and Inclusion and in particular, the setting of targets related to the ratio of female managers. Additionally, many Executive Officers set targets related to proactive efforts to protect the global environment.

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

Evaluation process

- Executive Officers' (other than CEO) evaluation
  At the end of the fiscal year, CEO serves as the primary evaluator of each Executive Officer by considering their progress toward achieving their individual non-financial targets. The Remuneration Committee receives an explanation of the results of this initial evaluation by CEO, then deliberates on appropriateness and determines the final evaluation.
- CEO evaluation
  Given that CEO oversees the entire Company, the Remuneration Committee deliberates on CEO's performance to determine an evaluation from the perspective of Group-wide management and execution of leadership toward achievement of the Medium-term Management Strategy.

Total amount of remuneration, etc. per classification of officers, total amount per type of remuneration, etc., and number of eligible recipients for FYE March 2026

Classification of Officers	Total amount of remuneration, etc. (Millions of yen)	Type of Remuneration, etc.					
		Monetary remuneration				Nonmonetary remuneration	
		Basic remuneration		Bonus (Performance-linked remuneration)		Stock-based compensation	
		Total (Millions of yen)	Number of eligible recipients	Total (Millions of yen)	Number of eligible recipients	Total (Millions of yen)	Number of eligible recipients
Directors (Other than Outside Director)	43	43	3	—	—	—	—
Outside Director	124	124	8	—	—	—	—
Executive Officer	453	250	7	121	7	81	7

*1 The total amount of remuneration, etc. paid to Directors who concurrently serve as Executive Officers and number of recipients are shown in the column for Executive Officers.
*2 The amount of fixed remuneration for Directors includes the chair's allowances paid to the Chair of the Board and to Directors who chair each committee. This amount represents remuneration paid in consideration of the execution of duties as a Director and does not include remuneration paid in consideration of duties assigned separately other than as a Director.
*3 The Company had 10 Directors and 7 Executive Officers as of the end of the fiscal year ended March 2026. The number of Directors (of whom one was an Outside Director) who retired during the fiscal year ended March 2026.
*4 The Company has introduced stock-based compensation based on a trust scheme, and the above amount of stock-based compensation represents the amount recorded as expenses for the fiscal year ended March 2026.

Executives with Total Compensation of 100 Million Yen or More (FYE March 2026)

Name	Classification of officers	Total amount of remuneration, etc. (Million Yen)	Type of remuneration, etc. (Million Yen)		
			Monetary remuneration		Nonmonetary remuneration
			Basic remuneration	Bonus (Performance-linked remuneration)	Stock-based compensation
Tetsuya Tanaka	Executive Officer	121	63	33	25

*1 Tetsuya Tanaka currently serves as both a Director and an Executive Officer. However, since the Executive Officers who concurrently serve as Directors are subject to the remuneration system for Executive Officers, he is classified as an “Executive Officer” in this section.

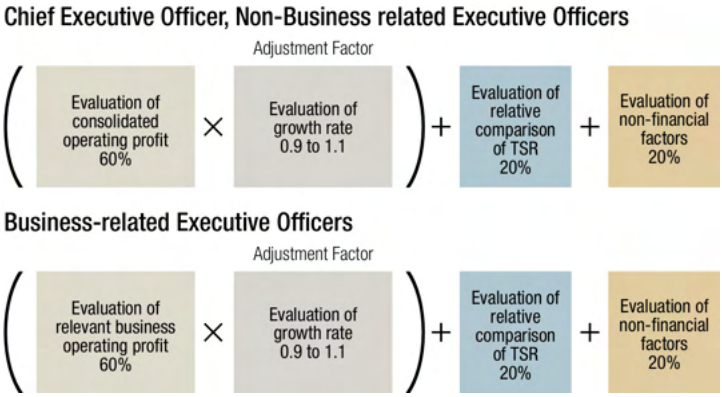
*2 The Company has introduced stock-based compensation based on a trust scheme, and the above amount of stock-based compensation represents the amount recorded as expenses for the fiscal year ended March 2026.

Performance Indicators, Etc. Used to Calculate Performance-linked Remuneration for the Fiscal Year Ended March 2026

The annual bonus shall be determined based on the evaluations of each portion of 60%, 20% and 20% of the base amount, which depends on one’s job position, in terms of consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), relative TSR comparison and non-financial factors, respectively.

【Evaluation Weight】

The annual bonus shall be determined based on the evaluations of each portion of 60%, 20% and 20% of the base amount, which depends on one’s job position, in terms of consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), relative TSR comparison and non-financial factors, respectively.



【Target of Consolidated Operating Profit for annual bonus】

With regard to the consolidated operating profit target for the annual bonus, in principle, the consolidated operating profit plan for the current fiscal year in the Mid-term Management Strategy shall be applied (with regard to the operating profit of the business in charge, the consolidated operating profit plan for the relevant business in charge shall be used).

The target and actual values of performance-linked indicators used to calculate bonuses for the fiscal year ended March 2026 are as follows.

Evaluation criteria		Target value	Actual value
Operating profit	Consolidated	¥70.2 billion	¥60.5 billion
	Metals Business	¥21.4 billion	¥24.2 billion
	Advanced Products Business	¥23.3 billion	¥21.0 billion
	Metalworking Solution Business	¥23.7 billion	¥16.4 billion
Consolidated operating profit growth rate		—	63.00%
TSR (Ranks in parentheses are for the six domestic nonferrous metal companies)		—	208.1% (Fifth rank)

Number of Board of Directors Meetings held, Attendance at the Meetings and the Number of Years Served by Directors

Number of Board of Directors Meetings held and Attendance at the Meetings (Fiscal Year Ended March 2026)

The Board of Directors met 21 times in the fiscal year ended March 2026. To ensure the effectiveness of the Board of Directors, the Company requires each Director to make every effort to attend all meetings, and the attendance rate was 100% in the fiscal year ended March 2026. Attendance rates were also 100% for the Nomination Committee (which met 12 times), Audit Committee (17 times), Remuneration Committee (13 times), and Sustainability Committee (10 times).

＊ The Sustainability Committee was dissolved upon completion of the Annual General Meeting of Shareholders held on June 23, 2026.

	Board of Directors	Nomination Committee	Audit Committee	Remuneration Committee	Sustainability Committee	Total
Number of meetings held	21	12	17	13	12	73
Rate of attendance of all Directors (%)	100	100	100	100	100	100
Rate of attendance of External Directors (%)	100	100	100	100	100	100

Average Number of Years Served by Directors (As of July 2026)

The term of a Director in the Company is one year. As of July 2026, the average number of years served by active Directors was 2.1 years while the figure for Directors who have resigned in the past five years was 7.1 years.

Item	Average term
Average number of years served by active Directors at present	2.1years
Average number of years served by Directors who resigned in the past five years	7.1years

Evaluation of the Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors based on the evaluation by each Director on an annual basis. Since the fiscal year ended March 2022, a mandatory third-party evaluation has been conducted once every three years. In the fiscal year ended March 2026, the Company evaluated the effectiveness of the Board of Directors using a self-evaluation method (evaluation by questionnaire).

1. Method of analysis/evaluation

(1) Evaluation process

- December 2025 to January 2026 / The Chair of the Board requested that a questionnaire be distributed to all 10 Directors, and responses were retrieved.
- February 2026 / The Board of Directors discussed the effectiveness of the Board of Directors based on an analysis of the results of the questionnaire responses.
- March 2026 / Following the discussions in February, the Board of Directors passed a resolution on the effectiveness of the Board of Directors for FYE March 2026.

(2) Questionnaire items

The following question topics were presented with four levels of response (1. Totally disagree, 2. Disagree, 3. Agree, 4. Strongly agree) with a space for additional comments as needed.

- Quality of operations and discussions of the Board of Directors and its decision-making process
- Scale and composition of the Board of Directors
- The Company's governance structure
- Roles of each of the Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee, etc.

2. Evaluation of the status of initiatives concerning the issues for FYE March 2026 based on FYE March 2025 evaluation

There was an evaluation of initiatives concerning the following matters taken for further improvement by the Board of Directors in the fiscal year ended March 2026 based on the results of the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 2025. It was confirmed that although "improvements have been made" in general, "initiatives were not adequate" for a certain matter.

(1) Medium- to long-term competitive advantage

1) Initiatives for FYE March 2026

- Based on discussions among the Directors in the fiscal year ended March 2025, the Board of Directors aimed to develop its business perspective from the standpoint of medium- to long-term competitive advantages (business portfolio, core competencies, profit structure, etc.). Based on this business perspective, it aimed to appropriately oversee and advise the executive side to ensure that the reconsideration of the Medium-term Management Strategy for the fiscal year ending March 2027 and beyond would progress effectively.

2) Specific actions taken

- From May 2025 to November 2025, we held 15 out of a total of 22 briefings for Directors regarding the reconsideration of the Medium-term Management Strategy, attended by all Directors and all Executive Officers, and engaged in discussions considering the above perspectives.

3) The results of the questionnaire

- When asked the question, “Do you think that the Board of Directors understands the characteristics of the Company’s businesses in light of factors such as competitive advantage and profitability (i.e., has it developed a perspective on the business), and is such business perspective shared across the Board of Directors?” two (2) of 10 Directors responded “Strongly agree,” and six (6) responded “Agree,” indicating that positive responses exceeded negative responses

(2) Board of Directors’ management

1) Initiatives for FYE March 2026

- To operate Board meetings and briefings for Directors more effectively, the Board of Directors would consider taking the following measures.
  ① Review agenda items for meetings of the Board of Directors
  ② Enhance facilitation during Board meetings and briefings for Directors
  ③ Consolidate opinions from the Board of Directors and appropriately communicate them to the executive side

2) Specific actions taken

- In order to focus discussions on matters that contribute to the enhancement of corporate value, the Company reviewed matters to be discussed by the Board of Directors and the methods for selecting topics for Briefings for Directors.

3) The results of the questionnaire

- The questionnaire results for the related questions were generally positive, as shown in items (i) through (iii) below. However, several comments were also observed, such as: “A substantial amount of time was being spent on matters that should be delegated to the executive side,” and “While the core policies are clearly communicated to the executive side, at a more detailed level the Board presents a variety of differing opinions, resulting in a structure in which the executive side must determine which views to adopt.”
  (i) Question: “Are the themes taken up at the Board of Directors and other meetings focused on matters that could have a significant impact on corporate value?
  Results: Of the ten (10) Directors, four (4) responded “Strongly agree” and five (5) responded “Agree.”
  (ii) Question: “With respect to medium- to long-term management policies (particularly in FYE March 2025, in the course of discussions on the reconsideration of the Medium-term Management Strategy), is the Board of Directors, as a whole, clearly communicating its opinions and thinking to the executive side?”
  Results: Of the ten (10) Directors, six (6) responded “Strongly agree” and one (1) responded “Agree.”
  (iii) Question: “Does the Chair of the Board facilitate discussions at the Board of Directors and other meetings in a smooth and effective manner?”
  Results: Of the ten (10) Directors, five (5) responded “Strongly agree” and four (4) responded “Agree.”

3. Summary of FYE March 2026 evaluation results

As a result of deliberations by the Board of Directors, it was confirmed that the effectiveness of the Board of Directors was secured in the fiscal year ended March 2026. In order to further enhance the effectiveness of the Board of Directors, the following is a summary of the deliberations of the Board of Directors on matters identified through the evaluation as areas where further improvement initiatives will be made in the future.

(1) Initiatives for Approach to Communication between the Board of Directors and the Executive Side

- In Directors’ discussions, some Directors noted the following comments: “From the perspective of encouraging appropriate risk-taking by the executive side, it would be preferable, when necessary, for the Board to consolidate its views as a whole.” and “It is important to ensure clarity regarding whether the Directors’ views are being accurately conveyed to the executive side. It would be desirable to establish communication that enables the Board to understand how the executive side interprets and responds to the views expressed by Directors.”

(2) Initiatives for Approach to Future Monitoring

- In Directors’ discussions, some Directors noted the following comments: “At meetings of the Board of Directors, monitoring should be limited to matters further narrowed down from the Company’s management policies to those of the highest importance.” And “A mechanism is needed that enables timely monitoring and follow-up so that course corrections can be made when progress deviates from plans.”

4. Initiatives toward Further Increasing Effectiveness in FYE March 2027

In light of the results of the evaluation on the effectiveness of the Board of Directors in the fiscal year ended March 2026, the Company’s Board of Directors will implement the following initiatives to enhance effectiveness in the fiscal year ending March 2027.

(1) Addressing the Approach to Communication between the Board of Directors and the Executive Side

① The Board of Directors shall see that Directors and the executive side mutually respect their positions, roles and initiatives, respectively, and nurture a relationship where candid and constructive discussions are held on an even more equal footing through implementing the following initiatives.

② The Chair of the Board shall effectively draw out opinions during discussions at the Board of Directors meetings, etc., as well as lead discussions so as not to get bogged down in details and manage to secure a place for candid and constructive discussions.

③ The CEO and other members of the executive side shall clearly present the views of the executive side to the Board of Directors in discussions at the Board of Directors meetings, etc.

④ The Chair of the Board and the CEO shall promote even closer communication.

⑤ The Board of Directors shall understand the views of the executive side and support the reasonable risk-taking by the executive side.

⑥ When exchanging opinions among only the non-executive Directors, the Board of Directors shall share issues and recognitions concerning communication with the executive side.

(2) Initiatives for Approach to Future Monitoring

- The Board of Directors shall develop and operate a structure to monitor the implementation of the Medium-term Management Strategy (FYE March 2027-2029) by the executive side, as well as provide advice and encourage revision to the executive side as necessary.

The Board of Directors will keep making efforts to improve the effectiveness toward future.

Status of Audits

Status of audits performed by the Audit Committee

The Audit Committee consists of four Outside Directors and audits whether the execution of duties by Executive Officers and Directors is conducted legally and appropriately under an appropriate internal control system. In addition, the Audit Committee coordinates with the department in charge of internal audits and the Accounting Auditor and performs systematic and efficient audits, thereby enhancing the overall effectiveness of the three-pillar audit system.
Kazuhiko Takeda, Chair of the Audit Committee, has extensive knowledge of finance and accounting through his experience as CFO at major subsidiaries of listed companies. In addition, the Audit Committee Office has been set up to assist the Audit Committee's duties. Under the direction of the Audit Committee, the Audit Committee Office collects information necessary for audit activities and reports to the Audit Committee.
In Audit Committee audits, in line with the Audit Committee's audit plan, the Audit Committee examines the status of the operation of the internal control system, the status of risks and countermeasures in implementing the Medium-term Management Strategy, the status of initiatives to address various sustainability issues, including measures for the enhancement of human capital and ensuring workplace safety, the appropriateness of auditing methods and the results of audits by the Accounting Auditor, as well as other matters.
Accordingly, members of the Audit Committee attend important meetings as appropriate, conduct interviews with Directors, Executive Officers, the department in charge of internal audits, and other departments in charge of internal control concerning progress on the execution of their duties and view important approval documentation, etc. In addition, selected members of the Audit Committee examine operations and assets at the Company headquarters and major business sites and, where necessary, conduct on-site audits of Group Companies to conduct audits on the state of the execution of duties by Directors and Executive Officers, and provide their observations.
Furthermore, the Audit Committee has a system in place where the Committee communicates and shares information with Auditors of Group Companies using online communication tools in order to ensure the effectiveness and increase the efficiency of the Group's auditing system. Interviews are also conducted during on-site audits and on other occasions. The contents of these activities are shared with the Audit Committee.

Status of internal audits

As of June 22, 2026, the Audit Department, which is in charge of internal audits, consists of 15 persons, including the General Manager. It is responsible for conducting internal audit work on the instructions of the responsible Executive Officer in cooperation with the Audit Committee to investigate whether internal control systems are developed and applied in an appropriate manner. It also audits the effectiveness and efficiency of company operations across the Group, the credibility of financial reports, the state of asset preservation and use, the risk management status, and the state of compliance with laws and regulations, and internal rules and standards, based on internal audit plans approved by the responsible Executive Officer and the Audit Committee. Additionally, audits are conducted in close coordination with the Accounting Auditor by sharing information.
The Audit Department regularly reports the results of Company-wide audits to the Executive Officer in charge and the Audit Committee, and the Executive Officer in charge regularly reports those results to the Board of Directors.

Policy on Appointment, Dismissal and Non-reappointment of the Accounting Auditor

The Audit Committee appoints the Accounting Auditor based on the following criteria: (1) expertise, independence, timeliness and appropriateness, quality control and governance systems, (2) ability to respond to the Company's multi-industry and global business developments, (3) efficiency improvement of accounting audit operations, (4) communication with the Audit Committee, management, etc., (5) any applicability to dismissal requirements based on statutory grounds, and (6) the continuous audit period (not to exceed 20 years). The Audit Committee's policy is to dismiss or not reappoint the Accounting Auditor if a problem is found with these criteria.
In evaluating the Accounting Auditor, the Audit Committee obtains necessary materials and receives reports from Executive Officers, related departments in the Company, and the Accounting Auditor to make a comprehensive evaluation. In addition, within 8 to 10 years after the appointment of the Accounting Auditor, the Audit Committee will discuss and consider conducting an evaluation and selection through a competitive bidding process.

Internal Control

Since the establishment of the Internal Control System Management Committee in January 2006, we have taken steps such as developing a set of basic principles for improving the Group's internal control systems, and ensuring compliance with the requirements to introduce internal control evaluation and disclosure systems in relation to financial reporting, in an effort to ensure compliance with the Companies Act, the Financial Instruments and Exchange Act, and other relevant legislation, and to establish the optimal internal control systems for both Mitsubishi Materials and the Mitsubishi Materials Group companies.
Regarding evaluations conducted during the fiscal year ended March 2026 on our internal control system for financial reporting, an Internal Control Report was submitted in June 2026 for which we received an unqualified opinion of the auditing firm that the content is appropriate.

Status of Strategic Share Holdings

The Company has a policy of not acquiring or holding shares (Strategic Share Holdings) other than purely for investment purposes, except when it is required for the business strategy. With regard to the Shares in the Form of Strategic Share Holdings, the appropriateness of such holdings shall be specifically reviewed and examined at a meeting of the Board of Directors on an annual basis. As a result of such reviews and examinations, the Company will reduce any Shares in the Form of Strategic Share Holdings if it is not deemed to be necessary to hold such shares.

Status of Holdings as of March 31, 2026

As of March 31, 2026, the Company held three listed stocks (three listed stocks as of April 1, 2025). The amount of Strategic Share Holdings on the balance sheet was approximately ¥8.7 billion for listed stocks, approximately ¥2.1 billion for unlisted stocks, totaling 1.5% of the Company's consolidated net assets as of March 31, 2026.

Status of Strategic Share Holdings

		Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026
Number of Strategic Share Holdings	Listed:	6	6	3	3
	Unlisted:	56	54	55	53
	Deemed share holdings:	2	1	1	0
	Total amount:	64	61	59	56
Total price (billions of yen)	Listed:	14.9	20.1	5.8	8.7
	Unlisted:	2.3	2.2	2.2	2.1
	Deemed share holdings:	7.9	8.7	3.8	0
	Total amount:	25.3	31.2	11.8	10.9

Percentage of Strategic Share Holdings in Consolidated Net Assets



Risk Management

Risk Management Activities Risk Evaluation Business Risks Crisis Management Activities

Risk Management Activities

To respond appropriately to various risks surrounding the Group and to operate its business stably by minimizing damages, the Group strives to improve risk sensitivity. In the fiscal year ended March 2024, the Group built a more highly effective and reliable risk management system on the basis of ISO 31000 and is conducting risk reduction activities at all Group business sites globally.

Basic Approach

The Group's risk management activities are mitigation activities to prevent risks from occurring and aim to "Improve corporate value by minimizing damage when risks emerge." To ensure that these goals are achieved, we are conducting activities under the following three basic policies:

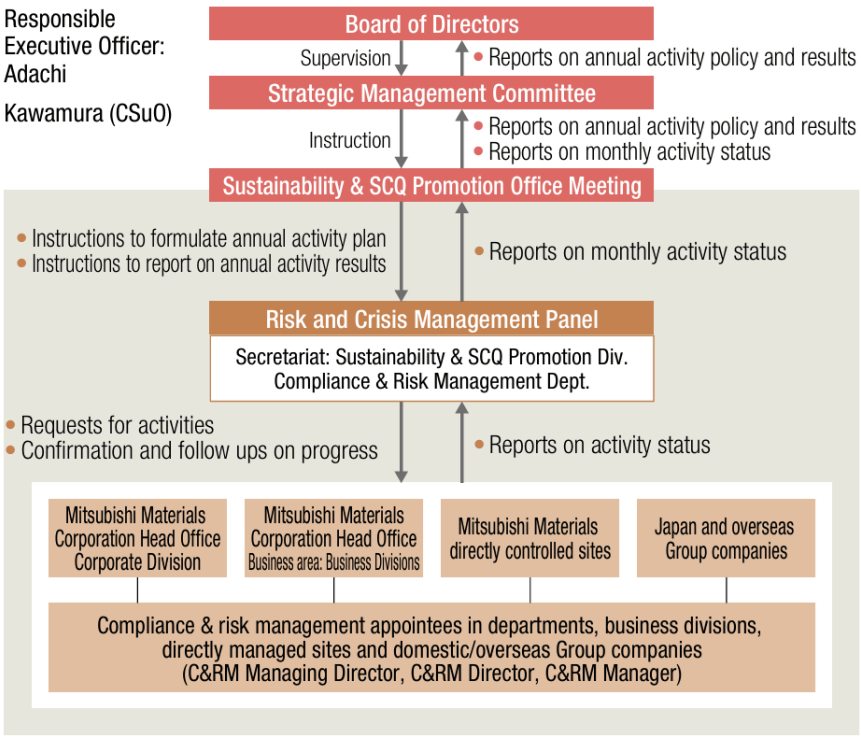
Basic Risk Management Policies

1. List and identify risks: Grasping internal/external context of organization and sense risks comprehensively
2. Risk Treatment: Prioritizing and handling depending on the risk evaluation
3. Activities in general: Improving the management level systematically through continuous practice

Implementation Structure

Based on changes in the internal and external environments, the Group identifies and evaluates risks annually—categorized as "Group-wide Risks" and "Corporate Risks"—that are common across the Mitsubishi Materials Group and could seriously impact business operations.
Additionally, risks that could seriously impact business operations due to circumstances specific to a particular business area are identified and evaluated as "Business Risks." These risks are determined by the Strategic Management Committee.
The Sustainability Deliberative Council, attended by all executive officers, deliberates on and determines policies and specific plans for addressing risks at the organizational level; these determined policies and plans are then cascaded to the departments, directly managed sites, and Group companies of Mitsubishi Materials Headquarters.
Departments directly managed sites, and Group companies incorporate the risks, policies, and plans cascaded by the responsible executive officers—alongside risks specific to their own organizations (site-specific risks)—into their respective risk management activities.
The status of individual initiatives is shared through reports at the Sustainability & SCQ Promotion office Meeting and the Sustainability Deliberative Council (interim reports).
The Risk and Crisis Management Panel (acting as the secretariat) provides support, including offering educational opportunities and content tailored to different organizational levels, to ensure the smooth operation of these systems.

Risk Management System



Critical Risks According to Level and Risk Management Process

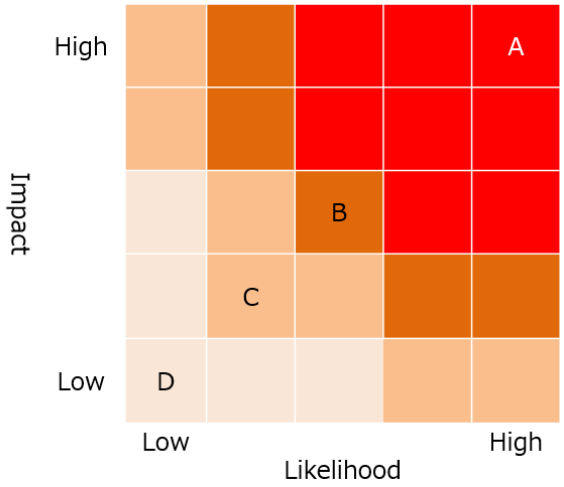
The Group divides risks into the following categories and implements comprehensive risk management:

- Risks with high commonality and high priority for the entire Group (corporate departments)
- Inherent risks in each business field (business divisions)
- Business site-specific risks (business site)

Risk Classifications			Definitions
Critical Risks	Group-wide risks		●Risks that could have a significant impact on the management of the Group as a whole and are common across the Group ●The Corporate Division of Mitsubishi Materials Corporation is responsible for developing risk scenarios and conducting risk assessments. ●All sites and Group companies are responsible for implementing risk responses.
	Risks by Division	Corporate risks	●Risks, excluding Group-wide risks, that could have a significant impact on the management of the Group as a whole ●The Corporate Division of Mitsubishi Materials Corporation is responsible for developing risk scenarios and conducting risk assessments. ●The relevant corporate divisions, business divisions and sites of Mitsubishi Materials Corporation, as well as the relevant Group companies, are responsible for implementing risk responses.
		Business risks	●Risks specific to a particular business that could have a significant impact on the overall operation of that business
	Base risks		●Risks specific to a particular site or Group company that could have a significant impact on its business operations

Risk Evaluation

Each of the critical risks (CR) is evaluated on a five-level scale of impact and likelihood based on quantitative and qualitative evaluation criteria standardized across the Group.
Furthermore, the priority of risk treatment is determined according to the risk level (A, B, C, or D).



Business Risks

The Group identifies sustainability issues to realize both “our own sustainability,” which refers to the Group itself remaining sustainable, and “environmental and social sustainability,”which refers to ensuring environmental and social sustainability through our business activities. We believe that by appropriately addressing sustainability issues, we can enhance our corporate value by realizing both economic and social value, and reduce various risks within the Group.
Based on the above, the Group's management has identified the following as the Group's sustainability issues and critical associated risks.
The following does not cover all the risks of the Group. In addition, this section contains forward-looking statements based on our assessment as of June 22, 2026.

Name of risk	Likelihood of occurrence	Impact
Promotion of resource circulation	High	Large
Enhancement of human capital	High	Medium
Strengthening measures to address global environmental issues	High	Medium
Providing high added-value products and solutions	High	Large
Strengthening of R&D and production engineering capabilities	High	Medium
Strengthening digital strategies	High	Medium
Strengthening response to SCQ issues	High	Large

The following are excerpts from the “Business and other risks” section.

Promotion of resource circulation (Likelihood of occurrence: High, Impact: Large)

As the world's population and economy grow, environmental issues such as an increase in resource and energy consumption, a rise in the amount of waste, and global warming are becoming increasingly serious. Going forward, the linear economic model of mass production, mass consumption, and mass disposal may no longer be viable, and the risks associated with raw material procurement, including resource depletion, and the difficulties of waste disposal may increase. Accordingly, there is a need to shift from a society that continues to consume limited resources to one that reduces waste generation and recycles resources for effective use. If we do not promote resource recycling in each of our businesses, it could lead to a loss of growth opportunities and a risk of exclusion from the industry.
In light of this situation, our Group has adopted the basic policy of "creating the future through resource circulation" in its Medium-term Management Strategy covering fiscal years ending March 2027 through 2029. Under this policy, we will work to expand secondary smelting operations globally and improve the tungsten recycling rate. Through our resource circulation business, we aim to achieve both reduced environmental impact and economic value creation by maximizing the use of finite resources and transforming waste into new value.

Providing high added-value products and solutions (Likelihood of occurrence: High, Impact: Large)

To strengthen our competitiveness for the sustainable enhancement of corporate value, it is necessary to focus management resources on competitive businesses from a long-term perspective and create businesses and products through technological innovation, rather than merely temporarily increasing profit margins through the reduction of labor and other costs. Without promoting the pursuit of value creation, including medium- and long-term growth investments, our Group's competitiveness may be undermined.
Under the Medium-term Management Strategy, the Group has set forth the provision of high value-added products and solutions. In the Metalworking Solutions business, the Group will provide higher value-added products and solutions in the aerospace, medical, and semiconductor fields. In the Advanced Products business, the Group will provide high value-added products and solutions through a concept-in approach for the semiconductor, xEV, and healthcare fields, and will also strengthen solution-based sales.

Strengthening response to SCQ issues (Likelihood of occurrence: High, Impact: Large)

If the Group were to focus solely on earnings (E), disregard safety and health (S) at production sites, neglect compliance and environmental conservation (C), and supply products of substandard quality (Q), it could result not only in legal sanctions but also in reputational damage and a decline in corporate value.
The Group has established SCQDE* as a guideline that supplements its Code of Conduct and sets out priorities for the execution of business activities. In addition, to strengthen its response to SCQ issues, the Group has established the Sustainability & SCQ Promotion Office (headed by the Executive Officer and President) and set up subcommittees composed of the heads of relevant departments and others. Through these structures, the Group is focusing its efforts on areas that form the foundation of corporate activities, including safety and health, compliance, and quality.

* SCQDE shows the order of priority of our business decisions and is a guideline that supplements the Code of Conduct
S: Safety & Health, C: Compliance & Environment, Q: Quality, D: Delivery, E: Earnings

Click here to read about our "Business and Other Risks."

› Business and Other Risks

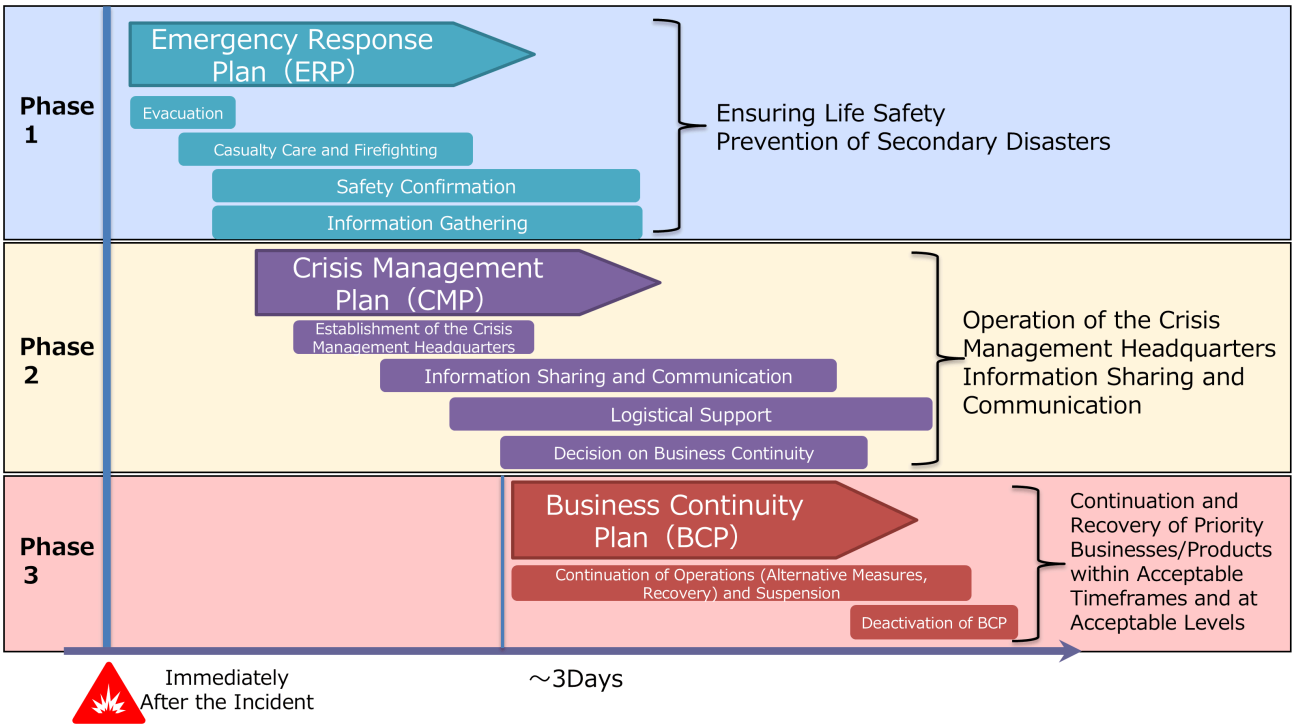
Crisis Management Activities

Policy and Basic Approach

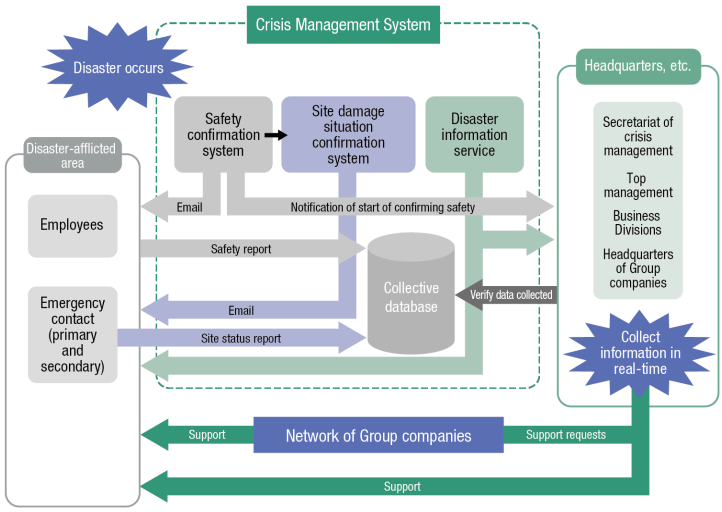
To prepare for unforeseen events that could significantly impact our management or business operations, such as natural disasters, accidents, quality issues, pandemics, cyber incidents, or geopolitical risks, the Group strives to strengthen its crisis management framework. Under the Mitsubishi Materials Group Crisis Management Regulations, our basic policy is to prioritize the safety of human life above all else, minimize the impact on our business operations, and maintain the trust of our stakeholders.
In addition, as a framework for responding to crisis situations after they occur, the Group implements crisis management measures organized into three phases: Emergency Response Plan (ERP), Crisis Management Plan (CMP), and Business Continuity Plan (BCP).

Emergency Response Plan

Emergency Response Plan is an extremely important phase immediately after a crisis occurs. We collect and disseminate information quickly and accurately, placing top priority on ensuring the safety of employees and their families and preventing the spread of secondary damage.
With the aim of improving initial response capabilities in the event of a crisis, we conduct safety response training using a safety confirmation system six times a year for more than 12,000 people in Japan. Based on the training results, we improve our initial response system by reviewing follow-up procedures for non-respondents and system operations.
In addition, in order to ensure the safety of employees traveling for business stationed overseas, we utilize overseas security services that include local crisis information and emergency support, and have established a system to prepare for emergencies.



Crisis Management System



Crisis Management Plan

Based on the results of the initial response, we establish a Crisis Response Headquarters at the head office as necessary, and under the leadership of management, conduct a Company-wide response.
In the fiscal year ended March 2026, we conducted training exercises based on a Nankai Trough massive earthquake scenario, imagining the establishment and operation of a head office Crisis Response Headquarters, and verified information collection and dissemination in collaboration with relevant departments.
In preparation to counter communication disruption in the event of a natural disaster, we are working to improve functionality of our head office Crisis Response Headquarters by readying emergency communication equipment.

Business Continuity Plan

We develop and operate Business Continuity Plan (BCP) to ensure the continuation and early recovery of key operations in the event of even a major crisis.
We have prepared BCP documents at each of our business sites for contingency measures in the event of earthquakes or infectious diseases, and are continually reviewing them. At the same time, in order to maintain effectiveness regardless of the type of business, we are transitioning to all-hazard type BCP in the event that management resources such as employees, equipment, systems, or infrastructure are constrained, and are holding workshops and training at multiple locations.
Through these measures, we promote the ability to ensure business continuity, even in the event of an unprecedented crisis.

Compliance

Toward Reinforcing Compliance

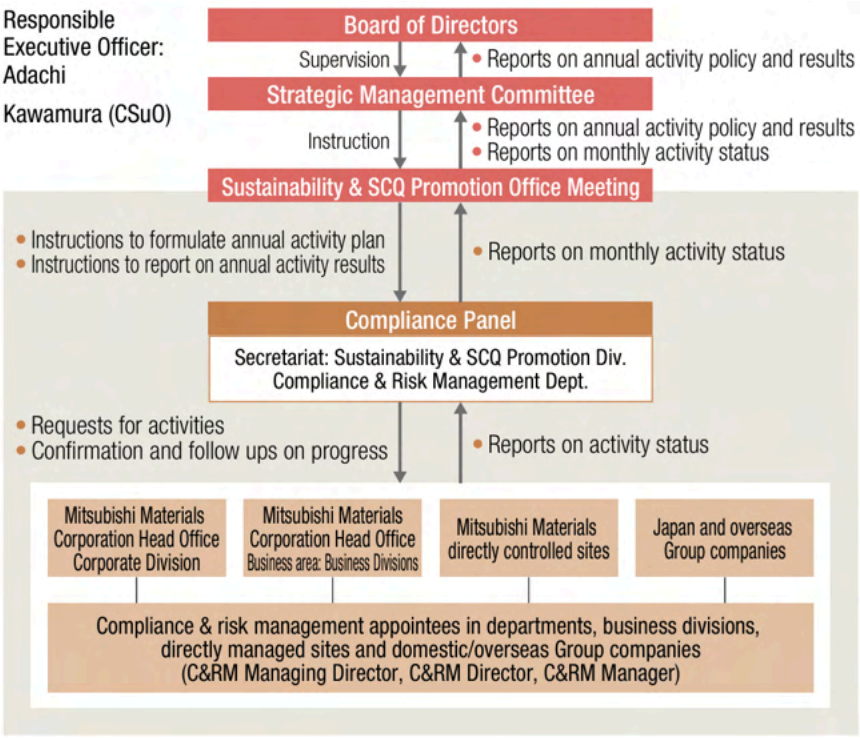
Toward Reinforcing Compliance

“Compliance” is an important part of the foundation for the sustainable development of a company. The Group implements measures for spreading and establishing an awareness of “compliance” as a means of fostering an ethical corporate and organizational culture. The "Code of Conduct" is overseen by the Board of Directors, and its establishment and revision are also decided by resolution of the Board of Directors.

* Learn about our Code of Conduct and more here

Spreading and Establishing an Awareness of Compliance

Our broad view of compliance encompasses such elements as corporate ethics and social norms in addition to legal compliance, reflecting our sincere determination to live up to our stakeholders’ expectations.
We are continually implementing new measures to enhance our Group-wide compliance framework, including domestic and overseas training, aimed at realizing improved compliance awareness among individual Group employees. We will continue these initiatives with the aim of further spreading and establishing compliance awareness.
In addition, quickly and accurately consolidating and sharing information on compliance violations that have happened within the Group (not only legal and regulatory violations but violations of corporate ethics, codes of conduct and internal regulations, including the possibility of such violations) leads to an appropriate response to violations and helps prevent recurrences by having the information reflected in risk management activities, education, training and other action.
Under the supervision of Managing Executive Officer in charge of Compliance and Risk Management, who oversees compliance, we strive to ensure adherence to the Code of Conduct and other relevant policies. With regard to compliance violations that occur, the status of compliance with the Code of Conduct and related policies — particularly in relation to significant matters such as harassment — is regularly reported to the Managing Executive Officers and the Board of Directors through the SCQ Promotion Office.



Initiatives Conducted to Raise Compliance Awareness

Since 2006, the Mitsubishi Materials Group has designated October as Corporate Ethics Month. Each October, the President posts a message on the Company intranet, and business sites and Group companies plan and conduct unique activities.

Recognizing the importance of establishing our Corporate Philosophy, Vision, Mission, Values, Code of Conduct and Our Commitment among all our employees, we have produced cards and handbooks (Basic Edition) for our Group employees in 19 languages. The cards are distributed to sites around the world, and are posted to the Company intranet. The handbooks (Basic Edition) are posted to the Company intranet and used in education and training activities. Furthermore, for domestic use we have produced an employee handbook (Case Study Edition). This edition is posted to the Company intranet in Japan and used by domestic Group companies for educational activities. It is designed to deepen understanding of the Code of Conduct by explaining familiar cases that could possibly occur, and covers examples such as the prohibition of forced labor, prevention of power harassment, sexual harassment, occupational health and safety, health management, quality control, anti-corruption and legal compliance issues such as the Antimonopoly Act, the Fair Transactions Promotion Act (formerly the Subcontract Act) and the Foreign Exchange and Foreign Trade Act. Particularly with regard to harassment, “Prohibition of Harassment” is included in “8. Commitment to Human Rights Issues” of the Human Rights Policy which applies to the entire Group, and the Company has formulated Harassment Prevention Guidelines. In addition, we have taken up harassment prevention as one of the themes of awareness-raising efforts through training videos targeting all employees and online training for managers responsible for promoting compliance activities at their respective workplaces. Regarding customer harassment, we established the Basic Customer Harassment Policy in June 2025 to prevent customer harassment of Group employees and to prevent Group employees from engaging in customer harassment themselves, and we internally published a manual on the handling of customer harassment issues. We also provide training for the staff tasked with work related to in-house reporting, including cases of harassment.
We are working to spread awareness of the SCQDE through training, education, posters and cards, etc.
Across the Group we are striving to build an organization and corporate culture with good and healthy communication where employees have unrestricted communication, and we see these efforts as further enhancing Group governance and preventing compliance violations. To this end, we are working to strengthen communication through dialogue-focused town hall meetings, training and other measures.
Additionally, through small group compliance activities, we are working to foster compliance awareness and improve workplace communication by having each employee share a healthy sense of urgency, view issues as those that affect them, and exchange opinions.

Expanding and Reinforcing Compliance Education

We provide compliance education and training for Mitsubishi Materials Group employees in Japan and overseas by utilizing external instructors, e-learning, etc.
We have constructed a framework that enables every employee in every domestic Group company to participate in compliance training once a year. From the fiscal year ended March 2021, we have been promoting online participation in this training. In addition to general compliance themes, the curriculum includes topics on the Antimonopoly Act, harassment, and the prevention of bribery and other forms of corruption. In the fiscal year ended March 2026, sessions were conducted on the themes of “Thinking about the Significance of Compliance-related Initiatives by Exercising Your Imagination” and “Group Discussion for Open Communication,” with other sessions touching on the topics of examples of non-compliance, harassment and we also cover “quality issues” to ensure that past incidents within the Group are not forgotten. We also regularly conduct training by job grade, etc.
For overseas education and training on compliance, we consider training content while taking into account the circumstances in each region of the world. In the fiscal year ended March 2026, we rolled out multilingual training videos in 12 languages under the theme of "developing the ability to make the proper decisions and choose appropriate actions independently through the discussion of practical cases and the exchange of opinions.”
Since the fiscal year ended March 2019, our senior management and external lawyers have been providing governance training for directors of the Group companies in Japan. The training is aimed at helping them to understand the duties and roles that managers must fulfill with respect to governance and compliance, and to foster an awareness and acquire the means to fulfill them. In the fiscal year ended March 2022 we also began offering this training overseas. In addition to senior management, the training is provided by outside experts who are familiar with circumstances overseas.
Furthermore, since the fiscal year ended March 2019, we have conducted annual surveys on the compliance awareness of all employees. We analyze the results of these surveys to help measure the effectiveness of various initiatives and promote them.

Number of Participants in Education and Training Program During the FYE March 2026 (including MMC and its 78 Group companies)

	Number of Participants (aggregated)*1
Compliance education at domestic facilities, branches and Group companies	24,307
Compliance education at overseas Group companies	4,102
Position-specific education*2	6,225
Others (Risk management education, etc.)*3	27,602
Total	62,236

*1 Subjects of the above data for education and training program hours include non-regular employees as well as regular employees.
*2 Position-specific education includes education and training content other than compliance.
*3 The figure for “Others (Risk management education, etc.)” indicates the (total) number of people who have received training through the Group’s learning management system.

Anticorruption Measures

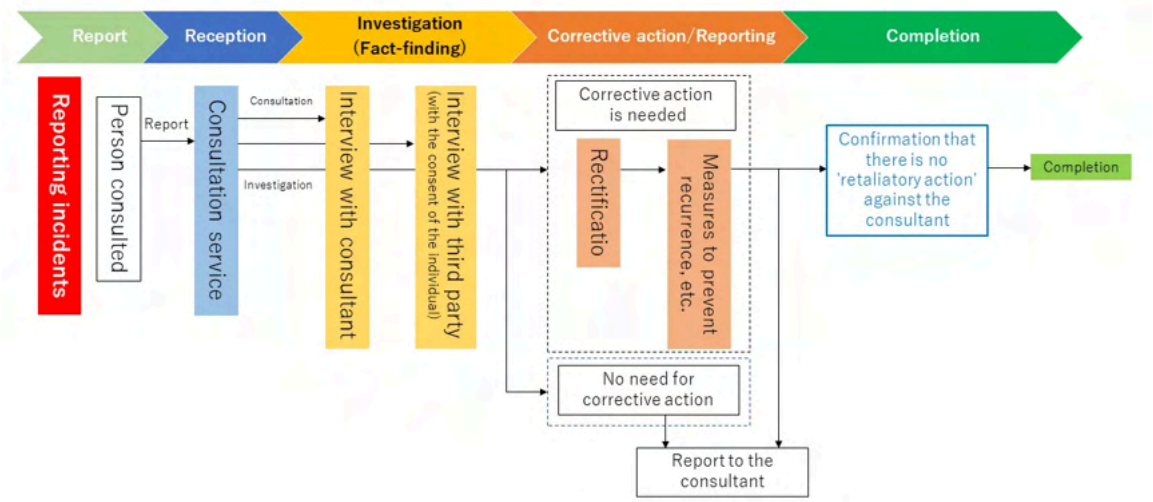
The Group’s Code of Conduct does not tolerate corrupt behavior in any form. It prohibits all forms of corruption including giving and receiving gifts and entertainment, stipulates that the content, frequency and monetary amounts involved with any such activities be consistent with social norms, requires that political activities and political contributions always be carried out through fair and honest means, and stipulates that we must endeavor to maintain healthy and normal relationships with politics and government.

In April 2022, the Mitsubishi Materials Group Entertainment Expense Management Regulations were established for the Company and domestic Group companies. The regulations require that business entertainment, gifts and the like always be limited in their nature, frequency and monetary value in light of social norms.
In addition, given the importance of preventing corruption, a global sustainable development challenge, in April 2018 we formulated our “Regulations for Combating Bribery of Public Officials, etc.” in order to help prevent bribery in our global business activities. The regulations prohibit the bribery of foreign public officials and others directly or through agents (third parties brokering transactions). In accordance with internal guidelines, when engaging the services of agents and similar parties, it is necessary to explain our anticorruption system and conduct appropriate screening, including advance checks regarding an agent’s reputation, the reasonableness of their compensation, their relationship with government entities, and so on. Under the guidelines we are also required to comply with relevant anticorruption laws and regulations in related countries and regions when engaging the services of agents, and must also enter into contracts stipulating immediate contractual termination in the event of a breach (or possible breach) of anticorruption-related laws or regulations. We also provide necessary support and undertake internal training and other activities to facilitate the creation and operation of bribery prevention systems in Mitsubishi Materials Group companies.
In addition, the Executive Officer and President periodically releases messages to employees about the importance of adhering to compliance requirements, and we also provide Group companies with the support and internal training, etc. needed for operation of anti-corruption systems.
The SCQ Promotion Office headed by the Executive Officer and President, actively pursues initiatives related to compliance, including bribery and other corrupt behavior. Subcommittees for specific areas have been set up under the SCQ Promotion Office, which reviews annual policies and action plans, follows up on specific measures, etc. related to each field, and reports on the status of those activities to the Strategic Management Committee and Board of Directors monthly.
Additionally risk management activities are conducted on a Company-wide basis to not only deal with bribery but to manage all manner of assumed risks. However, through regular monitoring we have determined that risks related to bribery are low.

In-house Reporting System

We established an Internal Contact Office in December 2002 in Japan as a consultation service to handle reports and inquiries from employees of Mitsubishi Materials Corporation and its Group companies (including temporary, contract, part-time, casual and dispatched employees, and those who resigned within the last year), mainly those in Japan. The cases in question involve ethical issues within the corporate framework, encompassing concerns related to human rights, including harassment, violations of laws and regulations, breaches of internal policies, and corrupt practices such as embezzlement, conflicts of interest, and bribery. Since January 2020, we have contracted an external vendor to run the “Mitsubishi Materials Group Employee Hotline” for reports and inquiries, as well as improving the response systems of Group companies. This reflects efforts to ensure that we can appropriately respond to reports and inquiries and better respond to issues, while also strengthening the reliability of report and inquiry systems. In May 2026, we established the "Mitsubishi Materials External Reporting Hotline" for handling reports of misconduct involving Directors and Executive Officers. Reports are received by external legal counsel, while investigations are conducted by Audit Committee members. This hotline replaces the former “Contact Office for Consultation with Members of the Audit Committee” and is intended to further enhance its independence and effectiveness.
Contact information for these reporting systems is printed on cards for employees of the Mitsubishi Materials Group to keep on their person and is made available on our Group intranet and through each training activity.
On April 1, 2021, we established and began operation of the “MMC Group Global Hotline,” a global in-house reporting system for the Mitsubishi Materials Group. This in-house reporting system can be used by personnel in overseas Group companies and overseas sites (with some exceptions), and receives anonymous reports regarding conduct related to antitrust violations, bribery, accounting fraud, improper trade practices and other fraudulent conduct. The availability of the global in-house reporting system is made known to target overseas companies and sites and also explained at overseas training. In the fiscal year ended March 2026, there were five reports/inquiries received through the global in-house reporting system.
The “Mitsubishi Materials Group Employee Hotline” ensures that reports can be submitted either anonymously or with identifying information. The content of the reports is processed in accordance with the "Mitsubishi Materials Group Whistleblowing Regulations" based on the Whistleblower Protection Act and the "Whistleblowing Regulations" of various Group companies. This framework guarantees the protection of whistleblowers, maintains their privacy, and ensures that no disadvantages arise in terms of personnel matters.
In addition, in the fiscal year ended March 2026, information about the hotline was disseminated via the intranet and training-based awareness-raising activities were also conducted as part of measures to improve the reliability of the domestic in-house reporting system. In addition, in response to Japan’s Freelance Act which came into effect in November 2024, we added freelancers to the scope of the people who are able to use the Mitsubishi Materials Group Employee Hotline. We will continue our efforts to improve the reliability of the in-house reporting system.
We have also set up an inquiry form regarding compliance, human rights and other issues on the company website. This mechanism enables outside stakeholders to contact the Company and also ensures the anonymity of the communications. A total of 33 inquiries were received in the fiscal year ended March 2026.

Response flow of the Mitsubishi Materials Group Employee Hotline



Numbers of Reports and Inquiries Received through the Mitsubishi Materials Group Employee Hotline (FYE March)

2018	2019	2020	2021	2022	2023	2024	2025	2026
42	61	58	54	47	65	63	67	78

Tax Policy and Initiatives

Group Tax Policy

Fundamental Principles

Mitsubishi Materials Group, based on its corporate philosophy of “For People, Society and the Earth”, develops its global business by pursuing fair business activities. Led by our tax department, information is shared with relevant departments, and with the support of external tax professionals, we seek to prevent actions which are contrary to tax laws and international taxation rules such as the OECD Transfer Pricing Guidelines. In the event where any such actions are found, corrective steps will be taken immediately, and appropriate tax payments will be made.

Tax Governance

- Our Group shares these tax principles with all directors and employees (including temporary, contracted, part-time and dispatched employees), to ensure transparency in tax matters.
- Internal checks are carried out on a regular basis in order to make appropriate tax filings, and by educating and coaching our employees, we seek to maintain our solid tax governance structure.
- Our Group CFO is ultimately responsible for tax issues within our Group and important issues are reported at the Board of Directors meeting level.

Tax Related Risks

- Our Group identifies and evaluates tax related risks that may have a significant impact on the Group as a whole. We collect information which is beneficial for this purpose and share this amongst our Group.
- Based on our formulated management policies and plans, we implement our measures and reevaluate our plans.
- As regards domestic taxation, we seek to eliminate human errors such as omissions in data collection by disseminating preventive action plans. We also share information on tax policy and regulations in a timely manner to detect tax related risks at an early stage.
  As regards international taxation, we manage tax related risks concerning transfer pricing and anti-tax haven (CFC) regulations as set out in “3. Tax Compliance” below.

Tax Compliance

Our Group fulfills our social responsibility by making appropriate tax filings and in order to preserve our corporate value, we adhere to tax laws and regulations in and outside of Japan. By doing so, we determine the appropriate tax payments to be made and through objective proofing of the validity of our tax position, seek to ensure that no changes are required to our assumed tax obligations.

Transfer Pricing

For related party transactions within our Group, we adhere to the OECD Transfer Pricing Guidelines and local transfer pricing regulations and determine prices in accordance with the functions performed and risks borne in each location.
We first analyze the functions performed and risks borne by each company for each related party transaction. We then formulate and adopt transfer pricing policies based on such analyses, and reach a mutual understanding (e.g. by entering into agreements) between the parties before carrying out such transactions.
Measures have been placed to verify whether prices have been determined based on the pre-agreed terms, and prices are modified if necessary. Furthermore, we create and retain transfer pricing documentation which evidences the validity of the prices from a transfer pricing perspective, with the aim to reduce any transfer pricing related tax exposures.

Anti-Tax Haven (CFC) Regulations

We make appropriate tax filings and payments in each country and region where our business is conducted, and do not utilize tax haven measures which impact our tax obligations.
We have adopted measures to collect all relevant information from our Group companies outside of Japan, and based on such information, we determine the effective tax rate (ETR) and satisfaction of the economic activity test, and appropriate tax returns are filed.

Tax Planning

Our Group strives to achieve optimal tax outcomes by utilizing tax incentives only when actual economic conditions are met, whilst adhering to the tax laws and regulations of each relevant country and region.
We collect information which is beneficial for this purpose and share such information amongst our Group. Instructions and support are provided to ensure the adoption of appropriate tax planning measures which are based on actual economic conditions.

Establishment date: March 29, 2023

Fiscal Year Ended March 2025 Country-by-Country Reporting

(millions of yen)

Country/Region	Revenues	Profit (Loss) before Income Tax	Income Tax Accrued	Income Tax Paid	Number of Employees (People)
Japan	1,982,034	16,063	4,228	1,862	11,151
United States	43,828	2,495	785	631	815
Europe	188,279	19,266	2,576	2,982	1,825
Asia	79,231	6,807	1,760	2,684	4,596
Other areas	529	76	27	30	65
Related party transactions eliminated	-331,826	5,255	17	0	0
Total	1,962,076	49,963	9,392	8,189	18,452

* These amounts are calculated from the consolidated financial statements and are not directly related to the "Country-by-Country Reporting" submitted to the Japanese Tax Authority.

Information Security

Information Security Preparing for threats spreading around the world From Protection to Detection and Response Protecting manufacturing technologies

Information Security

The Group defines information security as one of the issues in management, and aims to conduct safe business by ensuring information management, including the handling of personal information.

Basic Approach

The Group considers information security as one of its management issues, recognizes the personal information of customers and business partners to be one of the most important information assets, and strives to reduce the risk of information leakage, loss, and destruction.

Management System

In order to ensure compliance with the Group information security management policy, we have defined Group Information Security Management Regulations, Information Security Measure Standards, Confidential Information Management Regulations, and various implementation procedures that must be complied with.

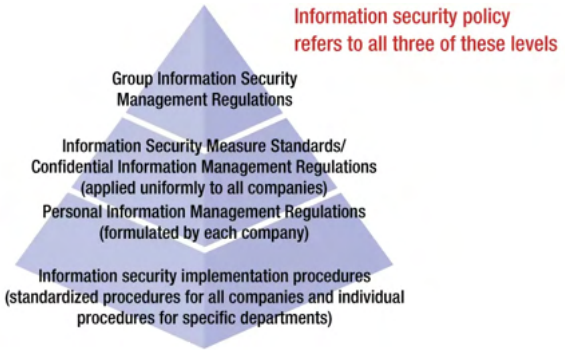
Group Information Security Management Regulations:
Basic rules regarding the construction and operation of a management system for Group information security, for the goal of protecting the information assets owned or managed by the Group from theft, leakage, modification, or destruction, and minimizing corporate loss.

Information Security Measure Standards:
Standards defining information security countermeasures for electromagnetic information assets that the Group must follow.

Confidential Information Management Regulations:
Basic indicators on management methods for maintaining the confidentiality of information assets in general.

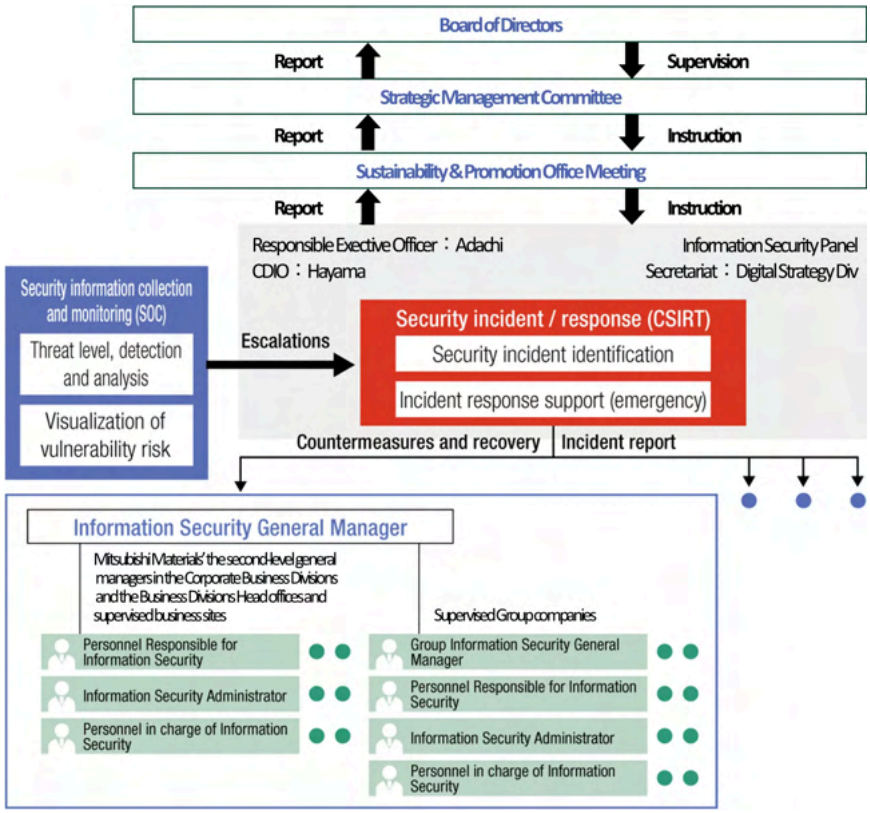
Personal Information Management Policy:
Basic rules regarding the handling of personal information.

Scheme of Information Security Policy and Documentation



In addition, “Information Security Panels” are set up to establish, adopt, operate, monitor, review, maintain and improve our information security policy, and information security managers are assigned to the Group and Group companies to operate and monitor them.

Information Security Operations and Management Structure



Various Information Security Compliance Initiatives

Our information security activities involve enhancing and expanding our information infrastructure with an eye towards business continuity in the event of a large-scale disaster, strengthening our technical measures for information systems, and introducing and operating management systems. Technical efforts include enhancing our protective measures for preventing damage from attacks that leverage known vulnerabilities, as well as our risk reduction measures, which include enhancing defense in depth and the early detection of damage from new threats such as targeted attacks. In order to counter the rising threat of ransomware, we have introduced a system for forcibly applying updates and patches for vulnerabilities of the Group and all Group companies, including overseas companies.
On the management end, we strive to maintain and improve our level of security by implementing the PDCA cycle of performance evaluations and employee education on a continual basis.
In the fiscal year ended March 2024, we expanded the scope of monitoring to include individual PCs. In the fiscal year ended March 2025, we further extended monitoring to the operational technology (OT) domain and promoted the stable operation of the Security Operations Center (SOC) while expanding the monitored areas. We will continue these initiatives as measures for the fiscal year ending March 2027. In addition, we aim to institutionalize the activities of the Computer Security Incident Response Team (CSIRT) and to enhance and standardize security awareness through information security education and training.
Furthermore, in addition to complying with domestic personal information protection laws and the GDPR, we will comply with the personal information protection laws of relevant countries, while planning the implementation of new security measures in the OT domain in preparation for digitalization and the transition to smart factories, and strengthening supply chain risk management. We have also established guidelines for the use of AI, including external AI services, and intend to make an overview of these guidelines publicly available in due course. At the same time, for cases where we develop and operate AI in-house, we will advance the development of frameworks and rules to ensure transparency, fairness, and safety, and to minimize security risks.
As security threats continue to intensify, we will continue to comprehensively, efficiently, and appropriately investigate and implement a variety of technical countermeasures.

Preparing for threats spreading around the world

Rebuilding our global network and bolstering our incident response structure

With the advance of globalization in modern society, companies are expanding their sites around the world and building international business networks. But with this comes expanded cyber security risks, at a global scale. Cyber attacks have become increasingly sophisticated and diverse, playing a part in conflicts or political disputes between nations, or as attacks for monetary gain by criminal organizations, and companies face an urgent need to take robust security measures in response. As the Mitsubishi Materials Group maintains Group companies and sites in 32 countries and regions around the world, it is necessary to not only prepare for these cyber attacks in Japan where our headquarters are located, but also across all our global operations.

Rebuilding our network

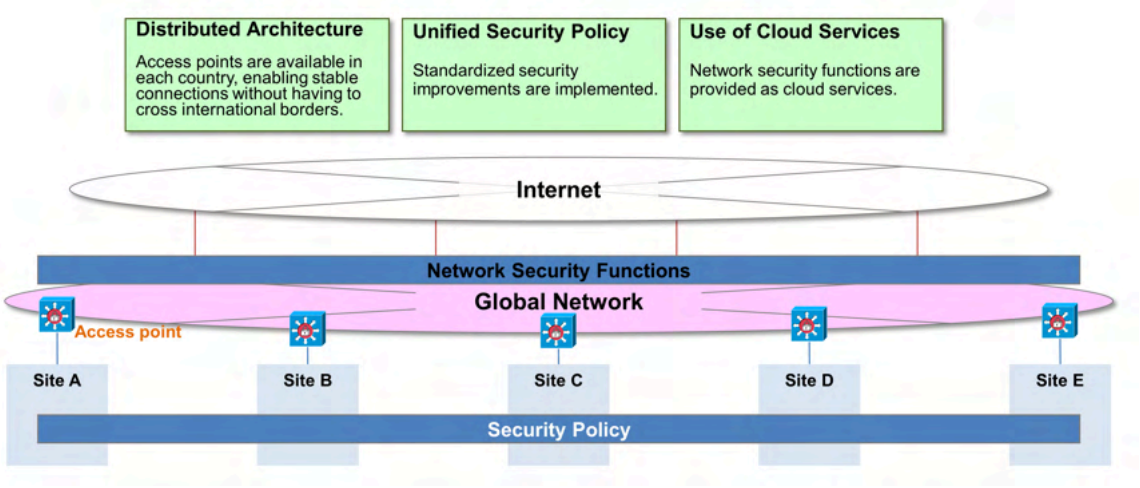
First of all, to counter the cyber threats faced by our companies, it is essential to rebuild our global network. In a conventional centralized network, an attack on central servers and data centers poses the risk of rendering the entire system dysfunctional. Preventing this requires the introduction of a distributed architecture. With a distributed architecture, each site is operated independently so that if one site is attacked other sites are not impacted. This improves the overall strength of security and distributes risks.

Standardization of security measures

Next, it is important to standardize security measures at a global scale. When each site employs individual security measures, those sites that fall behind in implementing measures become vulnerable and face a greater risk of being targeted by attackers. That is why it is necessary to formulate security policies that are unified across the Group and implement them consistently at each site. This makes it possible to maintain a uniform level of security overall and eliminate vulnerabilities at individual sites.
Additionally, network security functions can be provided as cloud services to apply consistent security policies even in distributed environments. This enables centralized security management for each site and remote worker, eliminates variability in security measures and maintains unified standards. Moreover, real-time threat intelligence can be utilized to provide the flexibility of being able to swiftly respond to the latest cyber threats.

Bolstering our incident response structure

Strengthening the incident response structure is another important part of security measures. We formulate incident response plans and clarify concrete response procedures to be followed in the event of a cyber incident. We also build information security systems that are operated globally and coordinate with administrators in each region to share information and develop unified response measures. By running drills and simulations on a regular basis, we boost employee response capabilities and verify the effectiveness of our plans. This enables us to respond in swift and accurate ways when an incident occurs to keep any damage to a minimum.



From Protection to Detection and Response

What are SOCs and CSIRTs?

With information security growing in importance year after year, approaches to safeguard the data and systems maintained by organizations are also evolving. To date, security measures emphasizing protection were the mainstay approach. But today, as the methods employed in cyber attacks become increasingly crafty and sophisticated, a defensive posture alone is insufficient. That is why there has been a focus on strengthening Security Operations Centers (SOCs) and Computer Security Incident Response Teams (CSIRTs).
An SOC is a dedicated team that monitors security for an organization's networks and systems and detects abnormal behavior in real-time. A CSIRT, meanwhile, is a team dedicated to responding in the event of a security incident. By having these teams coordinate, it is possible to respond to cyber attacks swiftly and effectively.

Shifting from Protection to detection

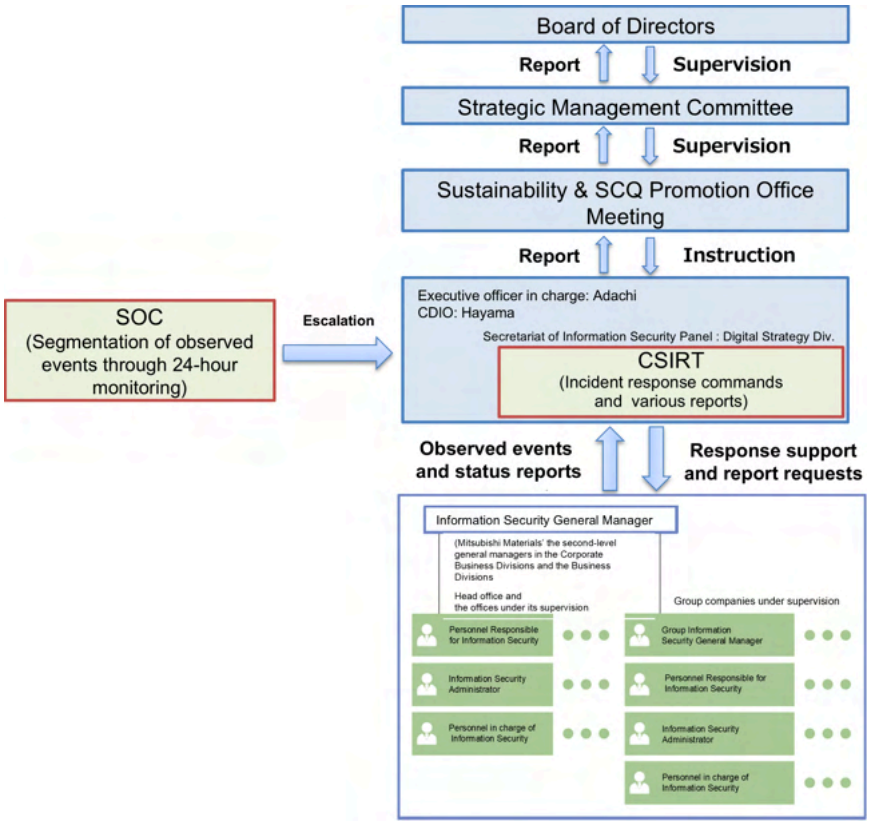
Conventional security measures have focused on protection with the use of firewalls and antivirus software. While these are important elements in preventing attacks from the outside, but due to diversifying attack methods, it has become increasingly difficult to maintain complete security through protection alone. For example, there are risks that breach defensive boundaries such as cases where an internal employee unwittingly downloads malware, or attacks launched through phishing emails.
This is what makes the role of an SOC crucial. By monitoring network traffic, analyzing logs and detecting suspicious activity, security incidents are discovered in real-time. Specifically, techniques include the detection of abnormal communication patterns and behavioral analysis of unknown malware. These approaches make it possible to detect potential threats at an early stage and swiftly respond to them.

Improved response

Not only detection but the response after an incident has occurred is of vital importance. The CSIRT formulates incident response plans and responds swiftly once an incident has occurred. Specifically, the team identifies the extent of damage, takes actions to keep the effects to a minimum, and undertakes restoration work. It is also important to uncover the methods and vectors of attack and take preventative measures through a forensic investigation conducted after the incident.

Strengthening coordination between the SOC and CSIRT

Improved coordination between the SOC and CSIRT results in a more effective security framework. If a workflow where the SOC rapidly informs the CSIRT of a detected anomaly and the CSIRT immediately initiates a response can be established, damages can be kept to a minimum. Moreover, by having both entities regularly share information and engage in joint training, security awareness and response capabilities are enhanced throughout the organization. MMC has completed expanding SOC monitoring targets to PCs, on-premises servers, and cloud environments, and we aim to extend this coverage to control systems in the future.



Protecting manufacturing technologies

Strengthening OT security

Information technology (IT) generally refers to systems that save, process and communicate information, serving as the technology that supports business processes. Meanwhile operational technology (OT) represents the systems that control and monitor production equipment and devices, serving as the technology that directly supports the operation of plants and factories. Because of these differences, OT systems require real-time performance and high availability, and generally once they are installed, they are used for long periods and are difficult to modify. In recent years OT environments have also become digitized and seen the advance of IoT technologies, exposing them to an increased risk as the targets of cyber attacks. Once an OT system is attacked, it can lead to production line stoppages, reduced product quality, and depending on the severity, cause serious accidents that imperil people's lives. That is why strengthening OT security is a challenge of the highest priority for the manufacturing industry.

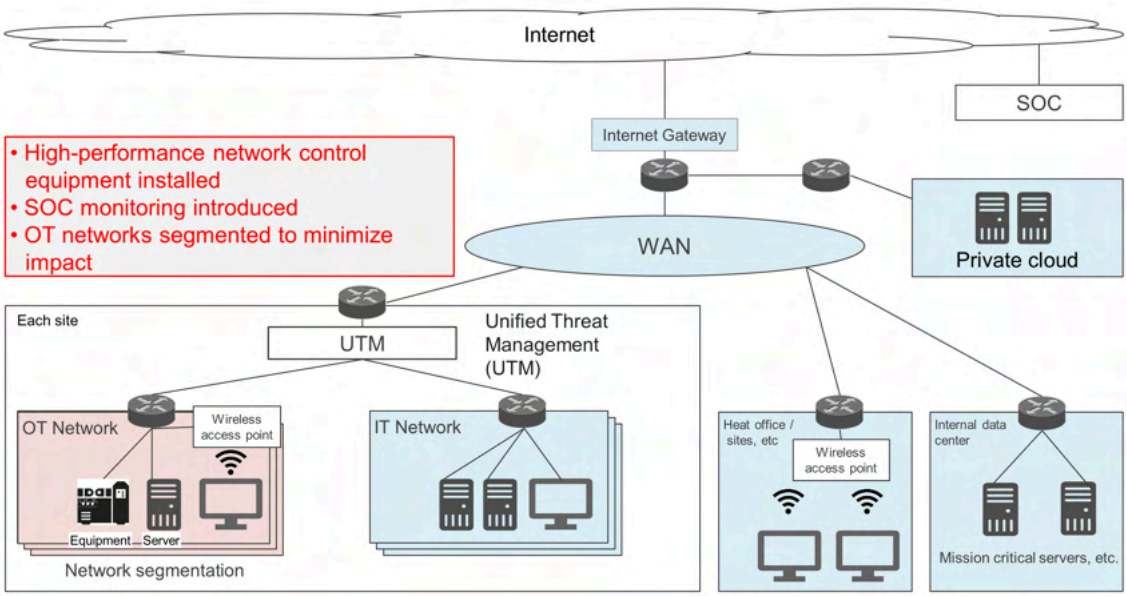
Challenges with OT security

Security challenges in OT environments are wide-ranging. First, since OT systems are designed to operate for extended periods, they often use older technologies and software, which can lead to vulnerabilities. In addition, since many OT systems operate on closed networks that are generally not connected to the Internet, their defenses against outside attacks can be inadequate.
And as IT and OT become increasingly integrated, there are growing risks of attacks on OT systems via IT systems. For example, there are examples of malware infections that have entered via IT systems spreading to OT systems, along with a growing risk of unauthorized operation utilizing remote access. To face off against these challenges, security measures designed to combine IT and OT are needed.

Specific measures to boost security

Measures to beef up OT security include the following. We adopted OT security guidelines in the fiscal year ended March 2024 and plan to steadily phase in measures going forward.

1. **Network segmentation:** Clearly separating OT and IT networks and blocking unnecessary communications between them prevents the spread of attacks.
2. **Access control:** We strictly manage access privileges to OT systems and implement access control based on the principle of granting the minimum required permissions.
3. **Patch management:** We regularly update the software and firmware of our OT systems to patch known vulnerabilities. However, careful planning is needed to ensure stable system operation when applying patches.
4. **Monitoring and detection:** We have strengthened OT network monitoring and have systems in place to detect abnormal activities and suspicious behavior in real-time.
5. **Incident response plans:** We have clearly laid out the procedures to follow when responding to a cyber incident and conduct regular drills.


Internet
SOC
Internet Gateway
• High-performance network control equipment installed
• SOC monitoring introduced
• OT networks segmented to minimize impact
WAN
Private cloud
Each site
UTM
Unified Threat Management (UTM)
OT Network
Wireless access point
Equipment
Server
Network segmentation
IT Network
Heat office / sites, etc
Wireless access point
Internal data center
Mission critical servers, etc.

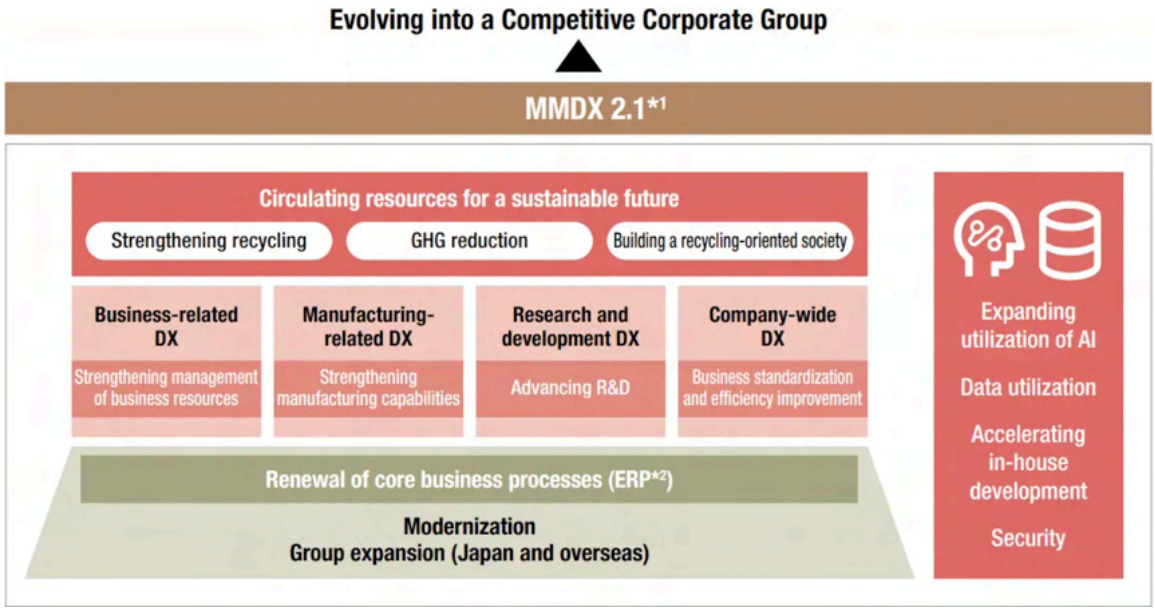
Digital Strategy

Digital Strategy Promotion System Specific Initiatives

Digital Strategy

Our Group aims to establish a management foundation that enables us to compete successfully on a global scale by implementing a digital strategy centered on “Accelerating the Use of AI and Contributing to the Expansion of Our Resource Circulation Business.” To further strengthen this management foundation, we have updated MMDX (Mitsubishi Materials Digital Business Transformation) to MMDX 2.1.

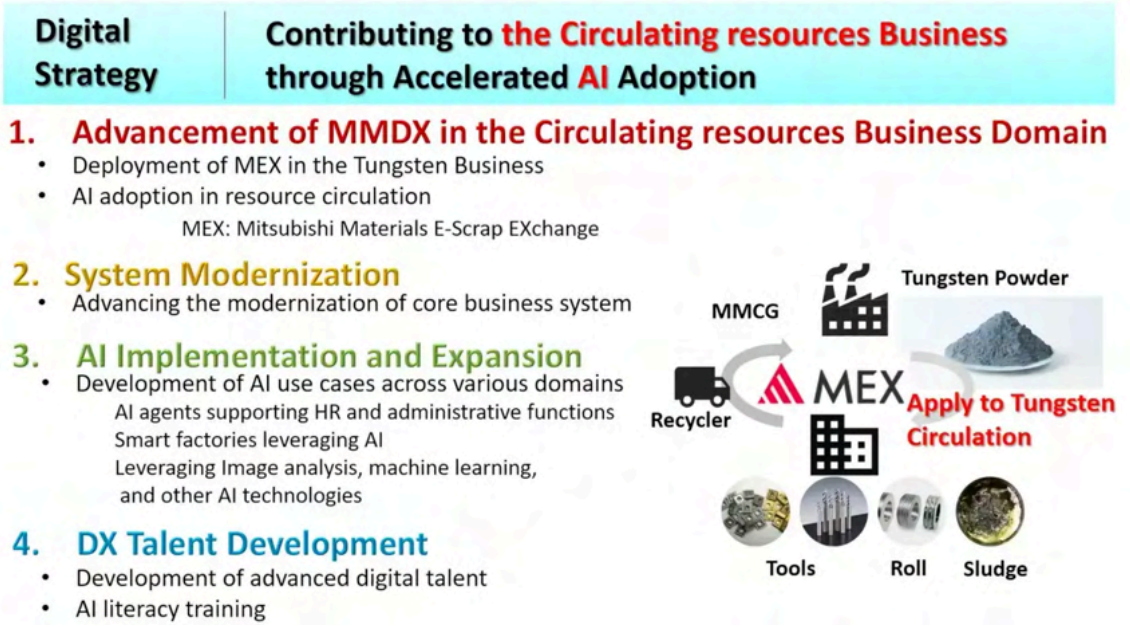
Under MMDX 2.1, we will pursue DX initiatives in the area of “Circulating resources for a sustainable future,” with four key pillars: Business Related DX, Manufacturing Related DX, R&D DX, and Company-Wide DX, built on the foundation of renewing key operations and system modernization. Across all DX initiatives, we will also work to expand AI utilization, develop and utilize data, accelerate in-house development capabilities, and enhance security measures.



*1 Mitsubishi Materials Digital Business Transformation
*2 Enterprise Resource Planning

Digital Strategy Phase

Under MMDX, we have set the period from the fiscal year ended March 2024 to the fiscal year ended March 2026 as the “DX full-scale operation phase,” and promoted utilization of the data infrastructure while accelerating MMDX Group-wide. We have positioned the period from the fiscal year ending March 2027 to the fiscal year ending March 2029 as the “expanding effectiveness and development phase,” during which we will expand MMDX initiatives into various areas to maximize and further develop their effects.
Specifically, to contribute to accelerating the resource circulation business, we plan to expand the E-Scrap business platform, MEX, to the tungsten business. In the modernization of our core systems, we will continue to renew all systems currently running on core servers. With regard to the deployment and promotion of AI, we have positioned this fiscal year as the “first year of AI” and will expand our activities, organizational capabilities and investments to promote the use of AI across all areas.



TOPICS **Mitsubishi Materials selected as one of the "Noteworthy DX Companies 2026" in "DX Stocks 2026" for the fourth consecutive year**

In April 2026, we have been selected for the fourth year in a row, as one of the “Noteworthy Digital Transformation (DX) Companies 2026” following last year in a program run by the Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Innovation Platform Agency, Japan (IPA).
The selection as one of the “Noteworthy DX Companies 2026” is in recognition of MMC’s DX achievements, and efforts to foster a corporate culture.
We established “For people, society and the earth, circulating resources for a sustainable future” as “Our Commitment.” We will continue to implement management reforms through “MMDX 2.1” and work on a variety of initiatives to fulfill Our Commitment.

Noteworthy DX Companies 2026
Digital Transformation

› News Release
Mitsubishi Materials Named “Noteworthy DX Companies” for the Fourth Consecutive Year

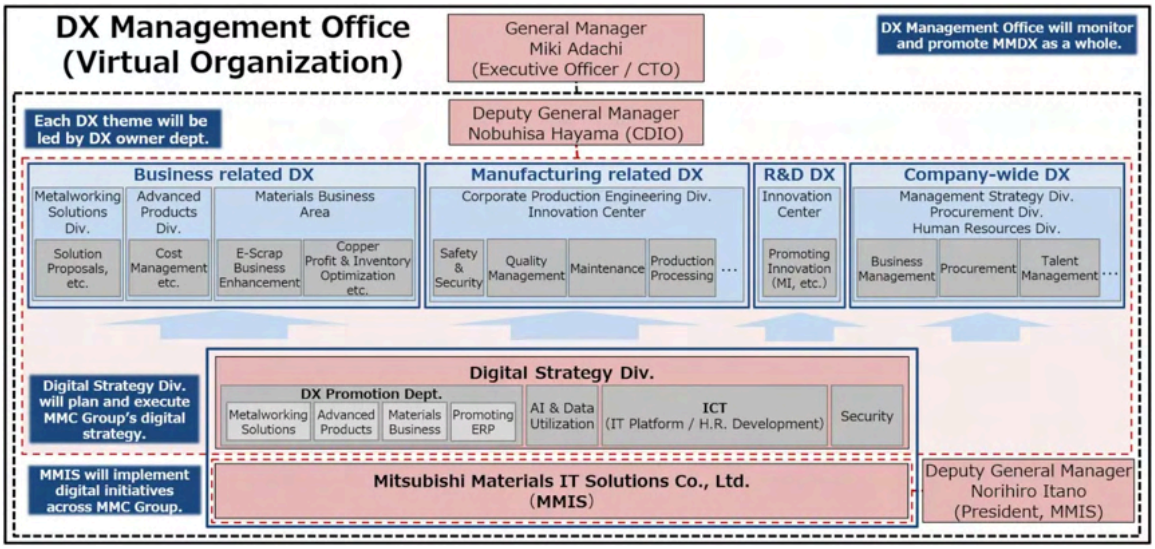
Promotion System

We have established a virtual, company-wide DX Promotion Office, a hybrid structure consisting of business divisions, digital divisions, and external support resources (advisors, partners, startups, etc.). Within this DX Promotion Office, theme owners lead initiatives in the four areas of Business DX, Manufacturing DX, R&D DX, and Group-wide DX. The corporate division responsible for formulating digital strategies and promoting related measures, together with Mitsubishi Materials IT Solutions Co., Ltd., which handles system development and maintenance, supports the steady execution of these initiatives.

The following people and their roles have been assigned to the DX Promotion Office:

- Miki Adachi: General Manager, Managing Executive Officer/CTO (Chief Technology Officer)
  - Mission and Role:
    To enhance the skills, capabilities, and expertise of our employees in order to strengthen problem-solving capacity. To create a workplace where employees can improve independently, voluntarily, and continuously, and to reinforce the framework that supports this.
    To advance our core technologies and expand the application of practical technologies.

- Nobuhisa Hayama: Deputy General Manager, CDIO (Chief Digital Information Officer)
  - Mission and Role:
    To strengthen the management foundation through the execution of the digital strategy. To accelerate DX initiatives and generate greater business value. To establish and make effective use of data infrastructure. To break away from legacy systems through the introduction of ERP and other measures, and to promote IT modernization. To develop advanced digital talent. To foster a digital mindset across the entire Group.
- Norihiro Itano: Deputy General Manager, President and Representative Director, Mitsubishi Materials IT Solutions Co., Ltd.
  - Mission and Role:
    To execute the planning, development, operation, and maintenance of Group-wide IT systems required for the digital strategy. To establish appropriate information security in Japan and expand it overseas. To promote productivity and efficiency across the Group through the proactive adoption of new technologies.



Specific Initiatives

Metals/Resources Circulation Businesses: Expansion and Enhancement of the Resource Circulation Business

We developed MEX, an E-Scrap (mainly raw materials for recycling such as discarded circuit boards) business platform for transactions with recyclers around the world, and launched the service in December 2021. By enhancing the transparency of information related to E-Scrap transactions, MEX helps improve supplier satisfaction and strengthens our competitiveness as a preferred destination for E-Scrap. In addition, we developed “SUIREN,” an AI system for estimating metal content*, and are using it to improve estimation accuracy, thereby enhancing on-site operations that support the resource circulation business.
Looking ahead, we plan to expand the scope of MEX beyond E-Scrap to include the tungsten business. We will also actively utilize AI and digital technologies in furnace operations for secondary copper smelting using recycled raw materials in Europe, while advancing technological development in areas such as feed control and automated operation monitoring.

* The amount of valuable metals contained in E-Scrap.

2) System Modernization

Our Group is advancing Group-wide system modernization to strengthen the management foundation that supports our digital strategy. Aged and complex systems can lead to dependence on individual expertise in maintenance and operations, as well as delays in the adoption of new technologies. These factors may reduce adaptability to changes in the business environment.
To address these challenges, we are moving away from systems that rely on legacy technologies and transitioning to an open, highly scalable system platform, thereby improving system stability and adaptability to change. We are also developing a new system architecture that includes data infrastructure for the collection, storage, and analysis of business data, as well as security measures to ensure the safe use of data. Through these initiatives, we are creating an environment in which the data required for each business process can be used quickly and securely, while building a digital foundation that supports the future utilization of data and AI.

3) AI Initiatives

Our Group regards AI as a key technological foundation supporting the “expansion and enhancement of the resource circulation business,” and will actively use AI across a wide range of business areas.
To ensure the effective use of AI, it is essential to develop data into a form that AI can readily use. Our Group is developing an AI-ready data environment covering IT data accumulated in business systems, OT data such as factory operating information, and office automation data generated in day-to-day operations. At the same time, we are also developing rules to ensure the safe and appropriate use of AI.

4) Human Resource Development

As the evolution of digital technologies accelerates, human resources with expertise in the digital domain who can drive innovation are essential for maintaining and enhancing corporate competitiveness. This is why we are working to secure human resources to promote DX as a matter of the utmost importance.
We currently offer “Common Digital Literacy Education” and “AI Literacy Education” to enable our employees to adapt smoothly to the digital environment, covering everything from the basics of digital technology including AI to its applications. This education is provided across the Group, both in Japan and overseas. We also offer Advanced Digital Education to train employees with more specialized skills.
Moving forward, we will provide training programs tailored to the needs of each department and establish systems so that each site can independently promote DX, ensuring sustainable growth and strengthening our competitiveness.

Manufacturing and R&D

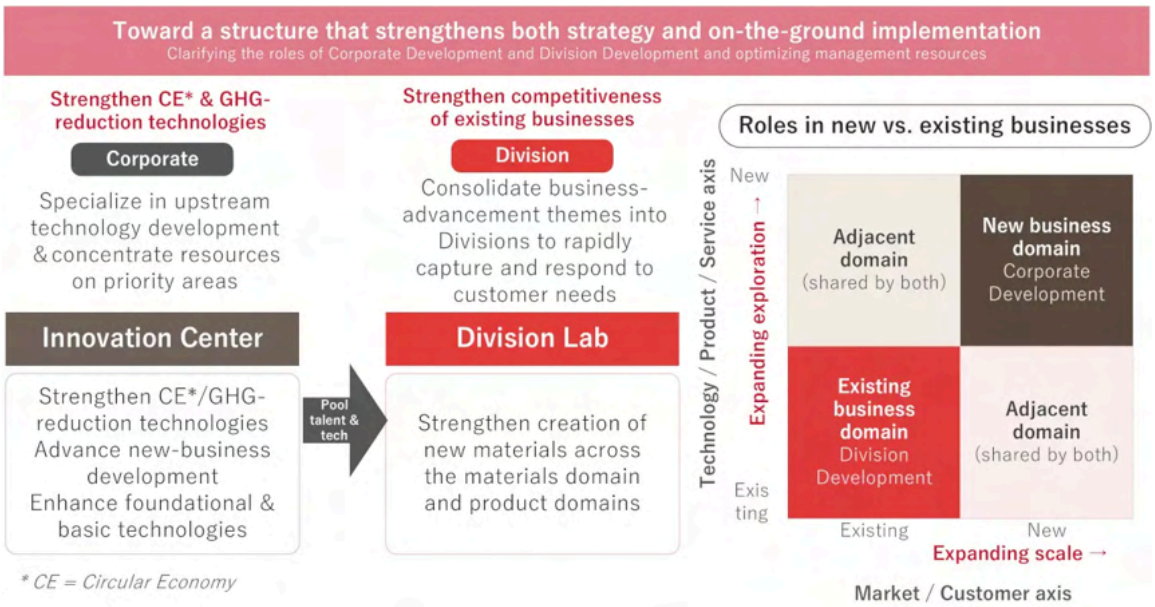
- Research & Development
- Mission, Vision and Values
- Organization of R&D Strategy Division
- Development Policy and Strategies
- Major Achievements in FYE March 2026
- Awards for Academic Conferences and Papers
- Production Engineering Strategy
- Intellectual Property
- Intellectual Property Promotion system
- IP Strategy
- IP Landscape Activity（Strategic Utilization of Intellectual Property Information）
- Invention Reward System
- Management of Technology Agreement Risks
- Enhancement of Countermeasures to Product Counterfeiting
- Intellectual Property Education
- Utilization of Generative AI

R&D

To strengthen the competitiveness of the Group's businesses and create new businesses, the Corporate Development function is led by R&D Strategy Division, which aims to establish an organization capable of delivering trusted value to customers—from research and development through to mass production and commercialization.

Developing New Products and Technologies to Anticipate Changes in the World around Us

In our Group's fundamental R&D policy, we have optimized the roles of corporate R&D and division-level R&D in order to become a company that is "creating the future through resource circulation."
The strengthening of competitiveness in existing businesses will be carried out by the divisions, while corporate R&D will focus on creating new products and technologies to expand market domains.
We aim to achieve the early realization of R&D outcomes through collaboration among industry, government, and academia (including CVC activities).
Our R&D strategy aims to strengthen both the "arterial" and "venous" functions of materials, while promoting new products and process innovations that contribute to GHG reduction.
We will concentrate our resources on technologies and business development related to the circular economy and GHG reduction, thereby contributing to the future development and growth of Mitsubishi Materials Group's resource circulation business.
Aware of the direction that we should move forward in response to growing social demands for resource recycling, we will create themes for acquiring new resource recycling process technologies. At the same time, we will accurately grasp megatrends and market changes, and focus on growth areas and new areas while utilizing our materials technologies. We will also conduct research and development with a zero GHG philosophy in new themes. On a longer-term basis, we intend to boldly take on the challenge of creating inspirational new technologies for the future. Combining technology, human resources and passion, our aim is to continually achieve innovation, with an emphasis on the customer's perspective and speed.
By combining our technical development capabilities based on our core technologies we will work to give shape to this value as we strive to create new products, services and businesses.



Strategies for New Business Development

To consistently create and foster new businesses, we have established a stage-gate system (Business Design Review, or BDR) for new business development aimed at making the lean startup of new businesses possible. Accordingly, we have set procedures for processes from the creation of ideas to the expansion of business and the facilitation of the “trial-and-error approach to business themes” of appropriate themes. Instead of fostering new businesses only internally, we are also proactive in considering carve-outs and other strategies, as exemplified by the establishment of Dental Door Corporation, a subsidiary in the healthcare area that promotes the digital transformation of dental checkups.
Further, under the SU brand used for the creation of new businesses, we are implementing the SU project, an internal venture program for commercializing ideas proposed independently by employees, and the Wild Wind acceleration program that accelerates commercialization by collaborating with external partners, including startups. Through these activities we are providing new value to society beyond the boundaries of our existing businesses, and we are also linking these activities to the development of entrepreneurial human resources.

Mission, Vision and Values

Mission：Bringing together global knowledge, transforming technology into business, and supporting the growth of the Mitsubishi Materials Group
We actively gather knowledge on technologies, markets, and human resources not only from within the Group but from around the world. By leveraging the Group’s technological strengths, we go beyond academic research and prototypes to deliver tangible value to society and customers.
These outcomes are then connected to business divisions, sites, and future growth domains, supporting the sustainable growth of the entire Group.

Vision：Act with integrity and respect. Challenge beyond the border. Contribute to the world at the forefront.
We comply with laws and rules and act fairly at all times, while respecting both internal and external partners. By doing so, we continuously challenge beyond the border without being constrained by existing domains.
We aim to create and acquire cutting-edge technologies, maintain top-class technological capabilities, and generate technologies and businesses that contribute to the world by addressing social challenges and customer value from a global perspective.

Values：Driving innovation through expertise, dialogue, and collaboration
Each individual continues to refine their expertise and technical capabilities as the foundation of their work. By engaging in dialogue across disciplines, we create new value and systems that go beyond incremental improvements and conventional research.

Organization of R&D Strategy Division

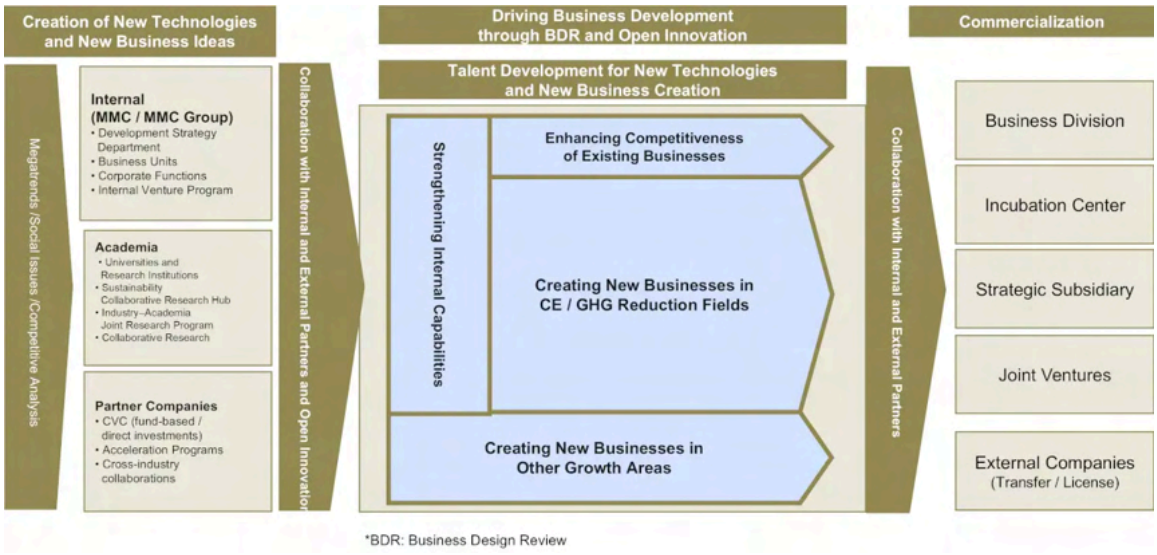
R&D Strategy Division concentrates its resources on technology and business development in the fields of the circular economy and GHG reduction, in line with the Group’s management policy, “Creating the Future through Resource Circulation.”
Through these efforts, the Division contributes to the growth and expansion of Mitsubishi Materials Group’s resource circulation business for the future.
In the division's Innovation Center, we have set up a structure to efficiently utilize human resources along the lines of each R&D/manufacturing challenge or new business theme, enabling us to create new products and businesses, pursue development focused on solutions, and acquire new technologies. We have also established an Incubation Center, where we cultivate and strengthen businesses created in the Innovation Center, as well as businesses deemed difficult for a Business Area to expand on its own.

Development Policy and Strategies

We accelerate idea generation, business validation, and commercialization through collaboration with business divisions and open innovation.

Policy
Creating new businesses and technologies in the circular economy and GHG reduction fields.

Strategies
- Strengthening our foundations in recycling and GHG reduction technology
- Creating new materials to contribute to the circular economy
- Advancing the creation of new businesses through the application of open innovation



R&D Basic Policy

- Developing materials for the future
- Creating new products and technologies to enhance business competitiveness through the integration of the Corporate and Division Labs
- Early realization of R&D results through industry-government-academia collaboration (including CVC)

MMC Innovation Fund

In March 2019, we worked with JMTC Capital G.K. to establish the “MMC Innovation Investment Limited Partnership,” a corporate venture fund with the objective of investment in venture companies with material technologies.
We support technology start-ups that have synergies with us. In this, we accelerate collaboration with a focus on processes and material technologies related to resource circulation and decarbonization, material technologies related to semiconductors, next-generation energy, metal processing, and life and healthcare.

Time	Investee	Investee's technologies/products	MMC's aim
October 2019	Elephantech Inc.	Elephantech has manufacturing technology for electronic circuit boards by additive manufacturing using inkjet printing of metal nano inks and electroless copper plating.	MMC has started development of “copper nano ink” with Elephantech as an evaluation partner. MMC will aim to develop new copper products for circuit boards and get opportunities of its supply.
May 2020	EneCoat Technologies Co., Ltd.	EneCoat Technologies is developing Perovskite Solar Cells characterized by high power generation efficiency, light weight, and flexibility compared to conventional silicon-based solar cells.	In collaboration with EneCoat Technologies, MMC will develop technologies that contribute to improving the performance of Perovskite Solar Cells and the peripheral materials etc. necessary for making them lead-free, aiming to get opportunities to supply materials when perovskite solar cells become widespread.
June 2020	CONNEXX SYSTEMS Corporation	CONNEXX SYSTEMS has development and manufacturing technologies for new storage battery, high-power in-vehicle Lithium-ion battery (LIB), and next-generation battery that combine LIB and lead-acid battery.	MMC is developing technology for reusing and recycling used in-vehicle LIB. In collaboration with CONNEXX SYSTEMS, MMC will promote the reuse business that is the reuse of collected used in-vehicle LIB for stationary storage battery.
September 2020	Nature Architects inc.	Nature Architects has unique structure design technologies such as giving strength only to the necessary parts and adding the function of absorbing vibration to hard parts.	By combining MMC’s knowledge of non-ferrous metals and other material properties with Nature Architects’ design technology, MMC will promote development of unique products with new added value by additive manufacturing using our materials.

Time	Investee	Investee's technologies/products	MMC's aim
July 2021	Immunosens Co., Ltd.	Immunosens Co., Ltd. develops and provides unique immunosensors for POCT (Point of Care Testing: real-time testing at medical sites) that are both highly sensitive and small in size through its patented GLEIA (Gold Linked Electrochemical Immuno Assay) technology.	Through collaboration with the company, MMC aims to find synergies between MMC's knowledge of materials, including nonferrous metals, and the company's life/healthcare-related technologies and expertise, and apply them to the life/healthcare field.
September 2024	Visban Corporation	Visban Corporation develops millimeter wave network devices that enable high-speed transmission of large amounts of data, and, with connecting multiple devices simultaneously, provision of a less-congested communication environment.	Through collaboration with the company, MMC aims to make a significant contribution to the spread and expansion of 5G/6G communications by applying its strengths in materials required for microcircuit formation, dissimilar material bonding technology and its evaluation technology.
November 2024	illuminus Inc.	illuminus Inc. develops and manufactures metal and alloy nanoparticles using its proprietary "pulsed-laser induced reduction."	Through collaboration with the company, MMC aims to develop technology for manufacturing new metal and alloy nanoparticles with a low environmental impact.

> MMC Innovation Fund

* This information is available only in Japanese on the website.

Major Achievements in FYE March 2026

TOPICS **Acceleration Program Aimed at Creating New Businesses in a Short Period“Wild Wind 2024” Demo Day Held**

The Mitsubishi Materials Group has established Our Commitment of “For people, society and the earth, circulating resources for a sustainable future.” The selected theme, “Battery Degradation Diagnosis Technology,” directly addresses social issues such as the effective use of resources and the reduction of environmental impact, and was recognized as being highly aligned with our vision. In particular, battery-related technologies are a key area for innovation in next-generation mobility and resource recycling. Through the integration of technologies with our partner company, Goiku Battery Inc., the theme was highly evaluated for its potential to drive discontinuous growth.
Going forward, we will continue to accelerate value creation toward the realization of a circular society through initiatives in such challenging themes.





Presenters of the selected theme

◎Theme: Battery-related business — Battery degradation diagnosis technology
Partner Company: Goiku Battery Inc.
CEO: Akira Tabata
URL: https://goiku.com/
Business Overview: Development and guidance related to battery diagnostic equipment; development and sales of battery management systems (BMS); development and sales of fast-charging batteries; and development and sales of battery application technologies.

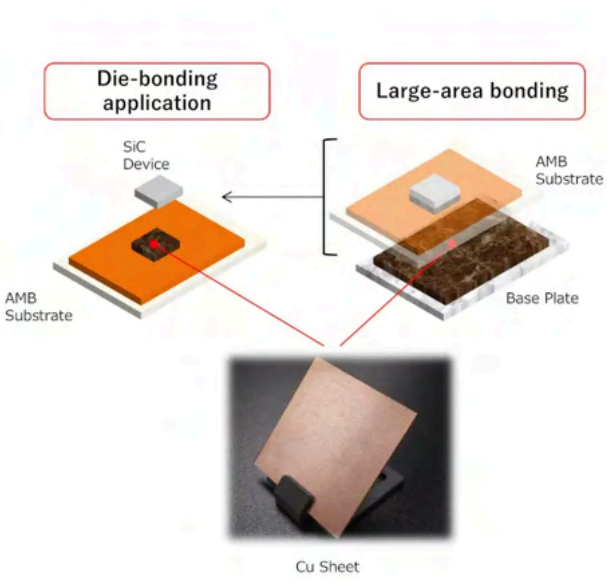
> News Release
Acceleration Program Aimed at Creating New Businesses in a Short Period of Time “Demo Day” Held for “Wild Wind 2024”

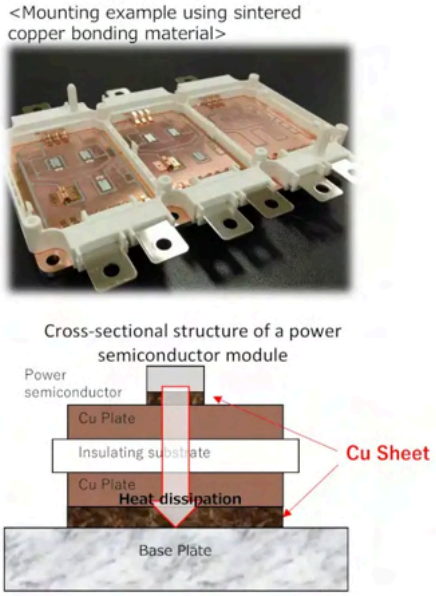
* This information is available only in Japanese on the website.

TOPICS

Development of Copper Sheet Material Contributing to Innovation in Bonding Processes — Enabling Low-Temperature, Short-Time Bonding and Highly Reliable Large-Area Bonding —

In high-power modules used in automotive and railway inverters, for example, bonding layers are required to provide high heat resistance, excellent heat dissipation, and long-term reliability, as semiconductor devices operate at increasingly higher temperatures and currents.
Conventionally, pressure-assisted sintered bonding materials mainly composed of silver have been widely used. However, these materials have presented several challenges, including higher material costs due to rising silver prices, positional misalignment during the pressure bonding process, and bonding defects caused by residual decomposition gases from organic solvents and resin components, particularly in large-area bonding.
Against this background, Mitsubishi Materials has been developing copper-based materials to address the challenges associated with conventional silver sintered bonding materials: high cost, process constraints, and reliability in large-area bonding. Specifically, we have established an integrated development system covering the synthesis of copper powder from by-products of the copper smelting process through to the design of copper sintered materials, and have worked to enhance material design. As a result, we have created submicron copper particles with a particle size of 100 to 200 nm, extremely low levels of metallic impurities, and high sinterability achieved through our proprietary particle surface coating design. Using these particles, we have developed copper sheets as a copper bonding material that offers low-temperature bonding, compatibility with large-area bonding, and high reliability as an alternative to conventional silver-based sintered materials.





> News Release
Development of Sintering Copper Sheets Using Submicron Copper Particles
- Next-generation bonding materials enabling low-temperature, high-reliability bonding -

TOPICS

Mitsubishi Materials and Institute of Science Tokyo Extend the Term of the “Mitsubishi Materials Sustainability Innovation Collaborative Research Cluster”

Mitsubishi Materials Corporation and the National University Corporation Institute of Science Tokyo have decided to extend the collaborative research agreement for the “Mitsubishi Materials Sustainability Innovation Collaborative Research Cluster,” which conducts research on innovative materials and processes that contribute to a sustainable society, through the end of fiscal 2031.
The Collaborative Research Cluster was established in 2022 with the support of the Open Innovation Platform of Institute of Science Tokyo. It has promoted joint research on composite materials, next-generation batteries, CO_2 utilization, and other fields by combining Institute of Science Tokyo’s broad and advanced expertise in materials with Mitsubishi Materials’ accumulated materials technologies related to non-ferrous metals, particularly copper, as well as its know-how in recycling and other processes.
To date, the two parties have leveraged their respective strengths to address issues that would have been difficult to tackle through independent research, and have worked to create innovative materials and processes under the keyword of Green Transformation (GX), thereby contributing to a sustainable society. As the current agreement is scheduled to expire at the end of fiscal 2026, they have decided to extend the term of the Collaborative Research Cluster in order to further develop these initiatives.
Going forward, based on Mitsubishi Materials’ development strategy, the Collaborative Research Cluster will place greater emphasis on themes centered on resource circulation and GHG emissions reduction. Specifically, it will work on advancing non-ferrous metal recycling processes and resource circulation technologies, as well as developing low-carbon and decarbonization processes, including CO_2 utilization.

Awards for Academic Conferences and Papers

The 59th Paper Award from the Japan Institute of Copper

Paper Title: Observation of Dislocation Multiplication and Texture Development during High-Temperature Compressive Deformation of Pure Copper
Co-authored with Ibaraki University and Tohoku University
This study focused on dislocation multiplication and texture development during high-temperature compressive deformation of pure copper. Using state-of-the-art in-situ neutron diffraction measurements, the researchers quantitatively evaluated changes in dislocation density and texture during deformation, thereby clarifying the fundamental mechanisms of deformation behavior.
High-temperature deformation behavior of pure copper is an important foundational technology for designing processing processes. This study systematically clarified the decrease in dislocation density associated with dynamic recovery and recrystallization, as well as its resulting effects on flow stress and texture development.

Production Engineering Strategy

Our Group's production technology strategy is guided by the vision of "contributing to the growth of the circular economy business and carbon neutrality through engineering," and is based on the fundamental principle of achieving both the realization of a sustainable society and the enhancement of business competitiveness. At the core of this strategy lies the advancement of our engineering capabilities and manufacturing capabilities.

Regarding engineering capabilities, in order to realize circular economy businesses—including the construction of secondary smelting and tungsten recycling plants—we will establish an end-to-end technical support system spanning from the conceptual stage to stable operations, thereby achieving SCQDE in terms of equipment.

Furthermore, by promoting the consolidation and standardization of equipment design functions, we will enhance design quality and strengthen the transfer of technical expertise, while accumulating in-house know-how on key technologies.

Regarding manufacturing capabilities, in addition to enhancing frontline capabilities driven by 5S activities, we will eliminate reliance on individual judgment by thoroughly implementing standardization and visualization, and promote a shift toward data-driven decision-making.

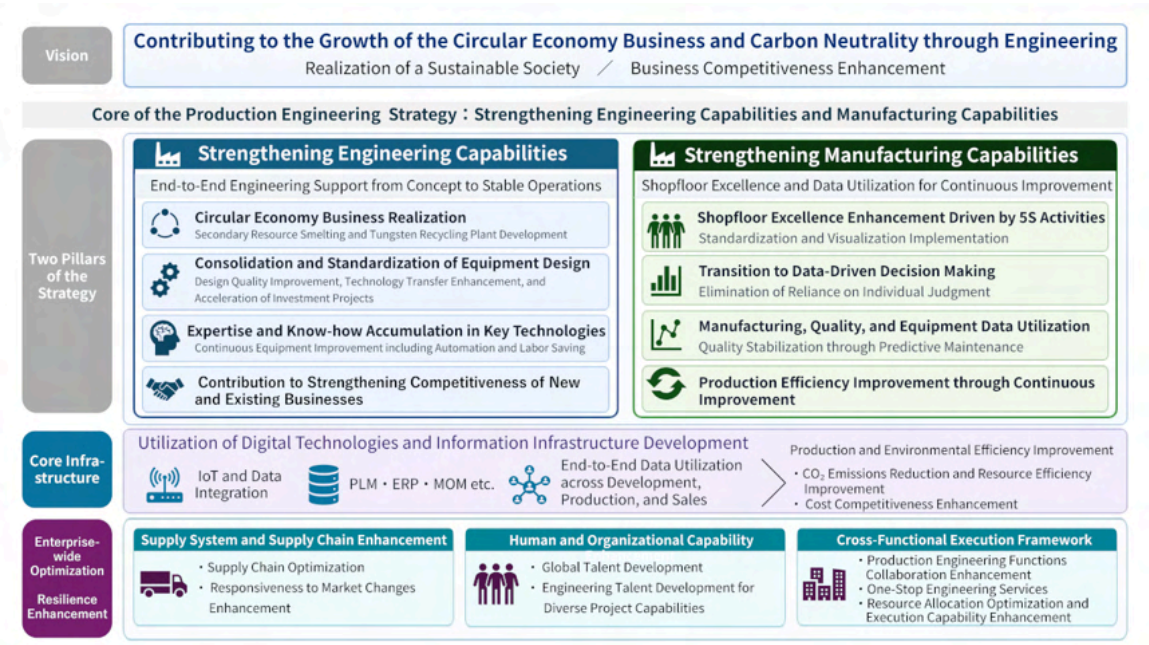
Moreover, by leveraging manufacturing, quality, and equipment data, we will stabilize quality through predictive maintenance and improve production efficiency through continuous improvement.

In addition, we position the utilization of digital technologies as a key foundation of this strategy, and will develop information infrastructure—including IoT, data integration, and PLM, ERP, and MOM systems—to enable end-to-end data utilization across development, production, and sales.

Through these efforts, we aim to achieve both social value—such as improved production and environmental efficiency, CO_2 emissions reduction, and enhanced resource efficiency—and economic value, including strengthened cost competitiveness.

Furthermore, we will promote supply chain optimization, enhance supply and demand management, and visualize cost and profit structures to strengthen our responsiveness to rapidly changing market conditions.

As a core organization that not only supports business sites but also drives business transformation, the Production Technology Division will contribute to sustainable growth through the development of a circular society, in line with the Medium-term Management Strategy's basic policy of becoming a company that is "creating the future through resource circulation."



Intellectual Property

At the Mitsubishi Materials Group, we engage in activities to develop a portfolio of intellectual properties and intangible assets in line with our business and development strategies, manage risks related to intellectual property, respond to related disputes, and improve the level of the Group's intellectual property governance.

As the importance of intangible assets, including intellectual property, to corporate value continues to grow, we are reinforcing our governance systems related to intellectual property in compliance with the Corporate Governance Code. Specifically, we are reinforcing our governance structure through regular reporting and deliberation with Management, while actively disclosing our intellectual property initiatives, such as our "IP Landscape Activity," to external parties. Further, in May 2022 we established the Intellectual Property Policy of Mitsubishi Materials Group, which indicates the direction of our intellectual property activities as a Group, based on the idea that we should maximize the value of intellectual property and intangible assets in a Group-wide manner. Additionally in February 2023, in accordance with this Intellectual Property Policy, we formulated the Group Intellectual Property Regulations, which stipulate the intellectual property-related activities of Group companies in clearer terms.

The Intellectual Property Policy of Mitsubishi Materials Group

Through our intellectual property activities, we contribute to "For people, society and the earth, circulating resources for a sustainable future."

1. We implement strategic intellectual property right formation in line with business and development strategies, ensure appropriate protection both in Japan and overseas, and apply effective utilization for the purposes of our business activities.
2. We respect the intellectual property rights of third parties and establish systems to prevent infringement.
3. We encourage new inventions and innovations, and establish appropriate incentive systems for inventors.
4. We work to earn the trust and confidence of stakeholders by fostering and protecting our brands.
5. We strengthen controls on counterfeit products distributed globally and ensure the implementation of countermeasures.
6. We cultivate human resources that make strategic use of intellectual property information, and provide appropriate education systems and environments to achieve this.

Established on May 1, 2022
Partially revised on April 1, 2023

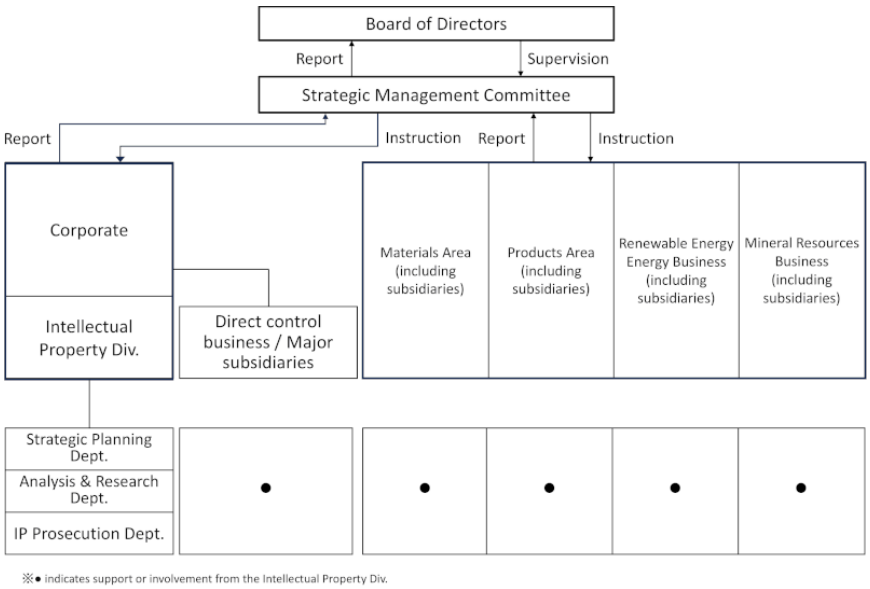
Group Intellectual Property Regulations

These regulations stipulate the following matters to accelerate Group companies' intellectual property activities.

- Intellectual property governance (detailed manner regarding reporting to the executives and board of directors of each company, their guidance and supervision, the formation)
- Analysis and utilization of strategic intellectual property
- Licensing between Group companies, commissioned and joint research
- Brand development
- Mitsubishi trademarks
- Measures to deal with counterfeits
- Infringement clearance measures
- Rewards for inventions
- Human resource development.

Established on February 1, 2023

Intellectual Property Promotion system



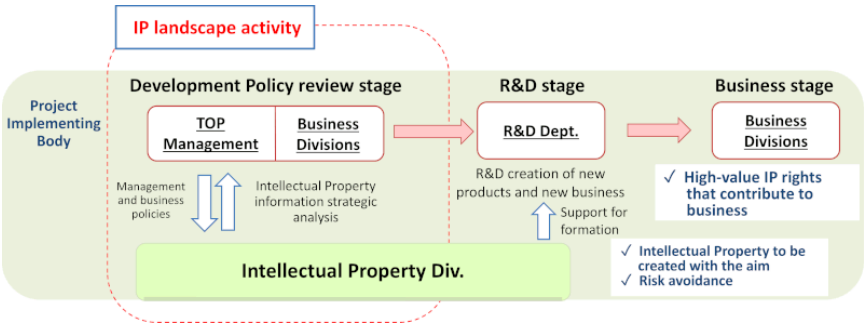
IP Strategy

In pursuit of the realization of its Medium-term Management Strategy, to become a company that is “creating the future through resource circulation,” our Group is advancing an intellectual property strategy aligned with and integrated into its business strategy. In the Materials Business Area, we are proactively expanding patent assets for key technologies that support resource circulation and decarbonization, and we also seek to improve brand value through IP activities. On the other hand, in the Products Business Area, we are proactively expanding patent assets for key technologies that support resource circulation and decarbonization, and we also seek to improve brand value through IP activities. On the other hand, in the Product Area, we aim to secure competitive superiority by optimizing patent filing and rights acquisition considering the competitive landscape. Additionally, in terms of IP governance, we are driving global IP initiatives across the Group and enhancing the global IP governance framework by leveraging generative AI and implementing a new patent management system.



IP Landscape Activity (Strategic Utilization of Intellectual Property Information)

As intellectual property activities aligned with our management, business, development, and new business strategies, we are promoting IP landscape activities. These activities involve strategic analysis of IP information from the early stages of business and development policy discussions, facilitating communication with business units and new business units. This approach helps propose new uses for existing technologies and supports the strategic development of intellectual property essential for business growth. Through IP landscape activities and other IP initiatives, we assist in fostering efforts toward new value creation.



› Intellectual Property

Invention Reward System

Mitsubishi Materials has established Employee Invention Rules and operates an invention incentive system within these rules.
With regard to patents, utility models, and industrial designs, we have recently revised the timing of payment of incentives to inventors in order to increase incentives for inventors to create inventions. In addition, we have established a special incentive system for inventions that have made a particularly significant contribution to the Company's business, and these inventions are evaluated according to their value and degree of contribution. We will continue to work to improve the system with the aim of achieving both appropriate incentives for inventors and maximizing the value of intellectual property.

Management of Technology Agreement Risks

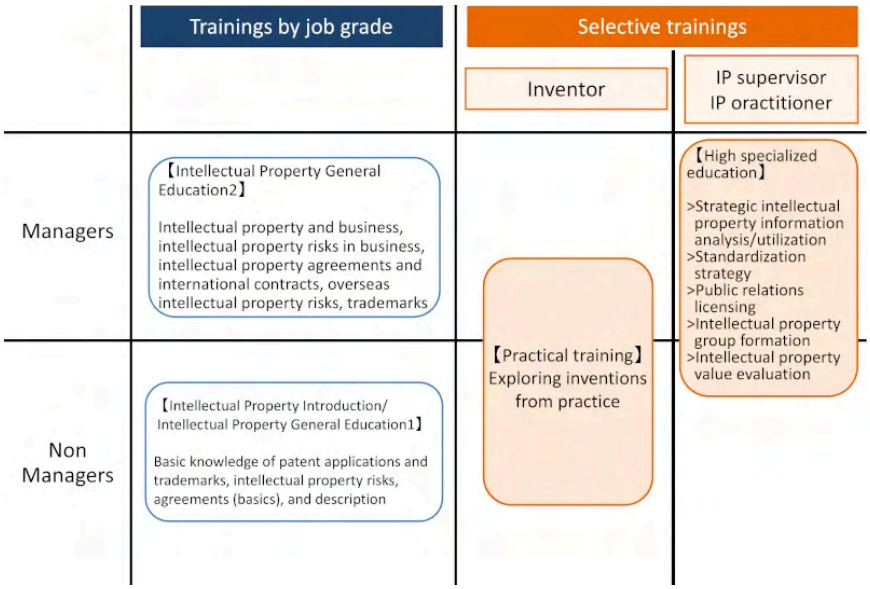
We have built and operate a contract management system for the confirmation, recording and referencing of technology agreements such as non-disclosure agreements, joint development agreements, and application agreements.
This system helps prevent the leakage of confidential information, manage contract periods, and assist in reviewing contract details. We also offer advisory services on technology agreements connected to intellectual property cases in various fields such as research, development, and business.

Enhancement of Countermeasures to Product Counterfeiting

As a countermeasure to address counterfeit cutting tools that are manufactured overseas, we have identified a large number of illegal operators who sell these products at local brick-and-mortar stores. Further, in the fiscal year ended March 2021, we began to strengthen the monitoring and crackdowns of websites all over the world selling these products. We have deleted over nineteen thousand websites selling counterfeit products. We will continue to detect brick-and-mortar stores and monitor websites selling counterfeit goods, in our effort to eradicate counterfeit products.

Intellectual Property Education

We provide Group employees with training to promote their understanding of intellectual property, utilize intellectual property information in business activities, and further, formulate effective intellectual property. In addition to position-specific training aimed at acquiring basic IP knowledge for both regular and non-regular employees, we also provide practical training for specialized and strategic use of IP as a selective training program.



IP as Intellectual Capital

IP Mix

We strategically develop an IP mix (patents, designs, trademarks and brands, trade secrets and know-how, etc.) in line with our business and development strategies. Through such intellectual property activities, we aim to maximize the value and effectiveness of our intangible assets including intellectual capital.

Patent Data (as of March 31, 2026)

Number of patent applications	Japan	126
	Overseas	55
Number of registered patents	Japan	1,978
	Overseas	1,693
Number of registered designs	Japan	79
	Overseas	19
Number of registered trademarks	Japan	292
	Overseas	211

* The number of patent applications is the number filed from April 1, 2025 to March 31, 2026.
* The number of patent applications overseas indicates the number of patent families (including PCT applications).

Utilization of Generative AI

In the Intellectual Property Department, generative AI is being actively utilized not only for routine tasks such as document summarization, translation, and comparative review, but also for patent searches and prior art analyses, thereby simultaneously enhancing operational efficiency and output quality. We have further expanded the use of generative AI to additional areas, including the structuring of invention ideas, the drafting of patent specifications, and the review of contract-related documents, thereby advancing our IP operations as a whole. Building on these initiatives, we are reallocating human resources toward higher-value-added activities such as analysis and strategic planning, thereby reinforcing our ability to create value through intellectual property.

Internal Branding

Basic Approach Implementation Structure Internal Branding Communication Measures

Basic Approach

The Group has established Our Commitment “For people, society and the earth, circulating resources for a sustainable future.” To enable every employee to fully demonstrate their capabilities in achieving this commitment, we are promoting internal branding initiatives and strengthening communication throughout the Group. In August 2025, employees across the Group worked together to revise Our Values. We will realize Our Commitment by putting these renewed values into practice as our shared guidelines for action.

Implementation Structure

The Group's internal branding activities are led by the Communication Panel, which consists of employees from various sites and Group companies. Panel members plan and implement initiatives tailored to the characteristics and challenges of their respective organizations, promoting the penetration of Our Values and fostering active communication across the Group. Through these initiatives, we aim to ensure that Our Commitment and Our Values become naturally embedded in employees' daily work and interactions.

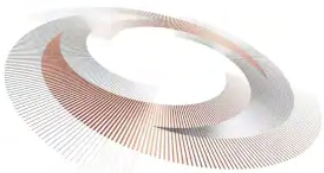
Internal Branding

Initiatives to Promote Our Values

In the fiscal year ended March 2025, we conducted workshops for all Group employees to discuss and reflect on Our Values. Since the fiscal year ended March 2026, we have been further promoting the penetration of Our Values by sharing successful initiatives across sites and Group companies through the Communication Panel and expanding them throughout the Group.
Based on the story embodied in Our Values, "We challenge, create change, and grow together. We support that growth through words of appreciation and recognition, creating a better tomorrow," participants are encouraged to reflect on their own actions and mindsets while gaining insights from the perspectives of others. These opportunities foster new awareness and inspire positive behavioral change.

Key Visual Development

In internal and external branding activities, we deploy a key visual which represents Our Commitment in a visual form. The circular design represents the uninterrupted and powerful circulation of metal resources and their growth while adding further value. The texture evokes metal, expressing Mitsubishi Materials' "Circulating resources for a sustainable future."



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

Circulation Map

We have developed a Circulation Map as a communication tool to help each individual employee to see the role they play in realizing Our Commitment. This map is used in various settings, from Officer messages at the start of each fiscal year to internal events, and is helping to foster ownership of Our Commitment.



Communication Measures

We believe that free and open communication is essential to fostering a healthy and inclusive organizational culture, which forms the foundation of our internal branding initiatives.
Accordingly, we are promoting initiatives focused on: (1) communication with management, (2) strengthening connections among employees across the Group, and (3) supporting individual challenges and growth.

List of Measures

Measure	Content
Tetsuya's Room	Since the fiscal year ended March 2026, we have been regularly distributing Tetsuya's Room, an internal communication program where the CEO visits headquarters and various sites to engage directly with employees. Through open discussions about their work, challenges, and expectations for the future, the program provides an opportunity to bring frontline perspectives to management. At the same time, it enables employees to better understand the President's thoughts and vision, helping to foster mutual understanding across the Group.
Tetsuya's Eye	This column features the CEO's perspectives on the principles and mindset that are important in our work. It provides employees with insights into how their daily activities can contribute to value creation and encourages them to reflect on their own roles and discover new perspectives.
Town Hall Meetings	To strengthen communication of management information and promote two-way dialogue, we hold Town Hall Meetings. In the fiscal year ended March 2026, a total of 13 meetings were conducted.
Half-day workplace experiences	We offer a "half-day workplace experience program," which allows employees to experience the work of other departments for half a day. Since its launch in the fiscal year ended March 2022, more than 100 employees have participated in the program.
Reverse mentoring	Under our reverse mentoring program, younger employees serve as mentors and provide mentoring to members of senior management. By discussing a variety of topics from perspectives different from those in their day-to-day work, participants gain opportunities to deepen their understanding of diverse values and viewpoints.











Senior Management Dialogue Sessions

We provide opportunities for senior management to visit Group sites and engage in direct dialogue with employees. In the fiscal year ended March 2026, interactive discussions focused on Our Values. Employees actively exchanged views on topics ranging from examples of putting Our Values into practice to challenges encountered in their daily work, resulting in lively and meaningful dialogue.



Distribution of Economic Value to Stakeholders

Interaction with Stakeholders
Responding to the Expectations and Needs of Stakeholders
Dialogue with Shareholders & Investors
Dialogue with Investors
Distribution of Economic Value to Stakeholders

Interaction with Stakeholders

Basic Approach to Building Relationships with Our Stakeholders and Key Means of Communication

In the interests of sustainable corporate management, we believe that communicating with our stakeholders is crucial if we are to incorporate their expectations and requirements into our business strategies and activities. While creating more opportunities for communication, our aim is to reflect stakeholders' perspectives in our management practices to a greater extent than ever before.

Basic Approach to Building Relationships with Our Stakeholders and Key Means of Communication



Click to enlarge images

Relationships between Stakeholders and Businesses

Stakeholders	Relationship with businesses
Shareholders & Investors	**Disclosing information as and when necessary, and engaging in dialogue regarding management** We aim to sustainably increase corporate value through mutual communication with shareholders and investors while fulfilling management transparency and accountability.
Customers	**Engaging in business activities with an emphasis on improving customer satisfaction** We provide high-quality products and services that meet a wide range of customer needs and requirements.

Stakeholders	Relationship with businesses
Employees	**Improving the value of individual talents** We aim to create a workplace where members of diverse backgrounds can coexist and be accepted by each other, maximize their respective capabilities while making the most of each other, and feel safe and secure as they work, experiencing their own growth and self-realization.
Local Communities	**Building trusting relationships & contributing to development** We actively engage in interaction and dialogue with local communities and strive to achieve appropriate mutual recognition and understanding with regards to our business activities.
Business Partners (Suppliers)	**Engaging in fair, impartial trade & collaboration** We engage in fair and proper transactions with all business partners and work with our business partners to implement responsible procurement of raw materials and minerals.
Industry/Economic Organizations	**Collaboration to solve social issues** We engage in exchanges of opinions and collaborations with the Japan Mining Industry Association, Japan Geothermal Association, and KEIDANREN (Japan Business Federation), etc., in order to solve social issues.
Non-profit Organizations (Educational/Research Institutions, NGOs & NPOs)	**Non-profit Organizations (Educational/Research Institutions, NGOs & NPOs)** We contribute to education support and human resource development through cooperation with educational and research institutions, NGOs and NPOs.
Government	**Maintaining close, sound relations and assisting with policies** In addition to complying with related laws and regulations established by government agencies and local governments, we engage in businesses that contribute to the regional development in a collaborative manner.
Environment & Future Generations	**Engaging in wide-ranging dialogue & collaboration in order to protect the environment** In order to contribute to solving environmental problems, we build networks with various stakeholders, exchange opinions, and promote collaboration.

Responding to the Expectations and Needs of Stakeholders

We respond to issues highlighted and suggestions made by our stakeholders so that we can improve the standard of our sustainable management. We have launched a number of initiatives in response to key comments and requests, including the following. For information on methods of communication with stakeholders when ascertaining details, please see “Interaction with Stakeholders”.

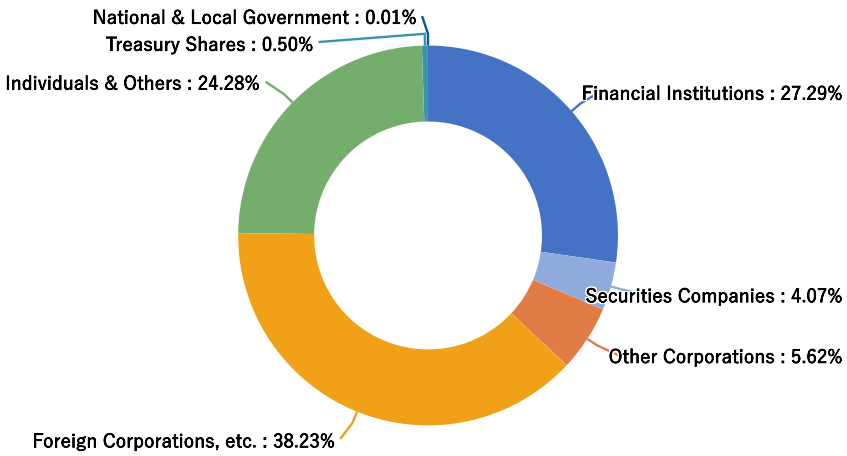
Key expectation and request	Group response
Continuing to expand and improve resource circulation measures	• “Contributing to the creation of a recycling-oriented society” is stated in Our Commitment. • Optimization of material flow across the overall Group • Business expansion, research and development aimed at improving urban resource recycling
Responding to the risks and opportunities associated with climate change	• Driving the reduction of GHG emissions to achieve carbon neutrality by the fiscal year ending March 2046 • Developing materials, products and technologies that contribute to decarbonization • Developing and promoting the use of renewable energy (geothermal energy, geothermal heat, hydroelectric energy, solar energy, etc.) • Pushing forward with demonstration testing and technology development related to CO_2 capture and utilization • Performing scenario analyses based on the TCFD recommendations • Calculation of our carbon footprint
Managing closed mines	• Continuing management work, such as mine drainage treatment and maintenance of tailings dams, at closed mines (non-ferrous metal mines) owned by the Group in Japan (including the preservation and effects of some mines as cultural assets) • Systematically implementing facility upgrades and construction work for environmental measures (construction work to prevent mine pollution and hazards to prepare for increasingly severe natural disasters, tailings dam reinforcement work in preparation for a major earthquake, measures to deal with the source of pit and waste water, upgrading of obsolete equipment, and so on) • Digitalization of management tasks for closed mines • Cultivating the development of closed mine workers • Developing technologies related to the management of closed mines
Preserving biodiversity (company-owned forests, areas around mines)	• Obtaining SGEC forest certification for company-owned forests and promoting sustainable forest management • Confirming that biodiversity has been factored into mines in which we invest, and carrying out preservation activities at business sites located adjacent to national parks

Key expectation and request	Group response
Respecting human rights throughout the supply chain	• Rolling out multi-layered initiatives with the goal of ensuring the effectiveness of the Mitsubishi Materials Group's Human Rights Policy, Procurement Policy, etc. in the supply chain including the Group, such as awareness-raising activities, due diligence, and ensuring that corrective measures are taken • Sustainability Investment & Loan Standards and loan standard in the Mineral Resources Business, and engaging in dialogue with local communities where the Company has invested in mines where its interests are over and above a certain scale • Maintaining responsible mineral procurement certifications (gold, silver, tin, copper, lead and tungsten)
Quality control	• Continued implementation of preventive measures regarding quality issues • Days to reflect on quality and prevent quality issues from being forgotten • Developing mechanisms that avoid producing non-standard goods through "Proactive quality management"
Creating safe, healthful working environments	• Activities to raise awareness of SCQDE (prioritizing safety and health in every action) • Continuing the Zero Occupational Accident Project • Thorough efforts to make equipment safe (engineering measures) through risk assessments (RA) • Strengthening health and safety education • Raising employees' awareness of health • Strengthening safety and health systems • Ensuring the safety of employees of operating support providers (partner companies) • Preventing fire, explosion, and other accidents
Talent development	• Activating employee communication • Development and continual improvement of an education and training system • Developing next-generation business leaders
Promoting greater roles for diverse talents	• Promoting Diversity, Equity and Inclusion • Practicing health and productivity management
Strengthening information security	• Improving and expanding the information infrastructure • Expanding effective measures to defend against attacks aimed at vulnerabilities that are already known by attackers • Reducing the risks of new threats, including targeted attacks • Monitoring vulnerability and threats by the security operations center (SOC), and promptly handling incidents by establishing a computer security incident response team (CSIRT)
The evolution of governance	• Group governance enhancement (communication, compliance framework and awareness, allocation of resources) • Building a new risk management system that enhances effectiveness and certainty • Enhanced Board Performance, Responses based on the Corporate Governance Code

Dialogue with Shareholders

Our Ordinary General Meeting of Shareholders offers an invaluable opportunity for direct communication between our management members and shareholders. We therefore strive to send out materials relevant to the meeting at the earliest possible date, while also providing the materials on our website well in advance of statutory deadlines, to give shareholders sufficient time to consider the matters to be presented and resolved at the meeting. In addition, we are striving to enhance the disclosure of information in materials for the General Meeting of Shareholders.
Besides permitting shareholders to exercise their voting rights in writing or online, we have introduced an electronic voting platform to facilitate voting by both domestic and international institutional investors. We use slides at the General Meeting of Shareholders to help ensure participants' clear comprehension of the presented contents. We also publish shareholders' voting results for every resolution on the Website, after the meeting. Further, to enhance convenience for our shareholders, we hold a hybrid virtual General Meeting of Shareholders, which is livestreamed online. A recording of the meeting is made available on the Company's website for a limited period.

Distribution of Shareholders



Dialogue with Shareholders & Investors

We actively engage in constructive dialogue with shareholders and investors, led by the CEO and CFO, to achieve sustainable growth and enhance corporate value over the medium- to long-term, our Investor Relations Department facilitates the sharing of internal information and maintains a system delivering feedback and insights gained from these dialogues to the management team. For institutional investors, we hold quarterly earnings briefings focused on financial results and performance forecasts, and actively host IR events to deepen their understanding of our products and strategies. Through these activities, we strive to foster a better understanding of the Group and enrich our dialogue with stakeholders.



IR and SR Activities in FYE March 2026

The IR Department regularly reports the content of dialogues with analysts, shareholders, and investors to the CEO and CFO. As a part of its IR activities, the department provides feedback to the Strategic Management Committee and the Board of Directors regarding capital market evaluations and areas of interest on a quarterly basis. Furthermore, management and the IR Department collaborate to enhance IR activities—such as improving and expanding IR events and disclosure materials—by incorporating insights gained from these dialogues.
Key areas of interest among analysts and institutional investors for the fiscal year ended March 31, 2026, are as follows:

- Background and internal discussions regarding the review and formulation of the Medium- term Management Strategy
- Growth strategy centered on resource circulation business and associated competitive advantages
- Progress of fundamental structural reforms and the path toward improved profitability
- Shareholder return policy, including dividends and share buybacks
- Perception of the external environment—considering geopolitical risks and market fluctuations—and trends in underlying earnings capacity

Dialogue Results (FYE March 2026)

Item	No.
Financial Results Briefing (quarterly)	4
Medium-term Management Strategy Progress Briefing	1
Medium-term Management Strategy Briefing	1
Business Strategy IR Meeting	1
Sustainability Meeting	1
CEO/CFO small meeting	4
Outside Director small meeting	2

Item	No.
Plant tour for institutional investors in Japan	1
Individual meetings with domestic institutional investors and analysts	217
Engagement with shareholders in Japan	14
Individual meetings with overseas institutional investors	9
Participation in overseas investment conference	1
Investment meetings for individual investors	2

Distribution of Economic Value to Stakeholders

Striving to Adequately Distribute Economic Value

As we continue to earn operating revenue and generate economic value added thanks to the involvement of our diverse range of stakeholders, we believe that it is important to fulfill our social responsibilities and adequately distribute that added value among our stakeholders.

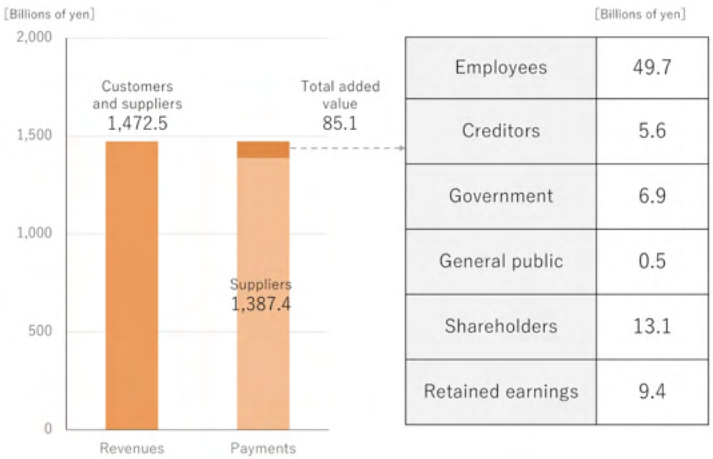
Economic Value Added in FYE March 2026

Revenue for Mitsubishi Materials in the fiscal year ended 2026 came to ￥1,472.5 billion. That included proceeds from the sale of products and services, dividends and other forms of non-operating income, and extraordinary income. Operating costs, which consist primarily of payments to suppliers, totaled ￥1,387.4 billion. After subtracting operating costs from our total revenue, the amount of added value generated through our business activities came to ￥85.1 billion.

Distribution of Added Value

Personnel costs, which include statutory welfare expenses and retirement benefit costs contributions and represent the portion of revenue distributed to our employees, came to ¥49.7 billion.
In the meantime, we distributed a total of ¥5.6 billion to financial institutions and other creditors, in the form of interest on borrowings. We distribute value to society and local communities through the government and through our own social contribution activities. We paid ¥6.9 billion to the government this year, as the combined total of corporate income tax plus other taxes and public charges liable as expenses. We also gave ¥0.5 billion back to the community in the form of social contribution activities, including donations, lending our facilities to the public, and providing employees' services, in the three fields of the promotion of local environmental protection and conservation activities, supporting next-generation education and diversity and inclusion, and coexistence with local communities under our Community Contribution Activity Policy.
Cash dividends, which represent the value that we distribute to our shareholders (companies and individuals, in Japan and overseas), came to a total of ¥13.1 billion. Retained earnings to cover investment and contingencies for the future meanwhile decreased ¥9.4 billion.

Economic Added Value



Category	Stakeholder	Amount (millions of yen)	Details/method of calculation
Revenues	Customers and suppliers	1,472,504	Net sales, non-operating income, extraordinary income
Payments	Suppliers	1,387,362	Operating costs (cost of sales and selling, general and administrative costs, minus deductions for personnel costs, tax and public charges, and donations)
	Employees	49,683	Personnel costs (including statutory welfare expenses and retirement benefit expenses)
	Creditors	5,599	Interest expense
	Government	6,896	Taxes (corporate income tax, and other taxes and public charges liable as expenses)
	General public	514	Donations, etc.*
	Shareholders	13,084	Cash dividends paid
	Retained earnings	9,365	Net income minus cash dividends paid

* Amounts less than ¥0.1 billion are rounded.
* Calculated based on the value of items such as donated goods, public lending of our facilities and the provision of employees' services as well as cash donations, as specified by Nippon Keidanren.

Contributing to Local Communities as part of our Overseas Operations

Whenever we engage in business activities overseas, we make every effort to understand conditions in each country and the national identity of its people, placing an emphasis on engaging in activities as a member of the local community. In addition, we re-invest revenue earned from our overseas operations back into the local community wherever possible, in order to continue growing our business and contribute to the sustainable development of the local area.

Pension Contributions

Obligations relating to unfunded lump-sum severance payment plans and funded defined benefit pension plans totaled ￥23.2 billion and ￥31.7 billion respectively. ￥75.5 billion of this total was paid out in the form of pension assets to outside funds (coverage: 137.5%). In addition, ￥-1.2 billion was recorded as a prepaid pension costs, with the remaining amount of ￥-19.4 billion classed as unrecognized benefit obligations. We plan to amortize all unrecognized benefit obligations over the next ten years. Unrecognized retirement benefit liabilities are mainly posted as expenses based on the straight-line method for a 10-year period.

Financial Assistance from the Government

We received the amount of ￥0.1 billion in grants, subsidies and other financial assistance from the government. The government does not hold shares in Mitsubishi Materials or any of our Group companies.

Third-Party Assurance

Third-party assurance of environmental and social data

To ensure accuracy and transparency of environmental and social data, the Mitsubishi Materials Group received third-party assurance from a third-party institution in accordance with the International Standard on Assurance Engagements ISAE3000 and ISEA 3410.

Independent Assurance Statement PDF (3,331KB)

Membership in External Organizations

Status of Participation in Initiatives

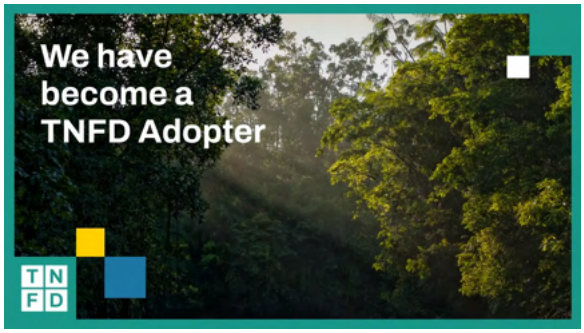
Climate-related Financial Disclosure Task Force and TCFD Consortium

The TCFD Consortium is made up of companies and financial institutions that support the recommendations of the Task Force on Climate-related Financial Disclosures established by the Financial Stability Board and also endorse the recommendations of the Task Force. Our Company has been a participant since March 2020.

(Click to check TCFD official website)

TNFD Adopter

TNFD Adopters are companies and organizations that have expressed their intention to provide financial disclosures in accordance with the TNFD recommendations and registered on the TNFD website. We have been a TNFD Adopter since October 2025.



(Click to check TNFD official website)

30by30 Alliance for Biodiversity

The 30by30 Alliance for Biodiversity is a voluntary alliance established to achieve the Nature Positive international target of halting and reversing biodiversity loss by 2030. In addition to expanding protected areas such as national parks, Japan has set aside areas that contribute to biodiversity conservation, such as corporate forests outside protected areas, as OECMs (Other Effective Area-based Conservation Measures). The Company was registered as a participating company in April 2022.

(Click to check related information)

* This information is available only in Japanese on the website.

Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment

“Nationally Certified Sustainably Managed Natural Sites” are areas where biodiversity is being conserved through the efforts of the private sector, etc., and are certified by the national government.
The certified areas are registered in the international database as “OECM (Other Effective Area-based Conservation Measures)”, excluding overlaps with protected areas. “Teine Forest, one of the Materials’ Forests”, a company-owned forest, was certified in October 2023.

(Click to check Ministry of the Environment official website)

* This information is available only in Japanese on the website.

Keidanren Committee on Nature Conservation

The organization was established in 1992, when the Earth Summit (UN Conference on Environment and Development) in Rio de Janeiro was held, to put the ideas of the Keidanren Global Environmental Charter into practice in the field of nature conservation. Through the Keidanren Nature Conservation Fund, the Company supports NGO nature conservation projects, interacts with NGOs, raises awareness, provides information, and disseminates updates to companies and engages in various activities, including making proposals on international biodiversity targets and domestic policies.

(Click to check Keidanren Committee on Nature Conservation official website)

Keidanren Initiative for Biodiversity Conservation

Keidanren (Japan Business Federation) has formulated the “Keidanren Declaration for Biodiversity and Guideline,” which sets out the roles that companies should play and guidelines for action toward realizing a society in harmony with nature.
Recognizing that our Group benefits from natural resources such as minerals and water resources in its business activities, and that we are promoting activities that contribute to the realization of a nature-positive society, we endorse the “Keidanren Initiative for Biodiversity Conservation,” promoted by Keidanren.

(Click to check related information)

Circular Partners

Circular Partners (CPs), a partnership established under the initiative of Japan’s Ministry of Economy, Trade and Industry, brings together a diverse range of stakeholders, including companies, local governments and universities. It promotes the sharing of challenges related to resource circulation, the development of a common vision for the future, and initiatives aimed at practical implementation in society. Within this framework, Mitsubishi Materials participates in the Working Group for the Development of a Circular Economy Information-Sharing Platform, where it contributes to discussions on developing and utilizing an information-sharing infrastructure to improve the visibility of product and material information and actual resource circulation flows.

(Click to check related information)

* This information is available only in Japanese on the website.

Japan Partnership for Circular Economy

The Circular Economy Partnership is an organization established to strengthen public-private collaboration, spearheaded by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Japan Business Federation (Keidanren). Its purpose is to foster greater understanding of the circular economy and promote initiatives among a wide range of stakeholders, including domestic companies, as the global shift toward a circular economy accelerates. Through the Circular Resource Partnership, our company disseminates circular economy case studies and gathers the latest information to provide feedback on internal technologies and initiatives, accelerating the creation and societal implementation of new circular businesses.

(Click to check related information)

United Nations Global Compact

It is a voluntary initiative in which each company and organization acts as a good member of society by exercising responsible and creative leadership and participates in the creation of a global framework for sustainable growth. The Company signed the United Nations Global Compact and was registered as a participating company as of March 22, 2022. In addition, it has joined the Global Compact Network Japan, the UNGC's local network in Japan.

(Click to check related information)

METI's GX Future League Basic Concept

Guidelines established as a forum for discussion of the transformation of the entire economic and social system as a whole and for the creation of new markets, together with government, universities, public research institutions, financial institutions, and other players taking up the challenge of GX as a single entity. Our Company has endorsed this program (as the former GX League since April 2022).

> GX Future League

(Click to check GX Future Consortium official website)

* This information is available only in Japanese on the website.

KEIDANREN "Challenge Zero"

This is a new initiative in which Nippon Keidanren (Japan Business Federation), in cooperation with the Japanese government, will strongly promote and encourage innovative actions by companies and organizations in Japan and abroad toward the realization of a "decarbonized society," which is the long-term goal of the Paris Agreement, an international framework to combat climate change. Our Company has been participating in this initiative since June 2020.

> KEIDANREN "Challenge Zero"

(Click to check KEIDANREN "Challenge Zero" official website)

G20 EMPOWER

A private sector alliance to increase the number of women who play a vital role in the economic and business fields and achieve their empowerment. It is an organization agreed at the G20 Osaka Summit in 2019 and launched in earnest in 2020.

(Click to check G20 EMPOWER official website)

Partnership Building Declaration

This is a declaration in the name of the representative of the Company that the company agrees with the purpose of the "Conference on Promoting Partnership Building for the Future," whose members include the Chairman of Keidanren, the President of Japan Chamber of Commerce and Industry, the President of Japanese Trade Union Confederation, and relevant ministers, and that the Company will build new partnerships by promoting cooperation, coexistence and co-prosperity with supply chain business partners and value-creating businesses.



(Click to check Partnership Building Declaration)

* This information is available only in Japanese on the website.

Business for Marriage Equality

A campaign jointly run by the Public Interest Association of Marriage For All Japan - Freedom Of Marriage For All, the Lawyers for LGBT & Allies Network, and the NPO Nijiiro Diversity, to make visible companies that support marriage equality (legislation of same-sex marriage) in Japan.



(Click to check Business for Marriage Equality official website)

* This information is available only in Japanese on the website.

External Evaluations

Status of Indexes External ESG Evaluations

Status of Indexes

MSCI Nihonkabu ESG Select Leaders Index

The index is composed of companies that excel in ESG evaluations, with a target of 50% of stocks in the Global Industry Classification Standard (GICS®) industry classification, which are selected from the MSCI Nihonkabu IMI Index components. Our Company has been selected as a component of the index since December 2023.

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

(Click to check related information)

MSCI Japan ESG Select Leaders Index

An index of companies that are carrying out outstanding ESG activities, which are selected from the MSCI Japan IMI Index. Our Company has been selected as a component of the index since July 2017.

2026 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

(Click to check related information)

MSCI Japan Empowering Women Index ("WIN")

An index of companies that are more gender diversified than others in their industries, which are selected from an index of the top 500 Japanese stocks by market capitalization. Our Company has been selected as a component of the index since November 2025.

2026 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

(Click to check related information)

* The Government Pension Investment Fund (GPIF), which manages and operates employee pension and national pension deposits, links its operations to ESG indexes of Japanese stocks in order to make investments that consider Environment, Social and Governance (ESG) factors.
  The MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index ("WIN") have both been selected as ESG indexes by the GPIF.
* THE INCLUSION OF MITSUBISHI MATERIALS CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF MITSUBISHI MATERIALS CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE4Good Index Series

An index created by FTSE Russell, a global index provider, with an index composed of companies with transparent ESG performance. Our Company has been selected as a component of the index since June 2024.

(Click to check related information)

FTSE JPX Blossom Japan Index

An index that reflects the performance of Japanese companies with high ESG ratings. Our Company has been selected as a component of the index since June 2024. To promote the transition to a low-carbon economy, companies with particularly high greenhouse gas emissions are included only if their improvement efforts are positively evaluated using the TPI Management Quality Score. In addition, the Index has been adopted as an ESG passive management benchmark for the Government Pension Investment Fund (GPIF).

(Click to check related information)

* FTSE Russell confirms that Mitsubishi Materials Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE JPX Blossom Japan Sector Relative Index

An index created by FTSE Russell that reflects the performance of Japanese companies demonstrating outstanding ESG practices in their respective sectors and is designed to be sector neutral. Our Company has been selected as a component of the index since March 2022.

(Click to check related information)

* FTSE Russell confirms that Mitsubishi Materials Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Sompo Sustainability index

Every year, approximately 300 companies with excellent environmental, social, and governance (ESG) practices are selected as constituents of the index by SOMPO Asset Management Co., Ltd. Our Company has been a constituent since June 2023.



S&P/JPX Carbon Efficient Index

An index built by S&P Dow Jones Indices based on carbon emission data. The weights of constituent stocks are determined according to the information disclosure status regarding carbon emissions per sales and GHG (greenhouse gas) emissions in each industry group of the Global Industry Classification Standard (GICS®).



(Click to check related information)

Morningstar Japan ex-REIT Gender Diversity Tilt Index(GenDi J)

The Morningstar Japan ex-REIT Gender Diversity Tilt Index is a gender diversity index launched in March 2023 by the Government Pension Investment Fund. Each component is classified into five groups according to the status of its initiatives, and the weight of each component is determined by a coefficient set for each group. Our Company has been selected as 1 since December 2025.

> Morningstar Home Page
(Click to check related information)



(Click to check related information)

* Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, “Morningstar”) has authorized Mitsubishi Materials Corporation to use of the Morningstar® Japan ex-REIT Gender Diversity Tilt Index Logo (“Logo”) to reflect the fact that, for the designated ranking period, Mitsubishi Materials Corporation ranks within the top group of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index (“Index”) on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Mitsubishi Materials Corporation solely for informational purposes. Mitsubishi Materials Corporation’s use of the Logo should not be construed as an endorsement by Morningstar of Mitsubishi Materials Corporation or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Mitsubishi Materials Corporation. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party’s use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

External ESG Evaluations

CDP

CDP is a non-profit organization based in London, UK, and operates an international framework project that requires top market capitalization companies to disclose their strategies and data on “Climate Change” and “Water Security,” in collaboration with institutional investors. On an 8-level scale ranging from A to D-, we were included in the CDP 2025 Climate Change “A List,” the highest rating for the second consecutive year, and received an “A-” in the CDP 2025 Water Security Assessment. We were also awarded the highest rating in the CDP 2025 Supplier Engagement Assessment for the third consecutive year.



(Click to check related information)

The Ministry of the Environment’s ESG Finance Awards Japan: Environmentally Sustainable Company Category

The ESG Finance Awards Japan is an award established by the Ministry of the Environment in 2019 to promote and expand ESG finance. It recognizes and commends advanced initiatives taken by institutional investors, financial institutions, intermediaries, companies, and other organizations that have made an impact on society by actively engaging in ESG finance or environmental and social activities.
The Environmentally Sustainable Company Category is designed to show investors and companies specific examples of companies that incorporate responses to key environmental opportunities and risks into their management strategies, thereby producing positive environmental impacts while increasing corporate value.
In February 2026, the Company received the Bronze Prize in the Environmentally Sustainable Company Category of the 7th ESG Finance Awards Japan (fiscal year ended March 2026).
The Company has applied for this award since the 4th ESG Finance Awards Japan (fiscal year ended March 2023) and has been continuously selected as an "Environmentally Sustainable Company" for four consecutive years as a company that meets certain standards in terms of disclosure.



(Click to check the Ministry of the Environment official website)

* This information is available only in Japanese on the website.

KENKO Investment for Health Stock

The KENKO Investment for Health program, jointly implemented by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, is an award system that selects listed companies that strategically practice health and productivity management by considering the health management of their employees from a management perspective. Selection is based on one company per industry, in principle, from the top 500 listed companies applying for the Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category "White 500").
Since March 2025, our company has been selected as a KENKO Investment for Health Stock for the second consecutive year.



(Click to check the Ministry of Economy, Trade and Industry official website)

Outstanding Organizations of KENKO Investment for Health

The Recognition Program for the Outstanding Organizations of KENKO Investment for Health is an initiative promoted by the Ministry of Economy, Trade, and Industry aimed at fostering the spread of health management.
We have been accredited by the Japan Health Council as an Outstanding Organization of KENKO Investment for Health (Large Enterprise Category) for five consecutive years since March 2022. Furthermore, we have been recognized as an Outstanding Organization of KENKO Investment for Health (Large Enterprise Category) “White 500” for three consecutive years since March 2024.



(Click to check the Ministry of Economy, Trade and Industry official website)

Outstanding Company for Cancer Control Promotion

The Cancer Control Promotion Corporate Collaboration Project (Cancer Control Promotion Company Action) is an initiative promoted by the Ministry of Health, Labour and Welfare with the aim of fostering a social momentum to positively address cancer by promoting the rate of cancer screening in workplaces through corporate collaboration.
Since March 2025, we have been recognized as an "Outstanding Company for Cancer Control Promotion" for two consecutive years.



(Click to check the Ministry of Health, Labour and Welfare official website)

* This information is available only in Japanese on the website.

Human Capital Management Quality

The Human Capital Survey examines the status of initiatives undertaken by companies and organizations related to human capital management and human capital disclosure. Based on responses submitted by participating companies, the survey conducts quantitative analysis, and companies recognized as demonstrating a high level of implementation are honored.
The survey is jointly conducted by the HR Technology Consortium, HR Research Institute (ProFuture Inc.), and the Association to Confirm the Human Investment Value for Enterprise.
Our Company was selected for "Human Capital Management Quality 2025" in the "Human Capital Survey 2025."



(Click to check Human Capital Survey official website)

* This information is available only in Japanese on the website.

PRIDE INDEX

The PRIDE INDEX is an evaluation index of corporate engagement with LGBTQ+ and other sexual minorities, established by a voluntary organization "work with Pride" in 2016. Our company received a "Bronze" award in November 2022, a "Silver" award in November 2023, and a "Gold" award for two consecutive years since November 2024.

(Click to check work with Pride official website)

* This information is available only in Japanese on the website.

Kurumin

Certification as a childcare support company is granted by the Minister of Health, Labor and Welfare to companies that have achieved their targets and met certain criteria for the General Employer Action Plan for balancing work and childcare for workers, which was formulated in accordance with the Law on Measures to Support the Development of the Next Generation. Our Company has been accredited since October 2015.

(Click to the Ministry of Health, Labor and Welfare official website)

* This information is available only in Japanese on the website.

Eruboshi

Under the Law on the Promotion of Women's Activities, companies that have developed and submitted a general employer action plan and meet certain criteria can be accredited by the Minister of Health, Labor and Welfare. Our Company has been accredited since May 2016.

(Click to check the Ministry of Health, Labor and Welfare official website)

* This information is available only in Japanese on the website.

Sports Yell Company

This certification program was established by the Japan Sports Agency with the aim of improving the rate of business people taking part in sports, as well as enhancing the social reputation of companies that consider and strategically address employee health management. Our Company has been certified for four consecutive years since February 2023.

(Click to check the Japan Sports Agency official website)

DX-certified operators

Based on the Law on the Promotion of Information Processing, this is a system under which the government certifies operators that are ready to promote DX and comply with the basic requirements of the Digital Governance Code set out by the Ministry of Economy, Trade and Industry. Our Company has been accredited since January 2022.

(Click to check related information)

* This information is available only in Japanese on the website.

Noteworthy DX Companies 2026

This system selects and introduces companies listed on the Tokyo Stock Exchange that have established in-house mechanisms to promote DX that lead to increased corporate value and have achieved excellent results in the use of digital technology. Our Company has been continuously selected for four consecutive years since June 2023.

(Click to check the Ministry of Economy, Trade and Industry official website)

Healthy Company Declaration Gold Certification

A system in which a company is certified as an Excellent Health Company by health company declaration Tokyo promotion meeting, when the Company has made a declaration to work on health promotion on a Company-wide basis and has achieved a certain level of success. Entrant companies will apply to the Silver Certification (Step 1), and the certified companies can apply to the Gold Certification (Step 2). Our Company has been certified for the Gold Certification for three consecutive years since September 2023.

健康優良企業

(Click to check Tokyo Promotion Council for the National Federation of Health Insurance Societies)

* This information is available only in Japanese on the website.

Tokyo Sports Promotion Company

The Tokyo Metropolitan Government certifies companies that promote sports activities for employees and engage in supporting sports as “Tokyo Sports Promotion Company” every year. Our Company has been certified since December 2023.



(Click to check Sports Tokyo Information website)

* This information is available only in Japanese on the website.

Editorial Policy

Editorial Policy

This report provides an easily understandable and comprehensive overview of the Mitsubishi Materials Group's ("the Group") approaches, initiatives, results, issues, and current direction with regard to sustainable management for stakeholders and other interested parties. It is also intended to elicit opinions and help us continuously improve the standard of our activities. This report is produced by referencing the Global Reporting Initiative (GRI) "GRI Standards," the international standard for sustainability reporting. From the fiscal year ended March 2021, this report is published only on the website and electronically (PDF).

Boundary

Qualitative data: Including Group companies, with Mitsubishi Materials Corporation playing a central role.
Quantitative data: Data on Group companies is as follows.

- Greenhouse gas emissions (Scope1,2 and 3) include Mitsubishi Materials Corporation and 77 consolidated subsidiaries.
- Other environmental data is for major Mitsubishi Materials Corporation and 46 consolidated subsidiaries with manufacturing facilities
- Education performance data refers to Mitsubishi Materials Corporation and the main companies subject to Compliance/Risk Management activities (78 companies)
- Safety data relates to Mitsubishi Materials Corporation and 29 major consolidated subsidiaries
- Social contribution activities results refer to the main companies subject to Compliance/Risk management activities (103 companies)

Apart from the above, figures relate to Mitsubishi Materials on a non-consolidated basis

* For the purposes of this report, the terms "Mitsubishi Materials" and "the Company" refer to Mitsubishi Materials on a non-consolidated basis.

Key Changes to Organizations Subject to Reporting

From the fiscal year ended March 2026, the following have been partially excluded from consolidation.

- Materials Eco-Refining Co., Ltd.
- Qingdao Ecobrass Co.,Ltd.
- MMC Electronics (Hong Kong) Ltd.
- Zhejiang TMTEC Trading Corporations

In addition, the following have been added to consolidation.

- UFP S.R.L.

Period

The fiscal year ended March 2026 (April 1, 2025 – March 31, 2026)

* This report may also include information from April 2026 onwards, in an effort to provide the most up-to-date information on the Group.

Date of Publication

September 2026 (previous：September 2025)

Guidelines

- Global Reporting Initiative (GRI) "GRI Standards" (In accordance with)
- GRI Sustainability Reporting Guidelines Sector Disclosures (Mining and Metals)
- Task Force on Climate-related Financial Disclosures Recommendations
- Taskforce on Nature-related Financial Disclosures

Principal Reporting Tools

We systematically disclose information on the Group, mainly via the following reporting tools.

Related information:

› GRI Content Index

Name	Summary
Sustainability report	It is a comprehensive report of the plans, objectives, initiatives, results, and detailed data related to the Mitsubishi Materials Group's sustainability sector's management and material issues.
Integrated Report	We produce an annual report containing information about the business direction of the MMC Group, such as financial, management and general business information. Its content is reported in an integrated manner, focusing on both financial and non-financial aspects.
Website and Sustainability site	This section features content that supplements the reporting tools above, including Sustainability data, previously reported information, and reports on other activities.

The Process of Compiling

We place great importance on the process of compiling this report. The process is designed with the aim of improving transparency and reliability as a company, in the interests of accountability (with regard to external parties), and tying in with promoting the Group's sustainable management.

- **Improving Transparency and Reliability**
  The seven material issues that we have assessed, validated and identified from the dual perspectives of the impacts of the Group's business activities on the environment and society (impact materiality) and the financial impacts of environmental and social issues on the Group (financial materiality) serve as the fundamental framework for our sustainability activities and reporting. As the environment is constantly changing around us, not least in terms of stakeholder trends, we review our material issues on a regular basis. We also keep a close eye on matters of interest to our stakeholders, their expectations and business conditions, so that we can check and adjust the contents of our reports in precise detail. To keep track of matters of interest to our stakeholders, their expectations and other related trends, we gather information from individual departments, based on sources such as questionnaires from ESG investors, responses to reader questionnaires, and intensive internal interviews prior to the compilation of the current report. We hold Stakeholder Meetings to discuss topics of particular importance. Meetings also help to establish a clear understanding of social issues, from various different angles, and to examine details of Group initiatives.
  We also obtain an "independent assurance," to assist in comprehensively evaluating the contents of our reported figures against international requirements in an effort to improve transparency and reliability.
- **Promoting Sustainability Activities Based on Communication**
  We make the most of communication activities, as part of the process of compiling this report, to improve our ability to promote sustainability activities, by establishing a shared understanding and raising awareness of changes in the external environment for example. We conduct hearings with the relevant head office corporate functions and business divisions as needed, and not only coordinate the reporting, but also exchange opinions and share information about matters of interest or concern to stakeholders, issues for the future, and the direction of our activities. Asking relevant departments to produce articles for this report, and then exchanging opinions regarding the draft report once it has been compiled, enables departments to review their sustainability activities from an external perspective and helps to develop a shared understanding of their strategic significance.

Sustainability Data

Environment Social Governance

Environment

Boundary： Greenhouse gas emissions (Scope1,2 and 3) include Mitsubishi Materials Corporation and 77 consolidated subsidiaries.
Other environmental data is for Mitsubishi Materials Corporation and major 46 consolidated subsidiaries with manufacturing facilities
Period： April to March in each year

- The boudary for the fiscal year ended March 2026 cosists of our Group companies as of March 31, 2026.
- For boundaries before the fiscal year ended March 2025, please refer to the sustainability reports for each fiscal year in the Report Library (Archives) .

Data for the fiscal year ended March 2025 that is marked with ★ has been assured by a third party.

Raw material

Data items	Unit	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated	2025.4-2026.3 consolidated
★Raw material input	kilotons	4,081	3,816	2,452	2,404
(Waste)	kilotons	227	210	203	194
(Byproducts)	kilotons	329	311	310	322
(Natural resources)	kilotons	3,344	3,166	1,810	1,758
(Processed items and components)	kilotons	181	129	129	130
★Percentage of recycled raw materials used	kilotons	13.6	13.7	20.9	21.5

Energy

Data items	Unit	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated	2025.4-2026.3 consolidated
★Energy input	TJ	29,400	20,474	15,171	15,251
Energy input (purchased electricity)	GWh	1,997	1,582	1,200	1,197
Energy input (fuel: crude oil equivalent)	megaliters	232	170	120	123
Non-renewable energy input (purchased electricity)	GWh	1,945	1,367	1,060	1,050

Water

Data items	Unit	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated	2025.4-2026.3 consolidated
★Total water intake (including brackish surface water/seawater)	thousand m^3	356,048	309,927	219,731	222,500
(Fresh surface water (including rainwater, wetland water, rivers and lakes))	thousand m^3	7,506	7,250	9,016	9,155
(Brackish surface water/Seawater)	thousand m^3	311,712	267,765	178,320	180,724
(Groundwater (renewable))	thousand m^3	777	450	550	577
(Groundwater (non-renewable potential))	thousand m^3	N/A	N/A	N/A	N/A

Data items	Unit	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated	2025.4-2026.3 consolidated
(Associated/Incidental water)	thousand m^3	N/A	N/A	N/A	N/A
(Third-party water source)	thousand m^3	36,052	34,462	31,845	32,043
★Total water discharged (including discharged into the sea)	thousand m^3	349,261	305,252	216,928	218,884
(Fresh surface water)	thousand m^3	24,028	23,840	25,551	25,263
(Brackish surface water/Seawater)	thousand m^3	323,010	279,725	189,810	192,018
(Groundwater)	thousand m^3	N/A	N/A	N/A	N/A
(Third-party dischargers)	thousand m^3	2,223	1,687	1,567	1,603
★Total water consumption	thousand m^3	6,786	4,675	2,803	3,676
★BOD	t	283	192	177	199
★COD	t	316	276	305	296
★Nitrogen	t	287	216	226	238
Phosphorus	t	6	6	7	6

Emissions

Data items	Unit	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated	2025.4-2026.3 consolidated
★Scope1,2 total emissions (CO_2 equivalent)	kilotons	1,916	1,671	1,111	1,056
(Derived from energy source)	kilotons	1,592	1,168	587	533
(Derived from processes)	kilotons	1	134	102	103
(Derived from waste*)	kilotons	285	369	422	420
(Other)	kilotons	38			
★Scope1 emissions (CO_2 equivalent)	kilotons	919	962	787	780
★Scope2 emissions	kilotons	997	709	324	276
★Scope3 emissions (CO_2 equivalent)	kilotons	11,972	10,734	8,973	9,818
(Category 1. Purchased goods and services)	kilotons	3,995	3,323	2,185	2,505
(Category 2. Capital goods)	kilotons	284	305	203	199
(Category 3. Fuel and energy-related activities not included in Scopes 1 and 2)	kilotons	229	162	130	118
(Category 4. Upstream Transportation and Distribution)	kilotons	751	743	548	681
(Category 5. Waste generated from operations)	kilotons	25	22	17	47
(Category 6. Business travel)	kilotons	3	2	2	2
(Category 7. Employee commuting)	kilotons	8	7	7	6
(Category 8. Upstream Leased Assets)	kilotons	N/A	N/A	N/A	N/A
(Category 9. Downstream Transportation and Distribution)	kilotons	183	176	64	62

Data items	Unit	2022.4-2023.3 Consolidated	2023.4-2024.3 Consolidated	2024.4-2025.3 Consolidated	2025.4-2026.3 Consolidated
Number of employees	persons	18,576	18,323	18,452	17,591
(Male)	persons	14,373	14,198	14,219	13,677
(Female)	persons	4,203	4,125	4,233	3,914
Employee Numbers According to Location (Japan)	persons	11,436	11,373	11,151	10,832
Employee Numbers According to Location (North America)	persons	744	760	730	744
Employee Numbers According to Location (Central America)	persons	0	0	84	77
Employee Numbers According to Location (South America)	persons	47	60	56	64
Employee Numbers According to Location (Oceania)	persons	12	12	9	8
Employee Numbers According to Location (Europe)	persons	1,182	1,227	1,825	1,799
Employee Numbers According to Location (East Asia)	persons	754	687	743	726
Employee Numbers According to Location (Southeast Asia)	persons	4,225	4,011	3,661	3,144
Employee Numbers According to Location (Southwest Asia)	persons	176	193	192	197
Percentage of female employees	%	22.6	22.5	22.9	22.3
Percentage of non-full-time employees*	%	8.7	5.5	4.4	4.3

* Calculated based on the input classification in the internal employees data. Part-time and part-time employees are not included.

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Average overtime hours (Union member)	hours	17.8	14.0	13.7	14.2
Percentage of paid leave taken (Union member)	%	87.3	83.9	86.6	85.0

Educational Achievements

Data items	Unit	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	Fiscal Year Ended March 2025	Fiscal Year Ended March 2026
Annual total hours of training (Aggregated, Consolidated)*1,2	hours	198,567	260,891	271,665	263,740
Annual total hours of training (Aggregated, Non-consolidated)*2	hours	118,565	106,630	129,252	124,043
Number of Participants in Compliances Education and Position-specific education Program (Aggregated, Non-consolidated)*1	persons	21,214	49,547	66,768	62,236

*1 Number of Group companies to which employees receiving education and training belonged: 38 in FYE March 2023, 74 in FYE March 2024, 80 in FYE March 2025, and 78 in FYE March 2026. The number of participants in education and training includes non-regular employees as well as regular employees.

*2 In addition to mandatory trainings, the above also include trainings that employees voluntarily take.

Community

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Spending on social contribution (excluding political donations)	millions of yen	405	221	392	514

Spending on environmental preservation

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Investment Amount	millions of yen	13,105	2,844	2,683	2,806
Business area costs	millions of yen	13,019	2,816	2,608	2,770
(Pollution prevention costs)	millions of yen	1,493	2,039	1,992	1,940
(Global environmental conservation costs)	millions of yen	11,495	711	505	664
(Resource recycling costs)	millions of yen	31	66	112	166
Upstream/downstream costs	millions of yen	0	0	0	0
Administration costs	millions of yen	57	0	0	0
R&D costs	millions of yen	25	19	72	17
Social activity costs	millions of yen	0	0	0	0
Environmental remediation costs	millions of yen	5	9	2	19
Expense Amount	millions of yen	6,401	7,260	5,989	7,192
Business area costs	millions of yen	6,012	6,676	5,503	6,836
(Pollution prevention costs)	millions of yen	2,884	2,712	2,837	2,679
(Global environmental conservation costs)	millions of yen	298	301	309	363
(Resource recycling costs)	millions of yen	2,830	3,663	2,357	3,794
Upstream/downstream costs	millions of yen	0	0	0	0
Administration costs	millions of yen	231	230	269	143
R&D costs	millions of yen	53	66	119	100
Social activity costs	millions of yen	0	1	1	1
Environmental remediation costs	millions of yen	104	287	97	113

Other

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Number of environmental law violations	cases	0	0	0	0

Closed mines

Data items	Unit	2022.4-2023.3	2023.4-2024.3	2024.4-2025.3	2025.4-2026.3
Number of closed mines managed by Mitsubishi Materials Group	locations	21	20	20	20
Number of closed mines made publicly acccessible as cultural assets by Mitsubishi Materials Group	locations	4	4	4	3*

* The histric site “Toi Gold Mine” operated by TOI MARINE KANKO Co.,Ltd. was transferred to PROSPER Japan Corporate Growth Support Fund No. 1 Investment Limited Partnership on July 31, 2025, following a business succession to Golden Park Toi Corporation.
* Effective April 1, 2026, the historic site Osarizawa Mine, a tourist facility operated by Golden Sado Co., Ltd., has been accepting groups visiting for educational purposes, including school trips, field trips, university programs, academic conferences, employee training programs, and educational tours.

Social

Boundary： Mitsubishi Materials Corporation and 99 consolidated subsidiaries
Education performance data refers to Mitsubishi Materials Corporation and the main companies subject to Compliance/Risk Management activities (78 companies)
Safety data relates to Mitsubishi Materials Corporation and 29 major consolidated subsidiaries
Social contribution activities results refer to the main companies subject to Compliance/Risk management activities (103 companies)
Period： As of the end of March of each year, April to March of the following year or January to December of each year

FYE March 2026 data items with ★ are those for which assurance is provided.

Employment Status

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Number of employees	persons	5,450	5,408	5,315	5,084
(Male)	persons	4,734	4,582	4,499	4,284
(Female)	persons	716	826	816	800
Percentage of female employees	%	13.1	15.3	15.4	15.7
Percentage of employees holding rights of collective bargaining	%	73.7	74.0	73.8	75.6
Average duration of service	years	17.8	18.2	18.5	19.0
(Male)	years	18.4	18.7	18.9	19.7
(Female)	years	14.1	14.0	15.9	15.0
Average age (Union member)	years	42.2	42.6	43.2	43.0
★Percentage of employees with disabilities	%	2.3	2.5	2.9	3.0
Percentage of women in management positions*1	%	2.5	3.2	3.9	4.7
Differences in pay between men and women*2	%	61.8	60.1	63.8	65.4
(Permanent workers)	%	65.3	62.8	66.3	67.5
(Part-time and fixed-term workers)	%	50.3	56.8	57.2	63.3

*1 As of April 1, 2026, the percentage of women in management positions was 4.6%★.

*2 Calculations are based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Although there is a difference in wages between men and women due to the difference in the ratio of management positions, there is no difference in the wage system or structure between men and women.
In addition, the wage difference between men and women when compared among regular employees divided into management positions and union members is 84.6% for management positions and 83.3% for union members.

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Total number of recruits	persons	243	288	248	180
(Male)	persons	199	224	182	136
(Female)	persons	44	64	66	44
(Total number of new graduates)	persons	167	171	124	135
(Male)	persons	131	125	87	103
(Female)	persons	36	46	37	32
(Total number of experienced persons)	persons	76	117	124	45
(Male)	persons	68	99	95	33
(Female)	persons	6	18	29	12
Number of employees taking maternity leave	persons	16	17	27	28
Number of employees taking caregiving leave	persons	2	4	0	7
(Male)	persons	0	2	0	6
(Female)	persons	2	2	0	1
★Number of employees taking childcare leave	persons	103	99	125	126
(Male)	persons	84	83	105	97
(Female)	persons	19	16	20	29
Percentage of employees who returned to work after childcare leave	%	100	100	100	100
Employee turnover*1,2	%	2.9	3.1	3.3	3.0
Percentage of employees who left the company for their own reasons	%	2.5	3.0	2.9	2.5
(Male)	%	2.5	2.8	2.9	2.5
(Female)	%	2.2	4.1	2.7	2.5
(By age：50 years and over)	%	1.0	1.4	1.1	1.2
(By age：30-49 years)	%	2.2	2.9	2.9	2.5
(By age：Under 30 years)	%	5.6	5.6	6.4	5.1
Engagement survey (percentage of positive responses to all questions).	%	71	73	75	74.4

*1 Number of regular employees who left the Company during the fiscal year (due to mandatory retirement, expiration of the absence period, or voluntary resignation) / Number of regular employees at the end of the fiscal year.

*2 Since April 2021, the mandatory retirement age has been raised from 60 to 65.

Data items	Unit	2022.4-2023.3 Consolidated	2023.4-2024.3 Consolidated	2024.4-2025.3 Consolidated	2025.4-2026.3 Consolidated
Number of employees	persons	18,576	18,323	18,452	17,591
(Male)	persons	14,373	14,198	14,219	13,677
(Female)	persons	4,203	4,125	4,233	3,914
Employee Numbers According to Location (Japan)	persons	11,436	11,373	11,151	10,832
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Employee Numbers According to Location (Southeast Asia)	persons	4,225	4,011	3,661	3,144
Employee Numbers According to Location (Southwest Asia)	persons	176	193	192	197
Percentage of female employees	%	22.6	22.5	22.9	22.3
Percentage of non-full-time employees*	%	8.7	5.5	4.4	4.3

* Calculated based on the input classification in the internal employees data. Part-time and part-time employees are not included.

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Average overtime hours (Union member)	hours	17.8	14.0	13.7	14.2
Percentage of paid leave taken (Union member)	%	87.3	83.9	86.6	85.0

Educational Achievements

Data items	Unit	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	Fiscal Year Ended March 2025	Fiscal Year Ended March 2026
Annual total hours of training (Aggregated, Consolidated)*1,2	hours	198,567	260,891	271,665	263,740
Annual total hours of training (Aggregated, Non-consolidated)*2	hours	118,565	106,630	129,252	124,043
Number of Participants in Compliances Education and Position-specific education Program (Aggregated, Non-consolidated)*1	persons	21,214	49,547	66,768	62,236

*1 Number of Group companies to which employees receiving education and training belonged: 38 in FYE March 2023, 74 in FYE March 2024, 80 in FYE March 2025, and 78 in FYE March 2026. The number of participants in education and training includes non-regular employees as well as regular employees.

*2 In addition to mandatory trainings, the above also include trainings that employees voluntarily take.

Community

Data items	Unit	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Spending on social contribution (excluding political donations)	millions of yen	405	221	392	514

Occupational Safety and Health

Data items	Unit	2022.1-2022.12	2023.1-2023.12	2024.1-2024.12	2025.1-2025.12
★Occupational accident frequency rate (TRIFR：Non-consolidated)	%	2.30	2.88	1.66	2.21
★Occupational accident frequency rate (TRIFR：Subcontractors)	%	2.62	2.70	3.69	1.63
★Occupational accident frequency rate (LTIFR：Non-consolidated)	%	0.38	0.85	0.44	0.46
★Occupational accident frequency rate (LTIFR：Subcontractors)	%	0.66	0.98	1.23	0.54
Number of occupational accidents（Non-consolidated）*	cases	30	34	19	21
★Number of fatalities due to occupational accidents（Non-consolidated）	persons	0	0	0	0

* Occupational accidents frequency rate and incident rate do not include accidents during commuting or minor injuries.

Governance

Boundary：Mitsubishi Materials Corporation and 99 consolidated subsidiaries
Period：April to March in each year

Governance

Data items		Unit	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Number of Directors in Mitsubishi Materials Corporation*	Total	persons	10	11	11	10
	Male	persons	3	4	9	7
	Female	persons	0	0	2	3
	Outside Directors	persons	7	7	7	7
	Male	persons	5	5	5	5
	Female	persons	2	2	2	2
Female Directors		persons	2	2	2	3
Percentage of female Directors		%	20	18.2	18.2	30.0
Remuneration for Directors (total)		millions of yen	959	703	671	621
(Directors in Mitsubishi Materials Corporation)		millions of yen	97	88	88	43
(Outside Directors)		millions of yen	122	126	130	124
(Executive Officer)		millions of yen	740	489	452	453

* As of the close of the General Meeting of Shareholders for the year in question.

Donations to political groups

Data items	Unit	2021.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated	2025.4-2026.3 Non-consolidated
Amount of donations to political groups	thousands of yen	340	280	210	210

Compliance

Data items	Unit	2022.4-2023.3 Consolidated	2023.4-2024.3 Consolidated	2024.4-2025.3 Consolidated	2025.4-2026.3 Consolidated
Number of reports and inquiries received through the in-house reporting system	cases	65	63	67	78
(Number of reports on compliance)	cases	28	38	34	46
(Number of reports on corruption)	cases	0	0	0	0
(Number of violations related to corruption)	cases	0	0	0	0
(Number of harassment reports)	cases	16	29	19	17
(Number of harassment certifications)	cases	4	1	1	0

Tax

	Unit	Fiscal Year Ended March 2022	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	Fiscal Year Ended March 2025
Amount of Tax Payment	millions of yen	16,350	18,995	11,564	8,189
(Japan)	millions of yen	7,345	10,847	2,414	1,862
(United States)	millions of yen	793	986	940	631
(Europe)	millions of yen	5,735	2,433	3,857	2,982
(Asia)	millions of yen	2,090	4,729	4,345	2,684
(Other areas)	millions of yen	387	0	8	30
(Related party transactions eliminated)	millions of yen	0	0	0	0

GRI Content Index

Universal Standard 200: Economic 300: Environment 400: Society

Our sustainability website refer to the Global Reporting Initiative (GRI) Standards.

Universal Standard

No.	Indicator	Website
GRI 2: General Disclosures 2021		
1．The organization and its reporting practices		
2-1	Organizational details	Corporate Profile
2-2	Entities included in the organization's sustainability reporting	Corporate Profile
2-3	Reporting period, frequency and contact point	Editorial Policy
2-4	Restatements of information	There were no applicable events
2-5	External assurance	Third-Party Assurance
2．Activities and workers		
2-6	Activities, value chain and other business relationships	Business
2-7	Employees	Human Capital and Human Rights
2-8	Workers who are not employees	Human Capital and Human Rights
3．Governance		
2-9	Governance structure and composition	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-10	Nomination and selection of the highest governance body	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-11	Chair of the highest governance body	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-13	Delegation of responsibility for managing impacts	Sustainability Promotion Framework
2-14	Role of the highest governance body in sustainability reporting	Sustainability Promotion Framework
2-15	Conflicts of interest	Compliance
2-16	Communication of critical concerns	Sustainability Promotion Framework
2-17	Collective knowledge of the highest governance body	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report

No.	Indicator	Website
GRI 2: General Disclosures 2021		
3．Governance		
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-19	Remuneration policies	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-20	Process to determine remuneration	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
2-21	Annual total compensation ratio	Corporate Governance Basic Policy on Corporate Governance／ Corporate Governance Report
4．Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Top Message
2-23	Policy commitments	Our Commitment
2-24	Embedding policy commitments	Sustainability Promotion Framework
2-25	Processes to remediate negative impacts	Human Capital and Human Rights Compliance
2-26	Mechanisms for seeking advice and raising concerns	Contact Us Compliance
2-27	Compliance with laws and regulations	Compliance
2-28	Membership associations	Distribution of Economic Value to Stakeholders
5．Stakeholder engagement		
2-29	Approach to stakeholder engagement	Distribution of Economic Value to Stakeholders
2-30	Collective bargaining agreements	Human Capital and Human Rights
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality
3-2	List of material topics	Materiality
3-3	Management of material topics	Materiality

200: Economic

No.	Indicator	Website
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Distribution of Economic Value to Stakeholders
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change (Disclosure in Accordance with TCFD)
201-3	Defined benefit plan obligations and other retirement plans	Distribution of Economic Value to Stakeholders
201-4	Financial assistance received from government	Distribution of Economic Value to Stakeholders
GRI 202: Market Presense 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
202-2	Proportion of senior management hired from the local community	Human Capital and Human Rights
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Pollution Prevention Distribution of Economic Value to Stakeholders
203-2	Significant indirect economic impacts	Distribution of Economic Value to Stakeholders
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance
205-2	Communication and training about anti-corruption policies and procedures	Compliance
205-3	Confirmed incidents of corruption and actions taken	Compliance
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance
GRI 207: Tax 2019		
207-1	Approach to tax	Tax Policy and Initiatives
207-2	Tax governance, control, and risk management	Tax Policy and Initiatives
207-3	Stakeholder engagement and management of concerns related to tax	Tax Policy and Initiatives
207-4	Country-by-country reporting	Tax Policy and Initiatives

300: Environment

No.	Indicator	Website
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Pollution Prevention Resource Recycling Sustainability Data
301-2	Recycled input materials used	Pollution Prevention Resource Recycling
301-3	Reclaimed products and their packaging materials	Resource Recycling
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Pollution Prevention
302-2	Energy consumption outside of the organization	Climate Change (Disclosure in Accordance with TCFD)
302-3	Energy intensity	
302-4	Reduction of energy consumption	Climate Change (Disclosure in Accordance with TCFD)
302-5	Reductions in energy requirements of products and services	
GRI 303: Water 2018		
303-1	Interactions with water as a shared resource	Water Resource Management
303-2	Management of water discharge-related impacts	Water Resource Management
303-3	Water withdrawal	Pollution Prevention
303-4	Water discharge	Pollution Prevention
303-5	Water consumption	Water Resource Management
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
304-3	Habitats protected or restored	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	This item does not apply because there is no mine where we have management rights
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Biodiversity Initiatives (Disclosure in Accordance with TNFD)

No.	Indicator	Website
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
305-2	Energy indirect (Scope 2) GHG emissions	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
305-3	Other indirect (Scope 3) GHG emissions	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
305-4	GHG emissions intensity	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
305-5	Reduction of GHG emissions	Biodiversity Initiatives (Disclosure in Accordance with TNFD)
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Pollution Prevention
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Pollution Prevention
306-2	Management of significant waste-related impacts	Pollution Prevention Resource Recycling
306-3	Waste generated	Pollution Prevention
306-4	Waste diverted from disposal	Pollution Prevention
306-5	Waste directed to disposal	Pollution Prevention
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	This item does not apply because there is no mine where we have management rights
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management

400: Society

No.	Indicator	Website
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Human Capital and Human Rights
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	Human Capital and Human Rights
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	

No.	Indicator	Website
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Safety and Health
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health
403-3	Occupational health services	Occupational Safety and Health
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health
403-5	Worker training on occupational health and safety	Occupational Safety and Health
403-6	Promotion of worker health	Occupational Safety and Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health
403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health
403-9	Work-related injuries	Occupational Safety and Health
403-10	Work-related ill health	
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Human Capital and Human Rights
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital and Human Rights
404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Human Capital and Human Rights Basic Policy on Corporate Governance／ Corporate Governance Repor
405-2	Ratio of basic salary and remuneration of women to men	
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Human Capital and Human Rights
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Supply Chain Management

No.	Indicator	Website
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	There were no applicable events
MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	This item does not apply because there is no mine where we have management rights
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	
413-2	Operations with significant actual and potential negative impacts on local communities	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	This item does not apply because there is no mine where we have management rights
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	This item does not apply because there is no mine where we have management rights
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM)　takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	This item does not apply because there is no mine where we have management rights
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	This item does not apply because there is no mine where we have management rights
MM10	Number and percentage of operations with closure plans	This item does not apply because there is no mine where we have management rights
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
GRI 415: Public Policy 2016		
415-1	Political contributions	Sustainability Data
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	
417-2	Incidents of non-compliance concerning product and service information and labeling	
417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no applicable events

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