

# SUSTAINABILITY REPORT 2025

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**Commitment from Top Management**

**I will drive the enhancement of corporate value with ambition and passion.**

On April 1, 2025, I assumed the position of Chief Executive Officer. Since joining the Company in 1986, I have long been involved in the Metalworking Solutions business, spending the majority of that time engaged in product development, production engineering, and manufacturing at our plants. Ever since I first started here, I was entrusted with the role of leading many older plant employees as the manufacturing site leader. I had just joined the Company and knew nothing about the work, but while talking with the older plant employees, they told me, “You may lack knowledge and experience, but if you show us that you work with ambition and passion, we will follow you.” Since then, working with ambition and passion has been my motto.

Several months have passed since I assumed the position of Chief Executive Officer, and I have come to realize the job is far more demanding than I had imagined. We are currently in the midst of revising our Management Strategy for fiscal year ending March 2027 onward. Amidst the rapidly changing environment surrounding our businesses, I continue to contemplate the direction in which we should steer the Company going forward and the growth areas we should pursue as a Group, while keeping the entire Group in view. It is no easy task, but I will dedicate myself wholeheartedly, with ambition and passion, to enhance the corporate value of the Group.



**Our Management Policy**

The management policy we have established since I assumed the position of Chief Executive Officer is as follows.

- We will enhance all of our “Genba-ryoku” (frontline capabilities), not just the manufacturing sites, but also the sales, development, and various headquarters departments, to foster innovation and compete on a global scale.
- We will elevate corporate value through creating and delivering new materials (products and services that exceed customer expectations) and other initiatives.
- Through our own transformation, we will respond to rapid economic changes, continuously develop the Company, and build our future.

The motivating force that transforms and grows a company is the ambition and passion of its people. In the past, when I was in charge of a workplace that had to shut down due to business failure, I often heard the phrase, “The company will figure it out.” I believe that if we move beyond merely relying on the company and doing only what we are told from above, and instead if each employee takes ownership, holds on to their dreams, possesses strong ambition and passion, and aligns with our direction, we can achieve a bright future. Last year, the Group established new Our Values. Through putting Our Values into practice, we aim to hone every “Genba-ryoku” (frontline capability), foster a sense of ownership and urgency among all employees, and build an organization where everyone thinks and acts proactively to make their workplace the best in the world.

When asked what our strength is, we want to be able to immediately point to specific products and services. In other words, we want to be creating and providing products and services that exceed customers’ expectations, namely new materials. I myself recognize that the lack of clearly defined specific businesses and products that will serve as growth drivers for the Group is a major challenge. We intend to realize and present these in the Management Strategy for the fiscal year ending March 2027 onward, which we are currently reviewing.

Moreover, the current economic environment is changing faster than anticipated and at an extremely large scale. To respond to these changes, we will also advance our own transformation.

## Recognition of the Current Situation

During the three-year period of the Medium-term Management Strategy FY2031 (FY2031 Strategy) Phase 1 (fiscal year ended March 2024 to fiscal year ending March 2026), the external environment deviated significantly from our projections. In the automotive industry, we had anticipated accelerated adoption of EVs and sustained upward growth, but that did not materialize. The semiconductor industry was also expected to grow similarly, but after a pause in demand during the stay-at-home phase of COVID-19, demand declined. While AI server-related areas are currently performing well, the industry as a whole remains in the process of recovery. Furthermore, not only are tariffs imposed by the USA and various regulations and rules within the EU intensifying, but efforts to control the economy as a national strategy are also strengthening around the world. Additionally, resource hoarding is becoming evident across nations.

Regarding the Group's situation from an investment standpoint, while medium- to long-term upfront investments generally progressed smoothly, we discontinued or postponed certain investments in response to changes in the external environment. Consequently, we have not achieved short-term investment returns or the expected returns on completed upfront investments, resulting in a deterioration in investment efficiency. Furthermore, in the fiscal year ending March 2026, the refining margin, TC/RC (treatment charge and refining charge), has fallen to an extremely low level, worsening the profitability of the Smelting & Refining business within the Metals business. Consequently, achieving the initial targets of the FY2031 Strategy has become difficult. The three major challenges we face in relation to the current situation are as follows.



- The FY2031 Strategy was a business strategy and investment plan based on the assumption of increased demand. However, the review and adjustment of strategies and plans in response to significant changes in the external environment were insufficient.
- It is necessary to allocate investments by combining investment risk/return and the timeframe for effects to occur.
- It is necessary to shift toward a Smelting & Refining business centered on raw materials for recycling and accelerate the establishment of resource circulation loops, assuming that TC/RC will not recover early.

In light of these challenges, we have determined that fundamental structural reforms in business foundation restructuring and financial structure improvement are imperative to ensure profitability even when the external environment worsens. The FY2031 Strategy Phase 2 plan from fiscal year ending March 2027 to fiscal year ending March 2031 will be reset. We will proceed with its revision, while also taking decisive action where possible at an earlier stage.

## Business Foundation Restructuring

Improving capital efficiency is the most important factor for business foundation restructuring. The Group's investment profits are low. This is something that must be addressed immediately. We will shift our focus from quantity to quality and rigorously pursue management efforts regarding return on invested capital (ROIC), which are centered on rates and maximizing returns.

Within each business division, we will carefully identify which products and services are generating profits. We will then concentrate management resources on these key areas and commit the entire Company to this effort.

On the other hand, it may be necessary to withdraw from low-profit ventures or, in some cases, carve out entire businesses. The approach is to set specific KPIs, conduct thorough evaluations, grow where growth is needed, and streamline where streamlining is required. Within the Corporate Division, we will accelerate optimization efforts to decommission, simplify, and standardize operations, aggregate and streamline common operations, expand the use of shared services, and thoroughly manage personnel to rationalize the organization. Concurrently, we will enhance

Company-wide capital efficiency through the selection and concentration of R&D themes and the rebuilding of our DX strategy.

Already, we are scaling down copper concentrate processing at the Onahama Smelting & Refining Co., Ltd. in the Metals business and have started preparations for the integration of the Sakai Plant and Sambo Plant, with the aim of optimizing production systems and accelerating business growth in the Copper & Copper Alloy business. These initiatives are just the beginning. We will strive to rebuild our business foundation in a short timeframe with a sense of urgency.

## | Financial Structure Improvement

Capital efficiency and enhancing ROIC are the foundations for financial structure improvement. To enhance ROIC, we must expand the numerator, which is profit, while simultaneously streamlining the denominator, which is invested capital. We will strive to enhance ROIC by dismantling it and rigorously applying it to the frontline. Furthermore, while the Company has traditionally tended to prioritize profits over cash flow, it is necessary to manage operations with greater focus on cash flow going forward. This includes flexibly and appropriately controlling investment allocation, such as applying the brakes on investments when operating cash flow becomes tight. Lowering interest-bearing debt is also necessary when considering factors such as credit ratings. We intend to further improve our net D/E ratio by allocating improved cash flow to lowering interest-bearing debt. In addition to these initiatives, we will also strive to reduce invested capital by implementing reforms in business foundation restructuring. On the other hand, to expand profits, we must not only reduce costs but also strive to offer products at a certain price level. While circumstances vary depending on the business or product, we will also advance initiatives to enhance the cost effectiveness of our products and services and raise prices.

## | Addressing Sustainability Issues

We recognize that, to continue as a company, there are various sustainability issues that we must address. Based on the idea that sustainability issues are materiality, the Group has established and is working to address 11 sustainability issues. Among those issues, there are three particularly important issues: promotion of resource circulation, strengthening measures to address global environmental issues, and enhancement of human capital. As the world transitions from one that continuously consumes finite resources to one that recycles and effectively utilizes resources, we will dedicate the entire Company's resources to expanding the area of resource circulation, positioning it as a future pillar of the Group.



We must respond appropriately to global environmental issues, taking into account factors such as the full-scale implementation of Japan's emissions trading system scheduled to begin in the fiscal year ending March 2027. To achieve the Group's goal of carbon neutrality by the fiscal year ending March 2046, we must further strengthen our efforts.

Regarding human capital enhancement, talent shortages are already becoming apparent. We plan to focus not only on talent acquisition but also on employee skill development.

Furthermore, we will continue to diligently address SCQ as we have done previously. "S" stands for Safety & Health, and part of this is eliminating occupational accidents. In the fiscal year ended March 2025, we conducted a Companywide questionnaire. Our findings indicated that both management and on-site employees have little confidence that all accidents can be eliminated. Some areas exhibited the attitude that accidents are inevitable. We must thoroughly address this issue. Since the latter half of last year, we have intensified our efforts and are determined to eliminate all occupational accidents as a fundamental pillar of the Company. "C" stands for Compliance & Environment, and there has been an increasing trend in incidents, including harassment and drunk driving. It could be said that things that were previously hidden are now coming to light, but the number of cases is increasing, and we will work diligently to eliminate them. "Q" stands for Quality, and in relation to this element, we have transitioned from preventive measures to ensure defective products are not provided to customers to a proactive quality management approach. This involves implementing controls while thoroughly managing trends within processes before defects occur. We plan to further accelerate this shift, ultimately leading to a reduction in customer complaints.

## | Conclusion

The fiscal year ending March 2026 will be a crucial year for enhancing the corporate value of the Group going forward. We will work as a unified Group with a sense of urgency to achieve business foundation restructuring and financial structure improvement, while clearly demonstrating to our stakeholders our vision for medium- to long-term growth and our path to becoming a globally competitive company. I am determined to drive the enhancement of the Group's corporate value with ambition and passion. I ask for your understanding and cooperation as we work toward these goals.

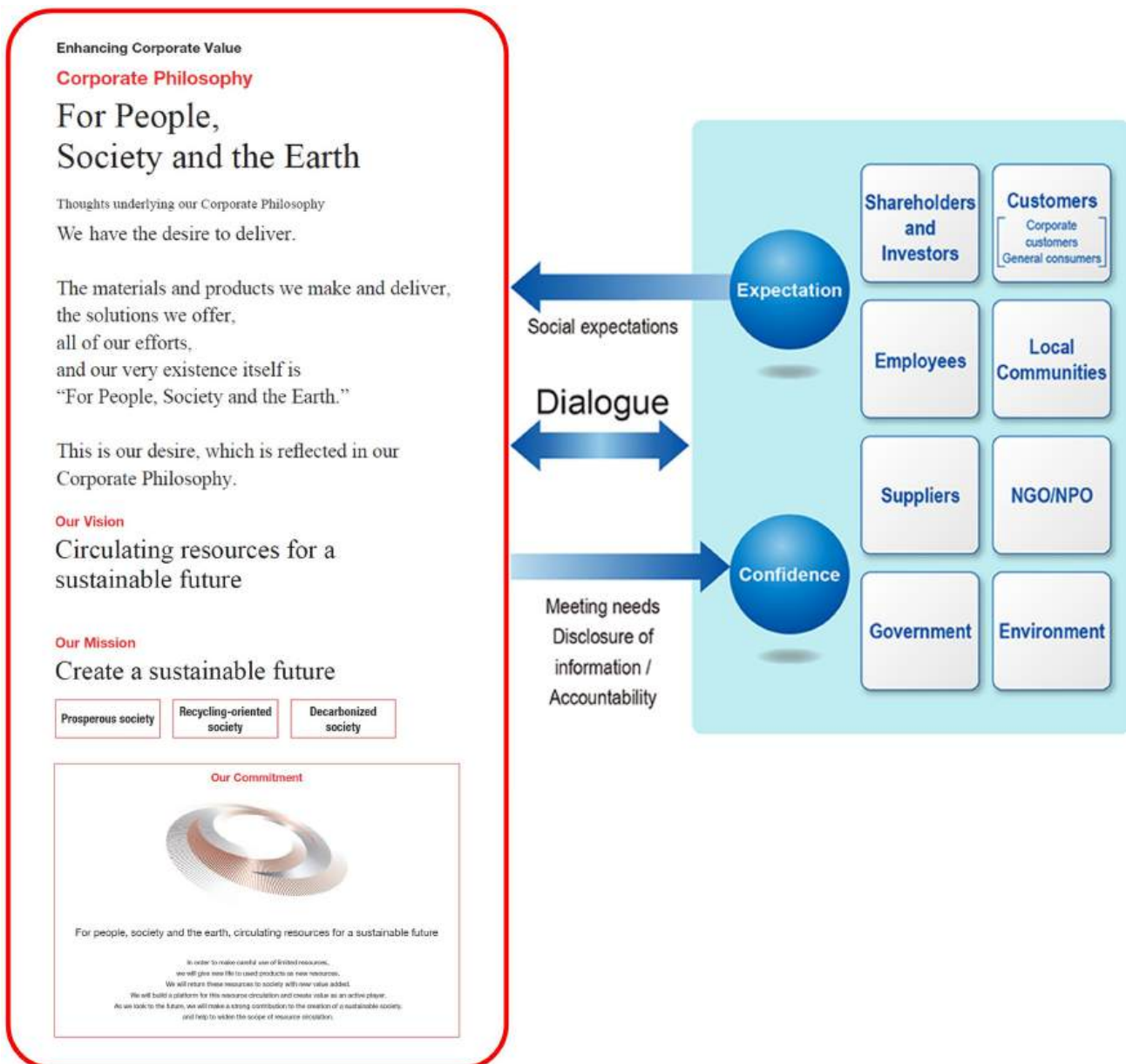
## Sustainability Promotion Framework

- 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

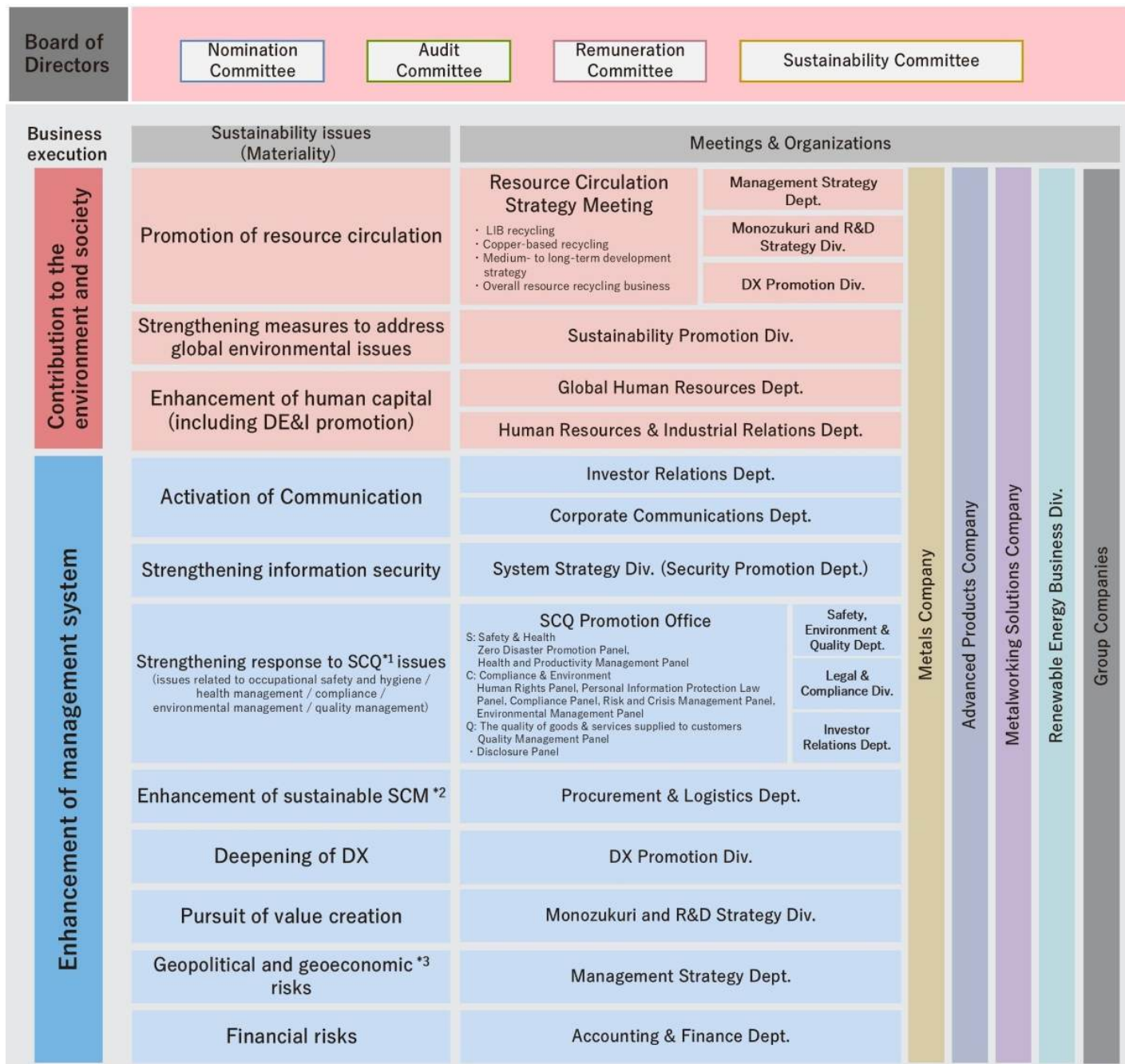
We recognize the critical importance of environmental conservation. We will engage proactively in resource recycling, decarbonization and biodiversity conservation across all areas of our operations, from procurement of raw materials to the development, manufacturing, distribution, consumption, disposal, 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. Then on July 1, 2023, we established the Resource Circulation Strategy Meeting to strategically promote resource recycling, address global environmental issues and strengthen human capital management. In addition, to deal with aspects that form the core of our corporate activities including health and safety, observing compliance requirements and quality, the Sustainable Management Office was renamed to the SCQ Promotion Office and will continue to proactively drive implementation of related initiatives. Members of the SCQ Promotion Office are composed of the CEO (General Manager), Executive Officers of related departments (Deputy General Manager), and General Managers of related departments. It also has panels for each specialized field as suborganizations, which deliberate on annual policies and activity plans. After following-up on specific measures related to each field by the Sustainable Management Office, the status of those activities is reported to the Strategic Management Committee and the Board of Directors monthly.



Sustainable Management System (as of June 25, 2025)

\*1 SCQ: S: Safety & Health, C: Compliance & Environment, Q: Quality.

\*2 SCM: Supply Chain Management.

\*3 Geoeconomic risk: Risks relating to countries attempting to fulfill their geopolitical goals (national interests) through economic means.

## 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

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Category	Policy
Commitment/Code of Conduct	<a href="#">Our Commitment</a>
	<a href="#">Code of Conduct</a>
Sustainability	<a href="#">Sustainability Policy</a>
Human Rights	<a href="#">Human Rights Policy</a>
Environment	<a href="#">Environment Policy</a>
Procurement	<a href="#">Procurement Policy</a>
Social Contribution	<a href="#">Community Contribution Activity Policy</a>
Biodiversity Conservation	<a href="#">Biodiversity Conservation Policy</a>
Tax	<a href="#">Group Tax Policy</a>

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. 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 Report.

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 employed the following selection process to identify 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 review material issues and other matters every year to ensure that we can appropriately identify and respond to changes in the business environment and other factors in a timely and appropriate manner. In light of the latest social, environmental and economic trends, we have revised some of our key themes as follows.

Addition to key themes

- Added “Planning and implementation of regional strategies for circulating resources” under “Promotion of resource circulation”
- Added “Response to pandemics and natural disasters” under “Enhancement of sustainable supply chain management”
- Added “Building competitive advantage for earnings” under “Pursuit of value creation”

Removal of key themes

- Removed “Prevention of infectious diseases” from “Strengthening response to SCQ issues”

Change of key themes

- Changed “Strengthening IT global governance” under “Strengthening information security” to “Strengthening IT global governance (including IT literacy)”
- Changed “Elimination of serious quality non-conformities” under “Strengthening response to SCQ issues” to “Establishment and implementation of a system to prevent substandard products”
- Changed “Strengthening of manufacturing” under “Pursuit of value creation” to “Strengthening marketing, manufacturing, and sales capabilities”
- Changed “Monitoring of the management and financial condition of debt guarantee underwriting affiliates, etc.” under “Financial risks” to “Response to increase in working capital and deterioration in capital efficiency due to a rise in metal prices”

The materiality and key themes as of April, 1, 2025 are as follows.

Materiality	Key themes
Promotion of resource circulation	Promotion of designing resource recycling through advanced recycling technology
	Developing and providing recyclable products
	Planning and implementation of regional strategies for circulating resources
Strengthening measures to address global environmental issues	Strengthening initiatives to achieve carbon neutrality
	Biodiversity retention and reducing environmental impact
	Developing and promoting the use of renewable energy
Enhancement of human capital	Addressing labor shortages
	Strengthening talent retention and development
	Promotion of diversity, equity and inclusion
	Promotion of flexible working styles
	Respect for individuals and fundamental human rights

Materiality	Key themes
Activation of communication	Enhancement of engagement with stakeholders
	Improving customer satisfaction
	Promotion of dialogue and coexistence with local communities
Strengthening information security	Strengthening IT global governance (including IT literacy)
	Prevention of information leakage
	Strengthening IT asset management
Strengthening response to SCQ (*) issues * Safety & health (Safety & health come first), Compliance & environment (Compliance & environment to ensure fair activities), Quality (Quality of products and services provided to our "customers")	Prevention of occupational accidents
	Creating mentally and physically pleasant workplace
	Reinforcing compliance
	Enhancing internal control through group governance
	Enhancement of corporate governance
	Preventing leakage of harmful substances outside the site and eliminating environmental law violations
	Establishment and implementation of a system to prevent substandard products
Enhancement of sustainable supply chain management	Diversifying procurement of raw materials
	Consideration of human rights in the supply chain
	Response to pandemics and natural disasters
Deepening of DX	Business process innovation
	Operational enhancement
	Enhancement of customer contact points; reform of business model
Pursuit of value creation	Building competitive advantage for earnings
	Building and execution of new business creation processes
	Strengthening marketing, manufacturing, and sales capabilities
Geopolitical and geoeconomic risks	Periodic review of investment strategies
	Collecting and sharing information on overseas risks and individual country risks from overseas bases
	Creation and regular review of risk reduction and avoidance measures, and BCP for overseas businesses
	Building a procurement portfolio of copper concentrates, E-Scrap, and other raw materials
Financial risks	Introduction and operation of the Group's optimal cash management system
	Grasping the market value of assets held and confirming the indication of impairment of fixed assets
	Response to increase in working capital and deterioration in capital efficiency due to a rise in metal prices
	Investment allocation considering safety and profitability in pension asset management

## 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

In addition to these elements of issues, we set two axes on which to rank our material issues, including those established in the previous fiscal year: the importance to our various stakeholders, and the importance in light of Our Commitment. 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

Material issues and key themes are revised and redefined, with priority given to issues that are ranked as "very high" or "high" on both axes.

### 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

[Environment Policy](#)  
 [Biodiversity Conservation Policy](#)  
 [Goals and Progress](#)

### Environment 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

Theme of activities	Activities during FYE March 2025	Self-assessment	Targets/plans for activities from FYE March 2026 onwards
Complying with environmental legislation	Strengthen efforts to observe environmental legislation	A	Strengthen efforts to comply environmental legislation
Continuous improvement of environmental load	Through education on environmental legislation		Through education on environmental legislation
Managing closed mines	Ongoing training of engineers managing closed mines Reinforcing tailings dams Tailings dam reinforcement work (continued)	A	Ongoing training of engineers managing closed mines Upgrading aging facilities (continued) Reinforcing tailings dams
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). (Site inspections were conducted at MoriForest and Nigorikawa Forest.)	A	Maintain SGEC forest certification
	We maintained forests appropriately based on our forest management plan, including cutting and thinning (194.19ha), planting (12.83ha) and weeding / clearing away underbrush (38.36 ha).	A	Promote environmental conservation of forests by maintaining forests appropriately based on our forest management plan

Theme of activities	Activities during FYE March 2025	Self-assessment	Targets/plans for activities from FYE March 2026 onwards
<b>Contributing to local communities, society, and the global environment through sustainable management of company-owned forests</b>	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 at Shiraoi Forest, Teine Forest and Ikuno Forest as a method for implementing disaster-resistant forest development. We formulated a maintenance plan for dense forests and have systematically implemented measures.		
	The environmental impact of thinning is small, and a beautiful finish has been achieved through the application of horse logging (a method of timber gathering that makes use of horses).(Hayakita Forest)	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 have conducted measurement tests of the amount of forest resources using remote sensing technologies including drones and satellite data, and achieved a certain level of precision.	A	Efficiently ascertain and organize forest data utilizing remote sensing, ICT and IoT technologies
	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 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 supplied hardwood to be used as tables in shared spaces in COCONO SUSUKINO, a commercial complex in Sapporo City, as initiatives to effectively use the wood from company-owned forests		
	We make 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 grades 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<sup>\*1</sup>. 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,<sup>\*2</sup> the Global Warming Prevention Act,<sup>\*3</sup> 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<sup>\*4</sup> and participate in the TCFD Consortium, which consists of companies, financial institutions and other organizations which support those recommendations. We will appropriately disclose the impact (risks and opportunities) of climate change on the Group’s business operations and the results of analyzing that impact in line with the TCFD recommendations.

The Group answers questionnaires for the CDP (a non-profit organization) on a yearly basis. On an 8-step scoring from A to D-, in the fiscal year ended March 2025, we achieved an “A,” the highest rating in the CDP Climate Change Assessment for the first time, and a “B” in the CDP Water Security Assessment. We were also recognized as the “Supplier Engagement Leader” in the CDP Supplier Engagement Rating. For details, please see the following link.

\*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.



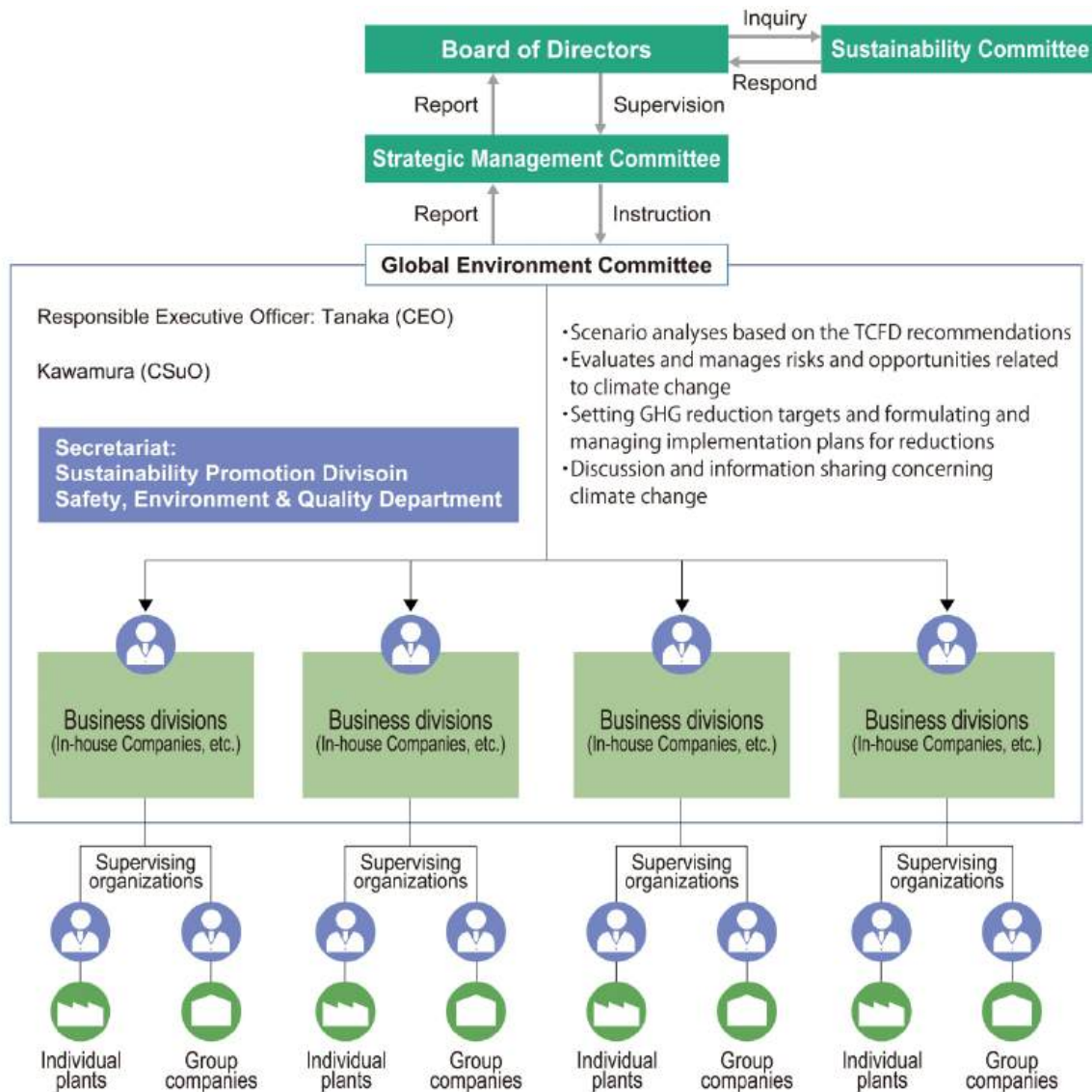
## Governance

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 Global Environment Affairs Department of the Corporate Division to plan and promote the Group's strategic initiatives for risks and opportunities related to climate change. The Global Environment Committee, for which the Safety, Environment & Quality Department of the Sustainability Promotion Division 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, 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)

- Greenhouse gas emission reduction target setting and reduction plans
- Climate change-related information for disclosure
- Assessment of climate change-related risks and opportunities for each business

Further, we have established the Energy Management Subcommittee, which is jointly managed by the Monozukuri and Corporate Production Engineering Department of the Manufacturing and R&D Strategy Division and the Safety, Environment & Quality Department, as a meeting body that manages the actions taken to achieve the GHG reduction targets set by the Global Environment Committee. The Energy Management Subcommittee shares examples of initiatives, supports the introduction of equipment, and carries out other activities to push forward with the reduction of plants' energy usage.

The Board of Directors goes beyond the monitoring of sustainability initiatives. The Sustainability Committee, an advisory body to the Board of Directors, was established to actively consider the direction of sustainability efforts from different perspectives and present its findings internally. The committee monitors the Company's action related to climate change, considers the methods and issues involved, and reports its findings to the Board of Directors.



## | Strategy

In March 2021, based on the recommendations of the TCFD, we conducted scenario analyses to ascertain the impact (risks and opportunities) that climate change has on the Group's business operations and consider measures aimed at mitigating the risks and capitalizing on the opportunities.

With regard to transition risks and opportunities, in February 2023 we updated our scenario analyses while maintaining consistency with the Medium-term Management Strategy FY2031, and set business indicators and targets. We set themes and analyzed them in the 1.5°C and 4°C scenarios. As a risk that is common to all business operations, we estimated the financial impact on the Group in the event that policies and legislation on climate change were stepped up, and carbon pricing was introduced and strengthened. 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

Results of [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 SCQ Promotion Division and the Strategic Management Committee.

At these meeting bodies, the CSuO is responsible for implementation and operates independently of the Audit Committee. The Board of Directors also verifies and reviews the effectiveness of the risk management process and comprehensively oversees 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 revised its GHG emissions (Scope 1 + Scope 2) reduction target to be set for emissions excluding GHG emissions from resource recycling efforts. With the start of periodic reporting in the fiscal year ended March 2024 based on the revised Act on Rationalization of Energy Use and Shift to Non-fossil Energy (hereinafter referred to as "Energy Conservation Act") and the Act on Promotion of Global Warming Countermeasures (hereinafter referred to as "Global Warming Prevention Act"), both of which were revised in 2022, we have reorganized our GHG emissions based on these laws and regulations, and added GHG emissions from the combustion of plastic contained in E-Scrap and CO<sub>2</sub> generated from the chemical reaction of limestone used in the manufacturing process, which were previously excluded from the scope of calculation and reporting, have been added to the scope of reporting under both laws and regulations<sup>\*5</sup>.

Since we have set "For people, society and the earth, circulating resource for a sustainable future" as Our Commitment and have made strengthening resource recycling by leveraging the strengths of our business a pillar of our Medium-term Management Strategy, we have set a new GHG reduction target of GHG emissions from our resource recycling efforts of emissions<sup>\*6</sup> excluding GHG emissions from resource recycling efforts, we have set a new GHG reduction target of a 47% reduction<sup>\*7</sup> from the fiscal year ended March 2021 level by the fiscal year ending March 2031.

Furthermore, in addition to the existing targets for the fiscal years ending March 2031 and 2046, and taking into account Japan's Nationally Determined Contribution (NDC) established by the Japanese government in February 2025, new Scope 1 (GHG emissions excluding emissions from resource recycling initiatives) emission reduction targets for the fiscal years ending 2036 and fiscal 2041 have been set based on the figures on the slope of the line connecting the targets for the fiscal years ending March 2031 and 2046. Targets set for total Scope 1 (GHG emissions excluding emissions from resource recycling initiatives) and Scope 2 are a 65% reduction by the fiscal year ending 2035 and an 82% reduction by the fiscal year 2041 compared to the fiscal year ended March 2021.

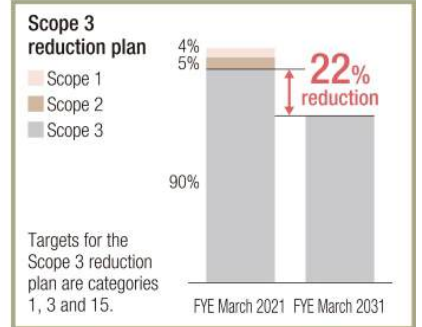
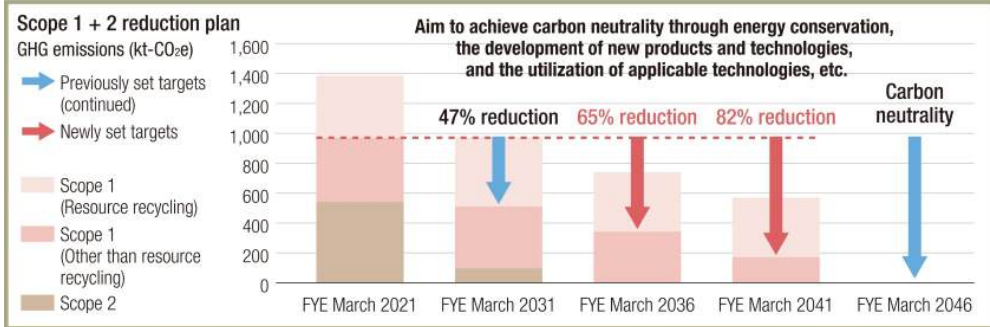
In addition to the GHG emissions reduction target, we have also set the goals of achieving 100% utilization of renewable energy for purchased electricity by the fiscal year ending March 2036 and 100% self-sufficiency in renewable energy for electricity by the fiscal year ending March 2051 by promoting 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<sub>2</sub> 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).



<b>GHG reduction target</b>	Compared to FYE March 2021				Achieve carbon neutrality	
		Scope 1 + 2: 47% reduction	65% reduction	82% reduction		
		Scope 3: 22% reduction				
<b>Renewable energy for electricity utilization rate</b>	<b>30%</b>	<b>80%</b>	<b>100%</b>			
<b>Renewable energy for electricity self-sufficiency rate</b>	<b>33%</b>	<b>37%</b>	<b>67%</b>			<b>100%</b>



\*GHG emissions for Scope 1 and 2 are based on the calculation of adjusted emissions under the Act on Promotion of Global Warming Countermeasures (excluding GHG emissions from resource recycling efforts).

GHG reduction target

	FYE March 2031	Vision for FYE March 2046, after CN
<b>Scope 1</b>	<ul style="list-style-type: none"> <li>Fuel conversion (switch from heavy oil to LNG)</li> <li>Reduction in fossil fuel due to increased E-Scrap processing</li> <li>Electrification of heat utilizing equipment</li> <li>Research &amp; development on products and technology that contribute to CCUS, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Fuel conversion</li> <li>Electrification of heat utilizing facilities</li> <li>Implementation of technologies and transfer of facilities</li> </ul>
<b>Scope 2</b>	<ul style="list-style-type: none"> <li>Introduction of solar power generation facilities</li> <li>Increased in-house power generation through installation of saturated steam turbines</li> <li>Replacement with high-efficiency equipment</li> <li>Switch to renewable energy sources</li> <li>Renewable energy certificates, CPPA utilization, etc.</li> </ul>	<ul style="list-style-type: none"> <li>CN conversion of furnace (hydrogen, ammonia, etc.)</li> <li>Electrification of equipment</li> <li>100% renewable electricity (stable procurement of in-house electricity)</li> <li>Conversion of air conditioning equipment to non-fluorocarbons</li> <li>Non-fluorine cleaning solution</li> <li>Other (technologies for adopting CCUS, etc.)</li> <li>Development and provision of products and technologies to contribute to a CN society</li> </ul>
<b>Scope 3</b>	<ul style="list-style-type: none"> <li>Supplier engagement and collaboration</li> <li>Collaboration with Mitsubishi UBE Cement Corporation and other equity method affiliated companies</li> </ul>	
<b>Investment Plan</b>	<ul style="list-style-type: none"> <li>¥10.5 billion GHG reduction investment in facilities and processes</li> <li>¥30 billion in the renewable energy business</li> </ul>	

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<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> emissions, and the base year will be FYE March 2014)
- Electricity CO<sub>2</sub> emission factor (kg-CO<sub>2</sub>/kWh) will be used as the adjusted emission factor (receiving end).

### b. Target:

- Reduce CO<sub>2</sub> emissions by 38% from FYE March 2014 levels by FYE March 2031.

As JMIA's CO<sub>2</sub> 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.

\*5 Our GHG emissions are approximately 230kt-CO<sub>2</sub>e more in the fiscal year ended March 2021, the base year of the reduction target, and approximately 350kt-CO<sub>2</sub>e more in the fiscal year ending March 2031, the target year of reduction, compared to those who reported before the change in the operation of the Act on Promotion of Global.

\*6 GHG emissions excluding GHG emissions from resource recycling efforts are calculated based on Act on Promotion of Global Warming Countermeasures.

\*7 The contents of our efforts to reduce GHG emissions are the same as for the previous 45% reduction target, which was set for GHG emissions excluding GHG emissions from E-Scrap and limestone. Including GHG emissions derived from E-Scrap and limestone, the reduction rate is 30%.

## Details of non-financial evaluation items for annual bonuses (short-term incentive remuneration) for Executive Officers(excluding CEO) (FYE March 2025)

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. The table below summarizes details of non-financial sub-items set for the fiscal year ending March 2025 in accordance with the Sustainability Policy, etc. In the fiscal year ending March 2025, we have set targets for five executive officers with respect to "Proactive Engagement for the Global Environment," which includes climate change performance.

Items in line with the Sustainability Policy	Executive Officer					
	A	B	C	D	E	F
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

CFP\*<sup>8</sup> calculations are attracting increasing interest from various sectors, such as governments and industry associations in Japan and abroad, exploring calculation and utilization methods.

Under these circumstances, we will promote our CFP activities in accordance with the following directions.

### Deployment

We will sequentially promote the calculation of CFP for the main products we manufacture.

We will start building a system to ensure data reliability.

### Verification and disclosure

We will promote verification and disclosure of products for which CFP quantification has been completed by a third-party organization as necessary.

### Reduction

We will systematically implement our GHG reduction measures to reduce CFP.

We will promote engagement with suppliers and promote consistent GHG reduction efforts from upstream to downstream.

### Results of the initiatives

> Press Release

Carbon Footprint Calculation for Electrolytic Copper Awarded Third-Party Verification 

\*<sup>8</sup> Calculation and disclosure of greenhouse gas emissions throughout the product and service lifecycle.

## | Internal Carbon Pricing (ICP) system

Introduction of 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<sub>2</sub>e 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 in 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.

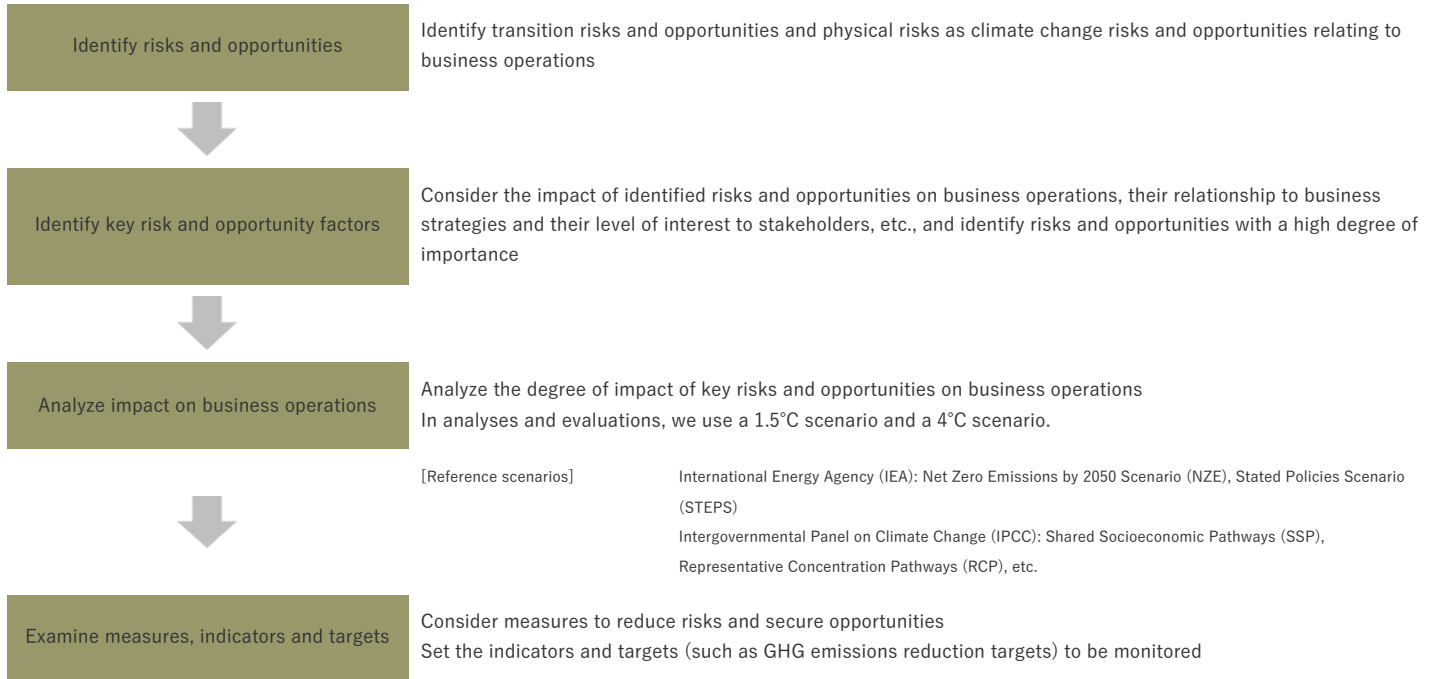
Physical risks - including damage from intensified acute water risks thought to be related to climate change such as superstorms, floods, storm surges, or drought, as well as chronic risks - are covered by Group-wide risk management activities.

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<sub>2</sub> 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 indicators and targets, while ensuring consistency between transition risks and opportunities and the Medium-term Management Strategy FY2031. We will monitor the situation based on the indicators and targets. We are updating the analysis of physical risks and examining indicators and targets.

**Process for identifying risks, opportunities and response measures**



**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)
<p>A scenario that charts out a path for the world's energy sector to follow to achieve net zero CO<sub>2</sub> 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.</p> <p><b>[World as envisaged]</b></p> <ul style="list-style-type: none"> <li>• The setting of a carbon price and the rise of prices globally</li> <li>• Progress in the transition from fossil fuels to renewable energy</li> <li>• Progress in the modal shift and the shift to EVs</li> <li>• Increase in demand for the use of public transportation and vehicle sharing</li> <li>• Preferential selection of decarbonized products by users</li> <li>• Transition to a recycling-oriented society and an increase in waste recycling rates</li> </ul>	<p>A scenario reflecting present the policies formulated based on an evaluating specific policies being implemented and policies announced by governments around the world by country or by sector. 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 the this century.</p> <p><b>[World as envisaged]</b></p> <ul style="list-style-type: none"> <li>• Dependency on fossil fuels, increased energy costs</li> <li>• Remarkable economic growth of emerging and developing countries</li> <li>• Slowdown of the shift to modes of mobility with low CO<sub>2</sub> emissions</li> <li>• Limited demand for renewable energy</li> <li>• Intensification of wind and water-related disasters and increase in disaster-related waste</li> <li>• Increased severity of water stress and heat stress</li> </ul>

## 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.

▲ Primary Risks ● Primary Opportunities

Theme	Business	Risk/Opportunity Elements at 1.5°C	Impact on Business		Target
			1.5°C	4°C	
Changes in Carbon Tax, Energy Costs, etc.	Common to All Businesses	▲ Introduction/strengthening of carbon price tax system (increase in operation costs)	Total amount of burden of carbon price and increase in energy costs		GHG emissions (Scope 1 + 2) FYE March 2031 47% reduction (compared to FYE March 2021) (excluding GHG emissions from resource recycling efforts) FYE March 2046 Carbon neutrality (including GHG emissions from resource recycling efforts)
			Approx. ¥23.7 billion	Approx. ¥15.8 billion	
Changes in EV Demand	Smelting & Resource Recycling Business	● Increase in xEV sales volume  ▲ Decrease in volume of scrapped vehicles generated in Japan	Global demand in copper for vehicles (compared to FYE March 2021)		Electrolytic copper sales volume FYE March 2031 830,000 t per year
			FYE March 2031: 3.3 times FYE March 2051: 4.6 times	FYE March 2031: 2.1 times FYE March 2051: 2.7 times	
	Copper & Copper Alloy Business	● Increase in xEV sales volume	Volume of scrapped vehicles generated in Japan (compared to FYE March 2021)		Annual processing volume of vehicle recycling FYE March 2031 70,000 vehicles per year
			FYE March 2031: 0.98 times FYE March 2051: 0.85 times	FYE March 2031: 0.98 times FYE March 2051: 0.89 times	
	Metalworking Solutions Business	▲ Rapid change in market for processed products due to modal shift, etc.	Demand in connectors and busbars for vehicles (compared to FYE March 2021)		Sales volume of automotive pure copper strips FYE March 2031 2 times (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	
Metalworking Solutions Business	▲ Rapid change in market for processed products due to modal shift, etc.	Sales of cutting tools for the automotive industry (compared to FYE March 2021)		Sales of cutting tools FYE March 2031 2.3 times (compared to FYE March 2021)	
		FYE March 2031: 0.996 times FYE March 2051: 0.718 times	FYE March 2031: 1.510 times FYE March 2051: 1.455 times		
Metalworking Solutions Business	● Increase in demand for EV batteries and storage batteries	Sales of cutting tools for the aerospace industry (compared to FYE March 2021)		Sales of cutting tools FYE March 2031: 1.48 times FYE March 2051: 2.60 times	
		FYE March 2031: 1.18 times FYE March 2051: 1.61 times	FYE March 2031: 1.48 times FYE March 2051: 2.60 times		
Changes in Forms of Energy Use	Smelting & Resource Recycling Business	● Increase in demand for automotive LIB and solar panel recycling	Volume of LIB recycling (compared to FYE March 2021)		Processing volume of automotive LIB Recycling* FYE March 2031 870 t LIB per year *Up to the point of Black Mass production (including LIB removal, discharging, dismantling, pyrolysis, crushing and sorting)and sorting)
	Metalworking Solutions Business	● Increase in demand for EV batteries and storage batteries	Production volume of advanced powder for EV batteries and stationary storage batteries (compared to FYE March 2021) (considering the Company's production capacity)		
			FYE March 2031: 50 times FYE March 2051: 350 times	FYE March 2031: 14 times FYE March 2051: 92 times	
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		The Company's share of renewable power generation FYE March 2031 575 GWh	
Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Smelting & Resource Recycling Business	● Increase in demand for E-Scrap recycling  ● Increase in demand for home appliance recycling	Volume of E-Scrap generated globally (compared to FYE March 2021)		E-Scrap processing capacity FYE March 2031 240,000 t per year
			FYE March 2031: 1.4 times FYE March 2051: 2.5 times	FYE March 2031: 1.3 times FYE March 2051: 1.6 times	
Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Smelting & Resource Recycling Business	● Increase in demand for home appliance recycling	Processing weight of waste home appliances in Japan (compared to FYE March 2021)		Annual processing volume of home appliance recycling FYE March 2031 5.9 million appliances per year
			FYE March 2031: 6% increase FYE March 2051: 10% increase	FYE March 2031: 2% increase FYE March 2051: 1% increase	

**Changes in Carbon Tax, Energy Costs, etc. (Common to all Businesses)**

- **[1.5°C]** Risk factor: Introduction/strengthening of carbon price tax system (increase in operation costs)
- [4°C]** Risk factor : Introduction of a Carbon Pricing Systems

Anticipated world and business impact	<p><b>[1.5°C]</b> Increase in production costs due to introduction/strengthening of carbon price system</p> <ul style="list-style-type: none"> <li>• Higher taxation on GHG emissions and increased energy costs due to higher electricity prices</li> <li>• Increased green power certificate procurement amounts and emissions trading costs</li> <li>• Unit prices of fossil fuels decline due to the advance of decarbonization</li> </ul> <p><b>[4°C]</b> Introduction of a Carbon Pricing Systems and Increased Production Costs due to Higher Unit Prices of Fuel</p> <ul style="list-style-type: none"> <li>• Decarbonization efforts do not proceed beyond current policies, and unit prices of fuel increase due to rising demand for fossil fuels up to 2030</li> <li>• Carbon prices rise moderately on a unit basis</li> </ul>
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Impact analysis	<p><b>[1.5°C]</b> If the Group achieves its GHG emission target, the CP burden in FYE March 2031 is estimated to be approximately ¥16.6 billion, and the rise in energy costs from FYE March 2021 is estimated to be ¥7.1 billion. Carbon pricing will be a factor contributing to cost increases for the Company While the impact of carbon pricing will extend to society overall, but if there are delays in reducing GHG emissions or the passing on of these costs to the price of Company products does not progress, then there is a risk that it may lead to a decrease in earnings.</p> <p><b>[4°C]</b> If the Group achieves its GHG emission target, the CP burden in FYE March 2031 is estimated to be approximately ¥8.3 billion, and the rise in energy costs from FYE March 2021 is estimated to be ¥7.5 billion. Compared with the 1.5° C scenario, the impact attributable to carbon prices is small, but combined with the increase in energy costs due to higher unit prices for fuel, it will be a factor increasing the Company's production costs.</p>
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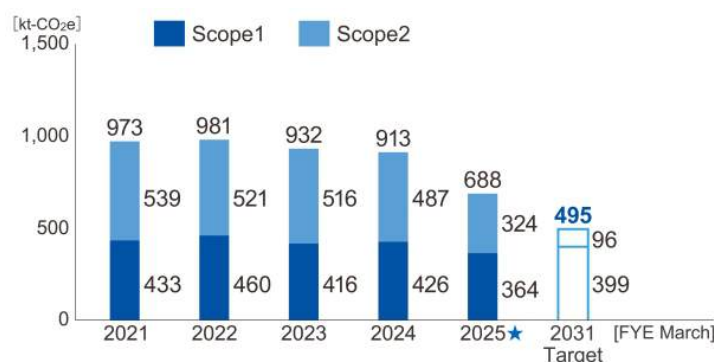
Indicator	Group GHG emissions (Scope 1 + 2)	Target	<ul style="list-style-type: none"> <li>• 47% reduction in emissions by FYE March 2031 (compared to FYE March 2021) (excluding GHG emitted due to resource recycling efforts)</li> <li>• Achieve carbon neutrality by FYE March 2046 (including GHG emitted due to resource recycling efforts)</li> </ul>
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Future Strategy and Response Toward a 1.5°C World	<ul style="list-style-type: none"> <li>• 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).</li> <li>• Switch 100% of our Group's electricity purchased to renewable energy-derived electricity by FYE March 2036</li> <li>• Accelerate the long-term use of CN fuels and the development of innovative technologies such as the capture and utilization of CO<sub>2</sub></li> </ul>
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**Fiscal year ended March 2025 performance against target**

**Group GHG emissions (Scope 1,2)**

Total greenhouse gas emissions (Scope 1 + 2) declined by 25% compared with the fiscal year ended March 2024 to 688 thousand t-CO<sub>2</sub>e★, as a result of progress switching to electricity from renewable energy sources.



\* GHG emissions excluding those from the use of recycled resources.

\* Emissions for each fiscal year were recalculated based on the consolidated scope as of the end of March 2025.

**Changes in Demand for Copper Due to Progress in Responding to Climate Change (Smelting and Resource Recycling Business)**

- **[1.5°C]** Opportunity factor: Increase in xEV sales volume
- **[4°C]** Opportunity factor: Increase in the Automobile Units Sold

<b>Anticipated world and business impact</b>	<p><b>[1.5°C] Rapid growth in copper demand due to increased EV sales aimed at decarbonization</b></p> <ul style="list-style-type: none"> <li>• Overall automobile sales volume will increase toward FYE March 2031, and worldwide demand for copper for use in automobile applications will <b>increase by a factor of around 3.3 times by FYE March 2031 and 4.6 times by FYE March 2051 compared with FYE March 2021 levels.</b></li> <li>• Sales volume of xEVs is expected to increase approximately 24-fold by FYE March 2031 compared to FYE March 2021.</li> </ul> <p><b>[4°C] Despite a low percentage of xEVs, demand for copper rises due to an increase in the total automobile units sold</b></p> <ul style="list-style-type: none"> <li>• As overall automobile sales volume increases despite a low ratio of xEVs, the global volume of copper needed for the automotive sector will <b>expand to about 2.1 times FYE March 2021 levels in FYE March 2031, and around 2.7 times FYE March 2021 levels by FYE March 2051.</b></li> <li>• Total worldwide automobile sales volume in FYE March 2031 is predicted to increase to roughly 1.8 times that of FYE March 2021 levels.</li> </ul>
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<b>Impact analysis</b>	<p>In the 1.5°C scenario <b>due to a significant increase in the sales volume of xEVs</b> which use more copper than conventional automobiles, and in the 4°C scenario <b>due to an increase in total automobile sales volume, worldwide copper demand for automotive applications is predicted to significantly increase.</b> This will be an opportunity to expand sales by strengthening production of copper cathode and capturing demand.</p>
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<b>Indicator</b>	Copper cathode sales volume	<b>Target</b>	End of FYE March 2031 830,000t/year
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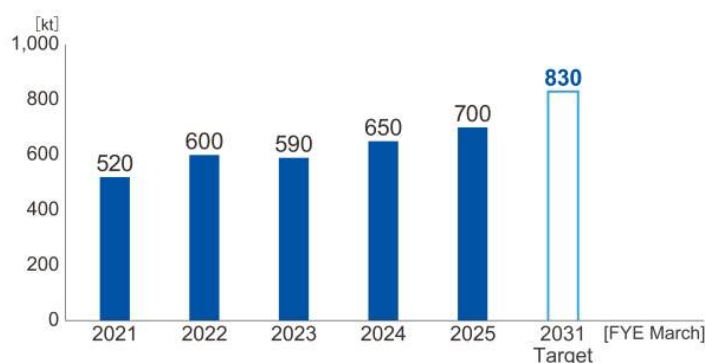
<b>Future Strategy and Response Toward a 1.5°C World</b>	<p>To meet growing copper demand, we will invest in facilities at our domestic bases and increase our copper ore processing volume by 1.3 times (Naoshima) and copper cathode sales volume by 1.4 times (overall business) from the current levels by FYE March 2031. This stable supply of copper cathode will contribute to realizing a decarbonized society.</p>
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**Fiscal year ended March 2025 performance against target**

**Copper cathode sales volume**

Sales volume for copper cathode in FYE March 2025 increased due to the enhancement of the processing capacity of Gresik Smelter & Refinery of PT. Smelting.

Copper cathode sales volume



## Changes in Demand Related to Automobile Recycling (Smelting and Resource Recycling Business)

- **[1.5°C,4°C]** Risk factor: Decrease in the number of scrapped vehicles

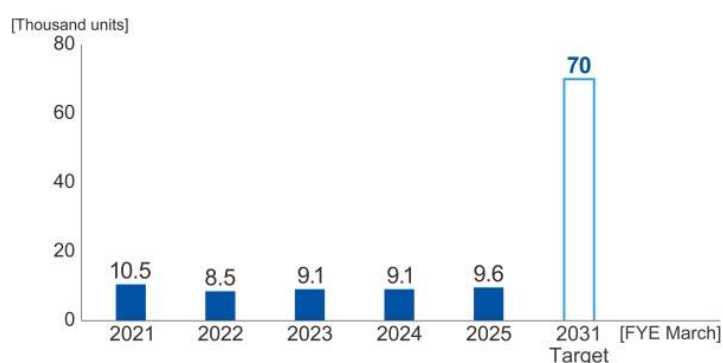
<p>Anticipated world and business impact</p>	<p><b>[1.5°C]</b> Decrease in the number of scrapped vehicles due to the decline in the Japanese population and the advance of car sharing in a decarbonized society</p> <ul style="list-style-type: none"> <li>• Due to the declining population in Japan and the 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 0.85 times by FYE March 2051.</li> <li>• 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).</li> </ul> <p><b>[4°C]</b> Decrease in the number of end-of-life vehicles generated due to Japan's declining population</p> <ul style="list-style-type: none"> <li>• 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 declined by around 0.89 times by FYE March 2051.</li> </ul>			
<p>Impact analysis</p>	<p>1.5°C and 4°C scenarios also, the number of vehicles processed in Japan is expected to decline, and there is a <b>risk that automobile recycling sales will decline</b>. 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.</p>			
<p>Indicator</p>	<table border="1"> <tr> <td data-bbox="336 873 767 958">Annual number of vehicles processed (thousand units/year)</td> <td data-bbox="767 873 1027 958"><b>Target</b></td> <td data-bbox="1027 873 1508 958">End of FYE March 2031 70,000 units/year</td> </tr> </table>	Annual number of vehicles processed (thousand units/year)	<b>Target</b>	End of FYE March 2031 70,000 units/year
Annual number of vehicles processed (thousand units/year)	<b>Target</b>	End of FYE March 2031 70,000 units/year		
<p>Future Strategy and Response Toward a 1.5°C World</p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• As a processing base for next-generation automobile recycling, we will increase our processing capacity by utilizing alliances in current technology demonstrations, etc., and expanding the number of sites to a total of three.</li> <li>• Contribute to the realization of a recycling-oriented society by meeting resource recycling needs through automobile recycling</li> </ul>			

## Fiscal year ended March 2025 performance against target

### Annual number of vehicles processed

The annual number of vehicles processed in the fiscal year ended March 2024 was 9,100 units, around the same number as the fiscal year ended March 2023, reflecting 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 Business)

- **[1.5°C]** Opportunity factor: Increase in xEV sales volume
- **[4°C]** Opportunity factor: Increase in Automobile sales volume

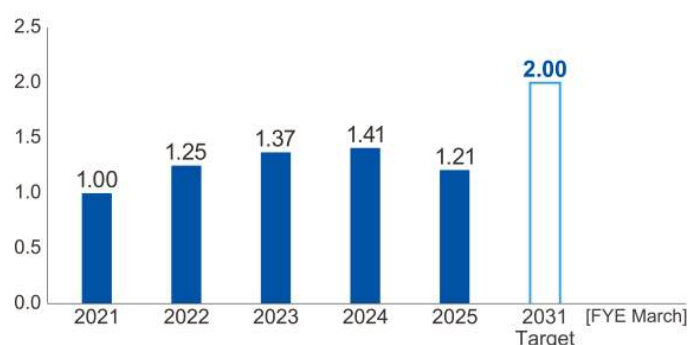
Anticipated world and business impact	<p><b>[1.5°C] Rapid growth in demand for EV-related products for decarbonization</b></p> <ul style="list-style-type: none"> <li>● Overall automobile sales will increase toward FYE March 2031, and demand for connectors and bus bars for automobiles will increase <b>2.6 times by FYE March 2031 and 3.1 times by FYE March 2051 compared to FYE March 2021.</b></li> <li>● Sales volume of xEVs is expected to increase approximately 24-fold by FYE March 2031 compared to FYE March 2021.</li> </ul> <p><b>[4°C] Despite a low percentage of xEVs, demand for products rises due to an increase in the total automobile units sold</b></p> <ul style="list-style-type: none"> <li>● As overall automobile sales volume increases despite a low ratio of xEVs, the demand for connectors and busbars for the automotive sector will <b>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</b></li> <li>● Total automobile sales volume in FYE March 2031 is predicted to increase to roughly 1.8 times that of FYE March 2021 levels.</li> </ul>		
Impact analysis	<p>In the 1.5°C scenario, given <b>a significant increase in the sales volume of xEVs</b> which use more copper products than conventional automobiles, and in the 4°C scenario <b>due to an increase in total automobile sales volume, a significant expansion of demand for the Company's rolled copper products</b> is predicted. This will be <b>an opportunity to expand sales</b> by strengthening production of related products and capturing demand.</p>		
Indicator	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	<ul style="list-style-type: none"> <li>● 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)</li> <li>● Contribute to the realizing a decarbonized society by developing products with higher performance and lower environmental impact</li> </ul>		

## Fiscal year ended March 2025 performance against target

### Sales volume of pure copper strips for vehicles

Even though inventory was built up in expectation of growth in the area of EVs, it is estimated that the sales volume in the fiscal year ended March 2025 decreased 20% from the previous fiscal year, due to a slump in EV sales, which resulted in a shift to an inventory adjustment phase, in addition to a slowdown in sales of automobiles mainly reflecting the fraud conducted by some Japanese OEMs. In the fiscal year ending March 2026, inventory adjustment will be completed, and demand is expected to increase due to electrification.

Sales of pure copper strips for vehicles  
(Compared to FYE March 2021)



**Changes in Demand Related to Modal Shift and EV Shift (Metalworking Solutions Business)**

- **[1.5°C]** Risk factors: Rapid change in market for processed products due to modal shift, etc.
- [4°C]** Opportunity factor: Increased production volume of engine-powered vehicles and aircraft

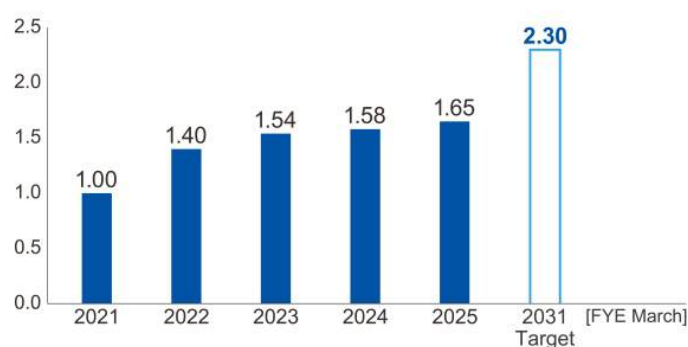
<p>Anticipated world and business impact</p>	<p><b>[1.5°C]</b> Decrease in demand for cutting tools for engines due to increase in EV ratio</p> <ul style="list-style-type: none"> <li>• Significant increase in xEV sales and increased use of lightweight materials</li> <li>• Production volume of engine-powered vehicles is expected <b>from fall to around 0.59 times the FYE March 2021 level in FYE March 2031, and to around 0.01 times by FYE March 2051.</b> As a result, sales of cutting tools used to work on engines and transmissions will decrease.</li> <li>• Production volume of engine-powered aircraft is <b>expected to be approximately 1.18 times the FYE March 2021 level by FYE March 2031, and about 1.61 times by FYE March 2051.</b> As a result, sales of cutting tools used to work on aircraft components will increase.</li> </ul> <p><b>[4°C]</b> Increased demand for cutting tools due to higher production volume of engine-powered vehicles and aircraft</p> <ul style="list-style-type: none"> <li>• Production volume of engine-powered vehicles is expected to be approximately <b>1.44 times the FYE March 2021 level in FYE March 2031, and about 1.32 times by FYE March 2051.</b> As a result, sales of cutting tools used to work on engines and transmissions will decrease.</li> <li>• Production volume of engine-powered aircraft is <b>expected to be approximately 1.48 times the FYE March 2021 level by FYE March 2031, and about 2.60 times by FYE March 2051.</b> As a result, sales of cutting tools used to work on aircraft components will increase.</li> </ul>		
<p>Impact analysis</p>	<p><b>[1.5°C]</b> As there is an accelerating shift toward electric motors and lighter weights in the automotive industry and demand for the cutting tools used in the machining of difficult-to-cut materials is predicted to increase, there could be an <b>opportunity for the Company to expand sales by revising its product mix and capture this demand.</b> However, there is a risk that sales of cutting tools for the machining of engines and transmissions, currently mainstay products, <b>will decrease, falling to 0.996 times that of FYE March 2021 levels by FYE March 2031 and to 0.718 times FYE March 2021 levels by FYE March 2051.</b></p> <p>In the aerospace industry, since aircraft production volume is <b>expected to increase, sales of cutting tools for the industry are expected to increase to 1.18 times that of FYE March 2021 levels by FYE March 2031, and to 1.61 times FYE March 2021 levels by FYE March 2051.</b></p> <p><b>[4°C]</b> As production volume of engine-powered vehicles and aircraft is predicted to rise due to a lack of progress in modal shift and EV shift, <b>there will be an opportunity to increase sales of cutting tools for the automotive and aerospace industries, which are key products.</b> Compared with FYE March 2021 levels, net sales of cutting tools for the automotive industry are expected to increase by 1.71 times by FYE March 2031 and by 1.65 times by FYE March 2051, and net sales of <b>cutting tools for the aerospace industry are expected to rise by 1.48 times by FYE March 2031 and 2.60 times by FYE March 2051.</b></p>		
<p>Indicator</p>	<p>Sales of cutting tools (Compared to FYE March 2021)</p>	<p>Target</p>	<p>End of FYE March 2031 2.3 times (compared to FYE March 2021)</p>
<p>Future Strategy and Response Toward a 1.5°C World</p>	<ul style="list-style-type: none"> <li>• Contribute to the realizing a decarbonized society by developing and supplying products such as tools for machining difficult-to-machine materials to meet growing demand in the 1.5° C scenario, and expanding our global market share.</li> <li>• In the automotive product market, we will closely monitor the trend toward EVs and develop tools for processing EV parts as necessary. In the new markets that will replace the automotive industry, we also aim to increase sales of cutting tools by targeting the small precision machining field (robots, semiconductor manufacturing equipment, telecommunications, etc.) as a strategic market.</li> </ul>		

## Fiscal year ended March 2025 performance against target

### Sales of cutting tools

Sales of cutting tools in the fiscal year ended March 2025 increased 4.3% from the fiscal year ended March 2024, despite a global slowdown of demand, chiefly due to price increases and sales expansion measures.

Sales of cutting tools  
(Compared to FYE March 2021)



## Changes in Demand Related to LIB-R and PV-R (Smelting and Resource Recycling Business)

- **[1.5°C,4°C]** Opportunity factor: Increase in demand for automotive LIB and solar panel(PV) recycling

Anticipated world and business impact	<p><b>[1.5°C]</b> Recycling demand will expand for automotive LIBs and PV waste generated on rapidly increased</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The volume of used PV equipment recycled (with reuse in mind) in Japan is expected to expand to around 8.3 times FYE March 2021 levels by FYE March 2031, and to over 300 times FYE March 2021 levels by FYE March 2051.</li> </ul> <p><b>[4°C]</b> Recycling demand will expand for automotive LIBs and PV waste generated on increased</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The volume of used PV equipment recycled (with reuse in mind) in Japan is expected to expand to around 7.8 times FYE March 2021 levels by FYE March 2031, and to over 120 times FYE March 2021 levels by FYE March 2051.</li> </ul>		
Impact analysis	1.5°C and 4°C scenarios also, due to increased demand for EVs and solar power generation, it is anticipated that the <b>emissions of automotive LIBs and PVs will increase at Japan in the future</b> , and that the <b>demand for recycling will increase accordingly</b> . This will be an opportunity to increase sales by promoting commercialization based on demonstration tests currently underway.		
Indicator	Amount of automotive LIBs recycled*7	Target	End of FYE March 2031 870t-LIB/year
Future Strategy and Response Toward a 1.5°C World	<ul style="list-style-type: none"> <li>• Commercialize PV recycling to broaden the scope of target items at home appliance recycling sites</li> <li>• 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</li> </ul>		

\*7 Up to the point of black mass production (including LIB removal, discharging, dismantling, pyrolysis, crushing, and sorting).

## Fiscal year ended March 2025 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 (Metalworking Solutions Business)

- **[1.5°C,4°C]** Opportunity factor: Increase in demand for EV batteries and storage batteries

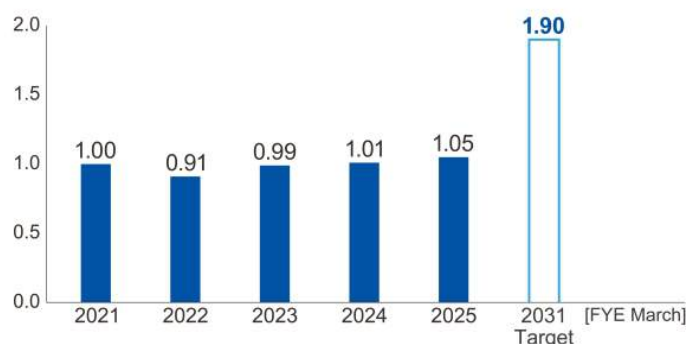
<p>Anticipated world and business impact</p>	<p><b>[1.5°C]</b> Growing demand for tungsten powder due to rapidly increase in EV batteries and stationary storage batteries</p> <ul style="list-style-type: none"> <li>• Demand for EV batteries is projected to <b>grow 21-fold</b> by FYE March 2031 and 30-fold by FYE March 2051 compared to FYE March 2021 due to increased sales of BEVs and PHEVs.</li> <li>• Growing demand for renewable energy is expected to <b>lead to an approximately 20-fold increase in stationary storage battery installations</b> by FYE March 2031 and a 22-fold increase by FYE March 2051, compared to FYE March 2021.</li> </ul> <p><b>[4°C]</b> Growing demand for tungsten powder due to increase in EV batteries and stationary storage batteries</p> <ul style="list-style-type: none"> <li>• Demand for EV batteries is projected to <b>grow 6.7-fold</b> by FYE March 2031 and 12-fold by FYE March 2051 compared to FYE March 2021 due to increased sales of BEVs and PHEVs.</li> <li>• Growing demand for renewable energy is expected to <b>lead to an approximately 5.2-fold increase in stationary storage battery installations</b> by FYE March 2031 and a 10-fold increase by FYE March 2051, compared to FYE March 2021.</li> </ul>		
<p>Impact analysis</p>	<p>In the 1.5°C scenario, the growing demand for EVs and the rapid increase in demand for storage batteries are expected to <b>significantly increase demand for high-performance powders for rechargeable batteries</b>. Even in the 4°C scenario, EV demand and storage battery demand will increase, albeit to a small extent. 1.5°C and 4°C scenarios also, this will be <b>an opportunity to increase sales</b> by capturing demand through the expansion of our production capacity for tungsten-based high-performance powder. Sales of high-performance powder is <b>expected to increase to 1.9 times FYE March 2021 levels by FYE March 2031 and to 3.8 times FYE March 2021 levels by FYE March 2051</b>, due to the Company achieving its manufacturing plans.</p>		
<p>Indicator</p>	<p>Production of high-functional powder for rechargeable batteries</p>	<p>Target</p>	<p>End of FYE March 2031 1.9 times (compared to FYE March 2021)</p>
<p>Future Strategy and Response Toward a 1.5°C World</p>	<ul style="list-style-type: none"> <li>• Contribute to the realizing a decarbonized society by developing and supplying products to meet growing demand in the 1.5° C scenario, such as tungsten powder products for LIBs for EVs and LIBs for solar power generation equipment.</li> <li>• Expand our tungsten powder product business in cooperation with Masan High-Tech Materials.</li> <li>• Contribute to the realization of a recycling-oriented society by promoting tungsten recycling</li> </ul>		

## Fiscal year ended March 2025 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 2025 increased 3.8% from the fiscal year ended March 2024 due to the steady growth of the global rechargeable battery market.

Production volume of high-functional powder for rechargeable batteries (Compared to FYE March 2021)



## Changes in Demand for Renewable Energy (Renewable Energy Business)

### ● [1.5°C,4°C] Opportunity factor: Increase in spread and demand for renewable energy

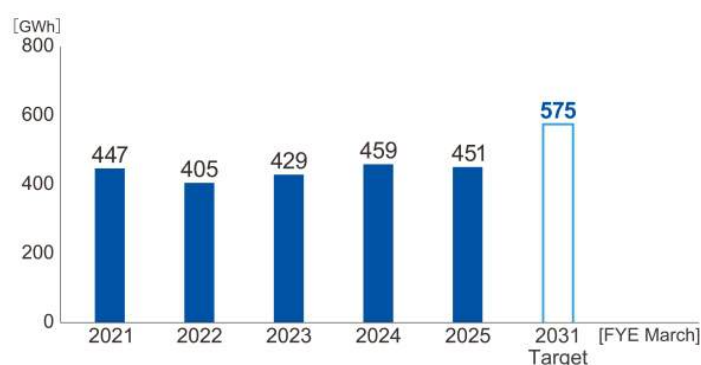
<p>Anticipated world and business impact</p>	<p><b>[1.5°C]</b> Medium- and long-term expansion of the renewable energy market toward a net-zero society Demand for renewable energy is expected to keep growing, with Japan's geothermal and wind power generation projected to increase 4.7-fold and 9.8-fold, respectively, by FYE March 2031 and 15-fold and 48-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 0.3-4 yen per kWh, with unit prices for FIT/FIP declining by 10% over three years.</p> <p><b>[4°C]</b> 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 2.3-fold and 5.0-fold, respectively, by FYE March 2031 and 4-fold and 7.5-fold, respectively, by FYE March 2051, compared to FYE March 2021. Assuming limited demand for renewable energy, environmental value is set at 0.3 yen, with unit prices for FIT/FIP declining by 5% over three years to encourage demand.</p>			
<p>Impact analysis</p>	<p>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°C and 4°C scenarios renewable energy demand itself will expand, and in particular <b>the growth rate of demand for wind power generation and geothermal power generation will be higher than other renewable energy sources.</b> Researching and developing new power generation sites <b>represents an opportunity for the Company to expand its renewable energy business.</b> By achieving its plans for retained power generating capacity, the Company expects to increase sales by <b>¥5,240 million by FYE March 2031 and ¥23,668 million by FYE March 2051 compared with FYE March 2021 levels</b> under the 1.5°C scenario, and by <b>¥5,046 million by FYE March 2031 and ¥20,185 million by FYE March 2051 compared with FYE March 2021 levels</b> under the 4°C scenario.</p>			
<p>Indicator</p>	<table border="1"> <tr> <td data-bbox="336 1055 767 1144">Our share of renewable energy sales volume</td> <td data-bbox="767 1055 1027 1144">Target</td> <td data-bbox="1027 1055 1508 1144">End of FYE March 2031 575GWh</td> </tr> </table>	Our share of renewable energy sales volume	Target	End of FYE March 2031 575GWh
Our share of renewable energy sales volume	Target	End of FYE March 2031 575GWh		
<p>Future Strategy and Response Toward a 1.5°C World</p>	<ul style="list-style-type: none"> <li>• Work to improve profitability through stable operation of existing power plants and utilization of environmental values, etc.</li> <li>• Focus on investigation and development of new power generation sites (development of new geothermal projects in the Hachimantai district and other regions, and entry into wind power generation)</li> <li>• Aim to expand the scale of power generation and related businesses through collaboration with other companies</li> </ul>			

## Fiscal year ended March 2025 performance against target

### Our share of renewable energy sales

In the fiscal year ended March 2025, our share of energy sales was 98.3% of what it had been in the previous fiscal year due to a decrease in the volume of hydro power generated, which was a result of a decrease in rainfall.

Our share of renewable energy sales (GWh)



\* 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 (Smelting and Resource Recycling Business)

- **[1.5°C,4°C]** Opportunity factor: Increase in demand for E-Scrap recycling

Anticipated world and business impact	<p><b>[1.5°C]</b> Increase in demand for recycling waste electronic equipment in line with economic growth in each country</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Estimated worldwide E-Scrap generation is expected to be <b>1.4 times FYE March 2021 levels by FYE March 2031 and 2.5 times FYE March 2021 levels by FYE March 2051</b>, due to regional growth rates and population trends. (*results of estimates when FYE March 2023 analysis was performed)</li> <li>• 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.</li> </ul> <p><b>[4°C]</b> Increase in demand for recycling waste electronic equipment in line with economic growth in each country</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Estimated worldwide E-Scrap generation is expected to be <b>1.3 times FYE March 2021 levels by FYE March 2031 and 1.6 times FYE March 2021 levels by FYE March 2051</b>, due to regional growth rates and population trends. (*results of estimates when FYE March 2023 analysis was performed)</li> </ul>
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Impact analysis	<p>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, <b>global E-scrap generation in FYE March 2031 will increase</b>. 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, <b>increasing our recycling capacity will increase our E-Scrap processing volume and provide an opportunity to increase our sales</b>.</p>
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Indicator	E-Scrap processing capacity	Target	End of FYE March 2031 240,000t/year
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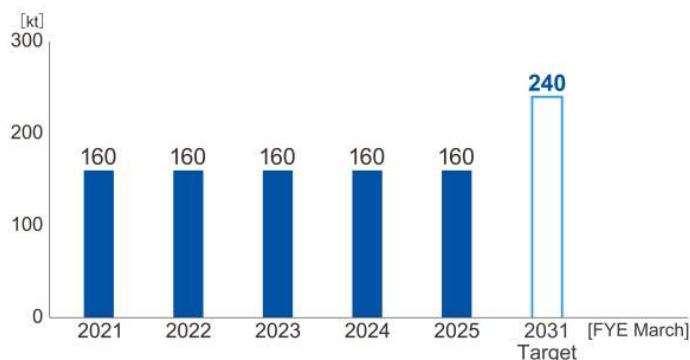
Future Strategy and Response Toward a 1.5°C World	<ul style="list-style-type: none"> <li>• To meet the growing demand for recycling due to the increased amount of E-Scrap generated, enhance E-Scrap processing capacity by constructing a recycling yard and strengthening the system for efficiently recovering the trace elements in E-Scrap.</li> <li>• 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.</li> </ul>
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### Fiscal year ended March 2025 performance against target

#### E-Scrap processing capacity

E-scrap processing capacity in the fiscal year ending March 2025 remained unchanged from the fiscal year ended March 2021 level at 160,000 tons. To reach our target processing capacity of 240,000 tons by the fiscal year ended March 2031, we plan to carry out construction to expand processing capacity at Naoshima in the fiscal year ending March 2027.

E-Scrap processing capacity (kt/year)



## Changes in Demand Related to Home Appliance Recycling (Smelting and Resource Recycling Business)

- **[1.5°C,4°C]** Opportunity factor: Increase in demand for home appliance recycling

Anticipated world and business impact	<p><b>[1.5°C]</b> The amount of home appliance waste processed will increase due to the rising frequency of energy-efficient home appliance upgrades in response to global warming and rising energy costs</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The home appliance recovery rate will improve on the way to FYE March 2051 due to recycling regulations and other factors.</li> </ul> <p><b>[4°C]</b> Slight increase in waste home appliance disposal weight due to increase in air conditioner ownership linked to rising temperatures and a higher frequency of breakdowns and replacement</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The frequency of air conditioner replacements will increase due to breakdowns caused by rising temperatures.</li> <li>• Replacements of home appliances will increase with the rise in wind and flood disasters. As a result, total home appliance waste generation in Japan will increase slightly by both FYE March 2031 and FYE March 2051 compared with FYE March 2021 levels.</li> </ul>
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Impact analysis	<p><b>[1.5°C]</b> Given fluctuations in home appliance ownership due to changes in the number of households in Japan, and an increase in the home appliance recovery rate attributable to recycling regulations and other factors, <b>it is estimated that the total volume of disposed home appliances across Japan will increase by 6% compared with FYE March 2021 levels by FYE March 2031, and by 10% compared with FYE March 2021 levels by FYE March 2051. There is an opportunity to increase sales by scaling up the Company's home appliance disposal business.</b></p> <p><b>[4°C]</b> With increased air conditioner ownership linked to rising temperatures and a higher frequency of breakdowns and replacements due to wind and flood damage, it is estimated that <b>the total volume of disposed home appliances across Japan will increase by 2% compared with FYE March 2021 levels by FYE March 2031, and by 1% compared with FYE March 2021 levels by FYE March 2051. There is an opportunity to increase sales by scaling up the Company's home appliance disposal business.</b></p>
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Indicator	Annual number of home appliances processed	Target	End of FYE March 2031 5.9 million units/year
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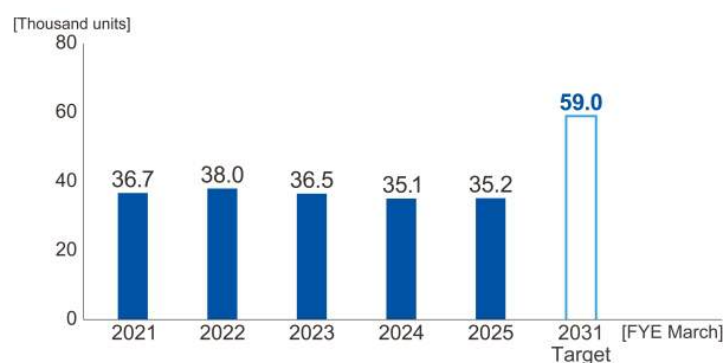
Future Strategy and Response Toward a 1.5°C World	<ul style="list-style-type: none"> <li>• Contribute to building a recycling-oriented society by expanding business through M&amp;A of existing plants and establishment of new recycling plants.</li> <li>• In addition to automation and labor saving, we will differentiate ourselves by strengthening management through a cloud-based operation management system, and visualizing environmental value through LCA evaluations.</li> </ul>
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### Fiscal year ended March 2025 performance against target

#### Annual number of home appliances processed

In the fiscal year ended March 2025, 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 3.52 million units, partly reflecting the ongoing increase in the air conditioner recovery rate.

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



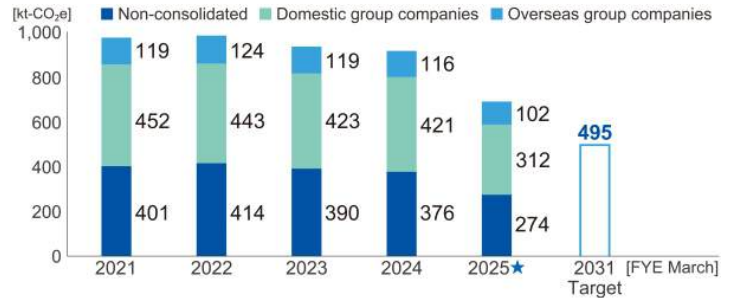
## GHG Emission Results and Initiatives

### FYE March 2025 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 2025 were 688 thousand t-CO<sub>2</sub>e★. As a result of the switch to electricity derived from renewable energy sources, GHG emissions decreased by 15 thousand t-CO<sub>2</sub>e from the fiscal year ended March 2024.

The breakdown of GHG emissions was 42% by the parent company, 48% by domestic Group companies, and 10% by overseas Group companies.

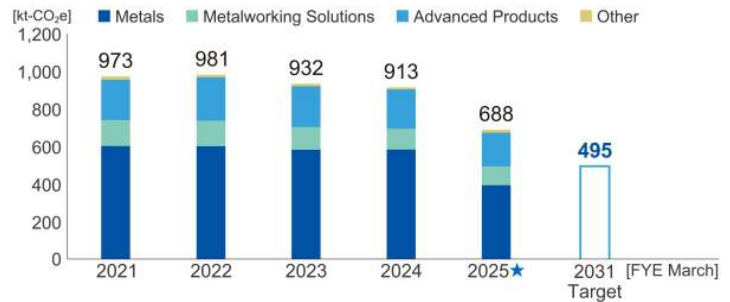


\* GHG emissions excluding those from the use of recycled resources.

\* Emissions for each fiscal year were recalculated based on the consolidated scope as of the end of March 2025.

#### GHG emissions (breakdown by business)

In the fiscal year ended March 2025, GHG emissions by business segment were 66% in Metals business, 9% in Metalworking Solutions business, 24% in Advanced Products business, and 1% in Other business.



\* GHG emissions excluding those from the use of recycled resources.

\* Emissions for each fiscal year were recalculated based on the consolidated scope as of the end of March 2025.

#### Breakdown of Total Emissions for FYE March 2025 [kt-CO<sub>2</sub>e]

Total GHG emissions for the fiscal year ended March 2025 was 1,111 t-CO<sub>2</sub>e★, including 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 38%.

Category		Non-consolidated	Domestic Group companies	Overseas Group companies	Total
Scope 1	From energy sources (fuel, etc.)	94	143	25	263
	From non-energy sources	31	71	0	102
	GHG emissions from resource recycling efforts	161	261	0	422
	Scope 1 total	286	475	26	★787
Scope 2		149	98	77	★324
Total		435	573	102	★1,111

\* "Group companies" includes 85 consolidated subsidiaries (31 domestic, 54 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<sub>2</sub>e.

Scope 3 Emissions for FYE March 2025 [kt-CO<sub>2</sub>e]

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	737	1,448	2,185	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	99	103	203	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	59	70	130	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	223	325	548	1) Emissions from the physical distribution of products and services, which were purchased in the reportable fiscal year, from suppliers to the company <ul style="list-style-type: none"> <li>· A transportation scenario was set for each major raw material (excluding waste as raw materials and by-products as raw materials).</li> <li>· 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).</li> </ul> 2) Emissions from the physical distribution of products that were shipped and transported in the reportable fiscal year at the expense of the company <ul style="list-style-type: none"> <li>· A transportation scenario was set for each major shipped product.</li> <li>· Distances between countries were set using the IDEA database on distances between countries, and other distances were set using a distance search site.</li> </ul>
Category 5	Waste generated from operations	Same as organizations covered by environmental data other than greenhouse gas emissions	3	14	17	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.
Category 7	Employee commuting	Consolidated	2	5	7	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	32	32	64	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).

Item		Object	Non-consolidated	Group	Total	Approach to determining the amount of activity
Category 10	Processing of sold products	Same as organizations covered by environmental data other than greenhouse gas emissions	168	234	402	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
<b>Total</b>			★6,738	2,235	★8,973	

\* Raw material procurement, transportation, and product shipment scenarios were set based on the fiscal year ended March 2022 results.

\* The calculation was made by referring to the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.6 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. 3.4) and National Institute of Advanced Industrial Science and Technology IDEA Ver. 3.4 from the above ministries.

\* Scope 3 emissions for the fiscal year ended March 2025 reflect data on Mitsubishi Materials Corporation and 47 consolidated subsidiaries as of March 31, 2025.

## 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) of GHG emissions of 22% below the fiscal year ended March 2021 level by the fiscal year ending March 2031. We are building relationships with our suppliers to reduce GHG emissions throughout our supply chain. Specifically, we send questionnaires to copper concentrate suppliers related to category 1, which accounts for approximately 24% of Scope 3 emissions (actual emissions in FYE March 2025), based on reports published regarding the status of the actions taken to address global environmental issues and GHG reduction targets and plans, and receive responses from them. We engage in two-way communication with them in this way. We also exchange opinions with them during online meetings and push forward with initiatives to reduce GHG emissions throughout the supply chain. In the fiscal year ended March 2025, questionnaires were sent to suppliers accounting for approx. 90% of the copper concentrate that we procure. The Company plans to continue these efforts and expand the suppliers that they apply to.

Among copper concentrate suppliers, we have also signed a Memorandum of Understanding (MOU) with Anglo American plc, a multinational mining company headquartered in London, UK, to promote collaboration for providing sustainable and responsible products throughout the copper-related products supply chain. As global demand for copper increases, there is a desire that those supplies be greener and more sustainable. The Company and Anglo American plc will work together to meet these market demands.

> Press Release

MOU Signed with Anglo American to Build a Sustainable and Responsible Supply Chain 

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**

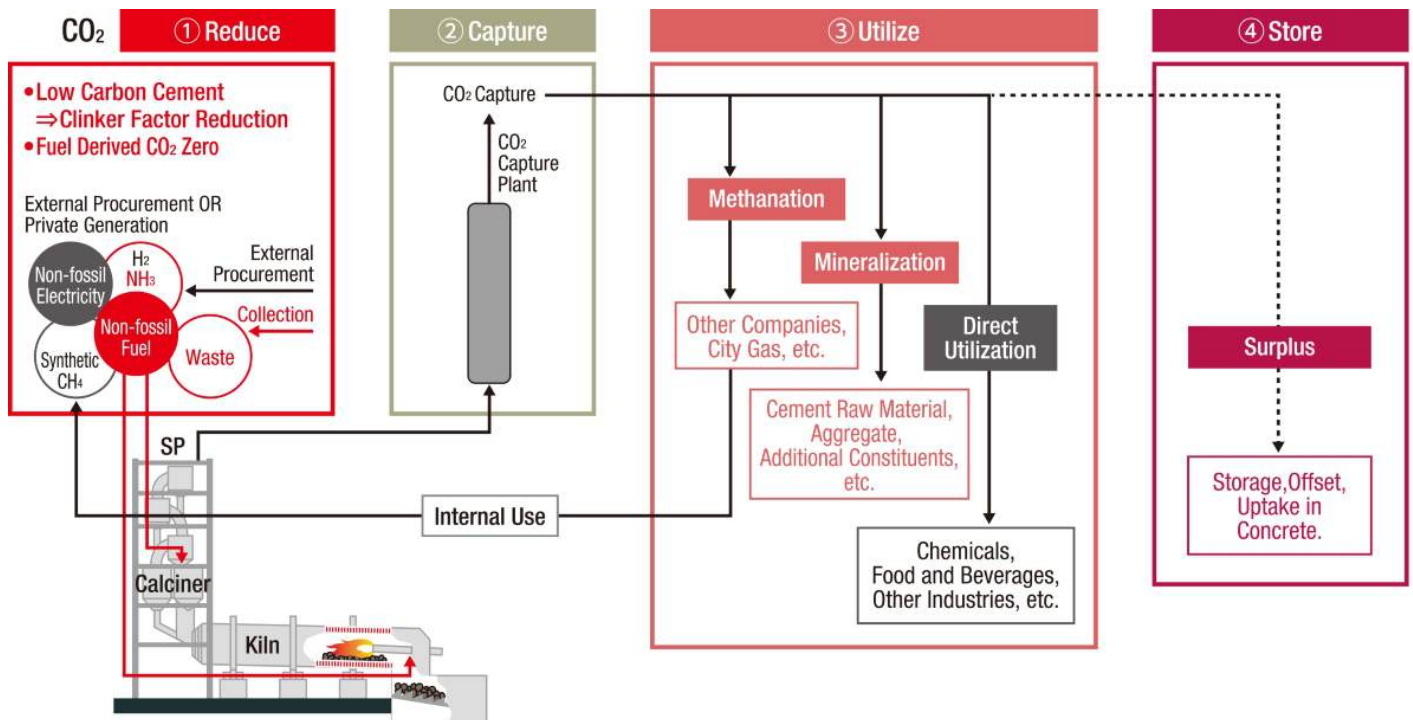
Mitsubishi UBE Cement Corporation (MUCC) is an equity method affiliate, and the Company counts and reports 50% (shareholding ratio of MUCC) of MUCC's Scope 1 and 2 emissions as the Group's Scope 3 category 15 emissions. As these emissions account for approximately 60% of Scope 3 emissions (as of the 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<sub>2</sub> emissions by 40% by 2030 (compared to 2013 levels).

Regarding the reduction of CO<sub>2</sub>, 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<sub>2</sub> emissions during cement production. In the future, MUCC will also work on transitioning from natural gas to e-methane\*.

Regarding the utilization of CO<sub>2</sub>, 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<sub>2</sub>-fixed recycled aggregate, base materials, and carbonate artificial sand on a demonstration scale by causing a reaction between CO<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub>, 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<sub>2</sub> 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.



\* E-methane is a synthetic methane produced from CO<sub>2</sub> and hydrogen derived from renewable energy sources. Since burning e-methane does not result in a net increase of CO<sub>2</sub> 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<sub>2</sub> 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, will further accelerate the switch to electricity derived from renewable energy sources among its purchased electricity, moving the completion of this plan forward by up to 11 years to the fiscal year ending March 2025 at 80% of its plants, and by 7 years to the fiscal year ending March 2029 at the Naoshima Smelter & Refinery and Onahama Smelter & Refinery.

**Logistics Initiatives**

CO<sub>2</sub> emissions from transportation in the fiscal year ended March 2025 were 18,546 tons (down 64 tons from the fiscal year ended March 2024) on a non-consolidated basis and 5,758 tons (up 684 tons from the fiscal year ended March 2024) for Group companies. The total CO<sub>2</sub> emissions of the parent Company and Group companies amounted to 24,304 tons (up 620 tons from the fiscal year ended March 2024). Unit energy consumption\* for the parent Company was 21.94 kℓ /million ton-kilometer (Improvement approximately 4.9% from the fiscal year ended March 2024), while the combined total of the parent Company and Group companies was 26.07 kℓ /million ton-kilometer (down approximately 13.2% from the fiscal year ended March 2024). 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<sub>2</sub> Emissions According to Mode of Transport (Unit: Tons CO<sub>2</sub>)**

		FYE March 2024			FYE March 2025			
		Mitsubishi Materials	Group companies	Total	Mitsubishi Materials	Group companies	Total	
CO <sub>2</sub> emissions from logistics	Total	18,610	5,074	23,684	18,546	5,758	24,304	
	Breakdown	Trucks	11,759	3,416	15,175	11,392	3,380	14,772
		Ships	6,800	1,655	8,455	7,103	2,374	9,477
		Rail	4	3	7	4	4	8
		Air	47	0	47	47	0	47

\* 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****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 –

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. Having achieved certain results, as a next step, we will build a pilot plant at Onahama Smelter & Refinery of Onahama Smelting and Refining Co., Ltd. in Iwaki City, Fukushima Prefecture to further develop technologies for the commercialization of high-efficiency recovery of rare metals from Black Mass. The technical development associated with the construction of the pilot plant will be supported by a grant from the Ministry of Economy, Trade and Industry, which is related to its stable supply plan of critical minerals.

## Overview of the Pilot Plant

Raw materials : LIB derived Black Mass

Products : Battery-grade lithium carbonate, nickel sulfate, cobalt sulfate

Commencement of operation : 2025

Location : On the site of Onahama Smelter & Refinery, Onahama Smelting and Refining Co., Ltd.

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

> Press 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\*, 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<sub>2</sub> 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.

\* 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

> Press Release

R&D on Recycling Used Cables Generated by Railroad Operations to Begin on April 1

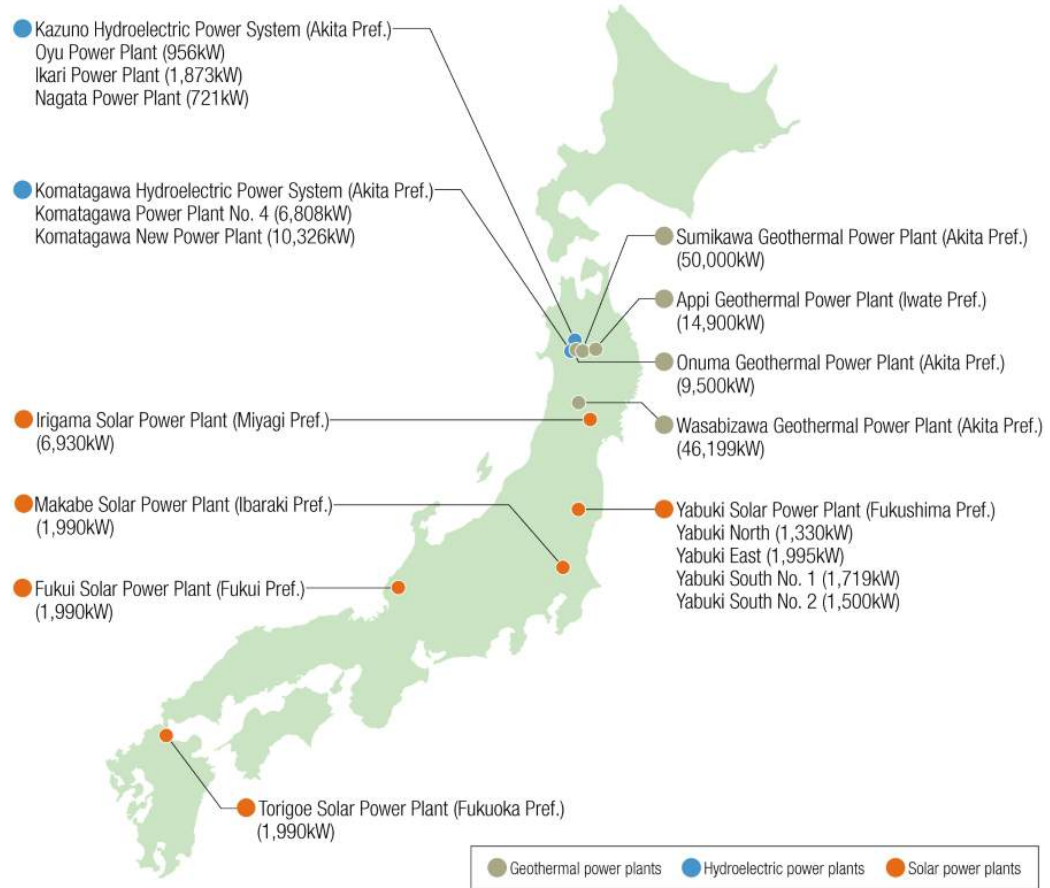
- Aiming to establish a system for reducing waste by recycling copper and coating materials – [□](#)

## Renewable Energy Development Initiatives

- Producing Renewable Energy
- Ground Source Heat Pump Systems (GSHP)
- Carbon dioxide Capture, Utilization and Storage (CCUS)

### 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 2025, we generated a total of 792 GWh of power (including 451 GWh from plants in which we have equity stake, etc.). The operation of our geothermal plants and steam supply systems effectively reduced CO2 emissions by approx. 142,000 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 Power Corporation).

In geothermal power generation, it is important to understand the unseen underground conditions to ensure a continuous and stable supply of steam. At the Sumikawa geothermal power plant, 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 August 2021, we launched a survey to quantify the geothermal resources in the Konomori area (Kazuno), which is located northeast of the Onuma Geothermal Power Station, using subsidies from the Japan Organization for Metals and Energy Security (JOGMEC). Further, we have begun a survey to quantify the geothermal resources in the upstream area of the Appi River (Hachimantai), which is east of the Appi Geothermal Power Plant, in June 2022 using subsidies from JOGMEC. We are also continuing to conduct joint surveys with other companies in the Azuma-Adatara area of Fukushima prefecture.



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  
Operations scheduled to 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 today.

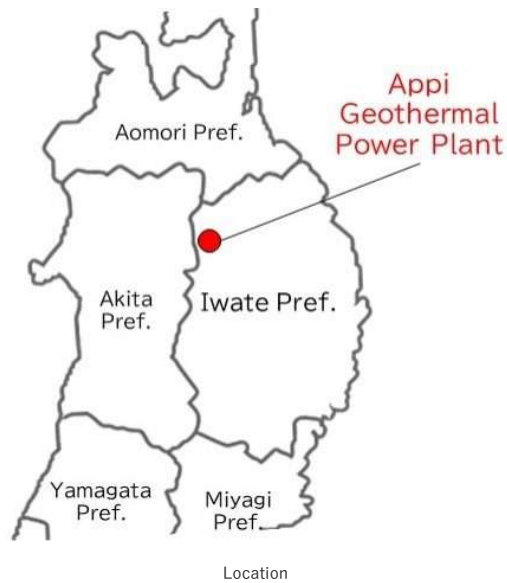
The Appi Geothermal Power Plant is located at an altitude of approximately 1,130 meters and operates at an output capacity of 14,900 kW utilizing promising geothermal resources in the Hachimantai region of Iwate Prefecture. This was the first time in 28 years that a geothermal power plant with an output 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, applying a debt guarantee project 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



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

**TOPICS** Status of Geothermal Resource Investigation in the Komonomori Area

We began preparations in the fiscal year ended March 2023 and conducted well drilling in the fiscal year ended March 2025. Through various investigations, we obtained information on the geology, rock characteristics, and temperatures of the sites, and in one of the wells, we were able to confirm formation temperatures that exceeded 300° C.

We have been communicating with local stakeholders (including the city of Kazuno and hot spring operators), and our continuous hot spring monitoring system is operating as planned.



An excavation survey

We are utilizing the abundant experience and high technological capabilities we have cultivated over many years through our development and management of coal and metal mines for geothermal power generation. Regarding geothermal power generation, since commencing operations at the Onuma Geothermal Power Plant (Akita Prefecture) in 1974, we have played a central role in the construction and operation of the Sumikawa Geothermal Power Plant (Akita Prefecture, commenced operations in 1995), the Wasabizawa Geothermal Power Plant (Akita Prefecture, commenced operations in 2019), and the Appi Geothermal Power Plant (Iwate Prefecture, commenced operations in 2024). We have been working on the "development and promotion of the use of renewable energies such as geothermal energy" and intend to engage in this project by making use of our experience and technological capabilities through investment to contribute to the success of the project.

### 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) was finalized. Furthermore, in May 2019, construction began on the Komatagawa New Power Plant in the Komatagawa River system, Kitaakita City, Akita Prefecture. This will be 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 since the fiscal year ended March 2022, 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 2025, the combined total of power generated by all five hydroelectric power plants was 89 GWh. Our operation of hydroelectric power plants effectively reduced CO2 emissions by approx. 38,000 tons.



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

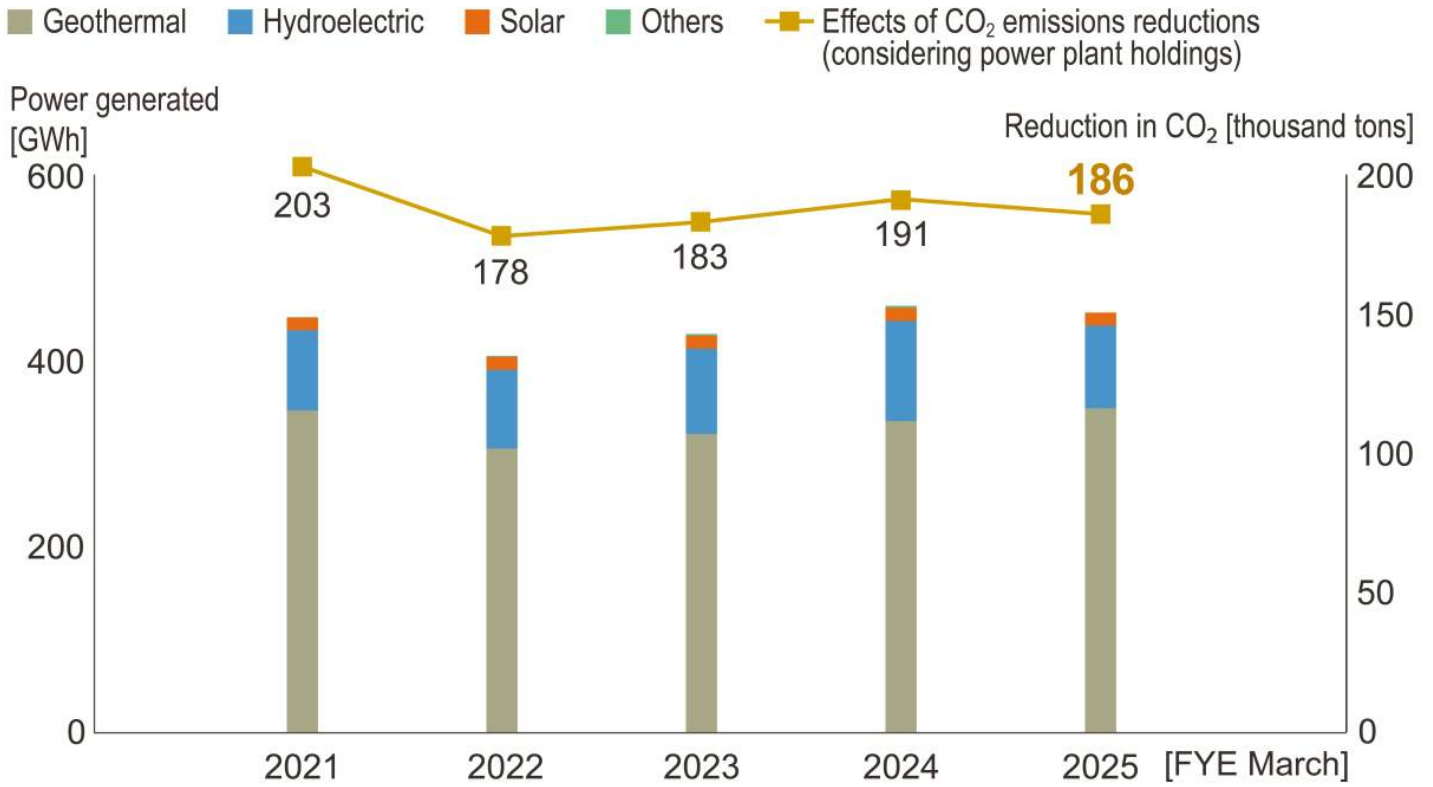
### Solar Power Businesses

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 (Ibaraki prefecture), Fukui, Torigoe (Fukuoka prefecture), Irigama (Miyagi prefecture), and Yabuki (Fukushima prefecture). In the fiscal year ended March 2025, the combined total of power generated by all five 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 CO2 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

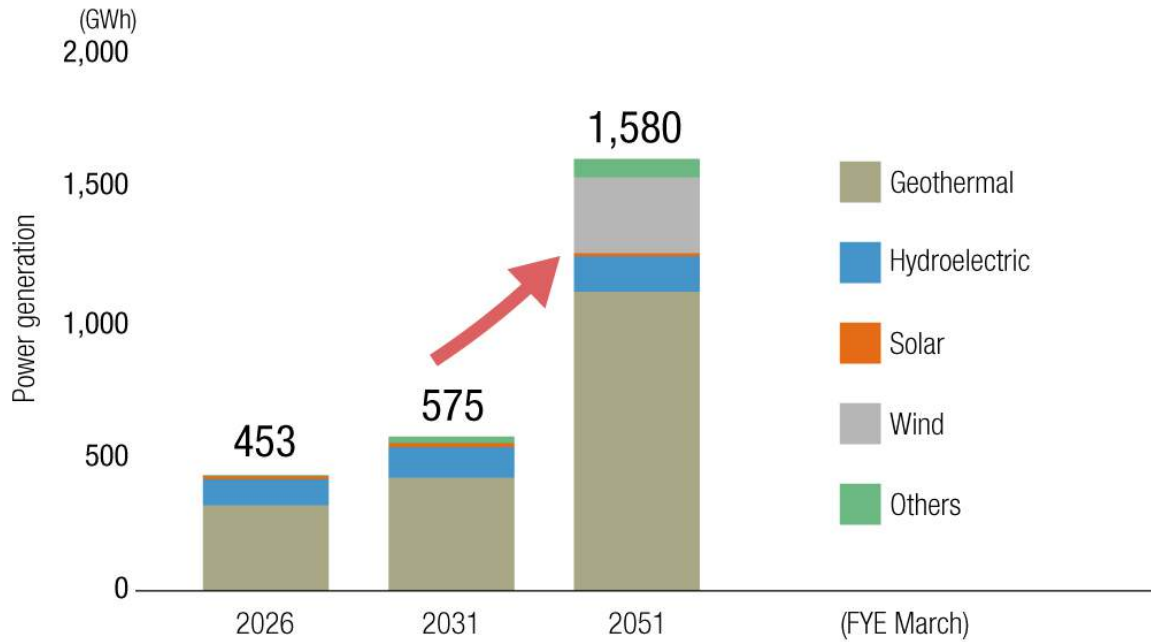
**Renewable Energy's Effect on the Reduction of CO<sub>2</sub> Emissions**



Reduction in CO<sub>2</sub> Emissions Using Renewable Energy (reflecting our equity in power plants)

\* Recalculated based on the CO<sub>2</sub> 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)

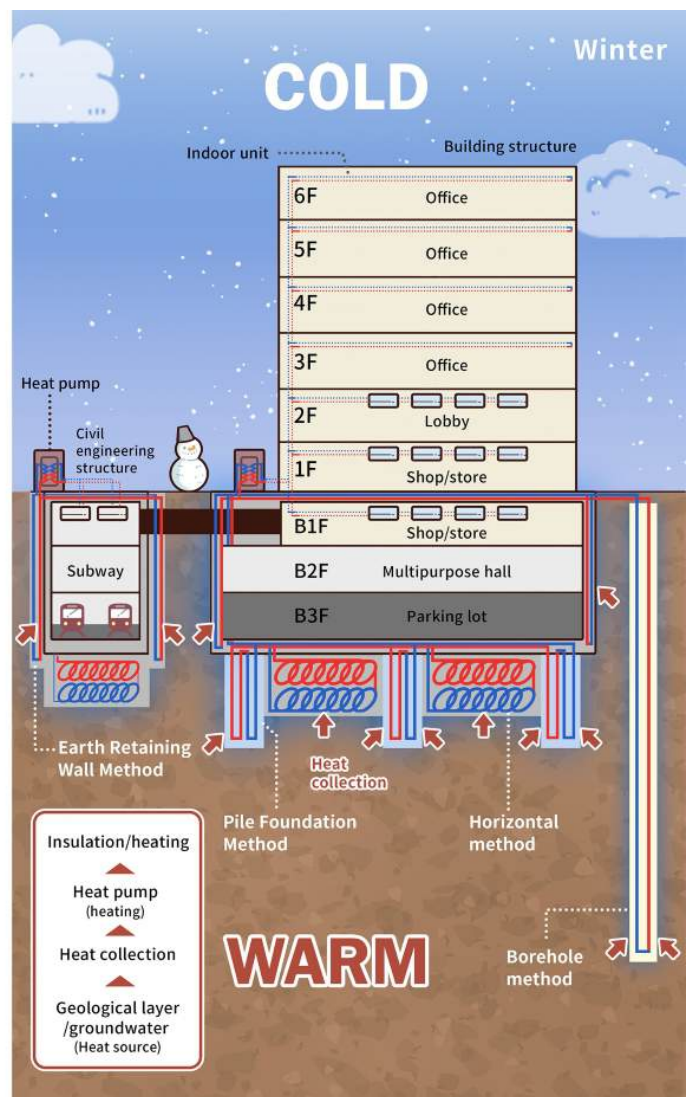
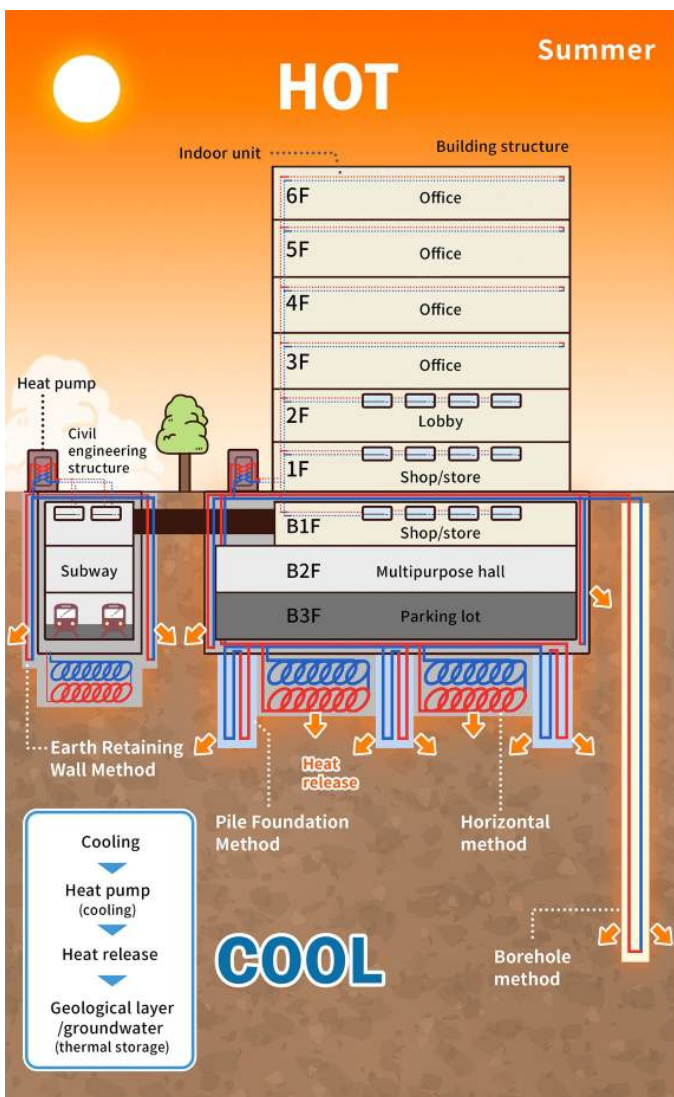
### Helping to Build of a Decarbonized Society by Promoting Ground Source Heat Utilization, Which is Renewable Energy Heat.

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 geothermal 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

Bore hole systems	Foundation pile systems	Horizontal systems	Earth retaining wall systems
			
<p>Heat supply to the Tokyo Skytree District Sonic drill method Japan's first district heating and cooling system (DHC)</p>	<p>Adopted for use in more than 20 projects Compatible with cast-in-place piles, precast concrete piles, and steel pipe piles as well</p>	<p>Patent No. 6452876</p> <p>Patent No. 5624533/ 5859731</p> <p>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)</p>	<p>Patent No. 5384058</p> <p>NEDO project for developing technologies for using renewable energy (FY2016 to FY2019)</p>

Heat Exchange Systems and Examples of Projects Which Adopted Them

## Carbon dioxide Capture, Utilization and Storage (CCUS)

### For Carbon dioxide Capture, Utilization and Storage (CCUS)

We have launched a demonstration test recovering carbon dioxide emitted from the Group's plant. (See the link below for details.)

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<sub>2</sub> Storage. Regarding carbon dioxide capture and utilization.

- > Recovering and using CO<sub>2</sub> emitted from plants -- A demonstration launched in Kyushu [□](#)

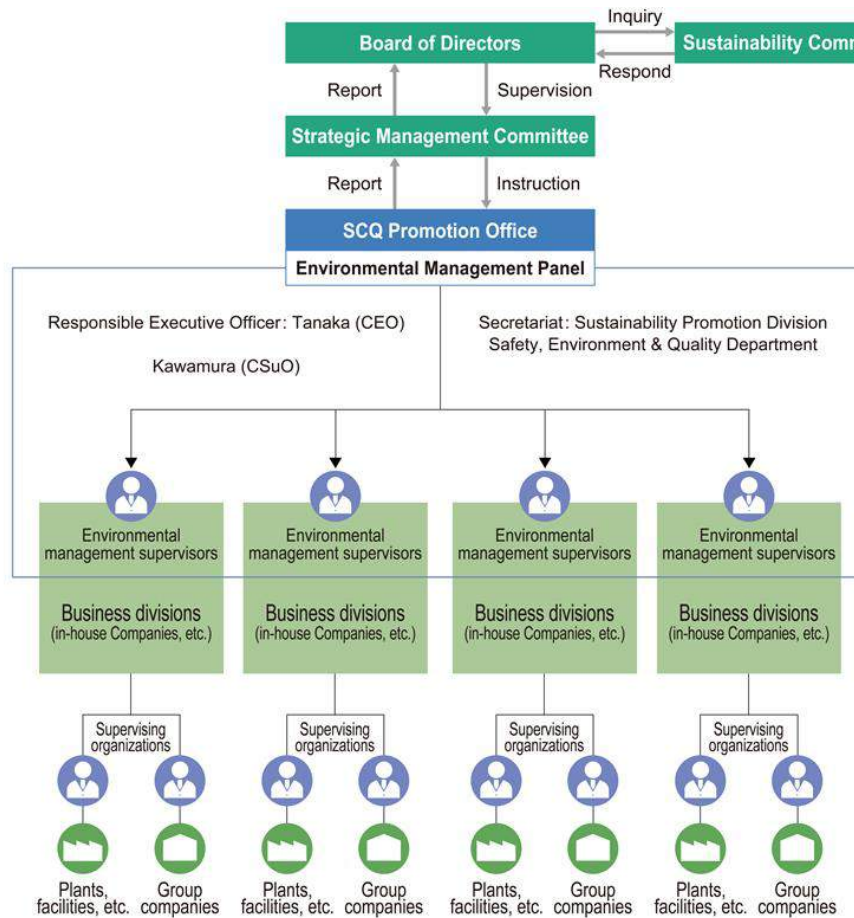
\* This data is only available in Japanese on the website.

## 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 SCQ Promotion Office that formulates and implements Group-wide environmental measures. We appoint environmental management supervisors for each business division and manufacturing site. They work to prevent pollution and ensure compliance with environmental laws and regulations by collaborating closely with the head office environmental management department.



Environmental Management System

### 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. They fulfill a certain standard that has been assured by our acquisition of a forest certification.

To reduce climate change risks, we take multiple approaches for the conservation of energy and the reduction of CO<sub>2</sub> emissions. We also study CO<sub>2</sub> 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

We operate environmental management systems under the ISO 14001 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. We have worked to develop and implement environmental training programs and legal checking systems to cultivate managers who possess knowledge of environmental technologies, laws and regulations.

In particular, the Group regards waste management as a key business process and promotes the use of recycled raw materials, such as in our metal smelting and refining business. 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.

### Environmental training achievement in the FYE 2025

		Attendance
Waste management training	For managers	49
	For operational personnel	82

### 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.

We hold an annual Meeting of Administrative Managers Responsible for Environmental Management for management-level staff at our facilities. At these meetings, we share information about environmental measures and issues. In addition, we give annual site tours for environmental management supervisors.

## Overall Environmental Impact

### INPUT



#### Total Energy Input★

» **6.34** PJ

(Equivalent to approx. 0.16 million kiloliters of crude oil)



#### Raw Material Input★

» **1.11** million t

(Volume of incoming recycled resources: 0.18 million t)



#### Water Intake★

» **92.4** million m<sup>3</sup>

(Salt water: 82.5 million m<sup>3</sup>)  
(Fresh water: 9.85 million m<sup>3</sup>)

(All values above are on a non-consolidated basis)

### OUTPUT



#### Greenhouse Gas Emissions★

» **435** thousand t CO<sub>2</sub> equivalent  
(SCOPE1,2)



#### Emissions into the Air and Bodies of Water★

» Airborne emissions  
SOx: **830** t NOx: **244** t

» Water emissions  
BOD: **123** t COD: **25.1** t Nitrogen: **161** t



#### Water discharged★

» **93.5** million m<sup>3</sup>  
(Salt water: 84.0 million m<sup>3</sup>)  
(Fresh water: 9.50 million m<sup>3</sup>)



#### Volume of Industrial Waste★

» **6.79** thousand t  
(5.84 thousand t of which was recycled)



#### Chemicals Released or Transferred★

» Released: **37.6** t Transferred: **31.5** t

(All values above are on a non-consolidated basis)

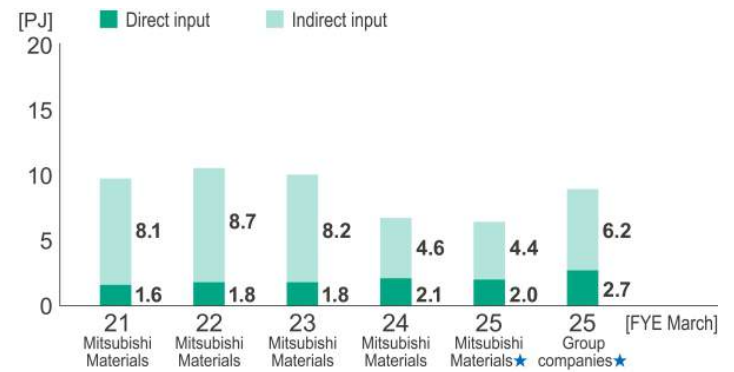
Among the following disclosure items, energy input includes data from sites belonging to the polycrystalline silicon business and salt manufacturing business.

## Total Energy Input

Total energy input (non-consolidated) in the fiscal year ended March 2025 decreased by approximately 5% (0.4 petajoules: crude oil equivalent of 9 thousand kiloliters) in comparison with the fiscal year ended March 2024. This was partly due to a decrease in production at some plants, but also because of energy-saving activities such as the electrification of facilities and the introduction of high-efficiency equipment.

Total Energy Input

Total Energy Input



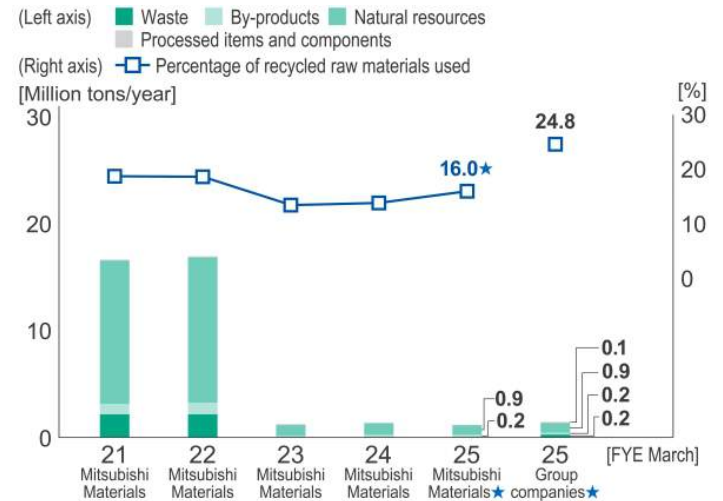
※ 1PJ=1015J=1,000TJ

## 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 2025 decreased by 16% compared with the fiscal year ended March 2024 to 1.11 million tons★. As a percentage of total raw material input, waste products and by-products accounted for 16.0%.

Raw Material Input



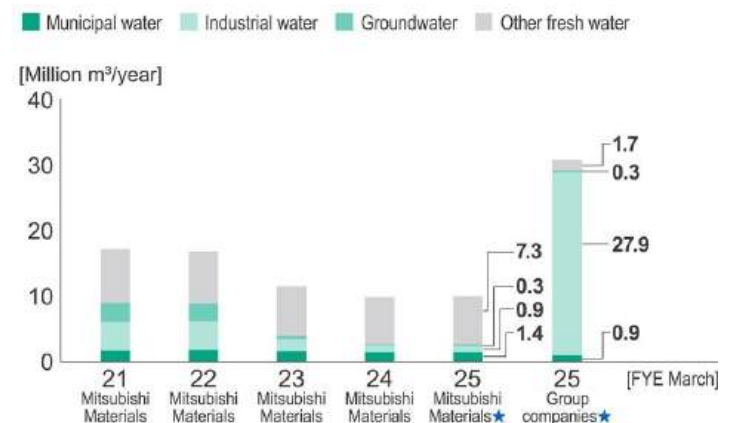
※ Natural resources include limestone procured from Group mines up to the fiscal year ended 2022.

## 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 2025 decreased by 5% compared with the fiscal year ended March 2024 to 92.4 million m<sup>3</sup>★. 9.85 million m<sup>3</sup>★ (approximately 11%) of the total water intake was fresh water.

Water Intake (Excluding Seawater)



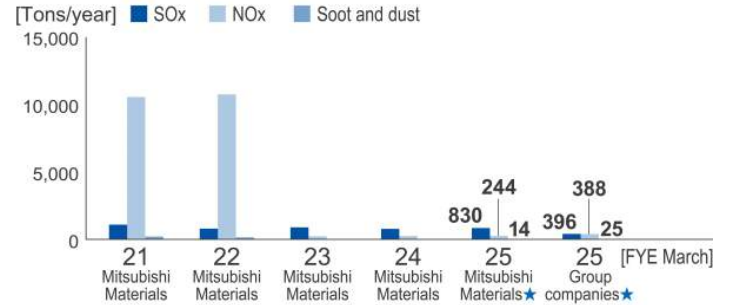
※ Excluding fresh water used in hydroelectric power generation  
 ※ Excluding seawater used for cooling

## 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.

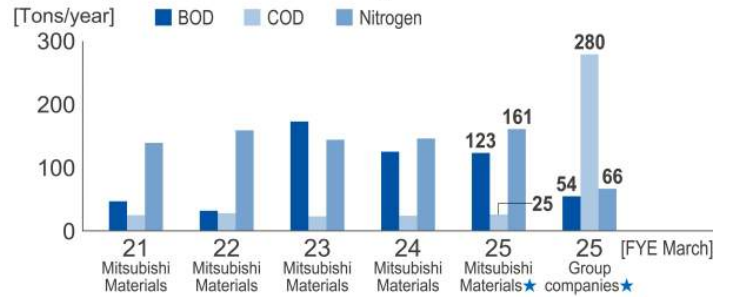
### Emissions into the Air

#### [Discharged into the air]



### Emissions into Bodies of Water

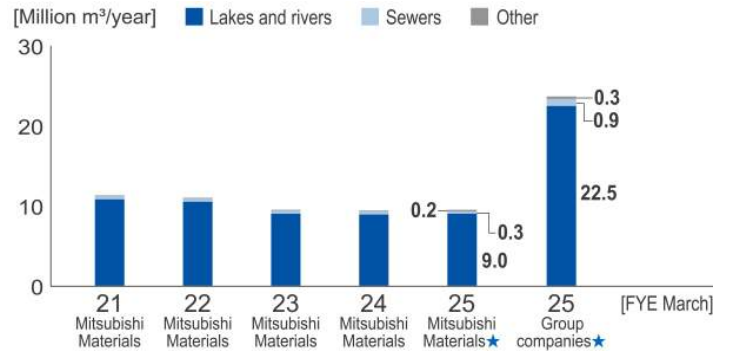
#### [Discharged into bodies of water]



## 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 2025 increased by 1% compared with the fiscal year ended March 2024 to 9.50 million m<sup>3</sup>★. Water drained into the sea by the Company (non-consolidated) was 84.0 million m<sup>3</sup>, and the vast majority was seawater that had been used as cooling water.

### Water Discharged (Excluding Water Drained into the Sea)

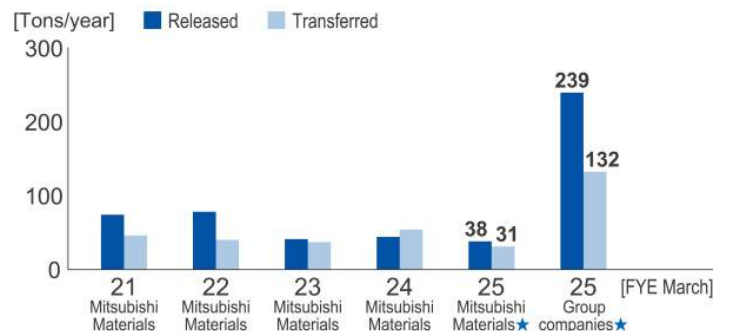


※ Excluding water drained into the sea

## Chemicals Released or Transferred

The amount of chemical released decreased by 15% to the fiscal year ended March 2024, reaching 37.6 tons★. The amount of chemical transferred decreased by 41% compared to the fiscal year ended March 2024, reaching 31.5 tons★. This was due to a significant reduction in the use of chemicals that had been heavily consumed at one site, achieved through improved product yield, which in turn led to a substantial decrease in waste volume.

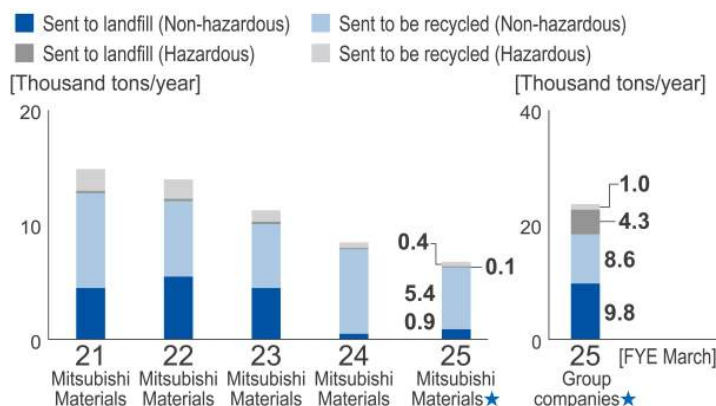
### Chemicals Released or Transferred



## Volume of Industrial Waste

The volume of industrial waste from the Company (non-consolidated) in the fiscal year ended March 2025 declined by 20% compared with the fiscal year ended March 2024 to 6.79 thousand tons★. The volume of waste sent to landfills by the Company (non-consolidated) was 0.95 thousand tons, which was approximately 48% increased from the fiscal year ended March 2024. The total volume of waste for the Group as a whole, including Mitsubishi Materials, came to 30.5 thousand tons★, of which approximately 50% was recycled.

Volume of Industrial Waste



## Compliance with Environmental Laws and Regulations

We keep all our sites up to date on changes in legislation applied to the Mitsubishi Materials Group by providing information via intranet or email. In the event of major revisions or revisions requiring measures such as equipment upgrades, we hold explanatory meetings to share information on the requisite measures and ensure that all our sites are prepared to take appropriate action.

Current laws and regulations are checked periodically at each site. In addition, the Internal Audit Department checks the status of compliance with environmental laws and regulations, how chemical substances are handled, how equipment is managed and so on. When a noncompliance is discovered we correct it promptly and share information about it with related sites as part of our efforts to improve the level of management in the overall Group.

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 2024, 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 3 complaints regarding weed and tree growth, as well as operational water intake. For all of these we promptly investigated the causes and implemented the necessary countermeasures.

## Preventing Air Pollution

The Group uses manufacturing processes that emit air pollutants such as dust and sulfur oxides (SO<sub>x</sub>) 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 is 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 to 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 resource recycling.

#### Targets

**"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 2025 was 997 tons. Of this amount, 685 tons was plastic that was not recycled (heat recovery, landfill, etc.), resulting in a 39% reduction in emissions and recycling compared to 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 2025, we invested approximately ¥2.7 billion in areas including construction at the Tohoku Power Service Station of the Komatagawa New Power Plant (hydroelectric power plant) certified as a renewable energy power generation facility, and 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 ¥6.0 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 anti-pollution facilities, etc.

### Spending on Environmental Preservation in the FYE March 2025 [Millions of yen]

Category		Investment Amount	Expense Amount
Business area costs	Business area costs	2,608	5,503
	Pollution prevention costs	1,992	2,837
	Global environmental conservation costs	505	309
	Resource recycling costs	112	2,357
Upstream/downstream costs		0	0
Administration costs		0	269
R&D costs		72	119
Social activity costs		0	1
Environmental remediation costs		2	97
Total		2,683	5,989

※ 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.

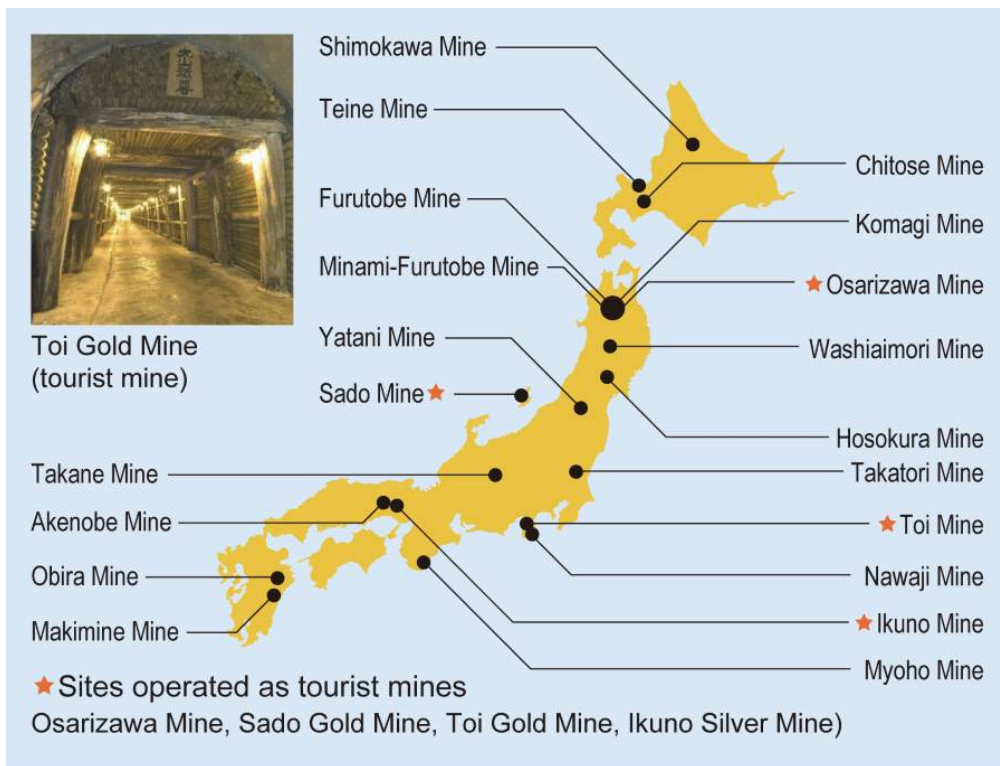
## Managing Closed Mines

### 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

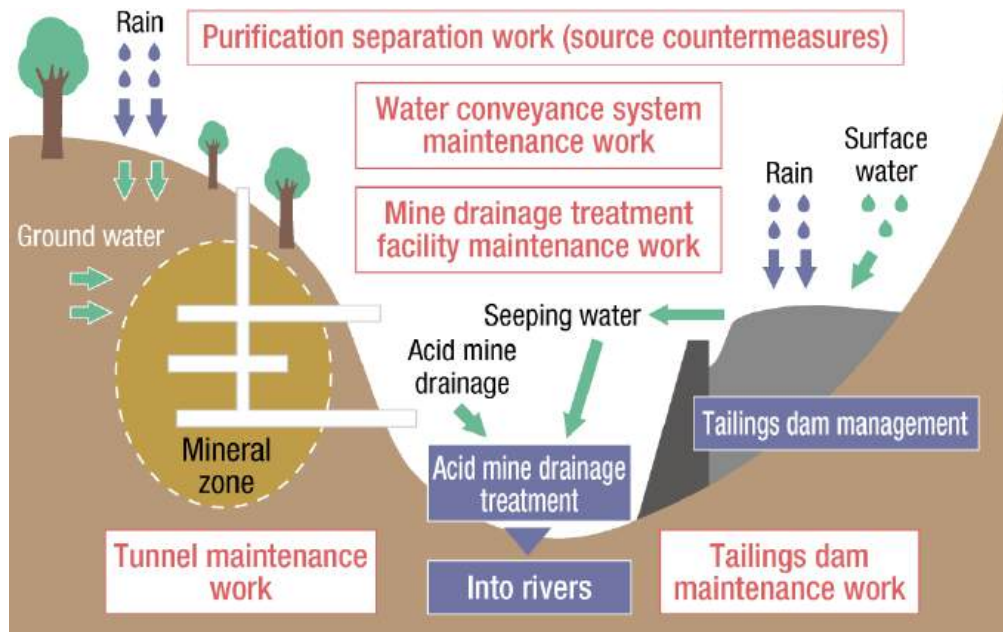
We continue to preserve and maintain sections of mine drift in some closed mines as cultural heritage sites or tourist facilities to exhibit their former conditions and preserve historical mining technologies for future generations.



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 minerals 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)

**Tailings dam management.**  
 • Is there any sinking or collapsing of the adobe.  
 • Is there any damage to waterways, etc.  
 • Checking infiltration levels, etc.  
 • The photograph shows the presentational part of the tailings dam.

## 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 tailing 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 to design and implement stability measures at the locations in the fiscal year ended March 2016, and have completed these measures at nine of the locations.



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

## Wastewater Reduction at the Source

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.



Contamination containment work (Komagi Mine)  
(Top: before work, Bottom: 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

- ▣ Recycling-oriented Business Model    ▣ In Pursuit of a Recycling-oriented Business Model
- ▣ Resource Recycling with No Need for Final Disposal Sites    ▣ Securing Stable Products Supplies: Copper products
- ▣ Securing Stable Products Supplies: Cemented Carbide Products    ▣ Recycling in Individual Businesses

### Recycling-oriented Business Model

#### Overview of our Recycling-oriented Business Model

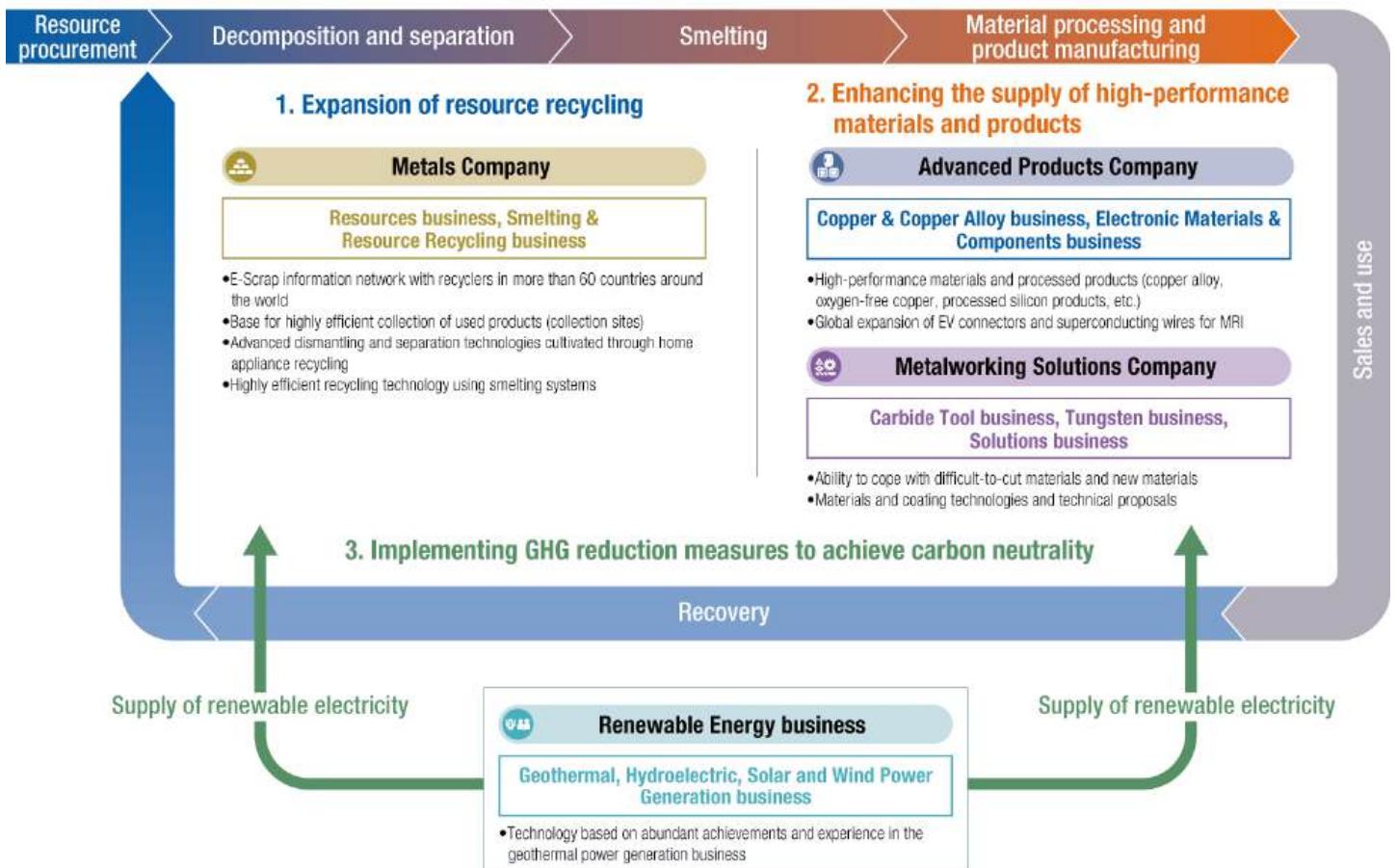
The Mitsubishi Materials Group is a complex corporate entity encompassing a wide range of technologies and expertise, from resources upstream to materials midstream to processed products downstream. We have continued to make the most of those capabilities on a Group-wide scale, in an effort to establish 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.

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



Recycling-oriented Business Model of the Group

## In Pursuit of a Recycling-oriented Business Model

Purpose of activities	Activities during FYE March 2025	Self-assessment	Targets/plans for activities FYE March 2026 onwards
Expand processing of recyclables (Metals business (Smelting sector))	Increase in of 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 business (Resource-recycling sector))	Released the recycled metal brand REMINE	A	Expansion of applicable products
	Considered the commercialization of the Exurban Project, a smelting business using only E-Scrap raw materials		US-based project feasibility study, investment decision during the fiscal year ending March 2025, consideration of expansion to other regions
	Considered commercialization of home appliance recycling business in Malaysia		Investment decision after enactment of legislation (expected in 2025), 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		Demonstrate HV motor recycling technologies and LIB recycling technologies
Continue to consider PV recycling system	Commercialization of solar panel recycling system		
Promoting the recycling of fluorine resources (Advanced Products business (Electronic Materials & Components))	The amount recycled was 1,201 tons/year, 18% below the budget	B	Ensure the stable operation of recycling plants and achieve the plan of the amount recycled
	The raw material recycling rate was 15%		
Promoting the recycling of tungsten (Metalworking Solutions business)	Recycling rate increased (by 229% from the fiscal year ended March 2018 level)	A	Increase the recycling rate (by 237% from the fiscal year ended March 2018 level)
	Increased recycling collections		Expand amount of materials recovered for recycling (expand overseas recovery area)

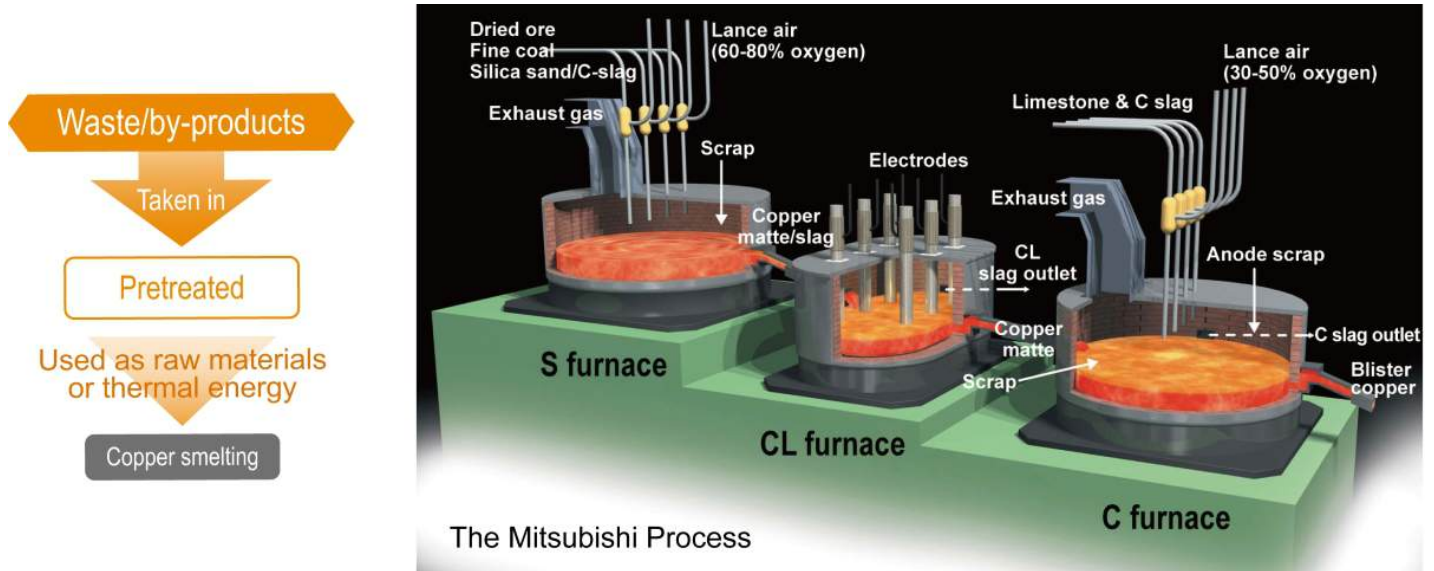
Self-assessment grades A: Target achieved B: Target mostly achieved C: Target not achieved

## Resource Recycling with No Need for Final Disposal Sites

### | Smelter & Refinery: Recycling Resources from Urban Mines

#### The Mitsubishi Process

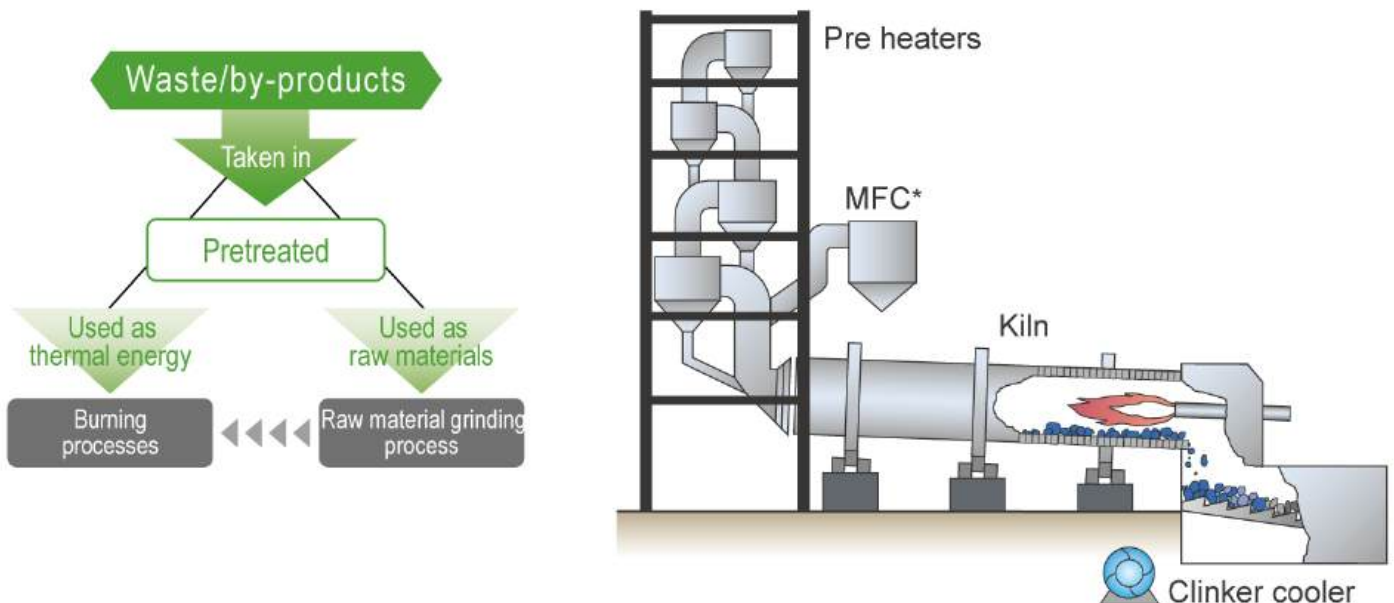
Our unique Mitsubishi Continuous Copper Smelting and Converting Process (The Mitsubishi Process) continuously produces blister copper from copper concentrate and recycled raw materials by connecting a series of three furnaces with pipes. As the required facilities are compact and help save energy and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



### | Cement Plants: Taking in, Detoxifying 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 2025)**

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 <sub>2</sub> equivalent)	150 thousand of tons
Reduction in consumption of natural mineral resources	400 thousand of tons
Reduction in energy consumption (crude oil equivalent)	80 thousand of tons
Reduction in waste sent to landfill	110 thousand of tons



Robot unscrews flat-screen TVs

The above table does not take into account the impact of recovering fluorocarbons (refrigerant fluorocarbon in air conditioners, refrigerators, and washing machines, and insulation fluorocarbon in refrigerators). Expressed in terms of CO<sub>2</sub> emissions, recovering approximately 524 tons of recovered freon would equate to a reduction of approximately 1,150 thousand of tons.

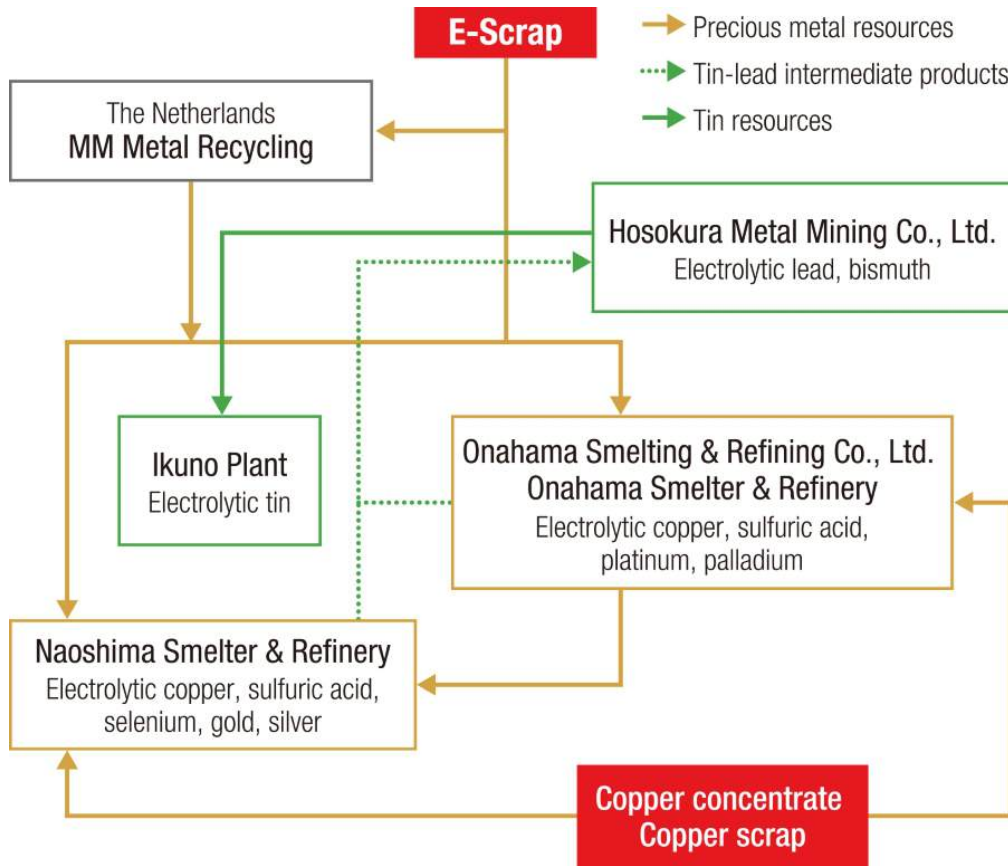
\* The home appliance recycling plants subject to LCA evaluation are as follows.

- 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. 3.4" is used to assess the effectiveness of reduction in environmental impact assessment.

## Securing Stable Products Supplies: 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.

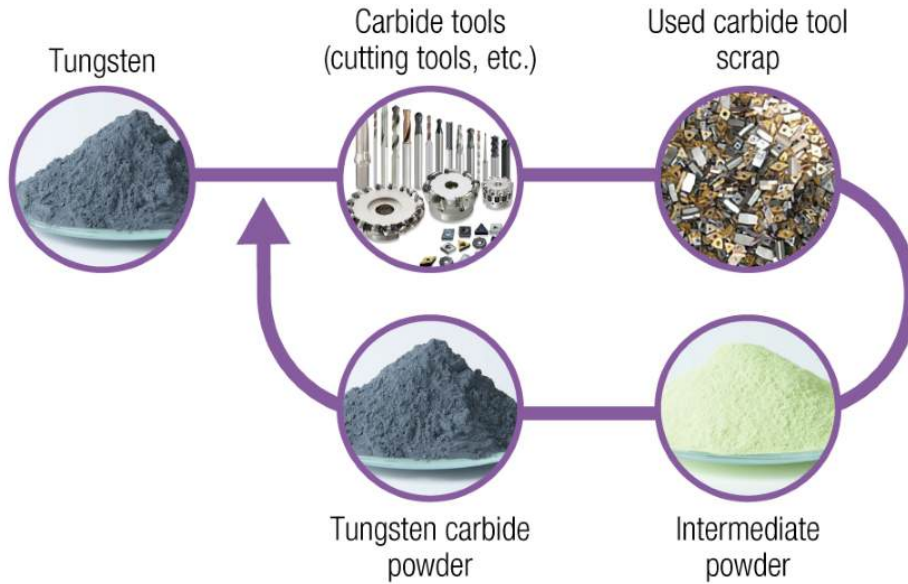


Material Grid framework

## Securing Stable Products Supplies: Cemented Carbide Products

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 target
Ratio of recycled tungsten as raw material	41.8%	43.5%	50.0%	56.0%	58.6%	More than 60.0%



Tungsten recycling process

## Recycling in Individual Businesses

### Metals Business

#### Recycling Rare Metals

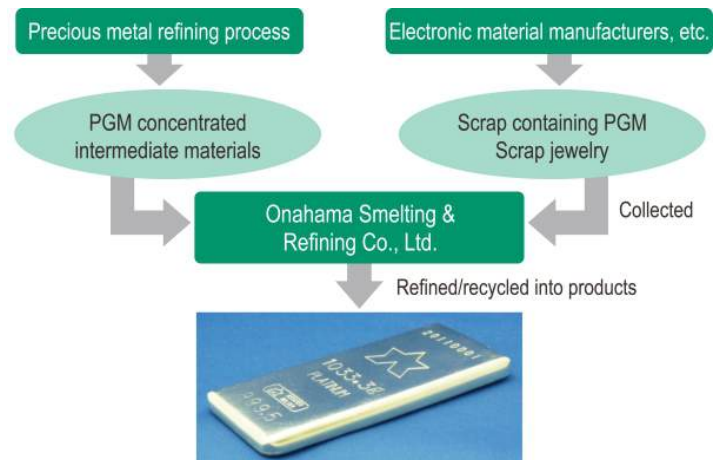
PGM\*1 are rare metals that are found in E-Scrap, etc. Group company Onahama Smelting & Refining Co., Ltd. refines PGM intermediate materials obtained from our Naoshima Smelter & Refinery, to create products such as metals and chemical compounds.

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.

\*1 Platinum Group Metals

\*2 As of April 1, 2025, the business of Materials Eco-Refining Co., Ltd. was transferred to Onahama Smelting & Refining Co., Ltd. and two other companies through an absorption-type company split.

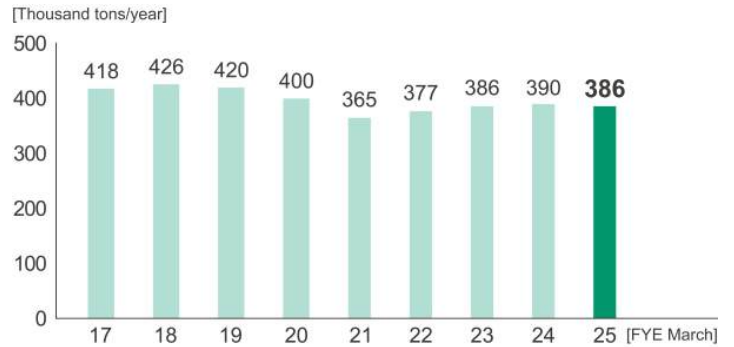
#### The rare metal recycling process



## 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.

Volume of scrap processed



## Home Appliances Recycling

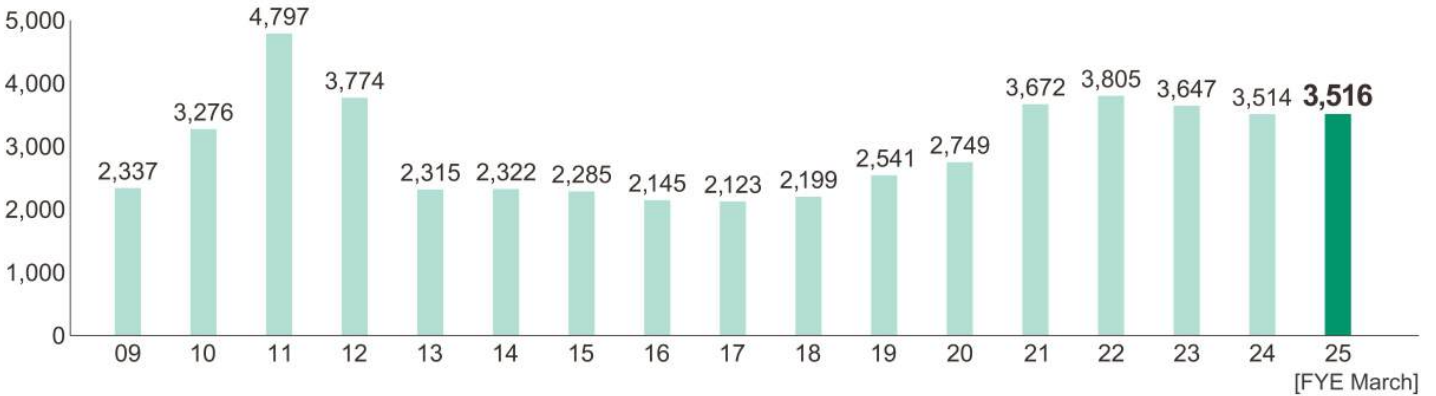
Home appliances are made by combinations of various materials such as glass, plastic and rubber as well as metals such as steel, aluminum, and copper. Home appliances are first of all disassembled manually, then crushed and sorted at our home appliances recycling plants\*<sup>1</sup>, which are operated 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 2025, we recycled 2,613 thousand units of home appliances at six plants of our five affiliated companies (6 companies, 7 plants, 3,516 thousand units). Recycling of this volume could reduce landfill disposal equivalent to 121 thousand tons.\*<sup>2</sup>

> Home appliance recycling plant 

\* This data is only available in Japanese on the website.

Trend of recycled amount

Recycled amount [1,000 units/year]



\*1 Major partners: Hitachi, Ltd., Sharp Corporation, Panasonic Corporation

\*2 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

Supply of Japan's First Recycled Metal Brand "REMINE" Series Products

- The recycled content is calculated in accordance with the international standard ISO14021\*1

We launched "REMINE," the first recycled metal brand in Japan\*2, which specifies the recycled content in non-ferrous metal products. In January 2024, we began selling "Refined Tin (Ingot)" with 100% recycled content and "Refined Lead (Ingot)" with greater than 99.6% recycled content. In December 2024, we added "Refined bismuth (Bi)(Ingot)" which contains 92.2% or more recycled content, 100% "platinum (Pt) sponge," "palladium (Pd) powder" and "tungsten trioxide (WO3-5)." REMINE is a coined word combining "RE" meaning "repeat/reborn" and "MINE." With the aim of realizing a sustainable society, we will contribute to resource recycling and environmental impact reduction by recycling metals collected in the supply chain. In order to realize a sustainable society, it is our responsibility to our stakeholders to ensure the transparency and traceability of raw materials and other information in our products in the supply chain from the perspective of resource circulation and environmental impact reduction. Additionally, the need to quantify the environmental impact of products is becoming more important. The "REMINE" series offers non-ferrous metal products by using our cultivated strength in recycling technology. The recycled content is calculated in accordance with the international standard ISO14021 (JIS Q14021\*3) and verified by a third-party organization (SGS Japan Inc.) to ensure a higher level of reliability. Detailed product information can be found on the dedicated website below.

> REMINE website [🔗](#)



MMC Group will contribute to the creation of a sustainable society through the supply of "REMINE" series products.

\*1 ISO14021 is an international standard that requires the elimination of ambiguous expressions and the disclosure of information necessary for verification regarding environmental information on products. This standard includes a definition of recycled materials and a method for calculating recycled content.  
\*2 This is the first time in Japan that the recycled content of non-ferrous metals is calculated in accordance with ISO14021 and verified by a third party. As of December 2023, based on our company's research.  
\*3 JIS Q14021 is a Japanese industrial standard based on ISO14021 and has the common content with the international standard ISO14021.

> Press Release

Unveiling Four Additions to the Recycling Metal Brand "REMINE"

- Accelerate contributions to "a recycling-oriented society," by enhancing the recycled content and product reliability [🔗](#)

> Related link

Launching Japan's First Recycled Metal Brand "REMINE"

Tin and Lead Go on Sale as the First Products

- The recycled content is calculated in accordance with the international standard ISO14021- [🔗](#)

## | **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 been engaged 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. We will promote the recycling of fluorine resources through further technical innovation.

## | **Metalworking Solutions Business**

### **Recycling Tungsten**

Waste containing rare metals contains such a high percentage of rare metals that it is possible to extract them more efficiently than obtaining metals from natural resources. A prime example is tungsten, the main raw material used in cemented carbide products. Making the most of the Mitsubishi Materials Group's comprehensive capabilities as a manufacturer, from raw materials through to finished products, we are currently focusing on recycling used cemented carbide products in an effort to secure stable supplies of raw materials.

## | **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.

## Water Resource Management

### Water Resource Management

The vast majority (approx. 87%) 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.

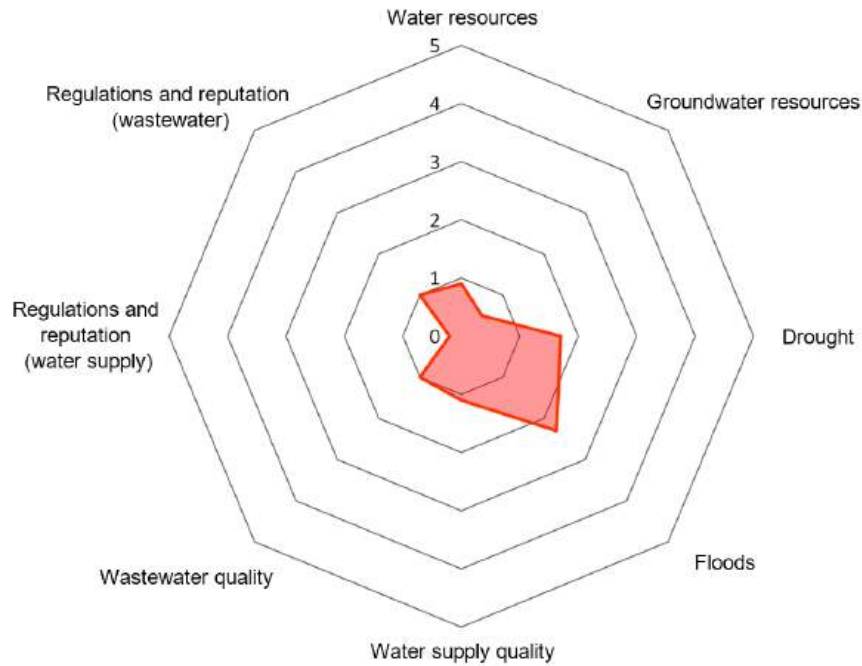
In addition, we manage water-related risks arising from disasters such as typhoons and flooding, which have become increasingly frequent in recent years. We implement measures for reducing water risks at each site. To reduce our use of freshwater resources, we take actions such as the effective use of 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 0.6% of Group company sales. In the fiscal year ended March 2025, water withdrawal was 209 thousand m<sup>3</sup> and water consumption was 273 thousand m<sup>3</sup>. 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.

## Biodiversity Initiatives (Disclosure in Accordance with TNFD)

### 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 the 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

> Press Release

Mitsubishi Materials Group Biodiversity Conservation Policy Established

#### Information disclosures

Based on the TNFD<sup>\*1</sup> recommendations announced in September 2023, the Group appropriately analyzes and discloses dependencies, impacts, risks and opportunities as they relate to biodiversity and our business. 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<sup>\*2</sup> 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 (3,386KB)

\* Taskforce on Nature-related Financial Disclosures. Established in June 2021.

Understanding Dependencies and Impacts on Biodiversity from Business Activities

	Minor items	Mines investment	Non-ferrous Metals Smelting	Metal resource recycling		Copper & copper alloy	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	Carbide tool	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

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 a large contact 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.

### 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 "important sites" 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 \*1" and "areas of high ecosystem integrity \*2" 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 contribute impacts to ecosystems and environment. In this study, among the places where business activities can contribute impacts to ecosystems and the environment, identify as priority areas those places.

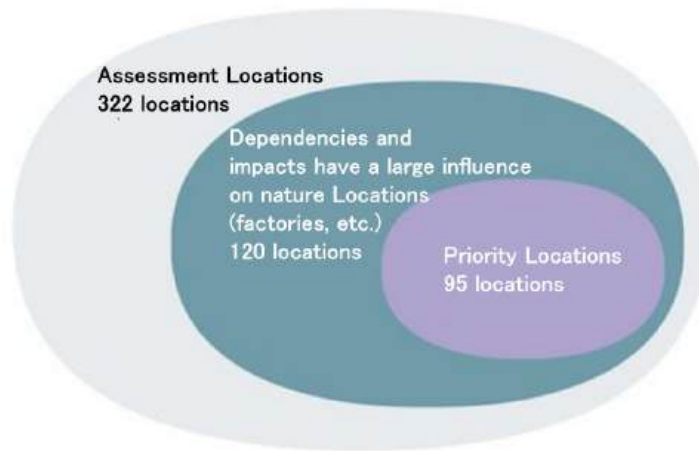
\*1 Areas that meet the following criteria: These include protected areas and World Heritage Sites designated by law.

- 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 risks.
- 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.

\*2 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.



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 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 a large contact 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. Of risks and opportunities identified in the analysis, priority risks and opportunities are shown in the table below.

#### 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 CO2 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 CO2 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 CO2 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

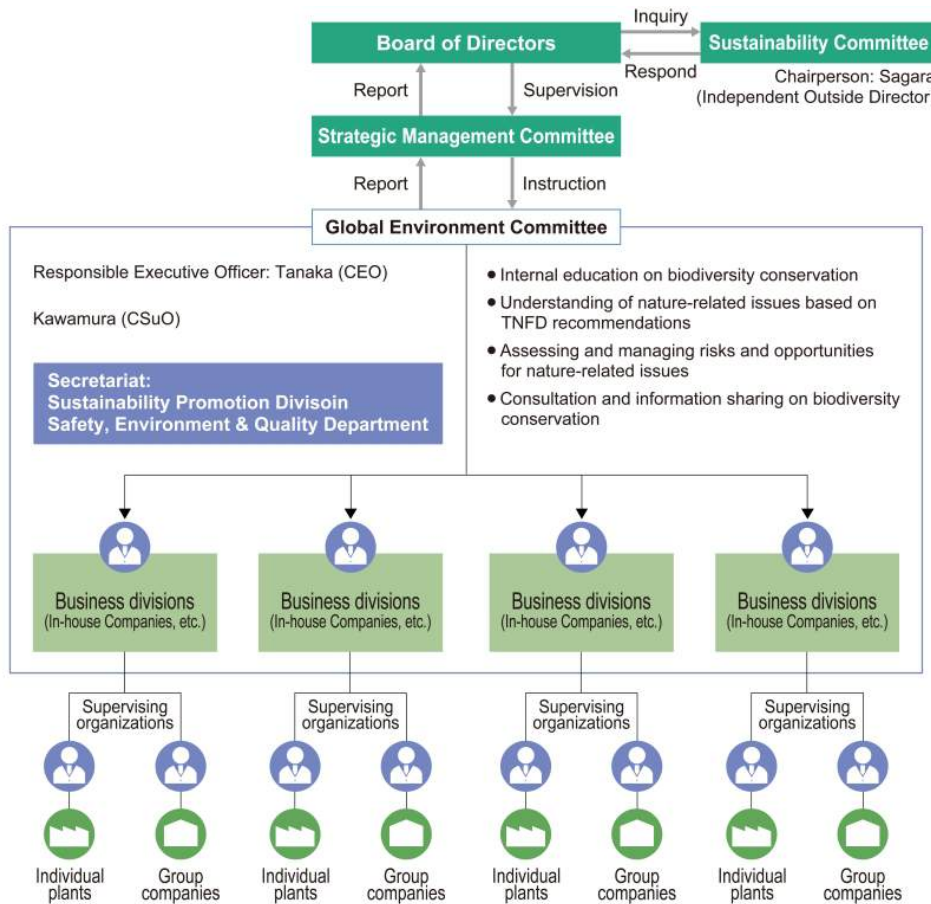
### Risks and Opportunities of Acid Mine Drainage Treatment

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	Opportunity	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

We have appointed CSuO to segregate our management strategies, including responding to the issue of Sustainability issues, including addressing biodiversity conservation. We have also established a Safety, Environment & Quality Dept. of the Corporate to plan and promote the Group's strategic initiatives for risks and opportunities related to biodiversity conservation. In addition, the Global Environment Committee, which the Safety, Environment & Quality Dept. 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 other 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)

The Board of Directors goes beyond the monitoring of sustainability initiatives. The Sustainability Committee, an advisory body to the Board of Directors, was established to actively consider the direction of sustainability efforts from different perspectives and present its findings internally. The committee monitors the Company's action related to climate change, considers the methods and issues involved, and reports its findings to the Board of Directors.



## Risks 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.

The CHRO (Chief Human Resource Officer) is responsible for overall risks 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 risks Management to specific approaches to management, and by holding seminars to improve risks's sensitivity by external lecturers.

We recognizes nature-related issues as one of the major risks issues that may have an impacts important impact on our group's business performance and financial position, and promotes these issues in its risks management activities.

Details of our group's risks management structure and operational status, and the selection process for Critical risks are disclosed in "Enhancing Internal Control through Group Governance" in our company 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

### Biodiversity Initiatives at the Mine

We depend on imports of copper concentrates, our main raw material, from overseas mines, and are investing in overseas mines to ensure stable procurement, but the impact on biodiversity is particularly noticeable at the overseas mines in which we invest. Therefore, the MMC Group places importance on compliance with laws and regulations and the concept of "Social License to Operate," and at each mine, we are working on reclamation at all mining sites where we conduct business activities to minimize the impact on the ecosystem. Each mine strives to minimize the impact on the ecosystem. Each mine conducts environmental impact assessments in accordance with the laws of the countries and regions where it operates and international agreements such as the "Ten Principles for Sustainable Development," and formulates appropriate closure plans through dialogue with local governments, local residents, and other stakeholders, in order to ensure smooth and appropriate responses to future mine closures, etc. We are also engaged in dialogue with local governments, local residents, and other stakeholders to formulate an appropriate closure plan.

In our business activities, the impact on biodiversity is particularly notable at the overseas mines from which we procure raw materials. At the copper mines in which we have invested and are our important suppliers (Copper Mountain Mine in Canada, Escondida Mine in Chile, Los Pelambres Mine in Chile and Mantoverde Mine in Chile), an Environmental Impact Assessment was appropriately conducted before the mining operations commenced and environmental monitoring has continued ever since. In the development project Zafranal Project (Peru), environmental permits were obtained in May 2023, and in Namosi Project (Fiji), basic studies for environmental impact assessment are being conducted and data is being collected for biodiversity conservation.

Copper Mountain is committed to biodiversity conservation management and reclamation, focusing on minimal disturbance and increasing areas that can be reclaimed prior to site closure. More specifically, Copper Mountain has developed strategies for achieving end land use and reclamation objectives, including improving physical stability, water quality and water-course protection, sediment retention and erosion control, soil salvage and storage, suitable revegetation, and the eradication of invasive species. These strategies, along with our plan to manage biodiversity conservation for vegetation, wildlife, water, and aquatic components, and a detailed monitoring plan for reclamation, are outlined in Copper Mountain's Biodiversity Conservation Management Plan.

Mantoverde submits biodiversity data obtained through development projects to the Global Biodiversity Information Facility (GBIF), a biodiversity information sharing network. Specifically, we are studying the diet of the guanaco, the range of the fox, and the collection and preservation of seeds of unique species.

As an investor, we confirm in advance with operators of the mines that these initiatives will be taken, and encourage them to take such initiatives. In addition, when we procure materials from a mine in which we do not invest, we confirm that considerations are given to natural protected areas and biodiversity is preserved, in accordance with the CSR Procurement Standards of the Metals Company.

### 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 at a rate of one hectare per year 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\*," 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.

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

> OECM official website [□](#)



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

We are carrying out a basic environmental study geared towards conducting EIA\* as part of a development project in Zafranal, in southern Peru. At the same time, we are studying and analyzing ways to minimize the potential impact on the environment by the development, and are looking into measures to secure new habitats for species of flora and fauna if there is a risk of any impact on the ecosystem.

\* Environmental Impact Assessment



Exploration drilling



River water quality survey

## 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.



TNFD Report



Pamphlet for "Materials' Forest"



\* This data is only available in Japanese on the website.



Past Columns of "Materials' Forest"



\* This data is only available in Japanese on the website.



\* This data is only available 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

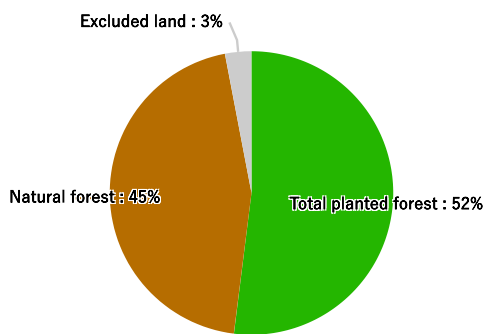
#### Basic Information on Company-owned Forests

We currently own around 13,000ha 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\* for 10,000 ha across eight forests on September 1, 2015, as third-party evaluation of our efforts toward sustainable forest management.

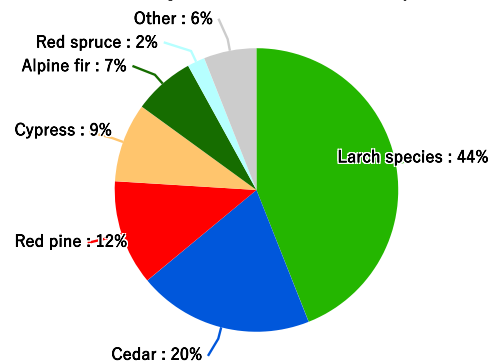
\* SGEC (Sustainable Green Ecosystem Council), endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC): Established in 2003. SGEC certification became an international certification in June 2016 through mutual recognition with PEFC, a European certification body.

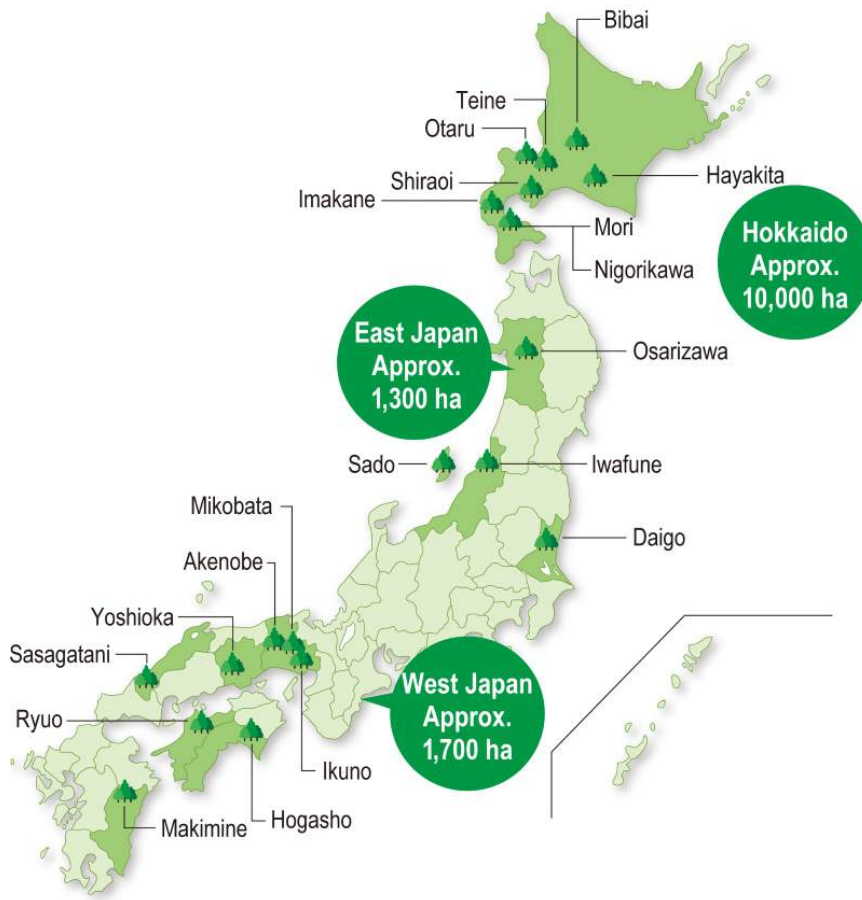


Mitsubishi Materials Company-owned Forest Area of Planted and Natural Forests



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





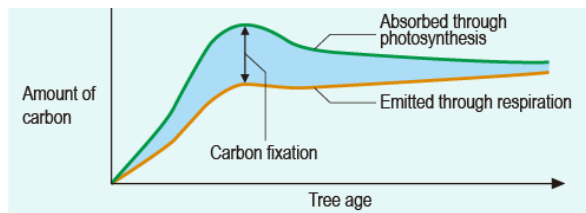
Distribution and Scale of Company-owned Forests

## CO<sub>2</sub> Fixation in Company-owned Forests

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

\* Calculation method: growth volume (m<sup>3</sup>) x wood density (t/m<sup>3</sup>) x carbon conversion rate x ratio of total tree to trunk biomass x CO<sub>2</sub> 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

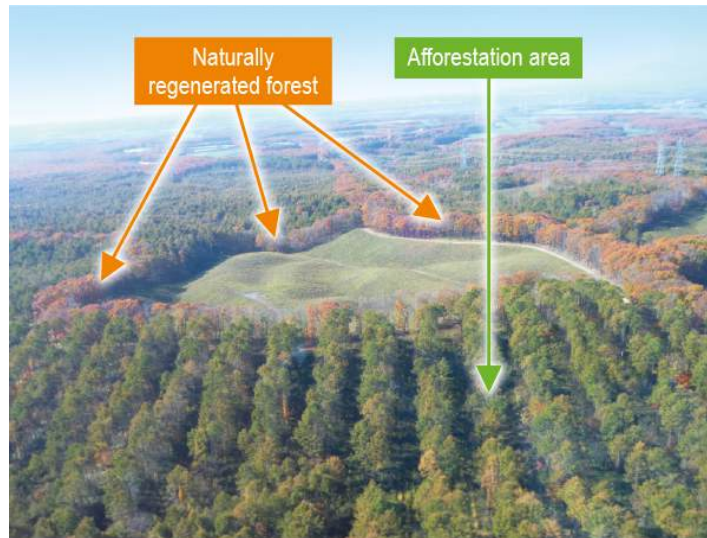
### Management Philosophy

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 bring showcase their diverse functionality, including providing spaces for public recreation, preventing global warming through CO<sub>2</sub> 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.

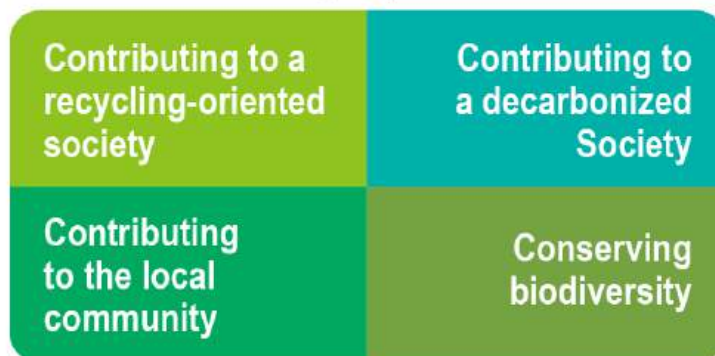
Zone	Activity
Water and ecosystem conservation zones	Maintain the natural forest by the water and convert it into a natural forest if artificial
Health and cultural usage zones	Create a model forest and facilities for walking and other forms of forest recreation
Selective natural forest cutting zones	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.

## The Value of Company-Owned Forests



### 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.

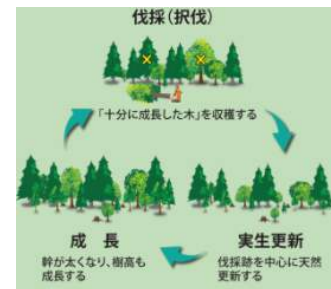
### Operating Environmentally Friendly Artificial Forests

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 approximately 10,000 m<sup>3</sup> of timber every year, and supply the timber 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. While we have already practiced cyclical use internally by utilizing this timber 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.



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

## 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 open up part of the forest to the people of Sapporo as a public forest, for purposes such as nature walks and camping ground. 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' Forest 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. 32 kindergarten children participated in the 2024 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.



Daily monitoring activities



Wildlife camera trap



Japanese sable



Black woodpecker



Masu salmon



Japanese primrose



Dogtooth violet




Adonis ramosa



Japanese wood poppy

### 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

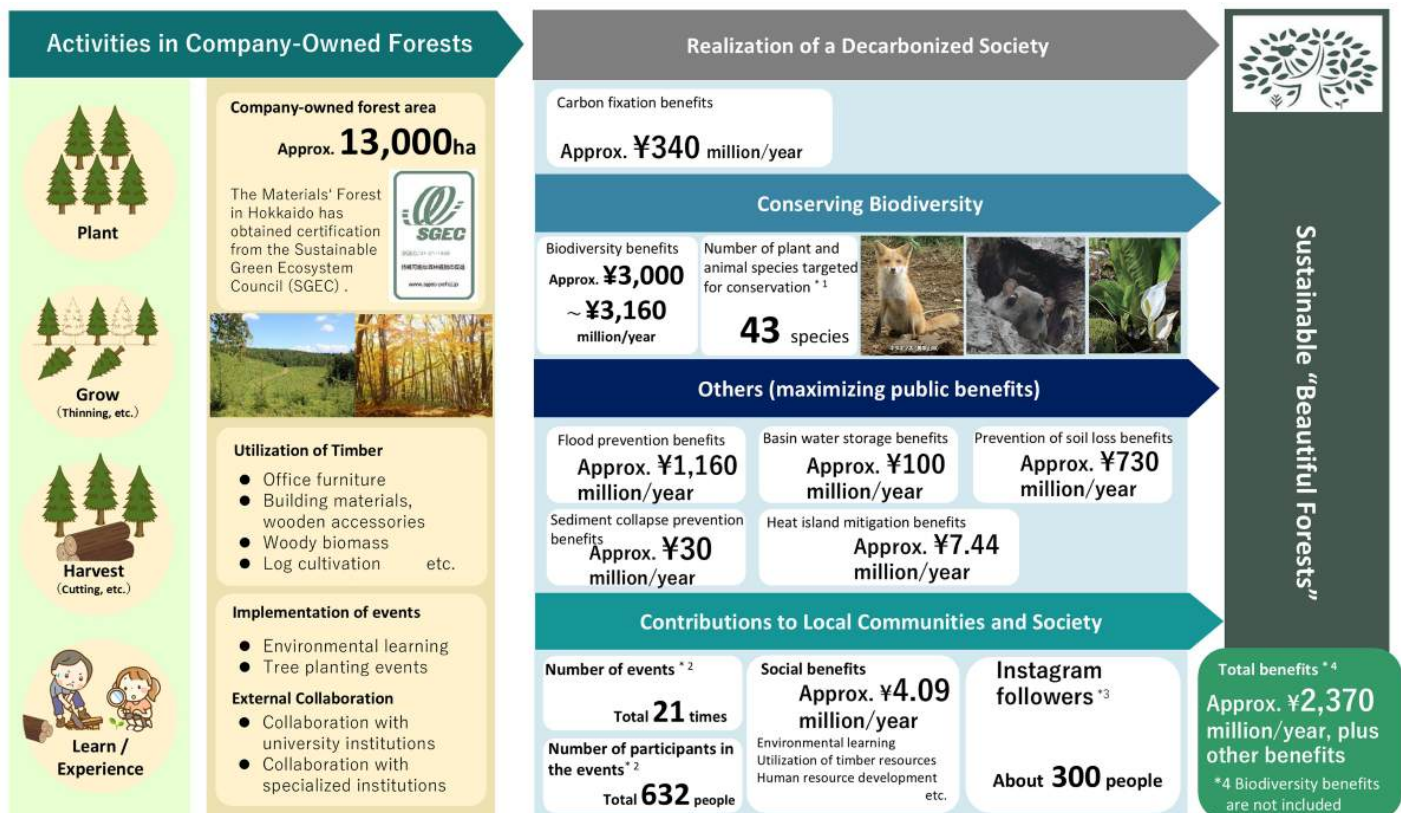
### Evaluation of the Economic Value of Public Benefit Functions of Company-Owned Forests

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.



> Papers submitted at the Environmental Systems Research Paper Presentation Meeting (1,344KB)

\* This data is only available 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. Moving forward, 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



Pamphlet for "Materials' Forest"



\* This data is only available in Japanese on the website.



Past Columns of "Materials' Forest"



\* This data is only available in Japanese on the website.



\* This data is only available 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 (MMC) 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 data is only available in Japanese on the website.

[Third Party Opinion from Japan Credit Rating Agency, Ltd.](#)

\* This data is only available 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 recycling efforts. We also aim to achieve carbon neutrality including GHG emissions from resource recycling 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* <sup>1</sup>
SPT* <sup>2</sup>	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 MMC (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, for the fiscal year ended March 2024 and the fiscal year ended March 2025 results, a third-party assurance has been obtained from Sustainability Accounting Co., Ltd.

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Percentage of electricity from renewable energy sources	0%	2%	4%	17%	★36%
Total GHG emissions in Scope1 and Scope2	935 thousand t - CO <sub>2</sub> e	949 thousand t - CO <sub>2</sub> e	902 thousand t - CO <sub>2</sub> e	887 thousand t - CO <sub>2</sub> e	★688 thousand t - CO <sub>2</sub> e
GHG emission reduction rate in Scope1 and Scope2 (Base year: FYE March 2021)	—	▲1%	3%	5%	26%

\* 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.  (3,078KB)

## 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 FY2031 Strategy 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

The two key pillars of the human resources strategies in the FY2031 Strategy are “Maximizing the value of human resources and creating an organization dedicated to winning” and “Building a foundation for co-creation and growth.”

In order to “win” by developing the strengths of each employee and getting the most out of them—to achieve the targets in our management strategies and do things right and with conviction—we are working on various initiatives, including next-generation leadership talent development, fulfilling hiring needs in a shorter time, rolling out job-/role-based HR systems (job-based HR system for managers and role-based HR system for non-managers), enhancing performance management and promoting autonomous career development.

We are also working on initiatives such as DE&I, improving employee engagement and strengthening talent management through multifaceted use of talent information. The purpose of these efforts is to build the foundations for growth through co-creation among employees and between employees and the Company, namely the awareness, culture and structure that form the basis supporting various measures related to human capital.

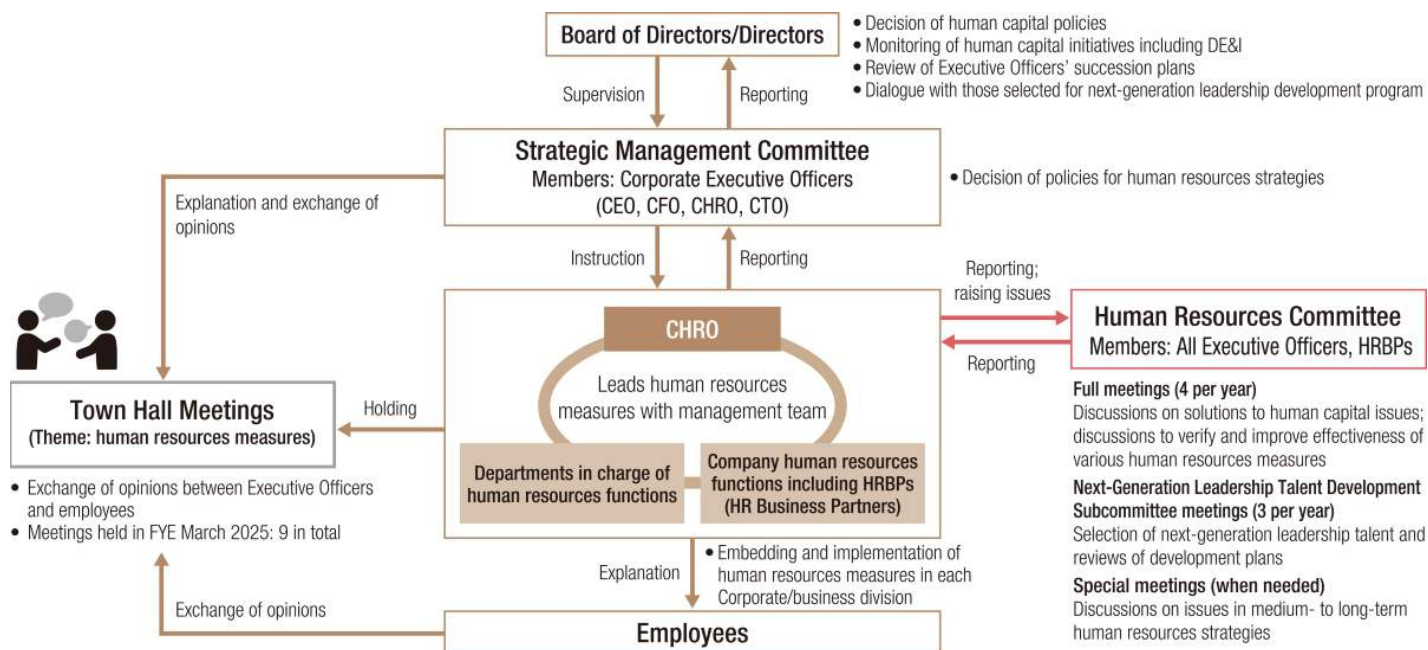
Our measures are wide-ranging but we will ensure that the results of all of our measures interconnect organically and invest in addressing labor shortages and enhancing our human capital to contribute to accomplishing the FY2031 Strategy.

### 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), a department in charge of human resource functions and Company human resource functions including HRBPs (HR Business Partners). These work together to strengthen our human resources functions. 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.

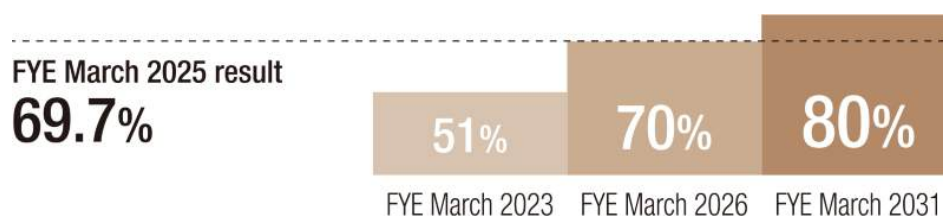


## Mid-to-Long-Term Goals and Current Status

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

### Continuous retention and development of management leader candidates

For the Group to continue to grow over the medium to long term, we need to develop management leaders who will drive the growth of the Group. Therefore, we select and develop human resources as potential future management leaders in line with the Next-Generation Leadership Talent Development Program. We will continue to increase the number of management leader candidates developed through this program. We have set a target of increasing the percentage of candidate Executive Officers that are candidates selected for the Next-Generation Leadership Talent Development Program to 80% by the fiscal year ending March 2031. It was 51% in the fiscal year ended March 2023 and 69.7% in the fiscal year ended March 2025.



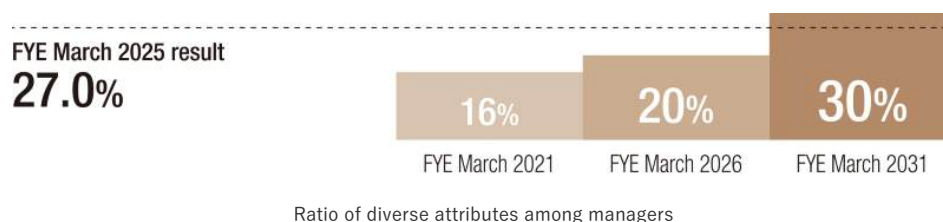
Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers

### **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. Further, we plan to operate the program with a view toward the gradual development of future leadership talent for Group companies starting in the fiscal year ending March 2026.

### Ensuring diversity at decision-making levels

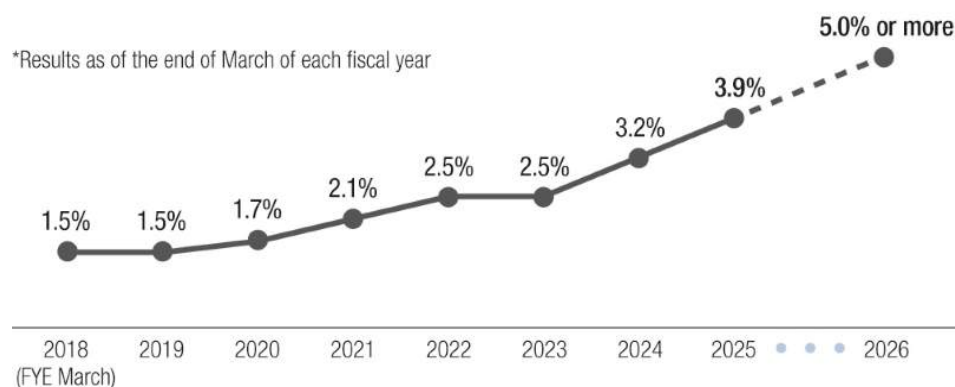
We believe that the development of innovation that is not constrained to existing frameworks is needed for the sustainable growth of the Group. Fostering awareness and a corporate culture of retaining and developing a diverse range of human resources, exhibiting mutual acceptance of diverse individual qualities and creating new value from differing views is essential to achieving this. Given this understanding, we have set a target for raising the percentage of diverse attributes in management positions (women, non-Japanese, mid-career hires, people with disabilities) from the 16% achieved in the fiscal year ended March 2021 to 30% by the fiscal year ending March 2031. As a result of various measures we have implemented, 27.0% of managers met our diversity standards in the fiscal year ended March 2025, which indicates that we achieved our target for the end of March 2026 one year early.



### Percentage of women in management positions

We have set the target of increasing the percentage of women in management positions to 5.0% by the end of March 2026. At the end of March 2025, 3.9% of employees in management positions were women. The change in this percentage since the fiscal year ended March 2018 is as follows.

#### Trends for Percentage of Women in Management Positions



Trends for Percentage of Women in Management Positions

The number and ratio of female Directors and Executive Officers in the fiscal year ending March 2026 are as follows. All four figures increased year on year.

#### Number and Ratio of Female Directors, Executive Officers in the Fiscal Year Ended March 2025

Subject	Number	Ratio
Female Directors (as of June 25, 2025)	3 (out of 10)	30.0% (+11.8% year on year)
Female Executive Officers (as of April 1, 2025)	2 (out of 7)	28.6% (+16.1% year on year)

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

We have set the targets of increasing the number of female or non-Japanese managers by approximately 2.5 fold and the number of managers that were hired mid-career by approx. 1.5 fold compared with the end of March 2021 by the end of March 2026. As of the end of March 2025, the number of female managers had increased 1.7 fold, the number of non-Japanese managers had increased 1.5 fold, and the number of managers hired mid-career had increased approx. 1.6 fold.

#### Targets for the Number of Female, Non-Japanese and Mid-Career Hire Managers

Subject	FYE March 2026 Target
Female managers	Approx. 2.5 times
Non-Japanese managers	Approx. 2.5 times
Mid-career hire managers	Approx. 1.5 times

Number compared to FYE March 2021:

**Continuous improvement of employee engagement**

People implement the Group’s management and business strategies. We are implementing various measures to improve job satisfaction, aiming to be a company where the personalities of all employees are accepted and respected, and employees can have job satisfaction while the organization performs maximally. The effects of these initiatives are measured using engagement surveys. To ensure that efforts to increase employee job satisfaction are aligned with the direction of the Company, we have set the target of increasing the percentage of positive responses in employee engagement survey, which was 71% in the fiscal year ended March 2023, to 80% by the fiscal year ending March 2031. 74.9% of responses were positive in the fiscal year ended March 2025.

- \*1 Example of a question in "Organization" that received a greater positive response rate: "The Company has a brand power and recognition that I can be proud of, and its reputation in society is good."
- \*2 Example of a question in "Growth Opportunities" that received a greater positive response rate: "I feel that I can autonomously develop the career I want."

**Positive response rate in employee engagement survey**



**Engagement Survey**

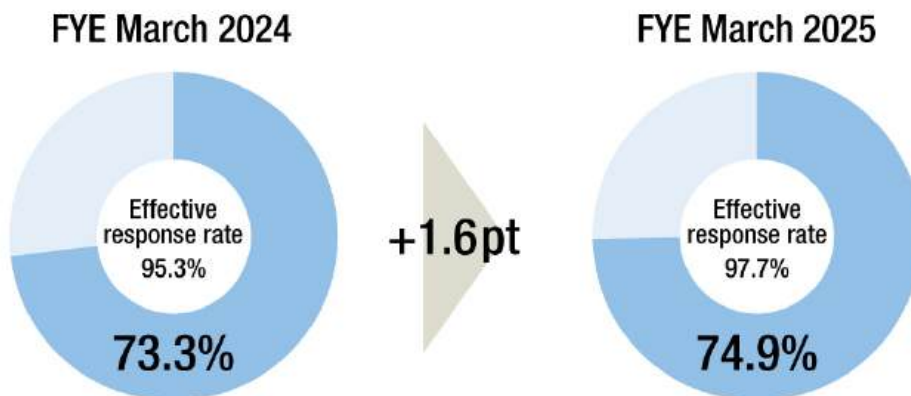
We are continuously working to improve employee engagement to foster job fulfillment through well-being. We have conducted engagement surveys once a year since the fiscal year ended March 2023 to visualize issues related to organizations and talent. The Human Resources Committee deliberates on matters such as policies to address issues and works on measures and improvements for each division.

Our survey consists of five categories: "Work," "Colleagues," "Compensation," "Organization," and "Growth Opportunities." 97.7% of all employees responded to the survey for the fiscal year ended March 2025, and the positive responses rate for all questions (30 questions) was 74.9% (+1.6% year-on-year). The positive response rates for "Organization" and "Growth Opportunities" were relatively low in the fiscal year ended March 2024. As a result of various measures to strengthen these areas, the positive response rate for "Organization"\*1 increased by 1.1% and the positive response rate for "Growth Opportunities"\*2 increased by 4.4%.

We aim to achieve a positive response rate of 80% for all questions by the fiscal year ending March 2031. From the fiscal year ended March 2024, each business division has been identifying issues in the division, setting policies and targets to address them, and executing action plans to accomplish these.

- \*1 Example of a question in "Organization" that received a greater positive response rate: "The Company has a brand power and recognition that I can be proud of, and its reputation in society is good."
- \*2 Example of a question in "Growth Opportunities" that received a greater positive response rate: "I feel that I can autonomously develop the career I want."

**Trends for Positive Response Rate**



**Areas to be strengthened**

Category	Work	Colleagues	Compensation	Organization	Growth Opportunities	All questions
Change from FYE March 2024	+0.7pt	+1.4pt	+0.9pt	+1.1pt	+4.4pt	+1.6pt

## Addressing labor shortage issues

In Japan, the working-age population is declining, and the chronic labor shortage in the manufacturing industry is becoming permanent, while in the overseas businesses in which we operate, difficulties acquiring talent are accelerating and there is a trend of turning away from manufacturing. In addition to this backdrop of external factors, internally, retirements for personal reasons are increasing along with diversification of working style.

As a result, we will continue to address labor shortages by promoting the following measures and organically linking them to the results of all other HR initiatives.

- Streamlining and elevating the recruitment process and increasing awareness
- Enhancing recruitment by diversifying contact points for candidates and starting alumni recruitment
- Establishing workplace environments that allow for a variety of work styles
  - ▶ For details, please refer to [Support for Diverse Working Styles](#).
- Shifting from uniform HR management to HR management based on individuals' diverse values
- Thoroughly reform business processes by promoting efficiency, labor saving, and workload saving

## Development of Talents

### | Support for Autonomous Career Development

To enhance retention and development of human resources 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 (for managers) (from the fiscal year ended March 2024)
- On-demand online learning courses 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 FY2031 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 an online learning video service 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.

	Work-Specific Training	SCQ areas Understanding Company-wide Strategy	Technical understanding	Career	Self-development support programs	Training for selected employees
Managers	Top Management Training Advanced Thinking Skills Training Advanced Human Skills Training  Middle Management Training Basic Thinking Skills Training  Management training for new employees	MMC core training  Safety Health CRM Legal affairs Human rights DE&I Quality Compliance Intellectual Property DX Management Strategy Business Strategy of each Company		Career design training	Distance learning	Next-generation leadership talent development program
	Basic Human Skills Training Autonomous Growth Support Training  Performance management training  Basic management courses for organization leaders  1- on -1 training				Online learning video service	Company-sponsored graduate study(Japan/overseas)
Non managers	Role-Specific Training  Leadership development training  Pre-management training  Communication skills training  New recruit training		Basic Engineering Courses	Job crafting training	Qualification incentives	
					TOEIC support	

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)
129,252hours (+22,622 hours year on year)	21.76 hours (+4.36 hours year on year)

\* Subjects of the above data for education and training program hours include non-regular employees as well as regular employees.

## Status of Employment

### Status of Employment at the Mitsubishi Materials Group (As of March 31, 2025)

#### Number of Employees (full-time equivalent)

Subject	Employees	Temporary Staff	
Non-consolidated	5,315	556	
Consolidated	18,452	1,950	
	Japan		11,151
	Overseas		7,301

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

Location	Employees
Japan	11,151
North America	815
South America	56
Oceania	9
Europe	1,825
East Asia	743
Southeast Asia	3,853
<b>Total</b>	<b>18,452</b>

Recruitment (Recruits for FYE March 2025) (Non-consolidated)

Subject	Graduate Recruitment		Experienced Recruitment
	University graduates (including graduate school)*1	High school graduates etc.*2	
Men	54	33	95
Women	29	8	29
<b>Total</b>	<b>83</b>	<b>41</b>	<b>124</b>

\*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	60	70	21	151
	Women	13	5	4	22
	<b>Total</b>	<b>73</b>	<b>75</b>	<b>25</b>	<b>173</b>
Percentage of employees who left the company for their own reasons	Men	6.7%	3.1%	1.1%	2.9%
	Women	5.3%	1.5%	1.8%	2.7%
	<b>Total</b>	<b>6.4%</b>	<b>2.9%</b>	<b>1.1%</b>	<b>2.9%</b>

### 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 3,989. Including labor unions of Group companies that belong to Mitsubishi Materials Federation of Labor Unions, the total number of members was 6,184 (as of April 2025).

## Number of Union Members (full-time equivalent)

Item	Number of employees
Non-consolidated	3,989
Consolidated	6,184

## 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

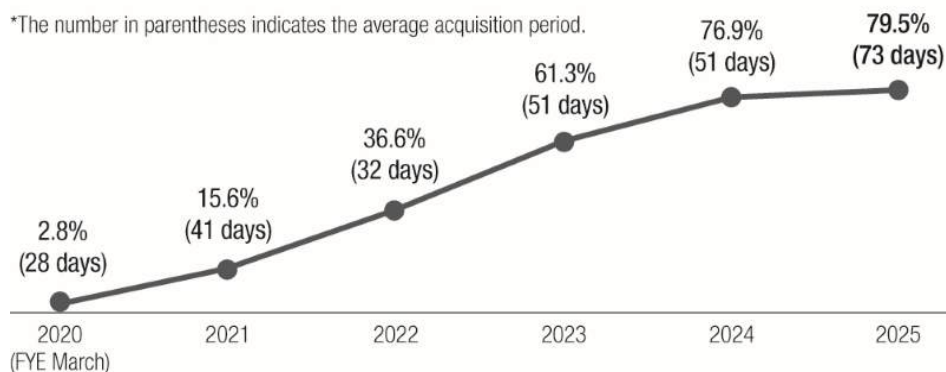
We are pushing forward with initiatives to establish an environment which enables all of our employees, who are diverse, to proactively demonstrate their capabilities.

### Main measures

<p><b>General</b></p>	<ul style="list-style-type: none"> <li>• Monitoring and discussion by the Board of Directors</li> <li>• Hosting expert lectures for Directors and Executive Officers and conducting visits to other companies</li> <li>• Monitoring and discussion by the Human Resources Committee (members: all Executive Officers and HRBPs)</li> <li>• Lectures by experts for Officers</li> <li>• Set DE&amp;I promotion goals as one of the non-financial evaluation criteria for executive annual bonuses <ul style="list-style-type: none"> <li>▶ For details, please refer to "<a href="#">Corporate Governance - Policy on Determining Remuneration for Officers.</a>"</li> </ul> </li> <li>• Employee training using the MMC Core Training system</li> <li>• Distributing video content to all employees</li> </ul>
<p><b>Support of women's development and advancement</b></p>	<ul style="list-style-type: none"> <li>• Setting targets and selection of female candidates in the Next-Generation Leadership Talent Development Program</li> <li>• Supporting career development</li> <li>• Providing external training opportunities</li> <li>• Holding "DE&amp;I Forum" as an International Women's Day event in cooperation between seven nonferrous metal companies and the Japan Mining Industry Association</li> <li>• Implementation of pre-childcare leave interviews</li> <li>• Introduction of fertility support and health services</li> </ul>
<p><b>Support for non-Japanese employees</b></p>	<ul style="list-style-type: none"> <li>• Holding recruitment events for international students</li> <li>• Foreign language support for company entrance exams and exams for promotion to management positions</li> <li>• Language education support both before and after hiring</li> <li>• Discussions to determine requests or other requirements for the Company at the time of hiring FYE March 2024:10 employees</li> </ul>
<p><b>Support for mid-career hires</b></p>	<ul style="list-style-type: none"> <li>• Enriching information related to mid-career recruitment on our website</li> <li>• Onboarding and networking initiatives</li> </ul>
<p><b>Support for employees with disabilities</b></p>	<ul style="list-style-type: none"> <li>• Implementing action plans at offices and plants</li> <li>• Strengthening of connection with external associations for employees with disabilities</li> <li>• Employment support for employees with disabilities (trainees from special education schools)</li> <li>• Model workplace for disabled employees</li> </ul>
<p><b>LGBTQ+ Support</b></p>	<ul style="list-style-type: none"> <li>• Seminars by Outside Directors for all employees</li> <li>• Business for Marriage Equality Endorsement</li> <li>• Release of in-house handbook to promote understanding of LGBTQ+ issues</li> <li>• Training sessions led by LGBTQ+ people for Human Resources staff</li> <li>• Awareness-raising events during Pride Month</li> <li>• Acquisition of PRIDE Index certification</li> <li>• Activities related to LGBTQ+ allyship by the employee community</li> </ul>
<p><b>Activities at business sites</b></p>	<ul style="list-style-type: none"> <li>• Formulating a three-year action plan for the promotion of DE&amp;I (FYE March 2024-FYE March 2026) and the execution of this plan by management and employees alike (plants and Group companies)</li> <li>• Selecting model workplaces for the promotion of DE&amp;I and the formulation and implementation of action plans</li> </ul>
<p><b>Other</b></p>	<ul style="list-style-type: none"> <li>• Family care seminars for all employees</li> <li>• Establishing the employee DE&amp;I hotline</li> <li>• Employee community activities related to work and childcare</li> </ul>

## 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 2025, this figure was 79.5% (+2.6% year on year) and the average number of days of childcare leave taken was 73 days (+22 days year on year). In the fiscal year ending March 2026, we are implementing new measures and actively working to achieve the goal, including manager training on the management of male employees' childcare leave, the provision of opportunities to attend fathers' classes, 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.

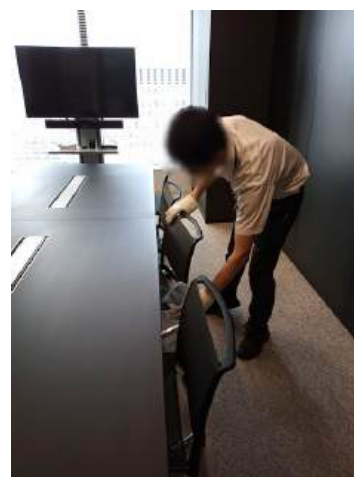
An action plan regarding the employment of people with disabilities for the entire company, including plants, was formulated, and their work areas were expanded. As a result, 2.9% of employees were employees with disabilities as of the end of March 2025. This exceeds the statutorily required percentage, which will be 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** A Movie-viewing and Panel Talk Event Held During Pride Month

In June, which is Pride Month, we held an event at our office jointly with two companies from other industries. This event attracted approximately 120 participants including people who participated online.

Following an introductory lecture that included basic knowledge about LGBTQ+ issues, the participants watched the short *Musuko-to Yobu Hi Made* (Until the Day I Call Her My Son), which depicts the daily life of a transgender individual and his relationship with his family. This was followed by a panel discussion by Ayumi Kurokawa, who directed the film, and Takayuki Goda, the lead actor. As a transgender individual himself, Mr. Goda talked about his valuable experiences, including how he interacts with his family, the anxieties and conflicts he felt when looking for a job, and how people in his workplace reacted. In the subsequent group discussion, participants had a lively exchange of opinions around the theme of the discussion, my feelings regarding a scene in the film, beyond the boundaries between companies. The event provided people with an opportunity to increase their understanding of LGBTQ+ issues from a different perspective than usual. We will continue to promote people in the Group and in society's understanding of LGBTQ+ issues by supporting the activities of TRAM (Together, Rainbow, Ally, MMC Group), which is the ally community within the Group, and exchanging opinions with the ally communities within other companies. This event and other activities have established new relationships between these communities.



> Press Release  
Mitsubishi Materials' Pride Month Initiatives 

\* This data is only available in Japanese on the website.

TOPICS

Received a "Gold" Award in the PRIDE Index 2024

We have received a "Gold" award in the PRIDE Index 2024\*, 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.



> Press Release :

Received a "Gold" Award in the PRIDE Index 2024 [📄](#)

\* This data is only available in Japanese on the website.

TOPICS

An Event Facilitating Interactions Between Employees Raising Children and Their Babies

An event facilitating interactions between employees raising children and their babies was held jointly by the Mate-Tomo Community, an employee community focused on work and childcare, and the head office labor union.

At the beginning of the event, midwives gave mini-lectures on themes such as why contact with your baby is important and the involvement of society in parenting. Following this, participants interacted with babies while asking employees questions about childcare leave and working arrangements after returning to work. They also tried on maternity jackets and practiced holding babies using a baby doll while listening to stories about pregnancy experiences from midwives. The event was an opportunity for attendees to become more familiar with pregnancy, childbirth, and childcare.

We will continue to push forward with the creation of a corporate culture of mutual respect by learning about our colleagues' lifestyles and their many different values during events like this, in addition to training sessions and seminars.



> Press Release

Hosting an Event for Employees Raising Children and Babies to Connect

Event Facilitating Interactions Between Employees Raising Children and Babies Held: Thinking about Diverse Workstyles and the Future of Childcare while Interacting with Babies [📄](#)

\* This data is only available in Japanese on the website.

[Click here to learn more about our Diversity, Equity & Inclusion.](#)

> Diversity, Equity & Inclusion.

\* This data is only available 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.
	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.

System		Outline
Childcare support	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.) <ul style="list-style-type: none"> <li>· One child: 10 days / year</li> <li>· Two or more children: 15 days / year</li> </ul>
	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. <ul style="list-style-type: none"> <li>- One family member requiring care: 5 days</li> <li>- Two or more family members requiring care: 10 days</li> </ul>
	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. <ul style="list-style-type: none"> <li>- Shortening of prescribed working hours</li> <li>- Staggered work hours</li> <li>- Flextime</li> </ul>
	Exemption from out-of-hours work	Employees with family members requiring care are entitled not to work overtime.
	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 that was introduced in FYE 2026 to encourage people who had 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 data is only available in Japanese on the website.

## Status of Utilization of the Systems, etc. (FYE March 2025)

Item	Male	Female	Total
Number of employees taking caregiving leave	0	0	0
Number of employees taking childcare leave	105	20	★125
Number of employees taking prenatal and postnatal maternity leave	—	27	27
Percentage of paid leave taken (Non-consolidated union member) (January to December 2024)	—	—	86.6%
Average overtime hours (Non-consolidated union member) (January to December 2024)	—	—	13.7hours

\* 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\*<sup>1</sup> of the Mitsubishi Materials Group companies\*<sup>2</sup>.

\*<sup>1</sup> Employees include short-term, contract, part-time, and temporary employees of the Mitsubishi Materials Group.

\*<sup>2</sup> "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\*<sup>1</sup> and the Declaration on Fundamental Principles and Rights at Work\*<sup>2</sup> 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\*<sup>3</sup> and conduct our business activities in line with these principles.

\*<sup>1</sup> 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.

\*<sup>2</sup> 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."

\*<sup>3</sup> 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

The Sustainable Management 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**

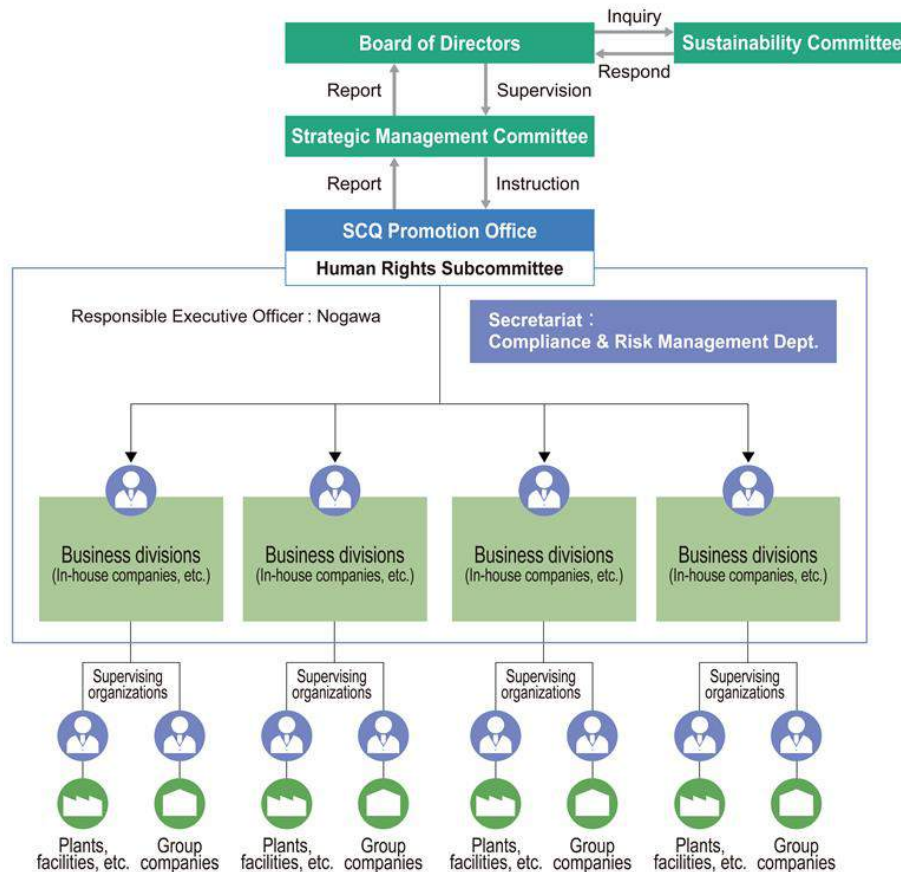
In the event that we are confronted with a specific situation or environment where there is a high risk of human rights abuses, we, based on the basic principle of respect for human rights, will strive to prevent such abuses with the utmost care.

Stipulated on December 1, 2021

Last Revised on December 13, 2021

## 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 the SCQ Promotion Office) 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 and business 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 SCQ Promotion Office.



> 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**

We have signed the United Nations Global Compact (UNGC), and also take part in Global Compact Network Japan (GCNJ), the local network of UNGC in Japan. We participate in GCNJ activities related to our business, gather relevant information and utilize it in the formulation of measures related to human rights. Additionally, we implement the various training programs listed below to promote people's understanding of these policies related to respect for human rights and various human rights issues. In particular, regarding forced labor and child labor, the content of these programs includes case studies and discussions that permit employees to proactively learn how to address human rights issues which have occurred.

- Corporate governance training for corporate officers of Group companies in Japan and other countries
- Compliance training for managers of overseas Group companies
- 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 seven languages)

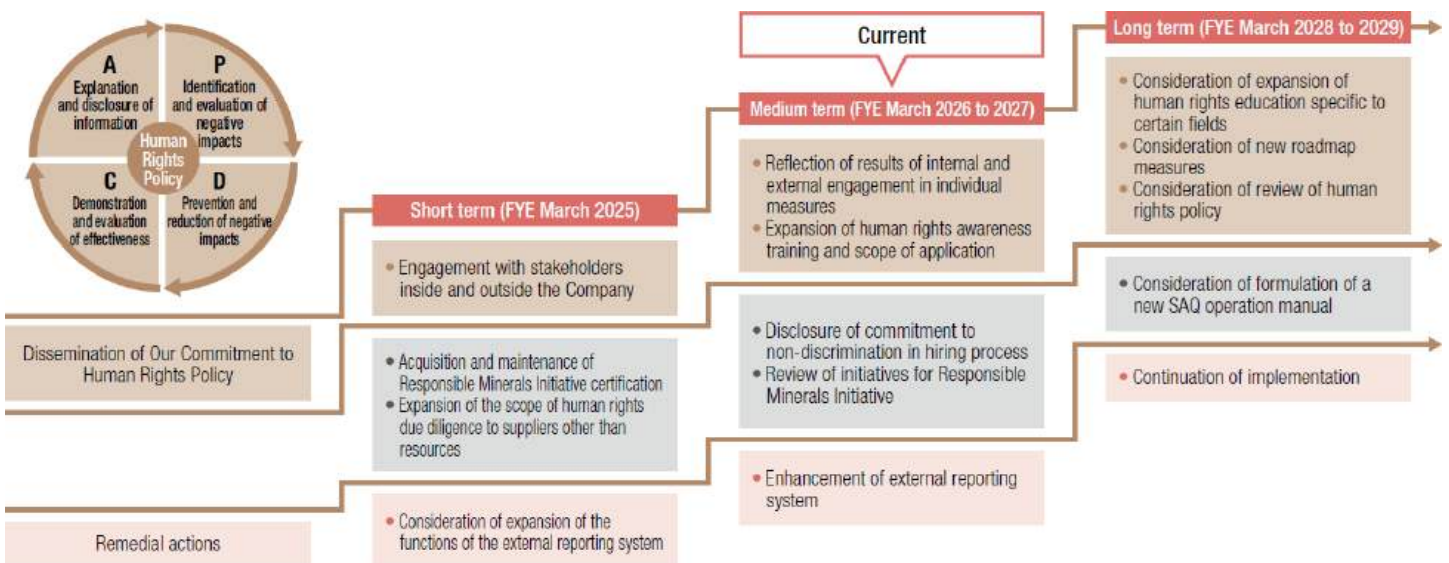
In addition to the above, we have appointed an Officer and staff to be responsible for the promotion of human rights training programs, and they regularly receive external training. We also dispatch staff from the Corporate Division to GCNJ subcommittees.

**2. Implementing Human Rights Due Diligence**

(1) The Group began establishing a human rights due diligence system in the fiscal year ended March 2023. In the fiscal year ended March 2024, we distributed the SAQ to a total of 105 sites, including Company sites and Group companies, to identify human rights risks by analyzing SAQ responses.

Analysis of responses to the SAQ distributed from the fiscal year ended March 2023 to the fiscal year ended March 2024 revealed that there were several locations where harassment had occurred in the previous five years, and there was a lack of commitment to prohibiting discrimination in the hiring process, so we identified "harassment" and "discrimination in the hiring process" as human rights risks for the Group.

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, we created 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. To continue our efforts in human rights due diligence in the future, we have formulated the Mitsubishi Materials Group SAQ Operation Manual, which contains the knowledge we have gained from past initiatives, covering everything from human rights risk assessment and identification to follow-up procedure and how to formulate and implement improvement plans.



In the fiscal year ended March 2025, we continued to improve systems to prevent and reduce human rights risks in our supply chain and business activities led by the Executive Officer responsible for human rights risks. Regarding harassment, one of the human rights risks that the Group as a whole is exposed to, we held awareness-raising workshops to prevent harassment at sites where intensive countermeasures were necessary. We also address discrimination in the hiring process by enhancing DE&I measures.

Further, regarding the human rights risks faced by individual Company sites and Group companies, we planned and implemented risk reduction measures regarding the human rights risks that needed to be addressed at the Company sites and within the Group companies based on results of the analysis of the responses to the SAQ conducted by the Company and Group companies in the fiscal year ended March 2023 and the fiscal year ended March 2024. In the implementation of these risk reduction measures, we considered international human rights treaties and standards and the characteristics of the Company, identified forced labor, child labor, harassment, freedom of association, occupational safety and health, environmental issues, and responsible mineral sourcing as priority risk areas, and we prioritized improvement measures in these areas.

We completed measures to address 225 of the 232 risks that we determined should be addressed by February 2025 (97.0% of the risks). We have established a system under which the status of the implementation of these risk reduction measures is reported regularly to the SCQ Promotion Office, which consists of the CEO, which is its General Manager, Executive Officers of related departments who are the office's Deputy General Managers, General Managers of related departments, and other staff, to encourage the proactive reduction of human rights risks. Further, we proactively share information about our progress in the reduction of risk and best practices with the personnel in charge of such matters from each business division and the Corporate Division. Below are some examples of these initiatives.

(2) Human rights due diligence in the supply chain

As the roadmap shows, in the fiscal year ended March 2025, we expanded the scope of our human rights due diligence activities to include companies that provide services on the premises of our sites or in similar places and companies to which we outsource the processing of our products.

Risk domains	Country/Region	Overview	Improvements
Child Labor	Japan	There was a company that had not yet stipulated specific provisions regarding the prevention of child labor in its rules of employment, etc.	The rules of employment were revised, adding "Employees shall be 18 years old or older."
Occupational Safety and Health	Indonesia	There was a company which had not taken measures regarding employees' mental health.	Stress checks were conducted in October 2024.
Occupational Safety and Health	Germany	There was a company which had not revised its safety and health policy and had not met the current standards.	The safety and health policy was revised through consultation with related people, including an occupational safety and health specialist and a physician.
Harassment	Taiwan	There was a company that had not included provisions regarding the prevention of harassment in its rules of employment.	The rules of employment were revised, including the addition of provisions regarding harassment.

(2) Human rights due diligence in the supply chain

As outlined in our roadmap, in the fiscal year ended March 2025 we expanded the scope of our human rights due diligence to include companies providing services on our company premises and companies to which we outsource the processing of our products. Please refer to the section "[Supply Chain Management – Operating CSR Procurement Guidelines for the Procurement & Logistics Division](#)" within our Sustainability Report.

**3. Remedial Measures**

For employees of the Group, we have established reporting and consultation offices in Japan, and also field consultations regarding human rights. Our 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. We also raise awareness through training and other measures in an effort to improve the effectiveness of these systems.

We have set up a contact to receive inquiries regarding human rights from outside the Group on our corporate website, and we are considering enhancements to further expand the functionality of contact points in the future.

**Engaging with Indigenous Peoples**

Of the forests owned by our company, eight forest areas in the prefecture have obtained SGEC forest certification. The SGEC has established guidelines for FPIC (It 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, 2025 (FYE March 2025).

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

- > [FYE March 2025 Modern Slavery Report pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act CA](#)  (6,360KB)

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 2025. The statement based on the UK Modern Slavery Act 2015 includes statements concerning our Group companies, Luvata Oy and Mitsubishi Materials Tools Europe GmbH (Renamed from MMC Hardmetal Europe Holdings GmbH in September 2025).

#### Statement under the UK Modern Slavery Act 2015

- > [FYE March 2025 Modern Slavery Act Statement to the UK Modern Slavery Act 2015](#)  (9,568KB)

## 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.

#### Guideline to decision-making concerning conduct of our work (priority order)

Let's act while recognizing the order of priority, "SCQDE"!!

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."

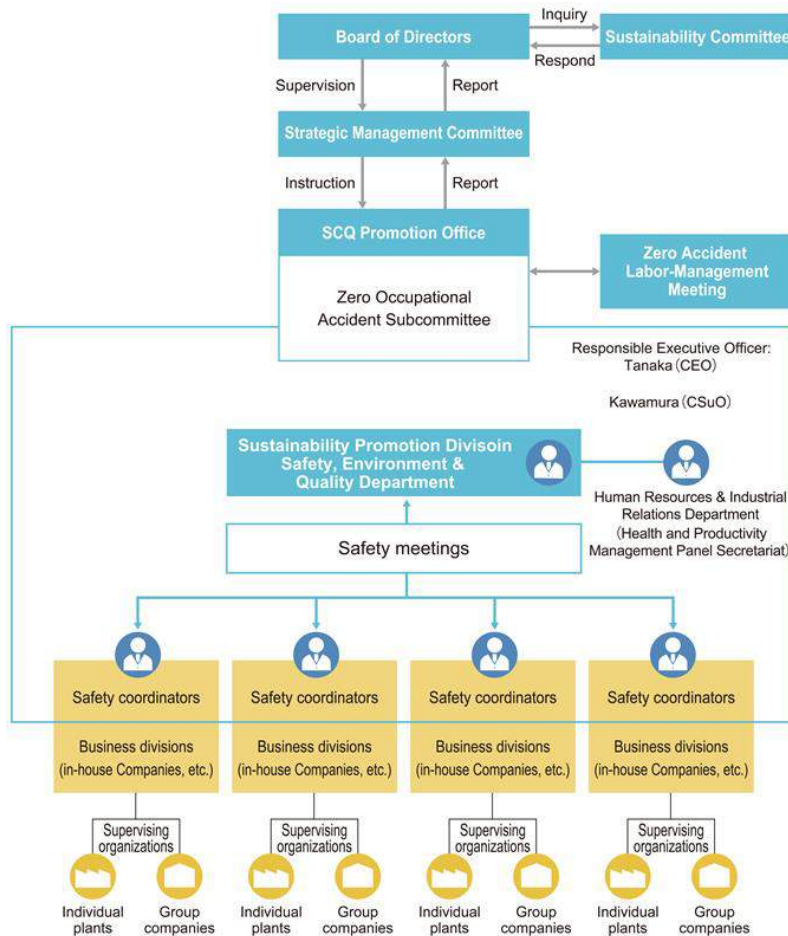
The Zero Occupational Accident Project is led by the Zero Occupational Accident Subcommittee, which serves as a special subcommittee under the [SCQ Promotion Office](#) headed by the Chief Executive Officer.

Based on analysis of factors including occupational accidents that have occurred, the Zero Occupational Accident Subcommittee, which consists of 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 SCQ, members on the Company-side consisting of representatives of in-house Companies, 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. With the Mitsubishi Materials Sustainability Promotion Div. Safety, Environment & Quality Department playing a central role, the progress of these measures is reported at safety meetings made up of Safety Coordinators appointed at in-house Company, and elsewhere, where we share information regarding progress and issues with safety and health measures at business sites under their management, including Group companies, and discuss solutions. The progress of each measure is also regularly reported to the Sustainable Management Office, of which the Presidents of each in-house Company are a part. In addition, the status of accidents that have occurred including occupational accidents, fires and explosions as well as the measures taken to deal with serious incidents are reported to the Strategic Management Committee and Board of Directors by the Executive Officer responsible for SCQ, and are appropriately monitored.

Additionally, we have an integrated Group-wide promotion framework in place whereby matters that extend beyond the confines of individual Companies 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.

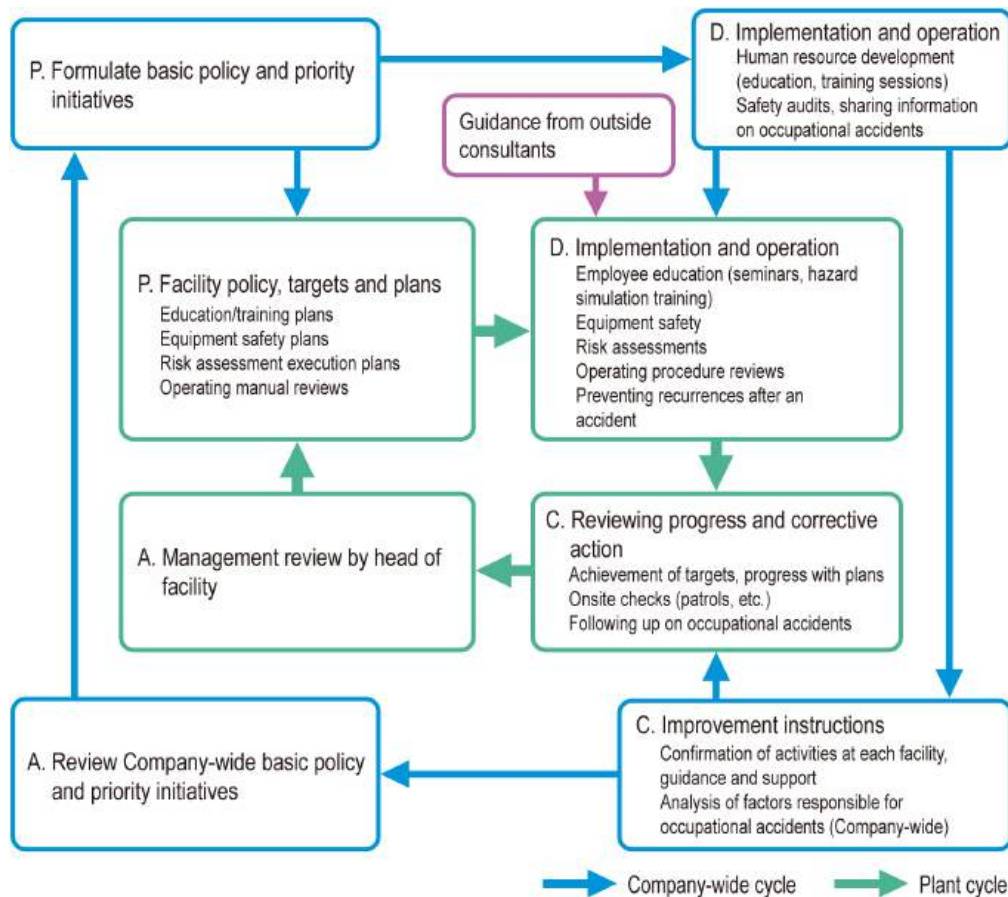
The occupational safety and health management systems are operated at individual business sites, and Safety and Health Committee meetings with members representing both the Company and the labor union are also held. The committee discusses measures related to worker hazards, investigates the causes of 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 expand the joint labor-management initiative to achieve zero occupational accidents, we have identified issues at the MMC Group identifies issues based on occupational accidents, etc. that occurred in the previous year, and after engaging in joint labor-management discussions on the particular items to be addressed to achieve solutions, designates management priorities. In 2024, 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 (2024)

#### 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\*<sup>1</sup> and failsafe\*<sup>2</sup>, 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 personnel who conduct 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

Theme of activities	Results of activities during FYE March 2025	Self-assessment	Targets/plans for activities from FYE March 2026 onwards
<ul style="list-style-type: none"> <li>Promoting safety and health activities</li> </ul>	Not causing any occupational accident resulting in four or more lost days for 365 days Reduced the number of lost-workday injuries (halved the number of cases compared to 2023)	C	<ul style="list-style-type: none"> <li>Not causing any occupational accident resulting in four or more lost days for 365 days</li> <li>Zero recurrence of similar accidents</li> </ul>
	<ul style="list-style-type: none"> <li>Elimination of occurrence of fires and explosions</li> </ul>	B	<ul style="list-style-type: none"> <li>Prevent disasters by improving hazard sensitivity</li> </ul>
	<ul style="list-style-type: none"> <li>Make efforts to ensure equipment safety based on risk assessments (ongoing)</li> </ul>	B	<ul style="list-style-type: none"> <li>Make efforts to ensure equipment safety based on risk assessments (ongoing)</li> </ul>
	<ul style="list-style-type: none"> <li>Promote safety and health education through effective utilization of the Occupational Safety &amp; Health Education Center and continued to promote Virtual Reality accident simulation training</li> </ul>	A	<ul style="list-style-type: none"> <li>Preventing disasters through enhanced hazard awareness</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to promote health and productivity management</li> </ul>	A	<ul style="list-style-type: none"> <li>Continue to promote health and productivity management</li> </ul>
	<ul style="list-style-type: none"> <li>Enhanced mental healthcare initiatives</li> </ul>	A	<ul style="list-style-type: none"> <li>Enhanced mental healthcare initiatives</li> </ul>

Self-assessment grades 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 72 in 2024. Sadly, 21 of these were accidents requiring employees to take leave. The number of accidents at the Company, on a non-consolidated basis had been increasing since 2022, but it decreased in 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, producing a result of 55 days.

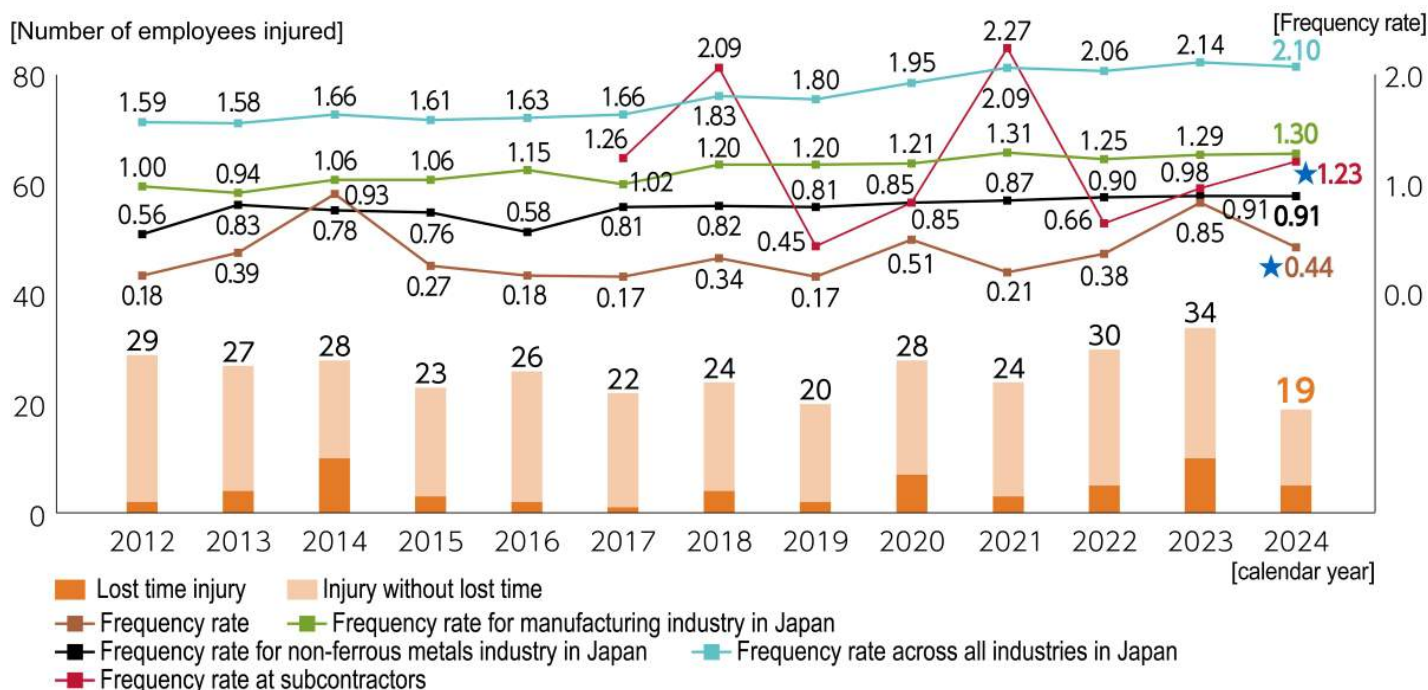
### Change in the number of continuous days without an occupational accident resulting in four or more lost days

	2021	2022	2023	2024
Maximum number of consecutive days without an occupational accident	41	135	82	55

In response to the frequent occurrence of accidents in the January to March 2024 period, we once again reminded workers to thoroughly ensure that they observe rules, do not bypass steps, and warn each other (ensure that workers observe rules and alert each other to dangers) for these purposes.

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 0.44; a lower figure than the 2024 manufacturing business average of 1.30, and the non-ferrous metals industry average of 0.91 (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 1.66.

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**

		2021	2022	2023	2024
MMC (Employees)	Fatal	0	0	0	★0
	Lost-time	2	4	9	5
	No lost-time	18	22	21	13
MMC (Temporary workers, etc.)	Fatal	0	0	0	0
	Lost-time	1	1	1	0
	No lost-time	3	3	3	1
MMC (Subcontractors)	Fatal	0	0	0	0
	Lost-time	10	2	4	3
	No lost-time	17	6	7	6
Group companies (Incl. subcontractors)	Fatal	0	1	0	★0
	Lost-time	27	9	10	13
	No lost-time	84	41	35	31
Total	Fatal	0	1	0	0
	Lost-time	40	16	24	21
	No lost-time	122	72	66	51

## Injury Frequency Rate Trend

		2021	2022	2023	2024
Non-consolidated	LTIFR	0.21	0.38	0.85	★0.44
	TRIFR	1.68	2.30	2.88	★1.66
Subcontractors	LTIFR	2.27	0.66	0.98	★1.23
	TRIFR	6.12	2.62	2.70	★3.69

\* 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 2024, the number of fire and explosion incidents at our company alone was limited to one high-pressure gas leak accident. This incident was classified as a minor accident under our company's accident evaluation criteria, which measures the scale of damage and impact, scoring 0.3 points or less. Furthermore, in 2024, there were no fire or explosion 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

	2020		2021		2022		2023	
	Number of accidents	Score	Number of accidents	Score	Number of accidents	Score	Number of accidents	Score
Fire	10	18.3	13	35.1	3	3.9	0	0
Explosion	0	0	0	0	0	0	0	0
Leakage, etc.	6	1.8	2	0.6	2	0.6	1	0.3
Total	16	20.1	15	35.7	5	4.5	1	0.3

## 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.

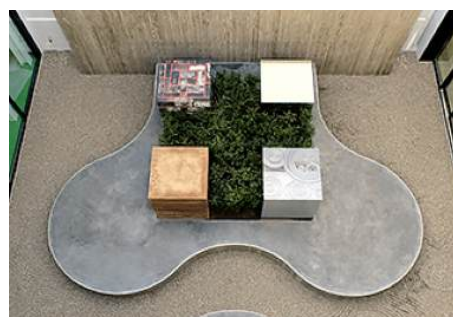
\* The number of points shall be zero (0) if none of the intensity levels applies.

## 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 2025, roughly 650 employees underwent hazard experience education, and around 350 employees completed specialized education. Since its establishment, the center has provided hazard sensitivity training for about 5,250 Group employees, approximately 1,740 of whom have also completed specialized training courses as of March 2025.



Occupational Safety and Health Education Center - "Midori-kan"



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



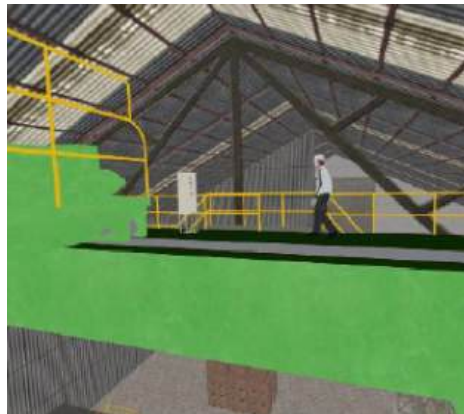
Accidents involving contact with high temperatures  
(steam explosions)



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)



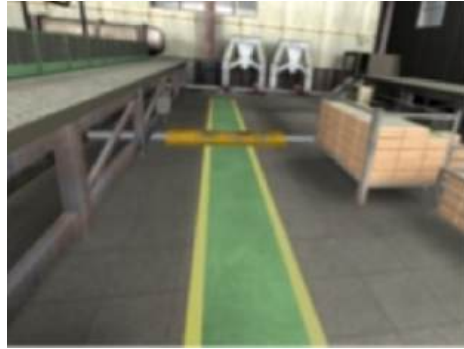
Caught-in accidents  
(high-speed conveyor belt)



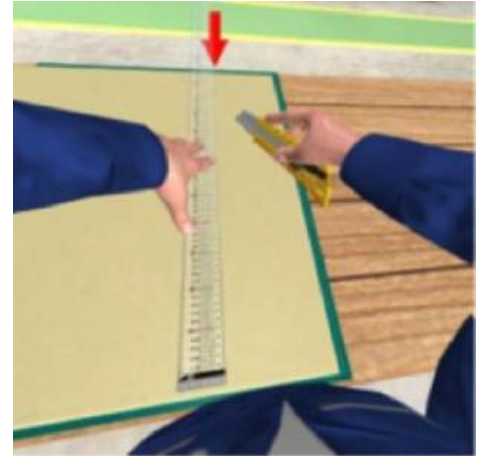
Caught-in accidents  
(slow-speed conveyor belt)



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)



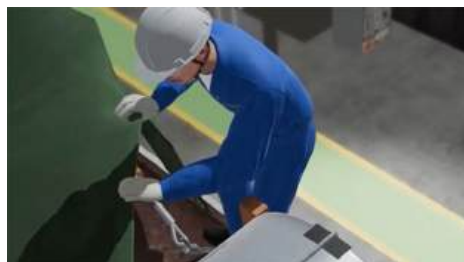
Stepladder fall accidents



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

### 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 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

#### October 2024 Commendations

Safety grand prize winners:

<b>Advanced Products Company</b>	DIA RECS Corp. (No lost time injuries for 15 consecutive years)
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Safety excellence commendation:

<b>Advanced Products Company</b>	Mitsubishi Materials Corporation Sakai Plant (No lost time injuries for 4 consecutive years)
<b>Metalworking Solutions Company</b>	MOLDINO Tool Engineering, Ltd. (No lost time injuries for 6 consecutive years)

Safety distinction commendation:

<b>Metalworking Solutions Company</b>	Mitsubishi Materials Corporation Akashi Plant (No lost time injuries for 3 consecutive years)
<b>Renewable Energy Business Div.</b>	New Energy Fujimino Co., Ltd. (No lost time injuries for 2 consecutive years)

#### April 2025 Commendations

Safety grand prize winners:

<b>Renewable Energy Business Div.</b>	Hachimantai Green Energy Co. Ltd. (No lost time injuries for 20 consecutive years)
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Safety excellence commendation:

<b>Metals Company</b>	East Japan Recycling Systems Corp. (No lost time injuries for 6 consecutive years)
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Safety distinction commendation:

<b>Metalworking Solutions Company</b>	MOLDINO Tool Engineering, Ltd. Yasu Plant (No lost time injuries for 3 consecutive years)
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- As of April 2025, it is no longer part of our group.
- Names of the commended organizations are as of the time of the commendation.

#### 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 Safety, Environment & Quality 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 disease and are striving to continually reduce exposure risks, such as by managing workplace environment and by thoroughly ensuring that protective equipment (protective respiratory equipment, protective gloves, etc.) are worn. 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 and workers who should receive special health checkups receive the checkups when they return to Japan temporarily. 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, 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 high-risk diseases such as diabetes and hypertension.

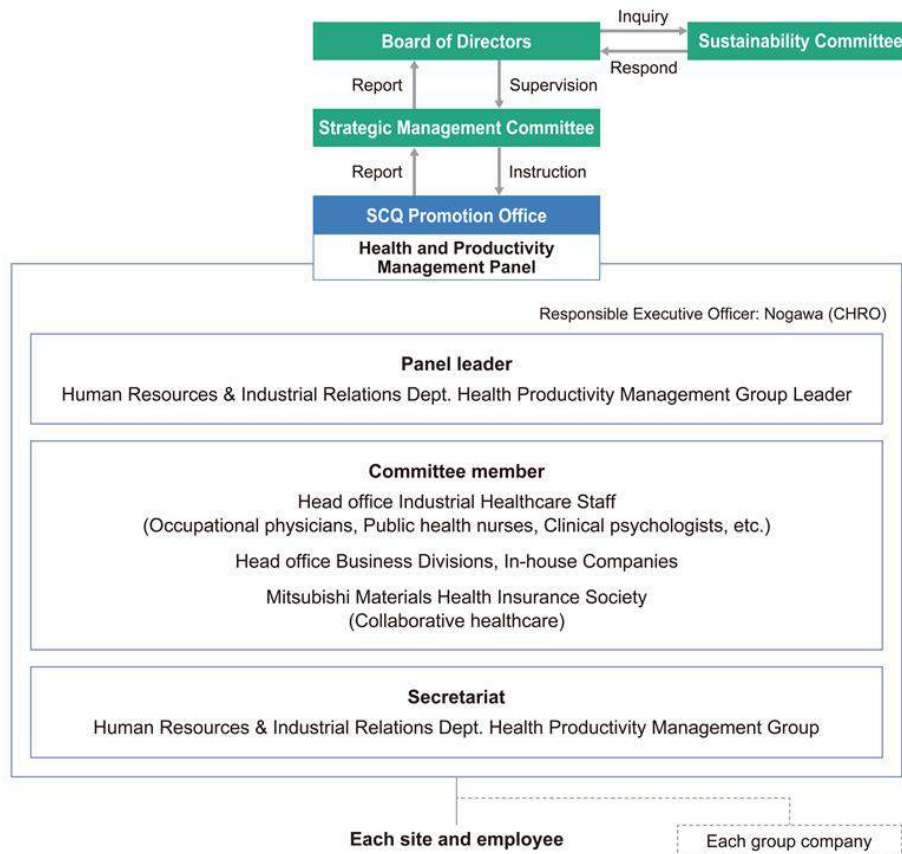
We collect and analyze the results of health checkups from all of our sites every year to assess the status of our health management activities. Industrial healthcare staff from the head office visit sites whose health management activities are insufficient or give them online support. We will continue to implement effective health promotion measures.

## **Health and Productivity Management Initiatives**

We have been positioning employee safety and health as the top-priority issue. Accordingly, diverse initiatives have been taken at each office and plant. However, we have begun to see issues that should be addressed in a Group-wide manner, including issues associated with the declining birthrate and aging population, mental health measures, and the support for balancing treatment and work. In response, we positioned employees' health management as a business challenge and have decided to strategically work on health and productivity management in a Group-wide manner. We are promoting 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 SCQ Promotion Office headed by the Chief Executive Officer. In this system, we have rolled out a variety of Company-wide measures related to maintaining and improving health.

Annual policies, plans, and progress updates are regularly reported at SCQ Promotion Office meetings attended by all Executive Officers. In addition, the Responsible Executive Officer of SCQ promotion reports to the Strategic Management Committee and the Board of Directors for appropriate monitoring.



We have set medium-term health and productivity management targets in conjunction with the Group's Medium-term Management Strategy. For factors that increase the risk of death including high blood pressure, diabetes and smoking, as well as each site's health and vitality level that serves as an indicator of mental health, we define medium-term numerical targets and work to tackle them systematically. 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. We are making steady progress on these initiatives to prevent overwork through a meeting body on the reduction of working hours convened between labor and management.

Each business site is engaged in activities for maintaining and improving the health of employees in a well-planned manner following Company-wide priority implementation items by developing its own measures where appropriate.

As a result of these activities, in September 2023, we were recognized for the first time as an Excellent Health Company (Gold Certification) by the Tokyo Promotion Council for the National Federation of Health Insurance Societies under the Certified Health & Productivity Management Outstanding Organizations Recognition Program designed by the Healthy Company Declaration Tokyo promotion meeting. In addition, in March 2025, we were selected for the first time under the KENKO Investment for Health Stock Selection program implemented jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange. We were also recognized as one of the White 500 enterprises (large enterprise category) for the second consecutive year in the 2025 Outstanding Organizations of KENKO Investment for Health Recognition Program jointly organized by METI and the Nippon Kenko Kaigi (Japan Health Council). Further, we were highly evaluated in various external evaluation programs, including our certification under the Sports Yell Company 2025 (Japan Sports Agency) program and as a Tokyo Sports Promotion Company (FY6) (Tokyo Metropolitan Government) and our being honored as an "Outstanding Company for Cancer Control Promotion" in the fiscal year ended March 2025 (Ministry of Health, Labour and Welfare).

We will continue to work to increase every employee's awareness of health and create workplaces where employees can work in a healthier way and enjoy working through health and productivity management activities in our efforts to enhance the Group's 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 to 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, too, we will work to prevent infections and ensure the health of employees and their families.



Enhancing Mental Healthcare Initiatives

As our primary mental healthcare initiative, we continuously provide a range of mental healthcare training to prevent employees from developing mental health issues. Specifically, we provide job-class-specific mental healthcare 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 consultation services available when they develop mental health problems. We have developed an environment in which employees can seek consultation with peace of mind, and we continue to 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 help them work smoothly after recovery.

We simultaneously perform stress check surveys at all offices and plants, including those with less than 50 employees, offering face-to-face guidance with physicians as needed for those diagnosed with high stress levels, including interviews with industrial healthcare staff (public health nurses and clinical psychologists) as a preliminary step. We also analyze the survey results by attribute and changes in the results over time and share information with Business Divisions to identify issues and formulate countermeasures. Thus, we will continue to drive the creation of workplace environments that are comfortable for employees.

[Click here to read about our "Health Management Initiatives".](#)

> Our health and productivity management initiatives

\* This data is only available in Japanese on the website.

## Supply Chain Management

- ✚ [Basic Approach](#)   ✚ [Targets and KPI](#)   ✚ [Operating CSR Procurement Guidelines for the Procurement & Logistics Division](#)
- ✚ [Metals Business's Value Chain](#)   ✚ [Advanced Products Business's Value Chain](#)   ✚ [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 2023	Self-assessment	Targets/plans for activities FYE March 2024 onwards
<ul style="list-style-type: none"> <li>Operating CSR Procurement Guidelines for the Procurement &amp; Logistics Division</li> </ul>	<ul style="list-style-type: none"> <li>New supplier approval process: 100% Implementation (27 companies)</li> <li>Regular Evaluation of Existing Clients: 100% Implementation Planned for FYE March 2025 (131 Companies)</li> <li>Human rights due diligence initiatives: 100% implemented for suppliers that were assessed as high risk (22 suppliers of the Procurement &amp; Logistics Division and 4 suppliers of services, etc.</li> </ul>	A	<ul style="list-style-type: none"> <li>New supplier approval process: 100% Implementation</li> <li>Regular Evaluation of Existing Clients: 100% Implementation Planned for FYE March 2026</li> <li>Human rights due diligence initiatives: 100% implemented for suppliers that were assessed as high risk</li> </ul>
<ul style="list-style-type: none"> <li>Copper Product Raw Material Procurement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Operated a policy on the responsible procurement of minerals</li> </ul>	A	<ul style="list-style-type: none"> <li>Operated and maintained a policy on the responsible procurement of minerals</li> </ul>

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

## Operating CSR Procurement Guidelines for the Procurement & Logistics 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 & Logistics Division and make efforts such as entering into agreements that incorporate the guidelines following mutual verification and consensus regarding the details with suppliers. The guidelines apply to all raw materials (excluding copper ores) 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.

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

In addition, to ensure the effectiveness of the initiatives of our suppliers, we began to audit new supplier audits and regularly evaluate existing suppliers in April 2016, and we 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 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, 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 about 13 items in total.

## Supplier self-check items

1.CSR	<ol style="list-style-type: none"> <li>1) Establishment of a CSR promotion system</li> <li>2) Establishment of a business continuity plan (BCP) system</li> <li>3) Establishment of an in-house reporting system</li> </ol>
2.Human rights	<ol style="list-style-type: none"> <li>1) Basic approach to human rights</li> <li>2) Respect for human rights and prohibition of discrimination</li> <li>3) Prohibition of forced labor</li> <li>4) Prohibition of child labor</li> <li>5) Respect and consideration of the lives and culture of local communities and indigenous peoples</li> </ol>
3.Labor	<ol style="list-style-type: none"> <li>1) Basic approach to labor practices</li> <li>2) Prohibition of discrimination in employment</li> <li>3) Provision of equal human resource development, career advancement and other opportunities to employees</li> <li>4) Prohibition of inhumane treatment</li> <li>5) Payment of appropriate wages</li> <li>6) Fair working hours, leave, paid leave, etc.</li> <li>7) Recognition of and respect for freedom of association and collective bargaining rights</li> <li>8) Appropriate management of employees' health and safety</li> </ol>
4.Corporate activities and corporate ethics	<ol style="list-style-type: none"> <li>1) Basic approach to fair corporate activities</li> <li>2) Establishment of appropriate relationships with governments and public officials of countries where business activities are carried out</li> <li>3) Prevention of inappropriate transfer of profits with customers, suppliers, or other parties in sales or purchase activities</li> <li>4) Prohibition of conflicts of interest</li> <li>5) Prevention of violation of competition law in sales activities, etc.</li> <li>6) Prevention of unauthorized use of third parties' intellectual properties and illegal reproduction of copyrighted works</li> <li>7) Elimination of relationships with antisocial forces and groups</li> <li>8) Confirmation of the status of individuals regarding their concurrent positions, related parties, etc.</li> </ol>
5.Environmental management	<ol style="list-style-type: none"> <li>1) Basic approach to environmental initiatives</li> <li>2) Management of chemical substances specified by laws, regulations, or other rules in manufacturing process, products, and services</li> <li>3) Control of wastewater, sludge, and exhaust and reduction of their generation</li> <li>4) Sustainable and efficient use of resources (energy, water, raw materials, etc.)</li> <li>5) Reduction of greenhouse gas (GHG) emissions</li> <li>6) Identification, management, and reduction of waste and responsible disposal or recycling of waste</li> <li>7) Sustainable use of natural resources</li> <li>8) Certifications related to environmental management that have been acquired</li> </ol>
6.Quality and safety	<ol style="list-style-type: none"> <li>1) Basic approach to quality and safety of products and services</li> <li>2) Assurance of the quality and safety of products and services</li> <li>3) Appropriate responses to product or service accidents or the distribution of defective products</li> <li>4) Certifications related to quality and safety that have been acquired</li> </ol>
7.Information security	<ol style="list-style-type: none"> <li>1) Basic approach to information security</li> <li>2) Defense against attacks on computers or network</li> <li>3) Protection of personal information and privacy</li> <li>4) Prevention of abuse of confidential information</li> </ol>
8.Supply chain	<ol style="list-style-type: none"> <li>1) Basic approach to supply chain</li> <li>2) Provision of information about CSR procurement policies to suppliers</li> <li>3) Evaluation of suppliers</li> <li>4) Use of raw materials which are not involved in conflicts or crimes (initiatives regarding conflict minerals)</li> </ol>
9. Quality management	<ol style="list-style-type: none"> <li>1) Establishment of a quality management system</li> </ol>
10. Cost management	<ol style="list-style-type: none"> <li>1) Supplier pricing</li> <li>2) Specific initiatives and contents of activities related to cost management</li> </ol>

11. Delivery management	<ol style="list-style-type: none"> <li>1) Strict observance of delivery times</li> <li>2) Specific initiatives and contents of activities related to delivery management</li> </ol>
12. Production and supply management	<ol style="list-style-type: none"> <li>1) Production management and supply management</li> <li>2) Specific initiatives and contents of activities related to production management and supply management</li> <li>3) Excess supply capacity</li> <li>4) Specific initiatives and contents of activities related to excess supply capacity</li> </ol>
13. Technological capabilities	<ol style="list-style-type: none"> <li>1) Technological capabilities</li> <li>2) Specific initiatives and contents of activities related to technological capabilities</li> </ol>

■ Initiatives regarding human rights due diligence

• Initiatives implemented by the Procurement & Logistics 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, we are also conducting human rights risk assessments of suppliers other than key suppliers (270 companies identified based on transaction track records and industry-specific risks) using the Supplier Self-Check Sheet. In the fiscal year ended March 2025, we requested that 140 companies do the self-check. This is about half of the identified suppliers other than key suppliers. We plan to request that the remaining 130 companies do the self-check in the fiscal year ending March 2026.

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 provided feedback to these suppliers individually and requested improvements as part of our human rights due diligence activities. 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 supplier 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 & Logistics 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**

The Procurement & Logistics Division participates in the Supply Chain Subcommittee of the United Nations Global Compact (Global Compact Network Japan) as a member of the committee and appropriately promotes 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 Business's Value Chain**

The Metals business consists of three areas of business; mining, smelting and refining, and resource circulation. In the mining sector, we invest in overseas copper mines in order to contribute to procuring a steady supply of copper concentrate. In the smelting and refining sector, 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 resource circulation sector, 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.



Naoshima Smelter & Refinery (Kagawa Prefecture)



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

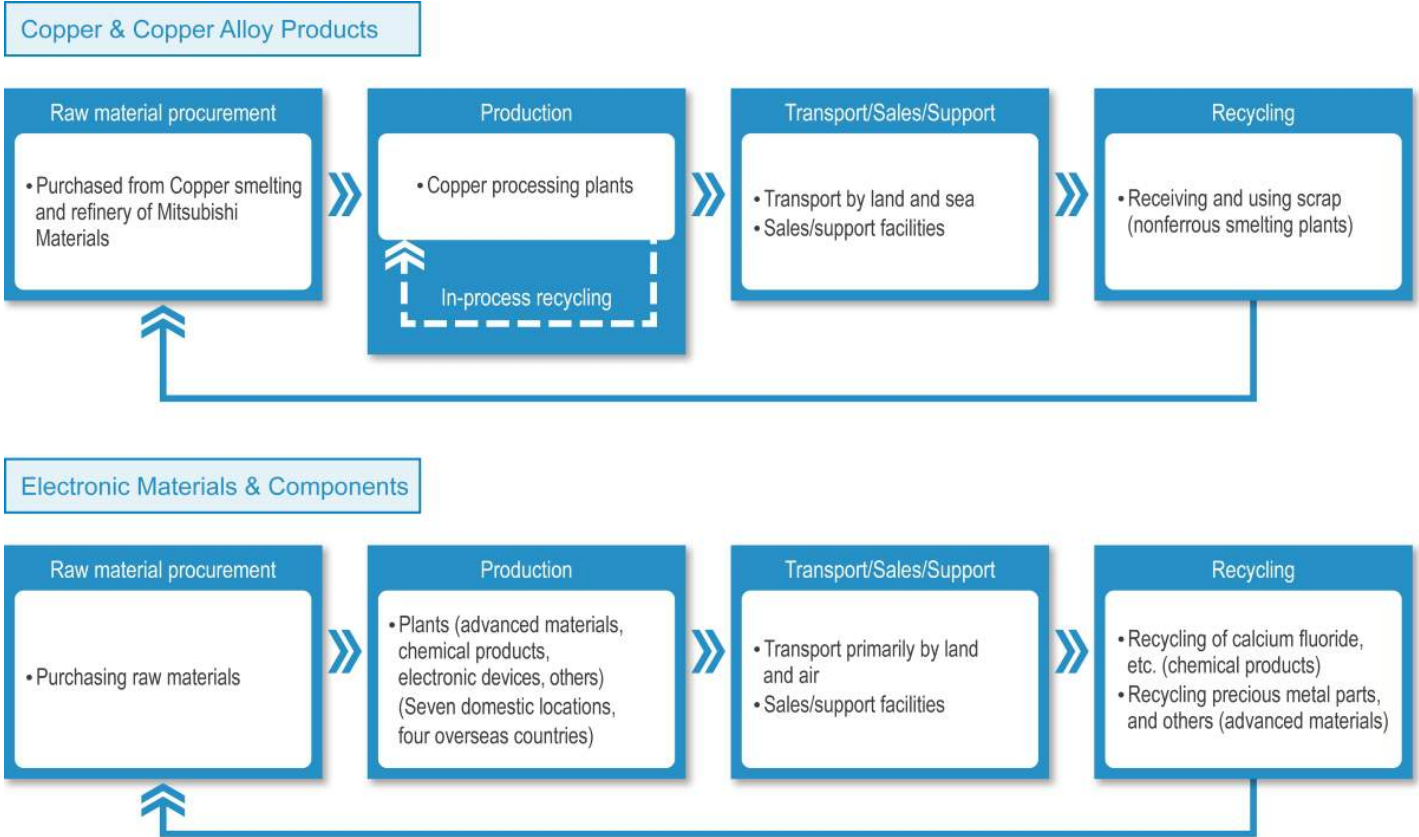
Advanced Products Business's Value Chain

Advanced Products Company (APC) operates two businesses in an integrated manner - the Copper & Copper Alloy business and the Electronic Materials & Components business - since they are very similar in terms of market needs and technology development. Taking advantage of our unique technologies, we offer various products in the markets of next-generation vehicles, semiconductor manufacturing, electronics, industrial equipment, robots, and infrastructure, which are our focus market domains.

We supply a wide range of products for semiconductor manufacturing and electronics market as well as automotive industry; oxygen-free copper and advanced copper alloys, lead frames and various other copper products that are essential to handle high current, high voltage and high capacity data communication required to next generation vehicles; solar heat-ray shielding paints that are used mainly for automotive windows to save energy; electronic components such as thermistor sensors; processed silicon products and sealing products for semiconductor manufacturing equipment. In addition, we supply superconducting wires (used for magnetic resonance imaging (MRI) scanners and scientific research), high-performance alloy wires, ECO BRASS® and GloBrass® (an environmentally friendly, lead-free superior machinability brass), and others for the market of industrial equipment, robotics, and infrastructure.

In this way, APC 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.

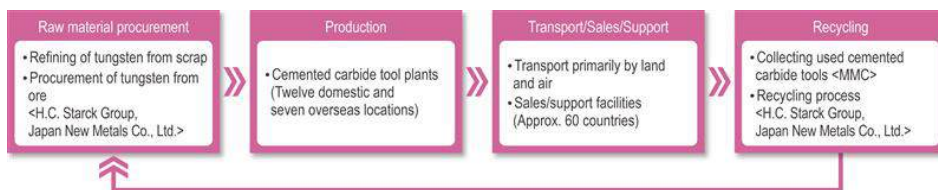
**Value Chain for the Advanced Products Business**



**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. In the fiscal year ended March 2025, we achieved a tungsten recycling rate of 58.6%. In 2025, 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

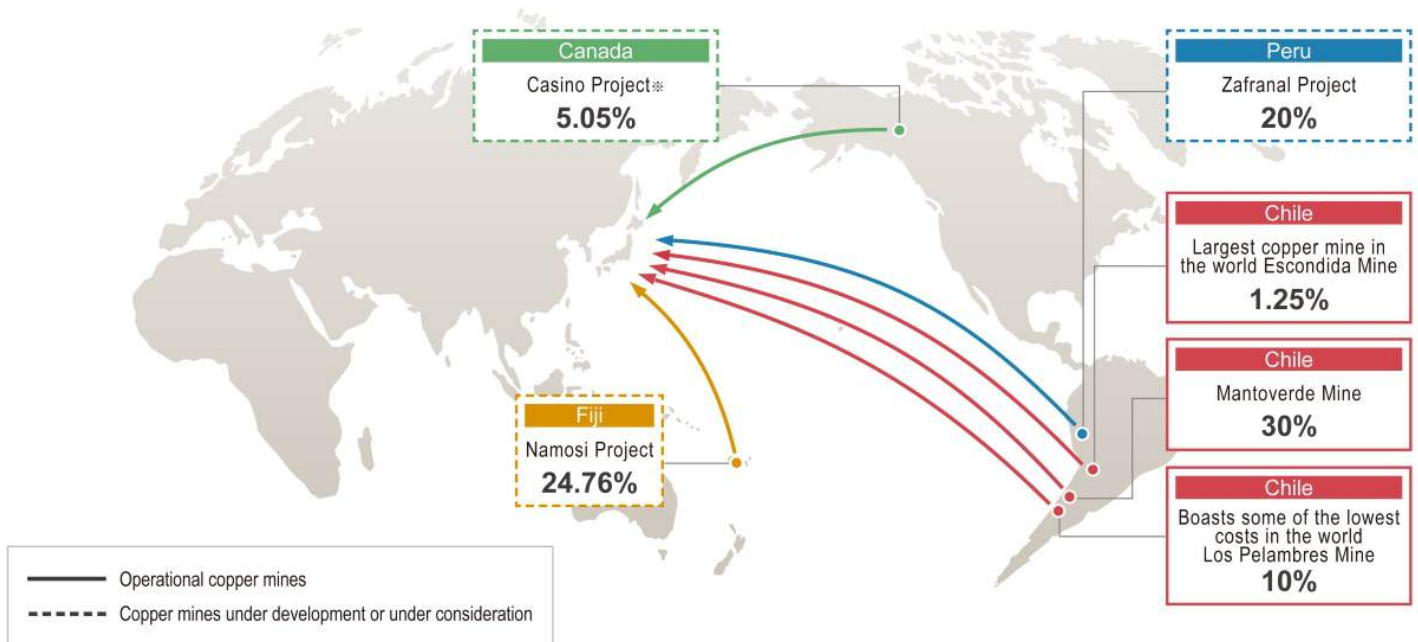
Since the closure of our domestic Akenobe Mine in 1987, we have been reliant on imports from overseas mines for copper concentrates\*, the main raw material used in our products. To reduce the environmental impact caused by mine development and ensure the sustainable development of local communities, 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 personnel 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

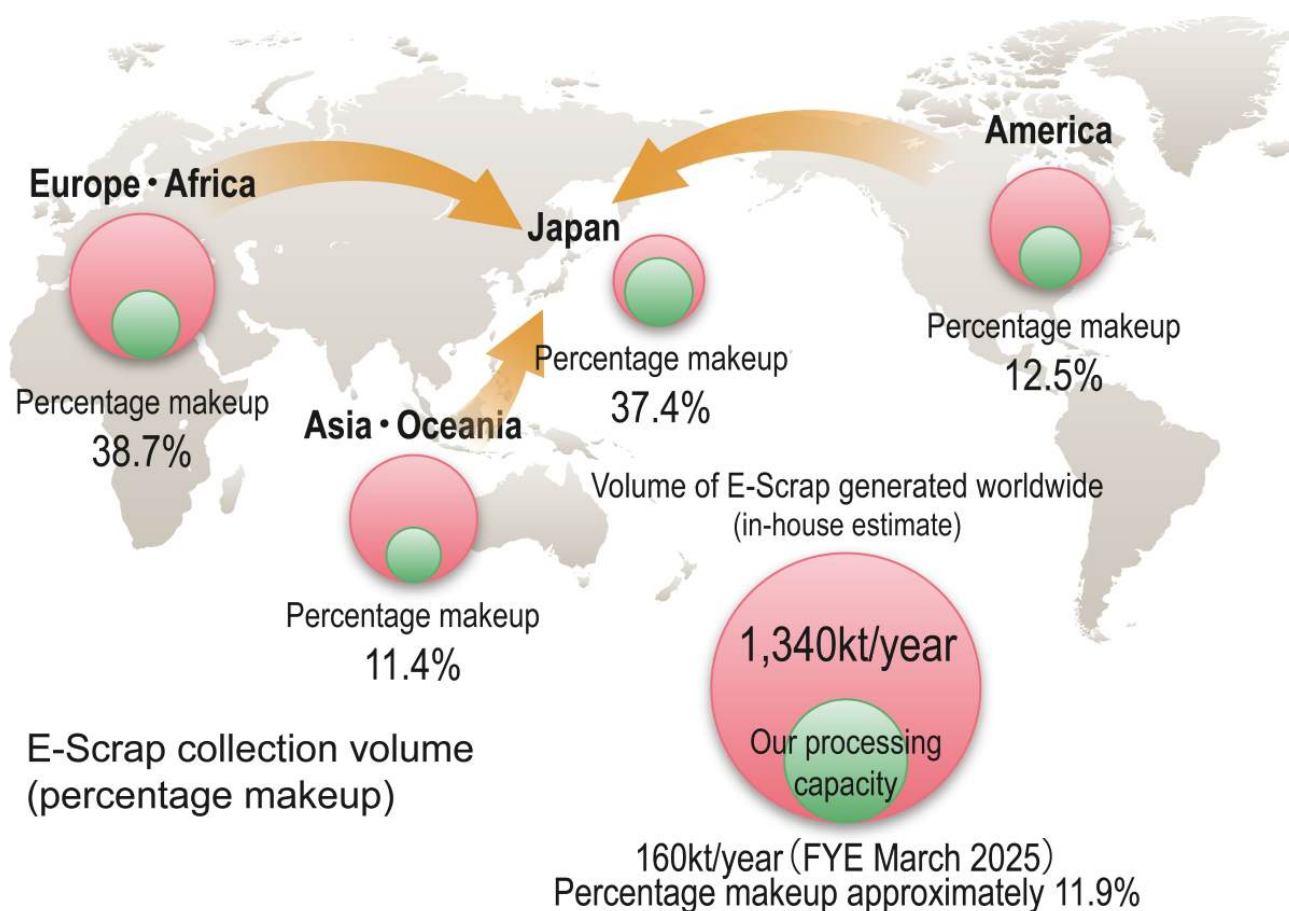
The efficient recycling of resources is becoming increasingly important, in terms of securing stable supplies of metal resources and enabling the sustainable development of society as a whole. In particular, waste electrical and electronic equipment (WEEE), such as televisions, computers and cellular 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.

### Rolling out E-Scrap Recycling Operations Globally



### 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 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 domestic smelters and refineries both in Japan and overseas. 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 Guideline and CSR procurement 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 CSR Procurement Standards**

### **[Continual Improvement of Environmental Performance]**

- Introduce and implement environmental management systems focusing on continual improvement.
- Reduce negative environmental impact from mine development and operation.
- Take into account protected natural areas and protect biodiversity.
- Consult with stakeholders regarding environmental issues.

### **[Continual Improvement of Occupational Safety and Health]**

- Introduce safety and health management systems focusing on continual improvement.
- Protect employees and contractors from occupational accidents. Implement disease prevention measures including local communities.

### **[Protection of Basic Human Rights]**

- Prevent forced and child labor.
- Eliminate harassment and discrimination.
- Avoid forced resettlement, or provide compensation.
- Protect indigenous people.
- Manage and record complaints and disputes with stakeholders.
- Eliminate any involvement, either direct or indirect, with militia or other armed groups in areas of conflict where there are concerns regarding human rights violations.

## **| 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. Mitsubishi Materials Corporation (MMC) has 20% share of the project. MMC assigns personnel at the subsidiary established in Peru, and works with CMZ to continually monitor the situation on site and drive implementation of 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.

While advancing legal processes to get approval of the Environmental Impact Assessment, CMZ is consulting with local communities. It is also undertaking 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<sup>\*1</sup>, LBMA<sup>\*2</sup>, and LME<sup>\*3</sup> 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.

## Metals Company (Initiatives with Respect to Gold, Silver, and Tin)

The Metals Company has pledged its support for a campaign to ensure a transparent flow of funds related to mineral resources, as promoted by the Extractive Industries Transparency Initiative (EITI)\*<sup>1</sup> 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)\*<sup>2</sup> 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\*<sup>3</sup> of RMAP\*<sup>4</sup> 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 Metals Company Responsible Minerals Control Policy for Gold, Silver, and Tin

Establishment date: 19<sup>th</sup> June 2013  
Last revised date (Rev. 9): 1<sup>st</sup> October 2024

The Metals Company (hereinafter the "Company") engages in bullion manufacturing for gold, silver, and tin. The Company 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, the Company recognizes the importance of addressing environmental and sustainability responsibilities in the procurement of materials. To rigidly maintain this practice, the Company 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.

The Company 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) The Company will respect human rights and avoid direct or indirect involvement with inhumane acts. For this purpose, the Company 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, the Company will address ESG factors such as environmental and sustainability responsibilities in its mineral procurement.
- (2) The Company will control risks associated with material procurement and take appropriate measures including stopping a transaction.

#### 2. Control System and Responsibility

- (1) The Company's headquarters deals with all operations for mineral control. Smelters and refineries do not procure materials independently.
- (2) The Compliance Officer appointed by the Company 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 Company Board Committee appointed by the Company 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.

The Company 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 the Company. The Company 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 the Company 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 implicit 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.

The Company will practice due diligence and perform risk assessments on all suppliers of materials containing gold and silver and all suppliers of materials containing tin. The Company 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 the Company implements EDD on the high-risk supply chains in accordance with LBMA guidance, the Company will take a counteraction as below.


- ① In case the Company 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, the Company should immediately stop the transaction.
- ② In case the Company 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, the Company 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 the Company Board Committee, the Company may resume the transaction.
- ③ In case the Company 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, the Company may continue the transaction under the improvement plan of the counterparty.
- ④ In case the Company 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 the Company may obtain approval of the Company Board Committee to continue (or commence) the transaction.

### 5. Monitoring of Materials Purchased by the Company's Headquarters


- (1) Materials purchased by the Company 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 the Company headquarters and to report the findings to the Company headquarters.
- (2) The Company will effectively utilize the monitoring system for incoming materials, which has long been in place, for the purpose of responsible minerals procurements control at the Company 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 the Company headquarters and to the smelters and refineries as needed.
- (2) The Compliance Officer will perform at least one internal monitoring per year of the relevant sections and divisions of the Company headquarters and of 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 deviations from the system.
- (3) 3. In the event of starting transactions with a new supplier for material procurement, the Company 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.  (10,880KB)

> Our RMAP Due Diligence Report for Tin  (88KB)

> RMAP Conformant Certificate for Tin by RMI  (112KB)

## **| 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. On this occasion, 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  (197KB)

## **| Metals Company (Initiative with respect to Copper and Lead)**

Copper cathodes and Lead Ingots which Metals Company 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", Metals Company 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 Metals Company Responsible Minerals Sourcing Policy for Copper and Lead**

Established on: September 1, 2023


Naoshima Smelter & Refinery of Metallurgy Division, Metals Company, 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, the Metals Company of Mitsubishi Materials Corporation (hereinafter referred to as the "Company") 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.

The Company hereby sets out its Responsible Minerals Sourcing Policy for Copper and Lead as follows and will implement the following measures.

- (1) The Company 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) The Company 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
  - ④ Bribery and fraudulent misrepresentation of the origin of minerals
  - ⑤ Money laundering
  - ⑥ Payment of taxes, fees, and royalties due to governments
- (3) If a serious abuse of human rights or any support to non-state armed groups is identified, the Company 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, the Company 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 the Company 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) We 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 July 2024 to March 2025)  (203KB)

> Annual Report on Responsible Mineral Sourcing (Copper) (from July 2024 to March 2025 - Onahama Smelting and Refining Co., Ltd.)  (181KB)

> Annual Report on Responsible Mineral Sourcing (Lead) (from October 2024 to March 2025 - Hosokura Metal Mining Co., Ltd.)  (5,167KB)

## 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. On this occasion, 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 & Refining Co., Ltd. Responsible Minerals Control Policy for Platinum, Palladium  (197KB)

## Japan New Metals Co., Ltd. (Supervised by the Metalworking Solutions Company) (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.



The screenshot shows the website for Japan New Metals Co., Ltd. The header includes the company logo and name, along with navigation links for Japanese, English, and a tagline "a pioneer of...". Below the header is a navigation menu with "Products", "R & D", "Data", and "Company". The main content area is titled "Responsible Mineral Procurement Policy and Management System" and includes a sub-section "Action for Aiming to build a more transparent mineral supply chain". The text discusses the company's response to the Dodd-Frank Act and its commitment to responsible mineral procurement. The page is dated June 18, 2021, and signed by Yoshikazu Okada.



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

[Responsible Mineral Procurement Management Policy of Japan New Metals Co., Ltd.](#)

## 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\*<sup>1</sup>. In the EU, we successfully completed the registration of chemical substances in accordance with REACH regulations\*<sup>2</sup>, 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 liaison conferences and quality meetings, 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 2025, this was an opportunity to review quality issues by watching a video message from the CEO 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 and operate 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 Safety, Environment and Quality Dept.
- (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 Liaison Conference comprised of the persons in charge of quality from Safety, Environment & Quality Dept., each in-house Company, 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 Dept. 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 led by the Internal Audit Dept. 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.

We have established a database of quality issues that have occurred in the Group, which we use to look back on past quality issues and to prevent similar events from recurring.

### Quality Management Initiatives at Overseas Manufacturing Sites

Total of 9 overseas manufacturing sites in Europe, the US and Asia of our Metalworking Solutions Company 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.

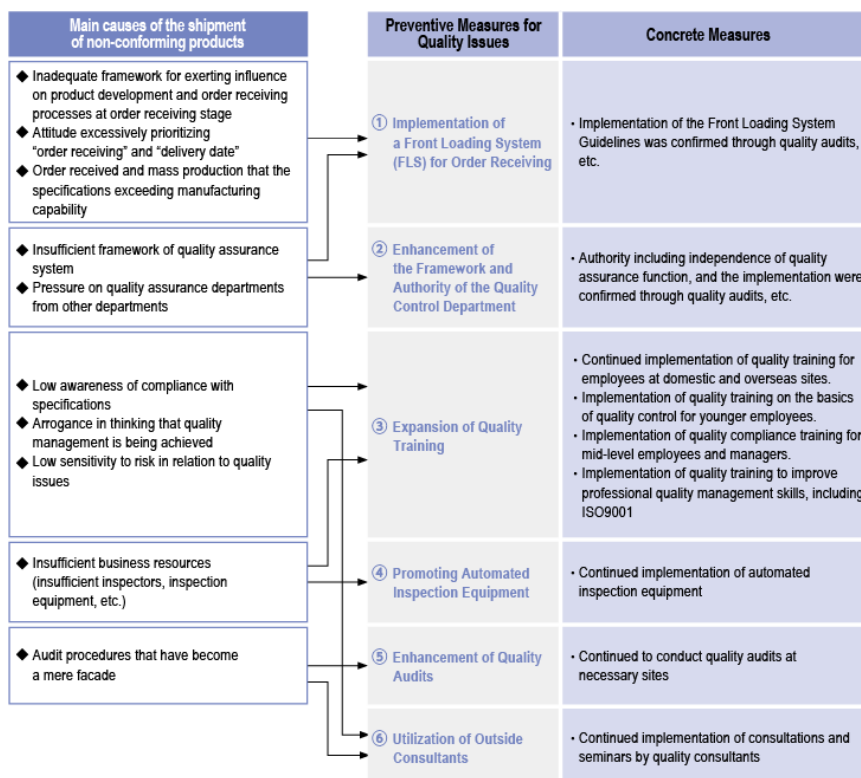
Also, the Electronic Materials & Components business, a part of Advanced Products Company, has six manufacturing sites (including subsidiaries and partners) in Southeast Asia and has established a production and quality control system in close cooperation with locations (Ceramics Plants, GOTOH MFG Co., Ltd.) in Japan. The Copper & Copper Alloy business has a total of 12 sites in Europe, the United States, South America and Asia, and is working to maintain and improve the level of quality management by strengthening coordination with Japanese sites and head office. To reduce customer complaints about product quality and maintain governance, we encourage the sharing of information and conduct a wide range of activities aimed at further raising awareness and improving the skills of local staff and personnel posted overseas, including quality supervisor meetings, small group activities and presentation meetings, quality audits conducted by the in-house Company, and web conferences held on a timely basis.

### 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 2025, twelve classes were held with a total of 103 participants. Furthermore, we also held six classes aimed at maintaining and improving the auditing skill and capabilities for the experienced internal auditors. A total of 29 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 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 expand our annual E-Scrap acceptance and processing capacity to 240,000 tons by 2030. 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.

### | Advanced Products Business

We deliver advanced products that are essential for customers, leveraging our manufacturing technologies like oxygen-free copper, high-performance copper alloys, and 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.

### | Metalworking Solutions Business

At our Machining Technology Center, we provide solution to help our customers use cutting tools correctly. Specifically we offer the Machining Academy to increase attendees' knowledge of tools and cutting operations, along with cutting tests and technical support aimed at enabling our customers to use our tools more efficiently. We also offer toll-free telephone technical counseling. With these and other support services, we strive to ensure direct communication with our customers at all times. In the fiscal year ended March 2025, we introduced new computer analysis technologies to broaden the scope of our technical proposals to customers, and installed new evaluation equipment at the Chubu Technical Center to enhance our capacity for cutting experiments, with many customers visiting to witness tests and for tours. Based on customer demand, we will continue to provide comprehensive solutions through technical diagnoses of computer processing lines and cutting operations and computer analyses at Machining Technology Center.



Tours and cutting experiments for customers  
at the Chubu Technical Center

### | Renewable Energy Business

We are contributing to the creation of a recycling-oriented society through the business of recycling mineral resources and 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

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 data is only available 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 2025, Mitsubishi Materials non-consolidated expenditures on community social contribution activities totaled approximately ¥392 million,\* including ¥373 million in donations, ¥17.16 million in services provided by employees, and ¥0.93 million in facility openings.

\* Amounts are based on calculation methods established by the Company.

### **| New graduates' participation in community service activities**

Based on the recognition that social contribution activities following the Great Eastern Japan Earthquake that occurred in March 2011 should be implemented not as a one-time event but on a permanent basis, we have established a program for all new graduates to participate in community service activities as part of their new employee training since the fiscal year ended March 2012.

From the beginning of their employment with us, we expect them to think about their relationship with society and raise their awareness of corporate social responsibility as a member of our Group.

### **| Effective use of emergency food, drinking water, etc. that are due for renewal**

Our business sites and Group companies manage emergency food, drinking water, and other supplies for use in the event of an earthquake or other emergency. We donate emergency food, drinking water, and other supplies that are due for renewal to facilities and organizations in need.

#### **Participating Business Site**

- Environmental Stewardship Center Forest Administration Dept.
- 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. The collected PET bottle caps are purchased by collection businesses, part of the proceeds of which are donated to and used by social welfare organizations and cafeterias for needy children. Donations are also made to Japan Committee, Vaccines for the World's Children, which runs initiatives to donate the polio vaccine, BCG (tuberculosis) vaccine and other vaccines to developing countries.

#### **Participating Business Site**

- Mitsubishi Materials Corporation Innovation Center
- Tohoku Power Service Station, Corporate Production Management Engineering Dept., Renewable Energy Business Division, Mitsubishi Materials Corporation
- Mitsubishi Materials Copper & Copper Alloy Business Div. Sakai Plant
- 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, Gifu Plant, Environmental Stewardship Center Forest Administration Dept., Naoshima Smelter & Refinery, Wakamatsu Plant, Tsukuba Plant, Tohoku Power Service Station, Corporate Production Management Engineering Dept., Renewable Energy Business Division, Chubu Eco Technology Co., Ltd., Hachimantai Green Energy Co. Ltd., MOLDINO Tool Engineering, Ltd. Narita Plant, Golden Sado Co., Ltd., Tamagawa Engineering Co., Ltd., H.C. Starck Tungsten GmbH
- Plant and office tours for family members at the Head Office, Sambo Plant, Hosokura Metal Mining Co., Ltd., MOLDINO Tool Engineering, Ltd. Narita Plant
- Facility rental and sponsorship to youth sports groups at the Naoshima Smelter & Refinery, Tsukuba Plant, Tohoku Power Service Station, Corporate Production Management, Engineering Dept., Renewable Energy Business Division, Onahama Smelting & Refining Co., Ltd., H.C. Starck Tungsten GmbH, H.C. Starck Canada Inc.
- Donations of books, school supplies, toys, etc. by MMC Italia S.R.L., H.C. Starck Tungsten GmbH, H.C. Starck Canada Inc., MMC METAL DE MEXICO SA DE CV
- Donating bicycles to disadvantaged children on Children's Day in Thailand by Otec (Thailand) Co., Ltd.
- Donations
  - To the Approved Specified Non-Profit Organization Katariba by Mitsubishi Materials Corporation Head Office
  - International Volunteer University Student Association by Mitsubishi Materials Corporation Head Office
  - To the Naoshima Kids Port Incorporated Association by Mitsubishi Materials Naoshima Smelter & Refinery
  - Santiago Japanese School Mitsubishi Materials Chile SpA
  - SHALAKA ENTERPRISES MMC HARDMETAL INDIA PRIVATE LIMITED
- Contributions to Children's Associations and Elementary/Junior High School Support Associations by Mitsubishi Materials Corporation General Affairs Dept., ECO MANAGEMENT Co.,Ltd., Golden Sado Co., Ltd.
- Participation in School Management Committees by Metal Business Company Resources Circulation Div. Vancouver Office

### Related Articles:

- > Human Capital and Human Rights
- > Supply Chain Management
- > Sustainable Use of Forest Resources (Materials' Forest)


## 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.

The Group supplies basic materials and components that are essential to society, and is a composite business entity that also operates recycling and renewable energy businesses. Therefore, to ensure flexible and appropriate business execution, we have introduced an in-house company system.

\* We have prepared the "Basic Policy on Corporate Governance", which is disclosed on the Company's website, as a compilation of the basic approach to and framework of [corporate governance](#) .

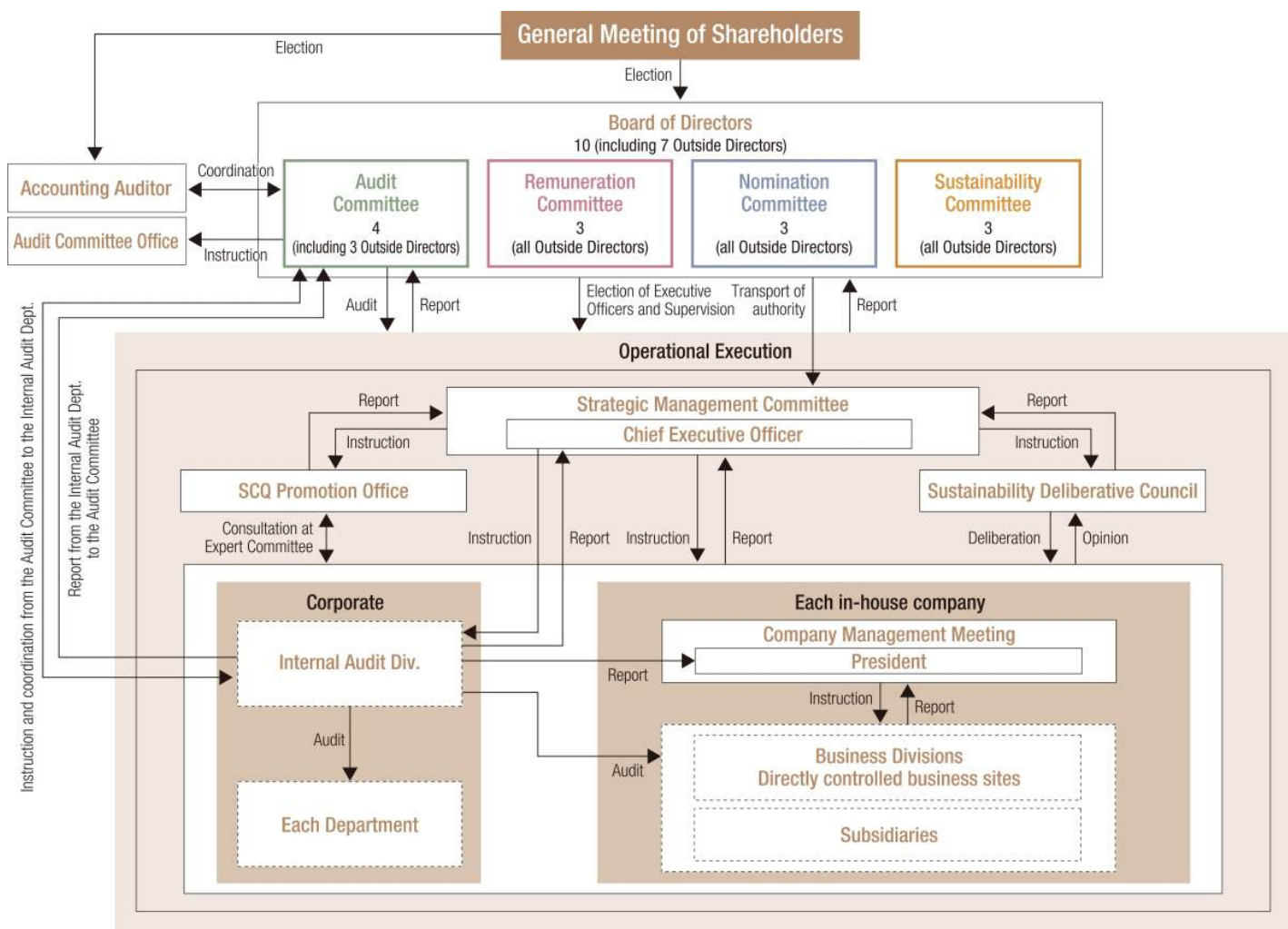
### Overview of Corporate Governance

#### 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. The Board of Directors is comprised of 10 Directors (including 7 Outside Directors), and the Chair of the Board of Directors is performed by Naoki Ono.



Overview of the Corporate Governance System (Chart as of July 1, 2025)

### 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 Chief Executive Officer 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 Chief Executive Officer 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 Tatsuo Wakabayashi (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 also elects 1 full time Member of the Audit Committee in order to improve the effectiveness of audits conducted by the Audit Committee. The Audit Committee is comprised of 4 Directors (Including 3 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).

## Sustainability Committee

The Sustainability Committee shall review policies on sustainability issues and others after being consulted by the Board of Directors, and submit the details to the Board. Majority of the Sustainability Committee members shall be Independent Outside Directors, and the Chair shall be performed by an Independent Outside Director. Currently, the Sustainability Committee is comprised of 3 Directors (All are Outside Directors), and the Chair is Nozomi Sagara (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 CEO 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 7 Executive Officers, of which the Chief Executive Officer Tetsuya Tanaka, and Managing Executive Officer Nobuhiro Takayanagi, 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 important matters concerning the management of the entire Group. The Strategic Management Committee consists of the Chief Executive Officer and the Executive Officers in charge of each department of the Div. of the Corporate. The Chief Executive Officer serves as the chairperson of the committee.

## Sustainability Deliberative Council and Sustainability Reviews

As part of sustainability initiatives, Sustainability Deliberative Council and Reviews are implemented starting in the fiscal year ending March 2025, replacing the previous Governance Review and Meeting for Sharing Governance Information.

Themes to be covered have shifted from governance-related matters (safety, health, human rights, compliance, environment, quality, communication and information security) to sustainability-related matters in response to global environmental issues and human capital management.

Sustainability Deliberative Council is a forum for the head office and business divisions to deliberate and decide on policy and plans related to the above sustainability-related matters prior to the start of the fiscal year (March).

Sustainability Reviews are forums for each business division to report on progress of activities based on policy and plans decided at the Sustainability Deliberative Council at least once per fiscal year.

Meetings are attended by Executive Officers and heads of relevant departments, with a system in place for sharing and following up on information reported at these meetings.

## Policy for Nomination of Candidates for Director and Dismissal of Directors

### 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, 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 talent shall be decided after deliberation by the Nomination Committee.

If any of the following apply to a Director, the Nomination Committee may make a determination on the content of a proposal to be submitted to the General Meeting of Shareholders regarding 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 while 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, the Chief Executive Officer will first draft a proposal for the election of Executive Officers after consulting with relevant officers as necessary. The Chief Executive Officer 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 a 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. In addition, Table 2 shows from what perspectives the Directors contribute and provide knowledge on the Company's Medium-term Management Strategy working toward achievement in 2030 based on their respective expertise and experience as indicated in the Skill Matrix.

Name	Business experience outside the Company	Expertise and Experience						
		Corporate management & organizational management	International experience	Sales & marketing	Production engineering	Research & development	Legal affairs	Finance & accounting
<b>Naoki Ono</b>	—	●	○	○	○		○	○
<b>Tatsuo Wakabayashi</b> <small>Independent Director</small>	Finance	●	○				○	○
<b>Koji Igarashi</b> <small>Independent Director</small>	Food and food materials	●	○		●	○		○
<b>Kazuhiko Takeda</b> <small>Independent Director</small>	Conglomerate	●	○	○			○	●
<b>Rikako Beppu</b> <small>Independent Director</small>	Legal profession		●				●	
<b>Hatsunori Kiriyama</b> <small>Independent Director</small>	Consumer goods	●	●	○				○
<b>Nozomi Sagara</b> <small>Independent Director</small>	Economic, trade and industry government	●	○			○	○	
<b>Ichiro Sasaki</b> <small>Independent Director</small>	Electronic devices and industrial equipment	●	○	○	○	●		
<b>Tetsuya Tanaka</b>	—	●			○	●	○	
<b>Kayo Hirano</b>	Housing equipment	●	○					●

[Table 1] Expertise and Experience of Directors (Skill Matrix)

○ indicates expertise and experience possessed (● indicates primary expertise/experience).

\* The above Skill Matrix does not cover all the expertise and experience expertise by the Directors.

Achievement of the Medium-term Management Strategy FY2031					
Name	Supervision of strategy execution	Supervision of profitability improvement	Supervision of tackling of main sustainability challenges		
			Strengthen human capital-centric corporate management	Promotion of resource circulation	Strengthen tackling of global environmental challenges
<b>Naoki Ono</b>	Perspective from experience in management supervision of the Group as the CEO of the Company		Perspective from experience as CEO of the Company	Perspective from experience in driving resource circulation strategies as CEO of the Company	Perspective from experience as an officer in charge of the renewable energy business of the Company
<b>Tatsuo Wakabayashi</b> <small>Independent Director</small>	Perspective from experience as top management		Perspective based on working styles at a financial institution		
<b>Koji Igarashi</b> <small>Independent Director</small>	Perspective from experience executing medium- to long-term business strategies	Perspective from practical experience in production engineering and development	Perspective from experience of human resource management in manufacturing and engineers	Posing of issues from a wide range of perspectives including future trends and exchange with external experts	
<b>Kazuhiko Takeda</b> <small>Independent Director</small>	Perspective from practical experience in global management in manufacturing Perspective on business management from extensive experience as CFO		Perspective from experience as a management executive of a global company	Posing of issues from the financial perspective	
<b>Rikako Beppu</b> <small>Independent Director</small>	Perspective from deep knowledge of global business expansion		Perspective from experience in diversity activities and initiatives	Perspective from experience being responsible for collaboration with many Japanese and overseas companies	
<b>Hatsunori Kiriya</b> <small>Independent Director</small>	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		
<b>Nozomi Sagara</b> <small>Independent Director</small>	Perspective from technical knowledge across different fields		Perspective from experience in personnel management in government offices	Perspective from experience being involved in resource recycling and global environment preservation	
<b>Ichiro Sasaki</b> <small>Independent Director</small>	Perspective from experience in leading customer-oriented product development and company-wide efforts to leverage IT	Perspective from experience as top management in manufacturing	Perspective from experience of human resource management in manufacturing and engineers	Perspective from experience in leading environmental initiatives as CEO within the manufacturing industry	
<b>Tetsuya Tanaka</b>	Perspective from extensive practical experience at the Company's manufacturing sites		Perspective from experience of human resource management in manufacturing sites of the Company	Perspective from experience as President of Metalworking Solutions Company of the Company	Perspective from experience as the officer in charge of the global environment of the Company
<b>Kayo Hirano</b>	Perspective from extensive practical experience in IR/SR, Accounting and Finance		Perspective from experience in human resource management in a manufacturing company		

[Table 2] Contribution and Perspectives of the Directors on Key Themes

\* 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:

### 1. Policy on Determining Remuneration for Officers

- (1) A system shall be created that provides competitive standards 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. Directors responsible for specific audit activities, such as the Chair of the Audit Committee, will be paid an allowance for audit-related duties commensurate with 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)  
In principle, the remuneration for Directors shall consist of basic remuneration only. 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. The cash amount shall take into consideration an individual Director's job position and refer to the standards 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 = 1.0/0.6/0.4" (\*In the case where the annual bonus payment rate is 100%) for the Chief Executive Officer, and for other Executive Officers, the ratio of performance-linked remuneration to basic remuneration shall be set lower than that for the Chief Executive Officer. 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 consolidated operating profit, 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】**

1. Consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector)  
The consolidated operating profit evaluation factor is based on which earning capacity of the Company's main business is evaluated; to be multiplied by an adjustment factor based on the consolidated operating profit growth rate compared with other companies to enhance consciousness on growth greater than market growth (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies, all in Japan)
2. Relative comparison of TSR (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar sized manufacturing companies, all in Japan) (Evaluation of relative comparison of TSR)
3. Non-financial evaluation of the status of achievement of the targets set for each Executive Officer at the beginning of the term and other relevant factors with regard to efforts aimed at improving medium- to long-term corporate value, which is less likely to be represented in short-term performance, as well as efforts 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\*

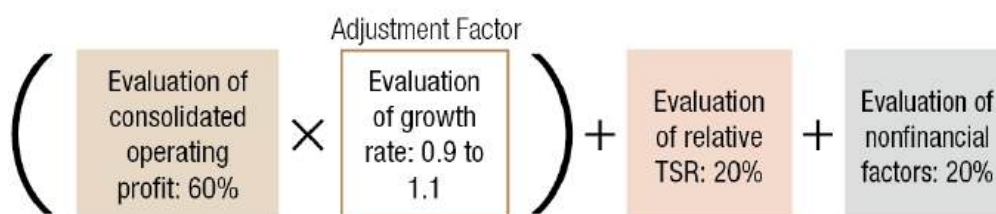
\* Payment Rate Based on Performance Evaluation shall range from 0% to approx. 200% based on a performance.

**【Evaluation Weight】**

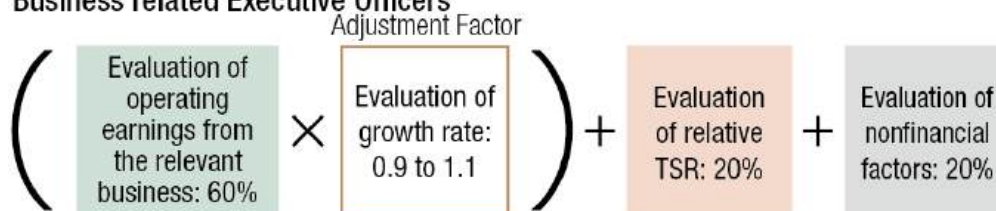
The annual bonus shall be determined based on the evaluations of each portion of 60%\*, 20% and 20% of the base amount, which depends on one's job position, in terms of consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), relative TSR comparison and non-financial factors, respectively.

\* To be adjusted using consolidated operating profit growth rate compared with other companies.

**Chief Executive officer, Non-Business related Executive Officers**



**Business related Executive Officers**



**【Target of Consolidated Operating Profit for Annual Bonus】**

With regard to the target of consolidated operating profit for annual bonuses, in principle, the consolidated performance forecast for the current period planned in the Medium-term Management Strategy shall be applied. (For operating earnings of the business for which the Executive Officer is responsible, planned consolidated operating earnings from the relevant business sector shall be used.)

<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 shares and cash equivalent to the proceeds from the realization of the Company's 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-resident staying in 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. The maximum number of points to be given to Executive Officers during the three consecutive fiscal years including the fiscal year ended March 2024 (FYE March 2024 to FYE March 2026) shall be 140,000 points in total.

<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 request disqualification of the entitlement to annual bonus or restitution of bonus upon a resolution of the Remuneration Committee.
- With respect to stock compensation, if the same occurs, the Company may request disqualification of the right to receive delivery of the Company's shares, etc. or restitution of an amount equivalent to the accumulated number of points upon a resolution of the Remuneration Committee.

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

For non-financial evaluation, each Executive Officer (excluding the 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 summarizes details of non-financial sub-items set for the fiscal year ending March 2026 in accordance with the Sustainability Policy, etc.

In the fiscal year ending March 2024, we have mandated the promotion of Diversity, Equity & 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	F
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			○	○		○

Total amount of remuneration, etc. per classification of officers, total amount per type of remuneration, etc., and number of eligible recipients for FYE March 2025

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)	88	88	1	—	—	—	—
Executive Officer	452	281	8	79	8	90	8
Outside Director	130	130	9	—	—	—	—

\*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 Directors who serve as Chairs of the Nomination, Audit, Remuneration and Sustainability Committees are paid allowances as of and after July 2024. The allowance is included in basic remuneration above.

\*3 The Company had 11 Directors and 8 Executive Officers as of the end of the fiscal year ended March 2025. This includes two Outside Directors who resigned during that time.

\*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 2025.

Executives with Total Compensation of 100 Million Yen or More (FYE March 2025)

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
Naoki Ono	Executive Officer	103	63	14	25

\*1 Naoki Ono served as both a Director and an Executive Officer in the fiscal year ended March 2025. 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 2025.

Target of performance evaluation indicator 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 following are the target and actual values of performance-linked indicators for bonuses paid in the fiscal year ended March 2025:

Evaluation criteria		Target value	Actual value
Operating profit	Consolidated	¥55.0 billion	¥37.1 billion
	Metals Business	¥14.9 billion	¥23.1 billion
	Advanced Products Business	¥19.5 billion	¥5.6 billion
	Metalworking Solution Business	¥21.2 billion	¥8.8 billion
Consolidated operating profit growth rate		—	59.47%
TSR (Ranks in parentheses are for the six domestic nonferrous metal companies)		—	94.3% (Third rank)

## Number of Board of Directors Meetings held, Attendance at the Meetings and the Number of Years Served by Directors

The Board of Directors met 19 times in the fiscal year ended March 2025. 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 2025. Approximately 100% attendance rates are also maintained by the Nomination Committee (which met 16 times), Audit Committee (14 times), Remuneration Committee (11 times), and Sustainability Committee (10 times).

### Number of Board of Directors Meetings held and Attendance at the Meetings (Fiscal Year Ended March 2025)

	Board of Directors	Nomination Committee	Audit Committee	Remuneration Committee	Sustainability Committee	Total
Number of meetings held	19	16	14	11	10	70
Rate of attendance of all Directors (%)	100	100	100	100	100	100
Rate of attendance of External Directors (%)	100	100	100	100	100	100

The term of a Director in the Company is one year. As of July 2025, the average number of years served by active Directors was 3.0 years while the figure for Directors who have resigned in the past five years was 6.1 years.

### Average Number of Years Served by Directors (As of July 2025)

Item	Average term
Average number of years served by active Directors at present	3.0years
Average number of years served by Directors who resigned in the past five years	6.1years

## 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. In the fiscal year ended March 2025, the evaluation was conducted using a third-party organization (third-party evaluations are conducted every three years since the fiscal year ended March 2022). The evaluation method and a summary of the results are outlined below.

### 1. Method of analysis/evaluation

#### (1) Evaluation process

- September 2024 / The materials and minutes of the Company's Board of Directors meetings were disclosed to the third-party organization.
- September 2024 / The third-party organization conducted a preliminary interview with the Chair of the Board of Directors and the Chief Executive Officer regarding the current state of the Board of Directors.
- September 2024 / The third-party organization observed the Company's Board of Directors meeting.
- November 2024 / A questionnaire, prepared in consultation with the third-party organization, was distributed to all 11 Directors, and responses were retrieved on an unsigned form.
- December 2024 / Based on the results of the questionnaire responses, the third-party organization conducted individual interviews with all 11 Directors regarding important issues related to the Board of Directors.
- February 2025 / The third-party organization compiled and analyzed the results of the questionnaire and interview responses, and the Directors discussed the effectiveness of the Board of Directors based on the report from the third-party organization.
- March 2025 / Following the discussions in February, the Board of Directors passed a resolution on the effectiveness of the Board of Directors for FYE March 2025.

#### (2) Questionnaire items

The following question topics were presented with four levels of response (1. I strongly believe so, 2. I believe so, 3. I don't believe so, 4. I strongly don't believe so) with a space for additional comments as needed.

- Our managerial issues and risks
- Role function, size, composition and operational status of the Board of Directors
- Board of Directors discussions
- Composition, roles and status of operations of each of the Nomination Committee, Audit Committee, Remuneration Committee and Sustainability Committee
- Support system for Outside Directors
- Relationship with investors and shareholders
- Governance system and overall effectiveness of the Board of Directors
- Self-evaluation by each Director

### (3) Interview Items

Based on questionnaire response, a third-party organization conducted interviews regarding the following key items concerning the effectiveness of the Board of Directors.

- Business and management evaluation  
Evaluation of Medium-term Management Strategy progress, competitive advantage, organizational structure and corporate culture, discussions for medium- and long-term growth, specific issues (group governance, internal control, human capital, ROIC awareness and utilization, DX strategy, etc.)
- Board of Directors evaluation  
Evaluation of explanatory materials, agenda setting, meeting management, attributes of the Chair, appointment of a lead Outside Director, roles and functions of the Board of Directors, expected role and current status of Outside Directors, composition of Outside and inside Directors, etc.
- Evaluation of the Nomination, Audit, Remuneration and Sustainability Committees  
Evaluation of the composition, roles and operations of each committee

## 2. Evaluation of the status of initiatives concerning the issues for FYE March 2025 based on FYE March 2024 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 2025 based on the results of the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 2024. It was confirmed that although "improvements have been made" in general, "initiatives were not adequate" for a certain matter.

### (1) Development of core management talent

- Received explanations from the executive side on the succession plan for Executive Officers and Next-Generation Leadership Talent Development Program and held discussions primarily on the following points.
  - Diversification of successor talent pool
  - Increase in the number and ratio of candidates selected for the Next-Generation Leadership Talent Development Program among candidates for Executive Officer successors
  - Strengthening the linkage between the Next-Generation Leadership Talent Development Program and HR measures such as promotion and selection
  - Early identification and planned stretch assignment of the Next-Generation Leadership Talent at the managerial and junior levels
- The results of the questionnaire showed that less than half of the Directors, five (5) of 11 Directors, responded that "further discussion is needed" regarding the development of the Next-Generation Leadership Talent. Regarding the CEO Succession Plan, when asked the question, "Do you think that sufficient discussions are held at the Board of Directors and committee meetings, and that the current situation is appropriate?" four (4) of 11 Directors answered "Strongly agree" and three (3) responded "Agree," indicating that the positive responses exceeded the negative responses.

### (2) Medium- to long-term competitive advantage of the Company

- In order to further deepen examination and discussion among the Directors on the medium- to long-term competitive advantage of the Company, we first received multiple explanations from the executive side on the competitive advantage of each business and engaged in discussions.
- However, according to the questionnaire result, when asked the question, "Do you think that the Company's long-term competitive advantage is sufficiently communicated to investors and shareholders to enhance the Company's presence in the capital markets?" 10 of 11 Directors answered "Disagree," and one (1) responded "Agree," indicating that most responses were negative.
- In the interview, the following opinions were expressed: "We should determine the competitive advantage of our business and formulate and execute a growth strategy for our business"; and "I don't think we are in a position to adequately analyze and discuss the Company's medium- to long-term competitive advantage within the Company."

### (3) Improvement of the Board of Directors' management

To further improve the management of the Board of Directors, the following initiatives were undertaken.

- We have reviewed matters to be discussed by the Board of Directors and monetary criteria to further improve the appropriateness of matters to be discussed by the Board of Directors.
- The following comments were noted in the questionnaire and interviews: "More focus should be placed on important issues"; and "It is good to have a variety of opinions from Directors, but in many cases, opinions are merely presented. It is not necessary to consolidate opinions, but it would be better to discuss how they feel about different opinions."

## 3. Analysis results of the questionnaire and interviews conducted by the third-party organization

The main analysis results of the questionnaire and interviews conducted by the third-party organization are as follows.

### (1) Summary of questionnaire response results

The Board of Directors is highly regarded for its active discussions with appropriately constituted members. Among the 50 questions described in 1.(2) of the questionnaire using a four-grade evaluation, the majority of responses to 48 questions were positive ("Strongly agree" or "Agree"). Questions where negative responses ("Disagree" or "Totally disagree") constituted the majority were limited. It is considered necessary to further evolve the nature of the Board of Directors in the future, for example, by further deepening discussions on medium- to long-term management issues.

### (2) Summary of interview response results

In the current situation where the targets of the Medium-term Management Strategy and actual results diverge, it is considered an issue that an appropriate sense of crisis has not been shared. It has been pointed out that the background to this issue includes factors such as "lack of discussion on competitive advantage," "business structure that is easily influenced by market conditions," and "passive corporate culture." With an appropriate sense of crisis shared throughout the Group, the Board of Directors is expected to engage in further discussions aimed at medium- to long-term growth.

#### 4. Summary of FYE March 2025 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 2025. 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) Medium- to long-term competitive advantage

- In Directors' discussions, some Directors noted the following comments: "There is a lack of discussion regarding how the Board of Directors itself perceives competitive advantage"; "The Board of Directors should not only express Directors' own views to the executive side but should also discuss 'how to change the situation' more in-depth"; and "The Board of Directors may not have sufficiently delved into the content in-depth after listening to the executive side's explanation."

##### (2) Operation of the Board of Directors

- In Directors' discussions, some Directors noted the following comments: "The discussion should be further focused only on important matters"; and "There are situations where it is desirable for the diverse opinions presented by the Board of Directors to the executive side to be consolidated into one as a whole board."
- It was also suggested that materials and explanations at the Board of Directors meetings should be more concise and precise.

#### 5. Initiatives in FYE March 2026 aimed at further enhancing effectiveness

Based on the results of the assessment of the Board of Directors' effectiveness for the fiscal year ended March 2025, the initiatives our Board of Directors will undertake to enhance its effectiveness in the fiscal year ending March 2026 are as follows:

##### (1) Initiatives to address medium- to long-term competitive advantages

- Based on discussions among the Directors in the fiscal year ended March 2025, the Board of Directors will 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 will 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 progresses effectively.

##### (2) Initiatives to improve the operation of the Board of Directors

To operate meetings of the Board of Directors and briefings for Directors more effectively, we will consider taking the following measures.

- Review agenda items for meetings of the Board of Directors
- Enhance facilitation during meetings of the Board of Directors and briefings for Directors
- Consolidate opinions from the Board of Directors and appropriately communicate them to the executive side

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 examines the status of the development and operation of the internal control system, risks in implementing the Medium-term Management Strategy and the status of countermeasures, the status of measures related to sustainability issues including occupational safety and compliance with the Antimonopoly Act, the appropriateness of auditing methods and the results of audits by Accounting Auditors, as well as other matters.

To these ends, the Audit Committee has established and operates a framework to audit the execution of duties by Directors and Executive Officers. Specifically, the Committee conducts interviews with Directors, Executive Officers, departments in charge of internal audits, and departments in charge of internal control, etc. to assess their progress in executing their duties. The Committee also reviews approval documentation and other relevant materials. Appointed members of the Committee are assigned to investigate the business and asset conditions at the Company's headquarters and key business locations, and they conduct on-site audits of Group Companies and other entities as required, in accordance with the audit plan established by the Committee. Additionally, the Audit Committee enhances coordination by regularly holding meetings with Audit & Supervisory Board Members at major Group companies to strengthen the effectiveness of the Groupwide audit system. To enhance the overall effectiveness of the three-pillar audit system, the Audit Committee, the Internal Audit Department, and the Accounting Auditor actively engage in discussions and collaborate closely to strengthen coordination.

The Chair of the Audit Committee also interviews with the CEO regularly and with Executive Officers, to exchange opinions. In addition, he receives reports from the Corporate Division on a regular or timely basis and makes suggestions or recommendations. He also attends important meetings such as the Strategic Management Committee, the Mitsubishi Materials Group Management Committee, Beginning-of-Year Performance Forecast Deliberation, Monozukuri and R&D Strategy Meetings and Sustainability Deliberative Council, as well as conducting onsite

audits of locations both inside and outside Japan, including affiliates, and make comments or suggestions on matters of concern.

Kazuhiko Takeda, Chair of the Audit Committee, has extensive knowledge of finance and accounting through his experience as the CFO at a major subsidiary of a listed company.

The Audit Committee Office is set up as an organization directly under the supervision of the Committee to assist the Committee in carrying out its duties.

## Status of internal audits

As of June 24, 2025, the Audit Department, which is in charge of internal audits, consists of 19 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 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) continuous audit period. The Audit Committee's policy is to dismiss or not reappoint if a problem is found in these criteria.

Based on the standards for evaluation and selection of Accounting Auditor established by the Audit Committee, it comprehensively evaluates these criteria of Accounting Auditor after obtaining materials from Executive Officers, related departments in the Company and Accounting Auditor and receiving reports necessary for determination.

## 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 2025 on our internal control system for financial reporting, an Internal Control Report was submitted in June 2025 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 for FYE March 2025

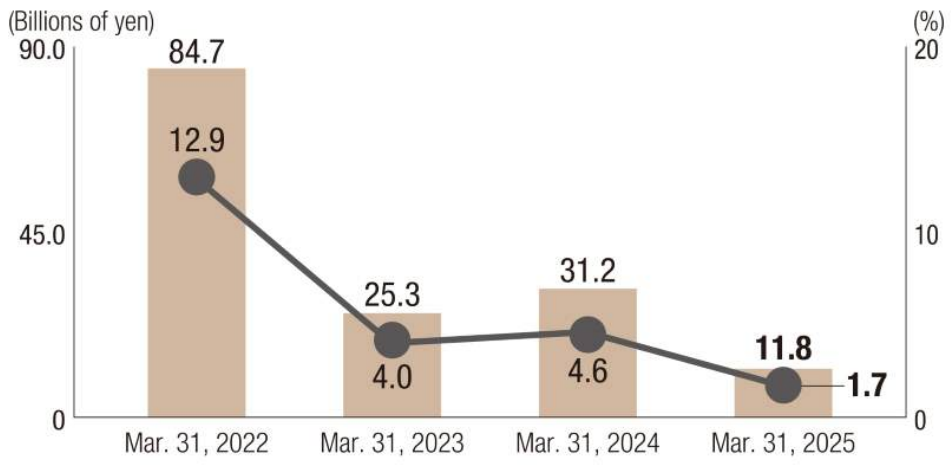
In the fiscal year ended March 2025, out of Strategic Share Holdings held by the Company (six listed stocks held as of April 1, 2024), we sold all or part of four of the listed stocks, resulting in a total of three listed stocks held as of the end of March 2025.

As of the end of March 2025, the amount of Strategic Share Holdings on the balance sheet was approximately ¥5.8 billion for listed stocks, approximately ¥2.2 billion for unlisted stocks, and approximately ¥3.8 billion for deemed share holdings of equity securities, totaling 1.7% of the Company's consolidated net assets as of March 31, 2025.

### Status of Strategic Share Holdings

		Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025
Number of Strategic Share Holdings	Listed:	30	6	6	3
	Unlisted:	99	56	54	55
	Deemed share holdings:	3	2	1	1
	Total amount:	132	64	61	59
Total price (billions of yen)	Listed:	64.7	14.9	20.1	5.8
	Unlisted:	6.1	2.3	2.2	2.2
	Deemed share holdings:	13.7	7.9	8.7	3.8
	Total amount:	84.7	25.3	31.2	11.8

- Total amount of Strategic Share Holdings held by the Company (including unlisted stocks and deemed share holdings)
- Percentage of consolidated net assets



Percentage of Strategic Share Holdings in Consolidated Net Assets

## Risk Management

▣ Risk Management Activities   ▣ Risk Evaluation   ▣ Business Risks   ▣ Crisis Management Activities

▣ Geopolitical and Geoeconomic Risks   ▣ Financial Risks

### 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:

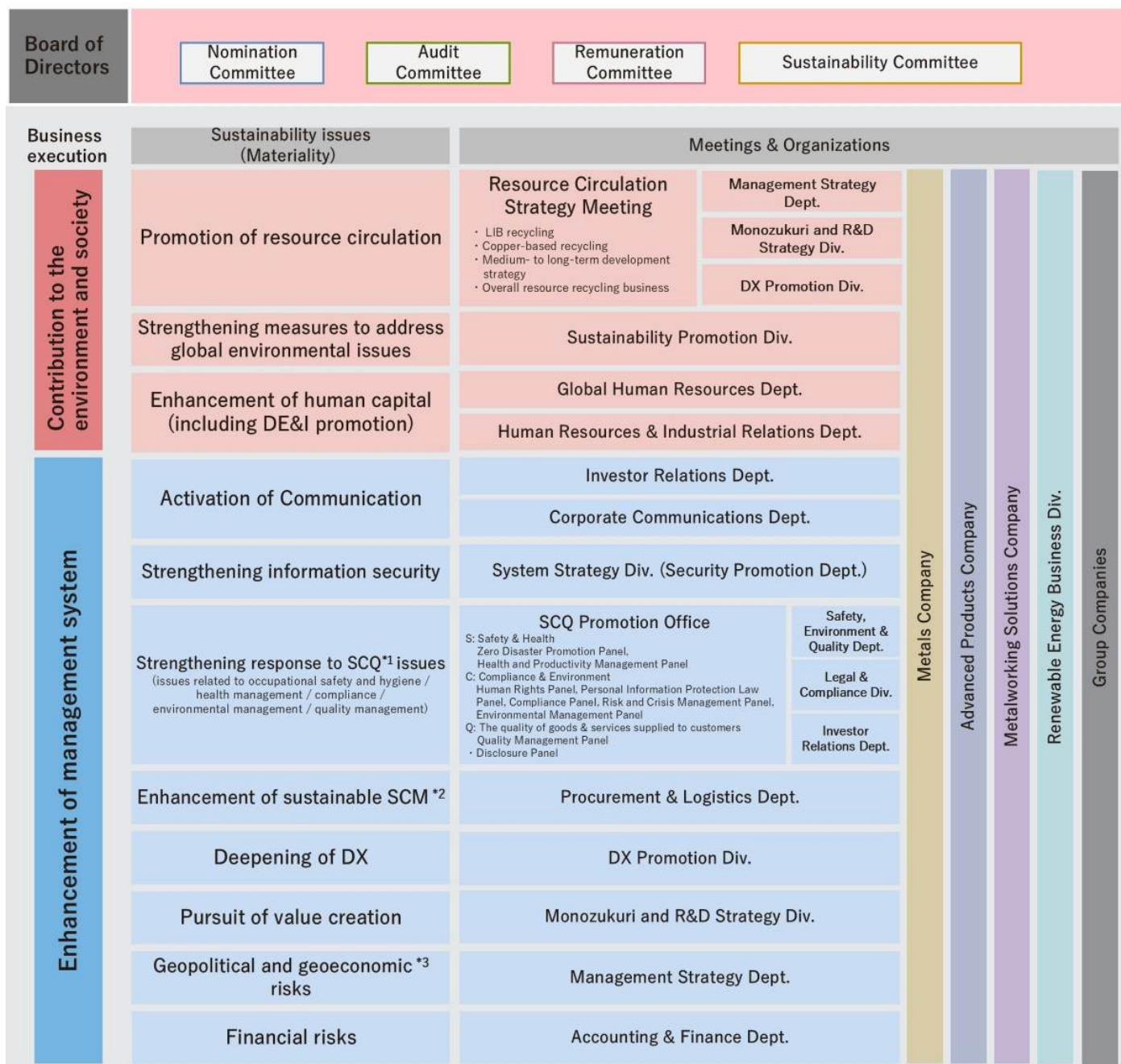
Basic Risk Management Policies
<ol style="list-style-type: none"> <li>1. List and identify risks: Grasping internal/external context of organization and sense risks comprehensively</li> <li>2. Risk Treatment: Prioritizing and handling depending on the risk evaluation</li> <li>3. Activities in general: Improving the management level systematically through continuous practice</li> </ol>

#### Implementation Structure

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. The Strategic Management Committee reviews risks every year to select critical risks. All of the Executive Officers participate in this process. The plan for addressing these critical risks is reported to the Sustainability Deliberative Council, which deliberates the matter, and information about the actions to be taken to address these risks is shared at meetings, including Sustainability Review meetings. Managing Executive Officer Nogawa is responsible for risk management activities in general, and these activities are run independently of the Audit Committee. With regard to training, we are striving to boost our quality of activities by providing training programs that feature an outline of risk management and guidance on how to proceed with the activities in detail and by holding risk sensitivity seminars taught by external instructors.



## 〔Sustainability Management System〕



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

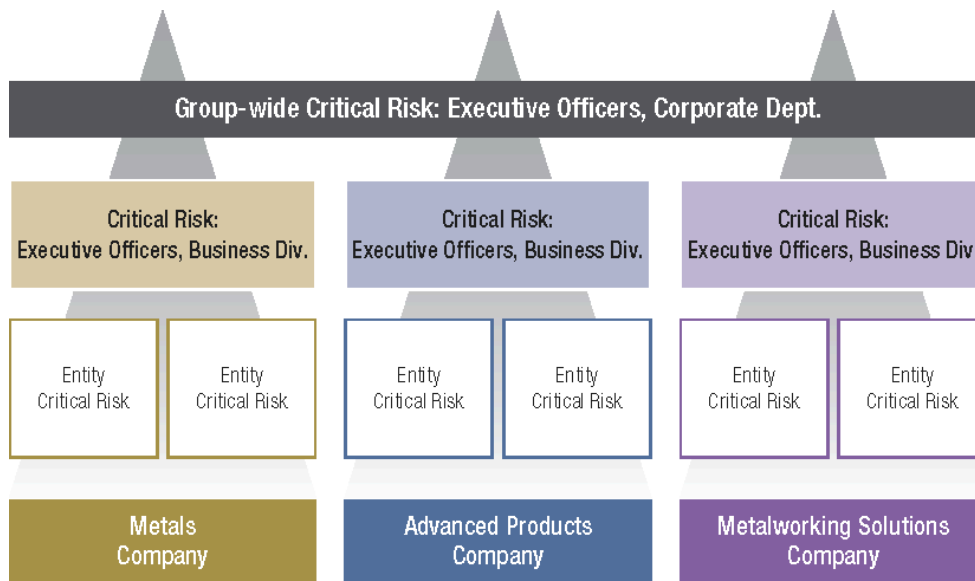
\* SCM : Supply Chain Management.

\* Geoeconomic risk : Risks relating to countries attempting to fulfill their geopolitical goals (national interests) through economic means.

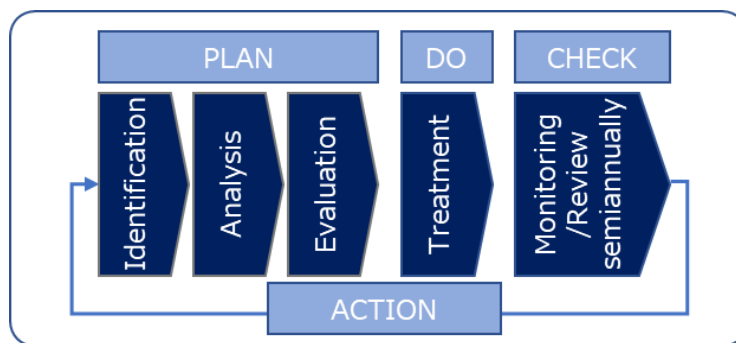
### Critical Risks According to Level and Risk Management Process

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)



**Management of Critical Risk from the point of view of Executive Officers, Corporate, Business Div. and each site**



### Risk Evaluation

Each CR is evaluated on a 5-level scale of impact/Likelihood based on quantitative/qualitative evaluation criteria standardized within the Group. Furthermore, according to the risk level (A, B, C, D), the priority of Risk Treatment is determined.

	High			A
Impact				
			B	
		C		
	Low	D		
		Low		High
		Likelihood		

## Business Risks

The table below shows the main risks the management of the Group has recognized, based on this system, as having the potential to significantly impact the Group's business results and financial situation.

Name of risk	Likelihood of occurrence	Impact
Promotion of resource circulation	High	Large
Strengthening measures to address global environmental issues	High	Medium
Enhancement of human capital	Medium	Large
Activation of communication	Medium	Medium
Strengthening information security	High	Medium
Strengthening response to SCQ issues	High	Large
Enhancement of sustainable supply chain management	Medium	Large
Deepening of digital transformation (DX)	Medium	Large
Pursuit of value creation	Medium	Large
Geopolitical and geoeconomic risks	High	Large
Financial risk	Medium	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, pursuant to the Medium-term Management Strategy for the period from the fiscal year ended March 2024 to the fiscal year ending March 2031, the Group aims to build a recycling system for metal resources based on our strengths and realize growth throughout the value chain by expanding the scope, regions and scale of our operations. We will promote resource recycling through our advanced recycling technologies for E-Scrap, home appliances, carbide tools, etc., which is one of our strengths, and develop and provide recyclable products to enhance resource circulation, thereby strengthening our competitiveness over the medium- to long-term.

### Strengthening response to SCQ issues Likelihood of occurrence: High, Impact: Large

If the Group pursues only earnings (E), disregards safety & health (S) at manufacturing sites, neglects compliance and environmental management (C), and supplies products that do not meet required quality standards (Q), it may lead to a decline in corporate value not only due to legal sanctions but also a decrease in social credibility.

To reinforce responses to SCQ issues, the Group has established the SCQ Promotion Office headed by the CEO and subcommittees consisting of the general managers of related departments, etc., to focus on the core aspects of corporate activities, such as "safety and health," "compliance," and "quality."

Concerning S, Safety & Health (safety and health first), we analyze the occurrence of occupational accidents within the Group, identify issues to be intensively addressed, and formulate specific measures. We also regularly share information on the progress of each measure and discuss solutions. In addition, we regularly hold meetings of safety managers and meetings of safety supervisors and safety instructors to exchange information on various accidents and safety and health activities within the Group, which spans a wide range of industries, thereby improving the level of safety and health. Furthermore, we position employee health management as an important management issue and have established the Health and Productivity Management Panel under the SCQ Promotion Office to implement a variety of measures for maintaining and promoting health throughout the Group.

As for C, Compliance & Environment (Compliance, Fair & Equitable Activities, Environmental Management), we consider compliance to be a broad concept that includes not only legal compliance but also corporate ethics and social norms, and we believe that we must faithfully meet the expectations of our stakeholders. With a view to strengthening the compliance system of the entire Group, we are continuing our efforts to raise the compliance awareness of every employee within the Group through various measures, including training in Japan and overseas. Further, by accurately and promptly collecting and sharing information on compliance violations that occur within the Group, we take appropriate measures against violations and reflect such information in risk management activities, education, and training to prevent recurrence. For the environment, in accordance with relevant laws and regulations, we strive to prevent air, water, and soil pollution. We conduct business activities in compliance with various environment-related laws and regulations concerning climate change, air pollution, water pollution, harmful substances, waste recycling, and soil and groundwater pollution. As environmental laws and regulations become stricter in Japan and overseas, to respond to revisions to laws and regulations and changes in environmental standards, we promote measures such as sharing information on revisions to applicable laws and regulations, providing thorough training and education, and promoting measures to avoid, reduce, and transfer risks, including strengthening facilities, throughout the Group.

Regarding Q, Quality (quality of products, services, etc. provided to "customers"), in order to thoroughly prevent the recurrence of a series of quality issues that occurred from November 2017, we continue to implement recurrence prevention measures, have established a Day for Reflecting on Quality to prevent memories of quality issues from fading into the past, and engage in "proactive quality management," thereby creating a system to prevent the production of non-conforming products.

#### Geopolitical and geoeconomic risks Likelihood of occurrence: High, Impact: Large

The Group has production and sales sites, and others in 32 countries and regions overseas, and positions its overseas business as an important foundation for the growth of the Group's business.

In the event that geopolitical risks such as political instability, conflicts between nations, unilateral invasions, or political upheavals materialize in the countries and regions in which our Group operates, our business activities may be hindered.

Besides the above risks, other risks associated with global business development include changes in economic conditions in various countries and regions, unforeseen policies and regulations, and changes in our business partners' business strategies and product development.

To address these risks, the Group constantly monitors the situation and reviews business strategies and overseas investments. In addition, we respond appropriately to these changes by sharing information from local sites and cooperating with each business. Furthermore, we strive to collect information on individual country risks, such as legal regulations overseas, and share and disseminate such information within the Group. On top of this, we formulate conventional risk mitigation measures and BCPs, which are periodically reviewed.

Particularly in the Metals business, there is a risk of being affected by events beyond the control of the Group, such as intervention in resource projects by national and local governments in copper-producing countries, fluctuations in the global supply-demand balance of copper concentrates, and declining copper concentrate grades. To mitigate these risks, we promote the diversification of countries and regions where we purchase copper concentrates as well as more effective investment in superior mining projects as part of our efforts to form a sustainable raw material procurement portfolio. At the same time, we actively use recycled raw materials like E-Scrap (waste circuit boards from various electronic devices) to ensure stable supplies of raw materials.

[Click here to read about our "Business and Other Risks".](#)

> [Business and Other Risks](#) 

## Crisis Management Activities

### Basic Approach

We are striving to strengthen our crisis management systems to facilitate prompt, accurate responsiveness to emergency situations, including natural disasters, accidents, terrorist attacks and pandemic events. Besides operating crisis management related rules that apply to the entire Group, we have formulated business continuity plans at all our consolidated subsidiaries in Japan and overseas. These plans are regularly updated to ensure their relevancy. In the event of a large-scale earthquake or pandemic, we have incorporated the identification of essential human and material resources to ensure the rapid recovery of critical operations. This includes stockpiling provisions, outlining plans for alternative supply of crucial products, and scheduling maintenance and repairs for vital facilities. The scenario assumptions are as follows:

#### <Large-Scale Earthquake>

- All buildings usable, minor equipment damage
- Power and networks (critical systems, internet, phone, etc.) unavailable (for 3 days)
- Suspension of water supply and sewage (insufficient supply of drinking water and toilets)
- Numerous absences due to halted transportation services

#### <Pandemic>

- Implementation of a state of emergency and voluntary restraint of commuting due to numerous infections (approximately 1 month)

Through these measures, even in the event of a crisis, we strive to swiftly recover and continue our operations to minimize the impact on our customers.

Furthermore, at major business sites, we are instituting Business Continuity Plans based on management resources as all-hazards plans that enable the business sites to address any crisis.

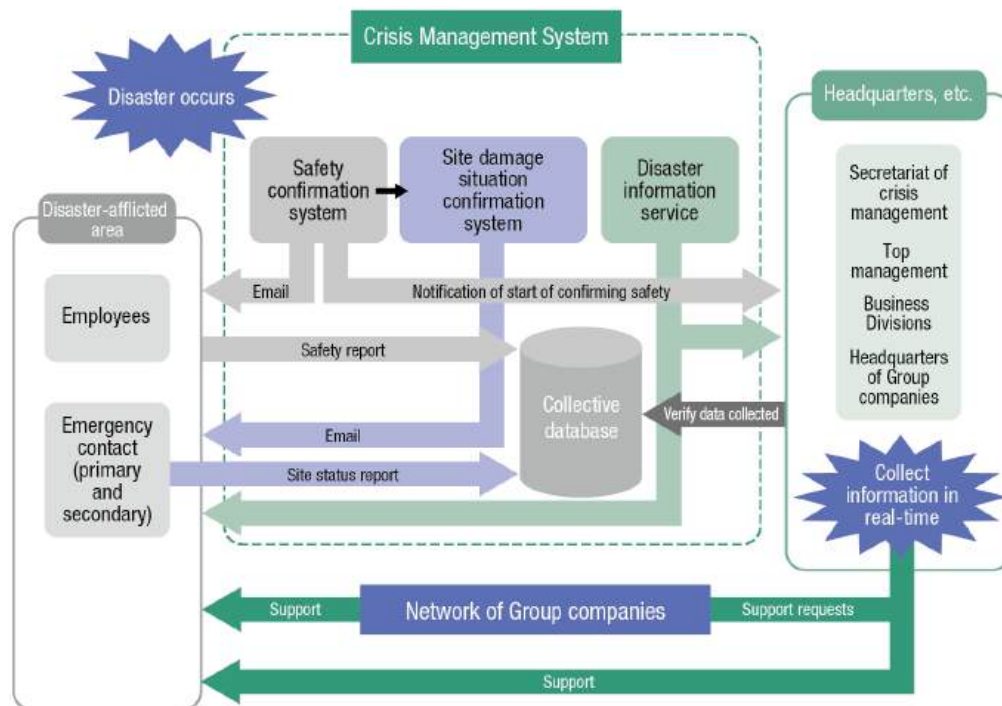
Further, we continuously obtain up-to-date crisis management information from around the world. Our employees traveling abroad or stationed in various locations are equipped to make informed decisions in times of crisis and have access to safety assurance and medical services on-site. Additionally, we have established a framework that clearly outlines response structures, roles, responsibilities, and organized chronological response measures for various crisis situations, ensuring a robust capability to respond to crises effectively

## Crisis Management System

The Group implemented a crisis management system both in Japan and abroad in order to help quickly assess the safety of employees and the scope of damage at business sites in the event of a disaster or other crisis, and to share this throughout the Group. We provide all employees with training on reporting their safety so that they can promptly report their safety in the event of a crisis.

This has made it possible to initiate a swift and appropriate initial response and has also allowed us to leverage the Group's network to provide support, etc. from sites near disaster-afflicted areas.

### Crisis Management System



## Geopolitical and Geoeconomic Risks

### Periodic review of investment strategies

The Mitsubishi Materials Group maintains production sites, sales offices and other locations in 32 countries and regions around the world, and positions its overseas operations as an important foundation for the business growth of us. When geopolitical risks such as political instability, inter-state conflicts, unilateral invasions or regime changes materialize in the countries or regions where our Group operates, they can impede our business activities.

Additionally, risks associated with our global business expansion include economic conditions in each country and region, unexpected government policies and regulations, changes to business strategies and product roll-outs on the part of business partners, as well as individual country risks such as legal restrictions.

We will continue to closely monitor conditions, share information provided by local sites and gather information through coordination between each business to gain an appropriate understanding of geopolitical and geoeconomic risks. And we regularly review business and overseas investment strategies.

In particular, in the Metals business, there is a risk of being affected by events beyond the control of us, such as intervention in resource projects by national and local governments in copper-producing countries, fluctuations in the global supply-demand balance of copper concentrates, and declining copper concentrate grades. As part of our efforts to form a sustainable raw material procurement portfolio, we strive to secure stable supplies of raw materials by diversifying the countries and regions where we purchase copper concentrates, effectively investing in high-quality mining projects, and proactively using recycled raw materials.

### Strengthening the management system at overseas sites

Mitsubishi Materials Group does its utmost to strengthen crisis management systems (documentation and the establishment of rules) to ensure that it can swiftly and accurately respond to natural disasters, accidents, and crises such as terrorism and pandemics that occur overseas.

#### 1. Group Company Crisis Management Regulations

Based on the Mitsubishi Materials Group Crisis Management Regulations, each Group company formulates Group Company Crisis Management Regulations laying out preparations for crises, how to respond in the event a crisis situation develops and other matters, in an effort to ensure the safety of employees, preserve and prevent extended damage to company assets, and quickly restore and continue business operations.

## 2. Overseas Crisis Management Manual

An Overseas Crisis Management Manual has been formulated for employees traveling or stationed overseas, setting forth how they should act and respond under normal circumstances and during an emergency. When employees travel overseas, the action to take and persons that need to provide approval is determined according to travel advisories based on the overseas travel standards. Similarly, we instruct employees stationed overseas to gather information, establish emergency contact systems and stockpile supplies, and instruct them to develop response guidelines based on criteria for determining the crisis level in the event of an emergency.

To respond to unexpected events occurring overseas in the future, we will consider the introduction of more rapid and detailed safety confirmation proxy services and will pursue further revisions to our crisis management system.

## 3. Crisis Situation Communication Flow

In the event a crisis situation develops, the site where the crisis has occurred follows the reporting criteria in the Crisis Situation Communication Flow to report the designated items to the Crisis Management Administrative Office via their in-house Company, and the administrative office shares information with the officer in charge as needed.

## 4. Overseas Local Information Contact Site

When a crisis situation extends over a large area, a site serving as the point of contact for information in the area where the crisis has occurred is set up as the Overseas Local Information Contact Site, to collect information (on the status of human and property damage, the status of infrastructure recovery, etc.), and to coordinate the selection of relief suppliers and determine the necessary quantities and sites.

# Creation and Regular Review of Risk Reduction and Avoidance Measures, and BCP for Overseas Businesses

## Metals Business

With regard to geopolitical and geoeconomic risk reduction in our sustainability agenda, the Metals company has identified the periodic review of overseas operations and the formation of a raw materials procurement portfolio as key themes.

As one of the initiatives for periodic review of overseas operations, PT. Smelting (PTS), which was our consolidated subsidiary in Indonesia, was transferred to an equity method affiliate as of June 30, 2024. In Indonesia, the new mining law enacted in 2009 requires mining companies to add value to minerals, and PTS is becoming more and more like a smelter attached to the Grasberg mine operated by PT Freeport Indonesia (PTFI), in which we have a joint venture. PTS is becoming more and more like a smelter attached to the Grasberg mine operated by PTFI. In light of this situation, as part of efforts to add value to minerals, PTFI financed the expansion of PTS and, on the condition that the expansion work is completed, converted the entire loan amount into new shares of PTS (capital increase) using the book value net asset method.

In January 2023, PTS changed its smelting process from purchasing copper concentrates from PTFI to contract smelting, whereby PTS receives copper concentrates from PTFI and returns the products to PTFI.

After PTS becomes an equity-method affiliate of MMC, MMC will continue to be deeply involved in PTS's business operations by taking advantage of its more than 20 years of experience in PTS's operations, taking charge of PTS's operations through its Indonesian subsidiary, and being involved in the sales activities of copper cathode returned to PTFI through contract smelting. PTFI will continue to be deeply involved in PTS's business operations.

## Advanced Products Business

The Business Continuity Plan (BCP) of the Advanced Products company has been formulated and operated for specific events such as earthquakes, windstorms, floods, and pandemics (so-called "causal event-type BCP").

However, in recent years, the difficulty of predicting the future has become an issue. For this reason, it has become mainstream to review BCPs to an all-hazard type that can respond to various management resource losses, such as difficulty in coming to work, power outages, and shortages in parts procurement due to damage to suppliers.

As the business environment surrounding our company is becoming increasingly diverse, we have decided that it is necessary for the Advanced Products company to switch to an "all-hazards BCP." In times of crisis, securing the safety of employees and their families is our top priority, and we aim to strengthen relationships of trust with our stakeholders by swiftly restarting and continuing our businesses and fulfilling our social responsibilities. In the fiscal year ending March 2025, we completed the BCP review for the Copper & Copper Alloy business. In the fiscal year ending March 2026, we will work to enhance our company's corporate value by reviewing the BCP for the Electronic Materials & Components business.

## Metalworking Solutions Business

In order to ensure a stable supply of cemented carbide products and tungsten products, it is important to duplicate and maintain a stable global supply chain. As part of this effort, we acquired H.C. Starck Holdings (Germany) GmbH (hereinafter referred to as H.C. Starck), a world-leading manufacturer of tungsten products, as a subsidiary in the fiscal year ended March 2025. We plan to further strengthen our structure, including investment, mainly in Europe, the U.S., and Asia. In response to risk, we hold a certain amount of inventory in Japan and overseas to prepare for unexpected situations, and we have completed the preparation of BCP inventory, which includes disaster mitigation and early restoration of our supply system in the event of a disaster. Furthermore, we are currently building an S&OP system to achieve optimal inventory management. This will enable us to maintain an efficient shipping process even during emergencies and establish a system that ensures continuous product delivery to our customers.

Through these efforts, we will further strengthen our foundation for a stable supply of cemented carbide tools and tungsten products.

## TOPICS

### Regarding the Acquisition of H.C. Starck in Germany as a Subsidiary ~ Initiatives for Expanding the Tungsten Business ~

In December 2024, our company acquired all shares of H.C. Starck, a world-leading tungsten products manufacturer with over 100 years of history. By making H.C. Starck, which has manufacturing bases in Europe, North America, and China and possesses one of the world's largest tungsten recycling capacities, a subsidiary, our Group now has tungsten business bases in the four major markets of Japan, Europe, North America, and China. Our supply capacity has reached a world-leading level of approximately 15,000 tons per year. Aiming to become the global leader in tungsten products, we will consolidate the Group's strengths to enable end-to-end handling of global tungsten recycling, further strengthening resource circulation.



Germany · Goslar



Canada · Sarnia



China · Ganzhou



Group photo

### Copper concentrate and E-Scrap

While the majority of copper concentrate, the main raw material in copper products, is imported from South America such as Chile and Peru, there are potential supply risks due to the decline of promising mines and other factors. Mitsubishi Materials Corporation will secure supplies of copper concentrate through strategies including the participation in new medium-sized copper mines, while also increasing its procurement of scrap materials and phasing in capital expenditures at the Naoshima Smelter & Refinery and Onahama Smelter & Refinery to handle the increase in scrap volume. In addition, to bolster the collection of scrap materials, we will maintain and strengthen ties with recyclers, investigate and explore possibilities such as setting up of relay yards and sampling sites, and strive to build a resource recycling loop utilizing home appliance recycling plants.

### Other Raw Materials

The Procurement & Logistics Department is working to enhance supply chain management to mitigate procurement risks such as supply disruptions due to natural disasters, operational incidents at suppliers, pandemics, geopolitical risks and other incidents. The specific initiatives we are pursuing are summarized below. We will identify key components and materials that could have a significant impact on our operations and strengthen the management of related supply chain information. By managing information on a new procurement system to be introduced from the second half of the fiscal year ending March 2025, we will achieve the centralized management and visualization of information, and also enable the two-way management of information with suppliers.

Additionally, in the event of an emergency involving the materialization of risks such as natural disasters, the system is designed to automatically alert supplier representatives. As this will enable us to confirm whether there are supply disruptions in the supply chain and gather information faster than before, it will enable us to implement swift and effective measures from the early stages of a crisis.

In conjunction with these efforts, we will conduct risk assessments of key components and materials and clarify response policies based on risk ranks. By securing alternative supply sources and implementing appropriate management to secure safe inventory levels based on these rankings, we will take efforts to ensure stable operation and maintain the steady supply of products to a higher level.

## Financial Risks

### | Introduction and operation of the Group's optimal cash management system

MMC has introduced and begun the operation of a cash pooling system to centrally manage surplus funds at Group companies, maintain appropriate levels of external loans from financial institutions, etc., and achieve optimal cash management for the Group overall.

Currently, surplus funds over Group companies located in Japan are centrally managed by the cash pooling system and used to finance Group companies with funding needs. This helps the Group maintain optimal levels of external loans overall.

Going forward, we will introduce a cash pooling system for Group companies located in Europe and implement other activities to manage surplus funds and make loans to Group companies. In particular, to reduce the impact from the trend of persistently high interest rates affecting overseas subsidiaries, we will strive to develop an optimal cash management system.

### | Grasping the market value of assets held and confirming the indication of impairment of fixed assets

Fluctuations in the market value of securities, land and other assets held by the Mitsubishi Materials Group could impact the Group's business results and financial status.

For this reason, we regularly monitor securities in terms of market prices and the financial status of issuers, and continuously reevaluate the status of our holding in light of our relationship with the issuer. Regarding the impairment of fixed assets, we also pursue the sale of unused land, and check for signs of impairment regarding business assets, such as by obtaining real estate appraisals as needed.

### | 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 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.

For details, please refer to "[Corporate Governance - Status of Strategic Share Holdings](#)."

## 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 Executive Managing Director Nogawa, who oversees compliance, we strive to ensure adherence to the Code of Conduct and other relevant policies. Additionally, the status of compliance including adherence to the Code of Conduct and other matters, is regularly reported to the Board of Directors.

#### | Initiatives Conducted to Raise Compliance Awareness

Since 2006, the Mitsubishi Materials Group has designated October as Corporate Ethics Month. Each October, the CEO 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, posted to the Company intranet. And 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, Subcontract Act and 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 the managers’ responsibility 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 2025, 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 the Antimonopoly Act. 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 addition to the distribution of training videos in multiple languages (seven languages), we efficiently conduct training in a wide range of regions through interactive training that places an emphasis on communication.

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 2025 (including MMC and its 80 Group companies)

	Number of Participants (aggregated)*1
Compliance education at domestic facilities, branches and Group companies	21,736
Compliance education at overseas Group companies	768
Position-specific education*2	7,854
Others*3	36,410
<b>Total</b>	<b>66,768</b>

\*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" 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 CEO periodically releases messages to employees about the importance of adhering to compliance requirements, and we also provide Group companies the support and internal training, etc. needed for operation of anti-corruption systems.

The SCQ Promotion Office headed by the CEO, 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. We also established a contact office for consultation with Members of the Audit Committee in June 2018 to contribute to the work performed by members of the Audit Committee in promptly detecting incidents and initiating corrective measures.

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.

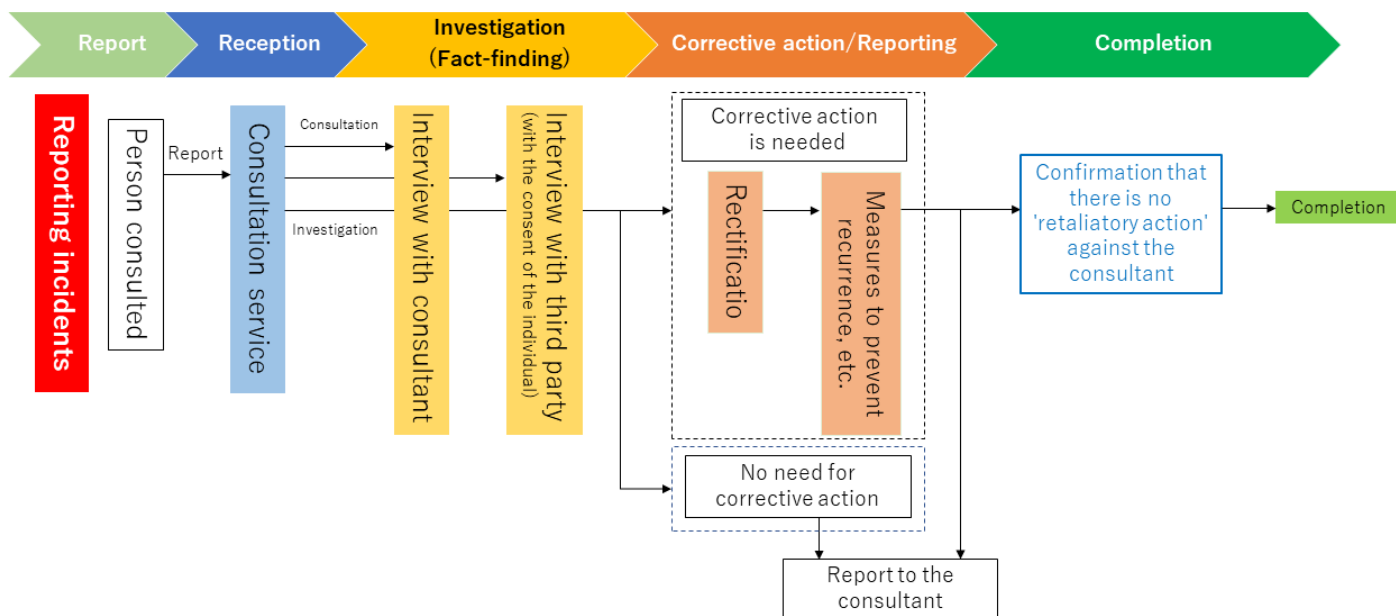
This in-house reporting system can be used by personnel in overseas Group companies and overseas sites (with some exceptions), and receives anonymous reports regarding conduct related to antitrust violations, bribery, accounting fraud, improper trade practices and other fraudulent conduct. The availability 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 2024, there were six 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 2025, 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.

### Response flow of the Mitsubishi Materials Group Employee Hotline



### Numbers of Reports and Inquiries Received through the Mitsubishi Materials Group Employee Hotline (FYE March)

2017	2018	2019	2020	2021	2022	2023	2024	2025
38	42	61	58	54	47	65	63	67

### Measures for Rebuilding our Antimonopoly Act Compliance System

In September 2019, the Japan Fair Trade Commission (JFTC) issued a cease and desist order and a surcharge payment order to Universal Can Corporation, a Group company of that time, for violations of the Antimonopoly Act in the form of cartel activity. In response to this, from November 2019 onwards, the Group has engaged in various measures to rebuild its Antimonopoly Act compliance system.

- Formulation of Antimonopoly Act compliance regulations for MMC and Japanese subsidiaries
- Ongoing communiqués from top management regarding compliance with the Antimonopoly Act
- Clarification of Antimonopoly Act compliance as part of the Group's Code of Conduct
- Review and revision of regulations regarding disciplinary actions for MMC and Japanese subsidiaries
- Implementation of self-audits by MMC and Japanese subsidiaries, assessment of potential for Antimonopoly Act violations within each business segment
- Design and implementation of measures at individual business sites in the form of risk management activities
- Ongoing implementation and expansion of Antimonopoly Act compliance training
- Review and revision of internal audits related to the Antimonopoly Act
- Strengthening of measures against bid-rigging and transactions with competitors

## 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
<b>Total</b>	<b>1,962,076</b>	<b>49,963</b>	<b>9,392</b>	<b>8,189</b>	<b>18,452</b>

\* 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:

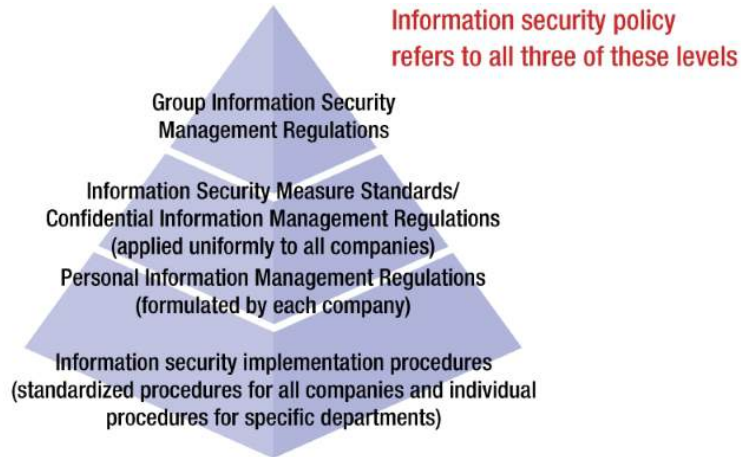
Standards defining information security countermeasures for electromagnetic information assets that the Group must follow.

#### Confidential Information Management Regulations:

Basic indicators on management methods for maintaining the confidentiality of information assets in general.

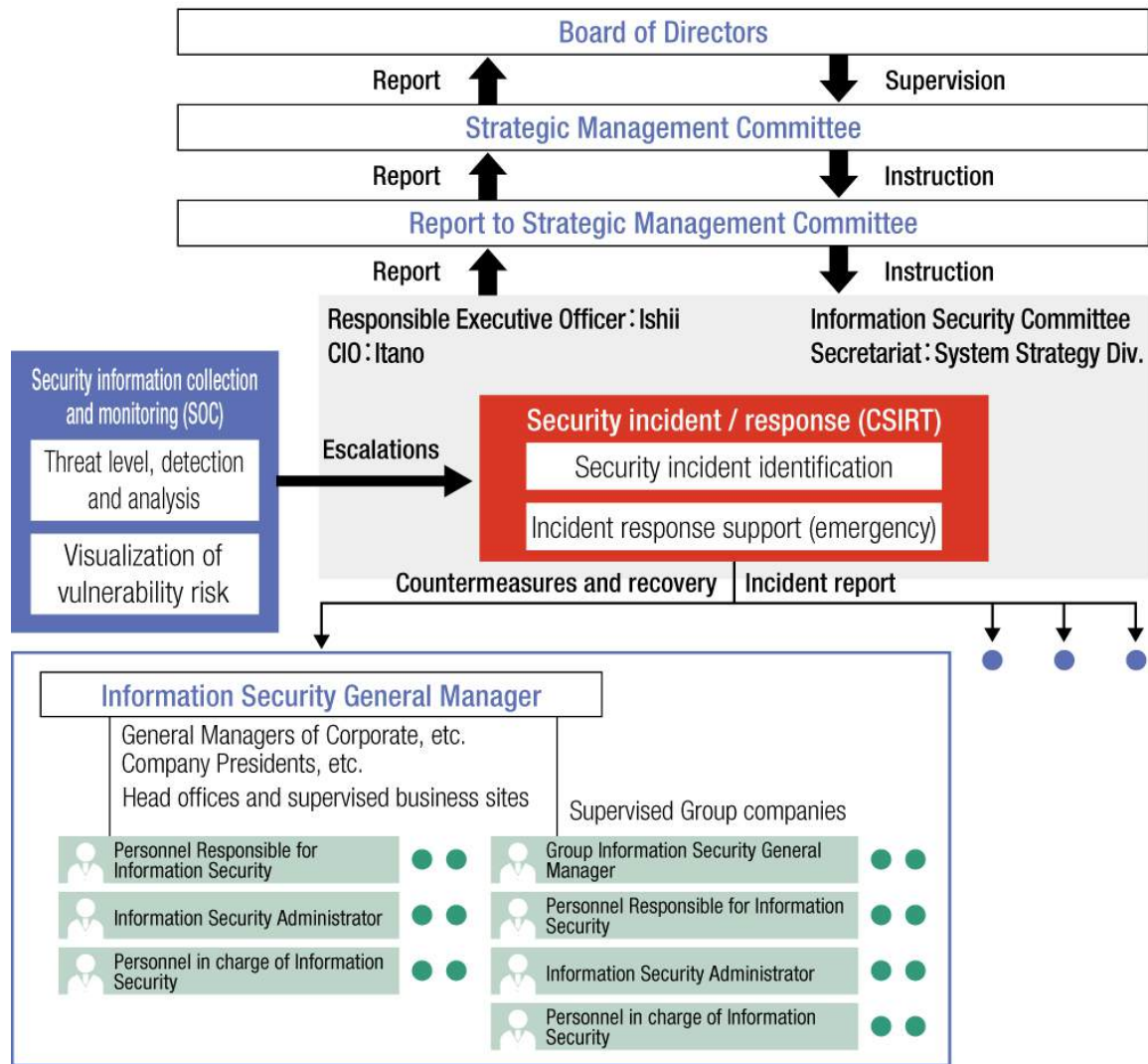
#### Personal Information Management Policy:

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 2026. 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.

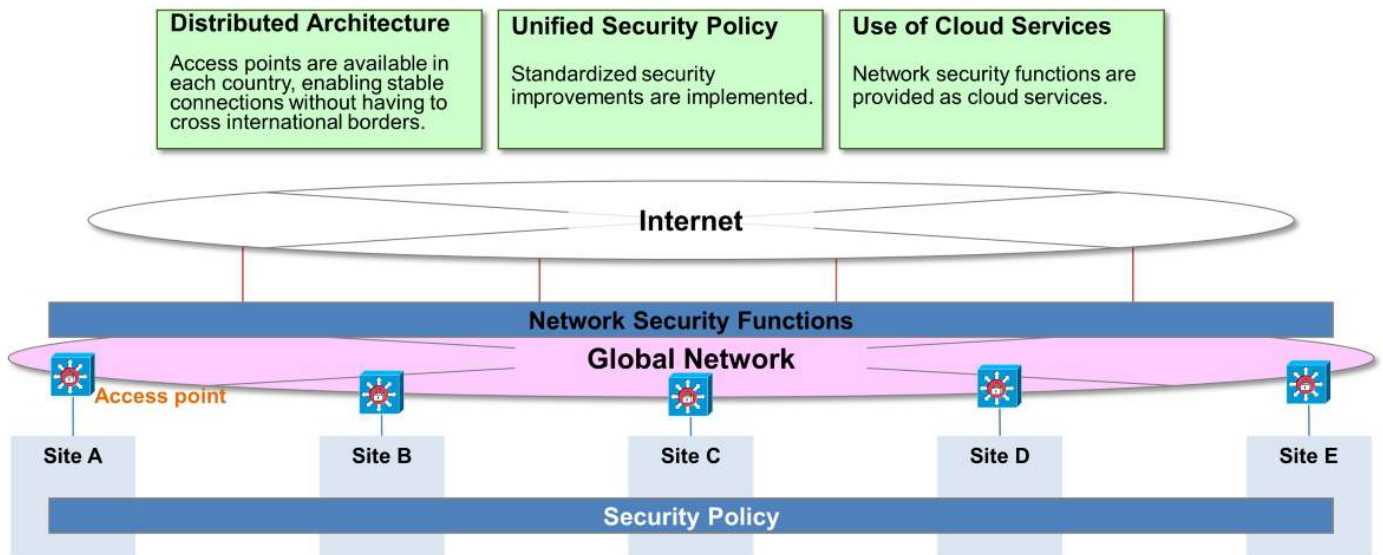
### Standardization of security measures

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 SOC 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.

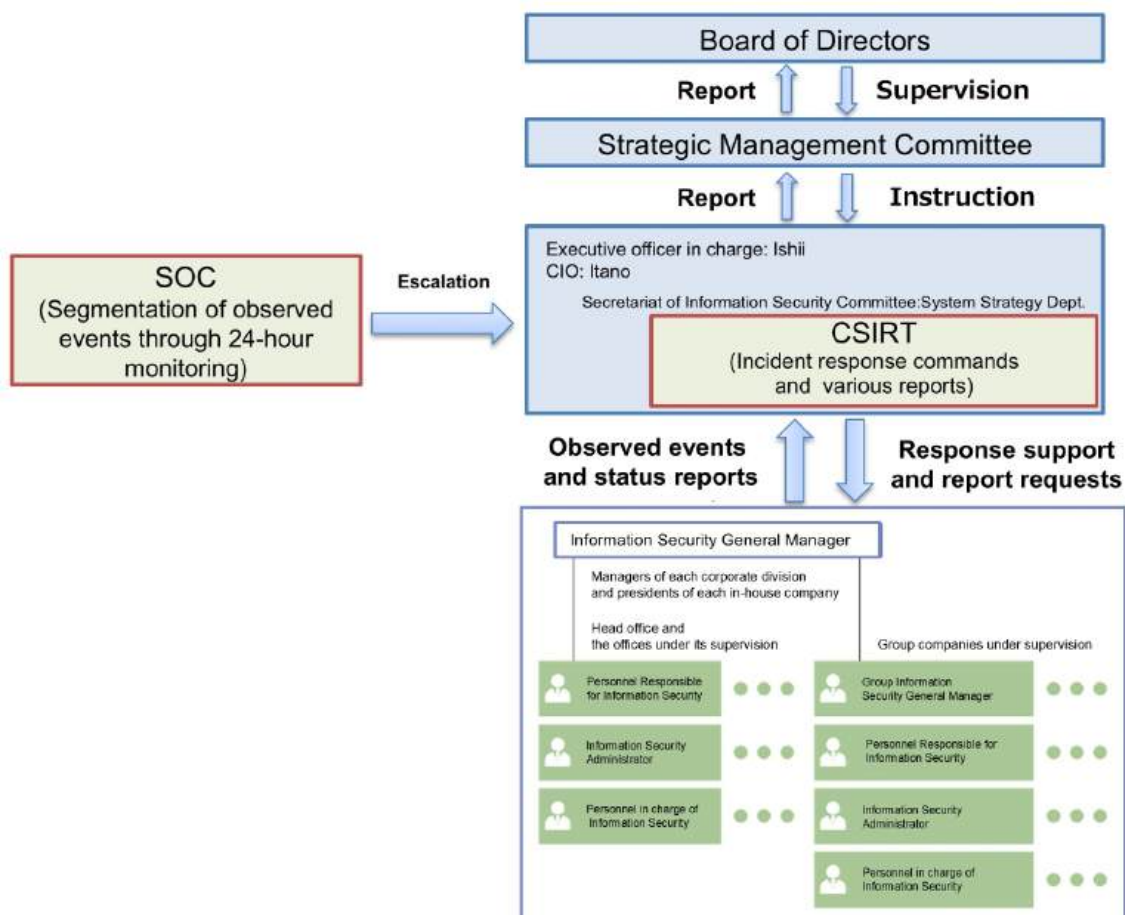
This is what makes the role of an SOC crucial. By monitoring network traffic, analyzing logs and detecting suspicious activity, security incidents are discovered in real-time. Specifically, techniques include the detection of abnormal communication patterns and behavioral analysis of unknown malware. 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

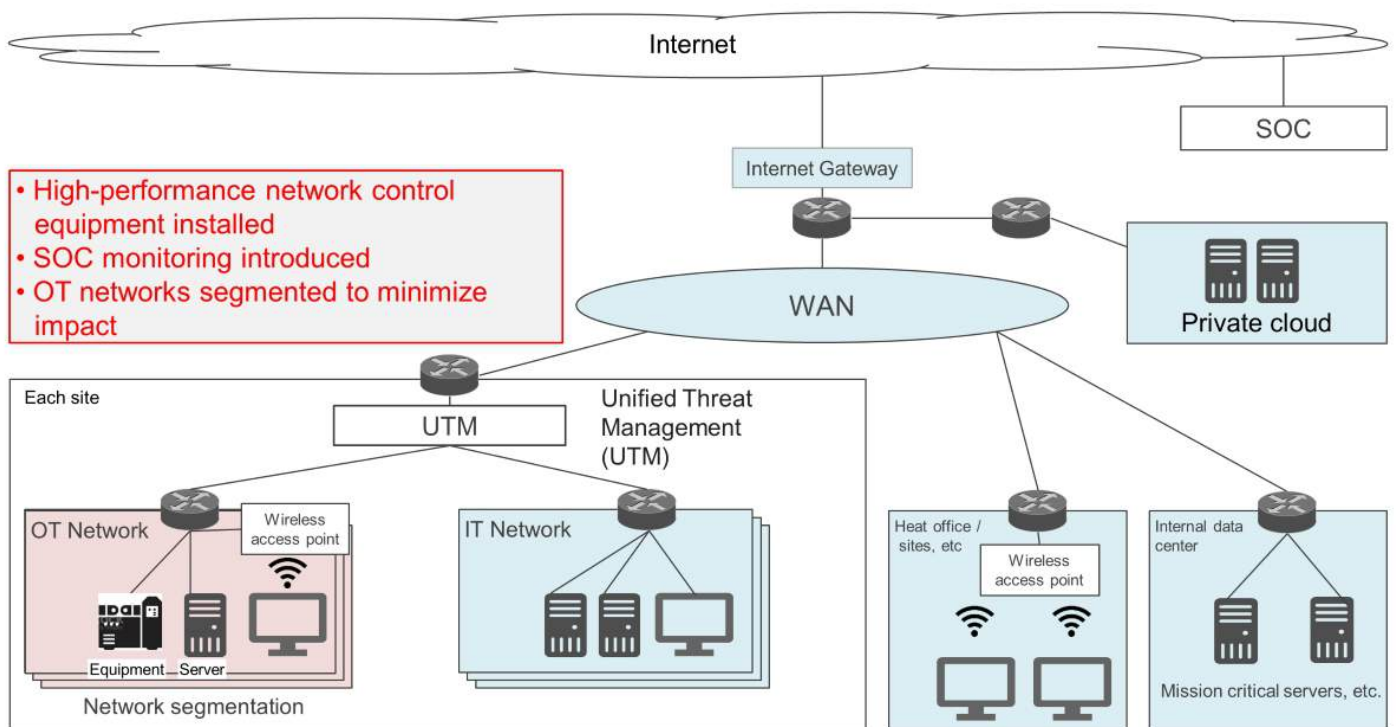
Security challenges in OT environments are wide-ranging. First, since OT systems are designed to operate for extended periods, they often use older technologies and software, which can lead to vulnerabilities. In addition, since many OT systems operate on closed networks that are generally not connected 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.



## Business Process Transformation

- ▣ [Basic Approach](#)
- ▣ [Business process transformation initiatives](#)

### Basic Approach

Business process transformation at Mitsubishi Materials Corporation (MMC) is not merely about “operational efficiency improvement.” It is an activity to review and fundamentally optimize the essence of business.

Companies that engage in multiple businesses are often said to suffer from slower decision making processes compared with specialized manufacturers and owner-operated businesses, but MMC aims to be a highly functional and dynamic organization engaged in swift decision making.

Working under these policies, our Business Transformation Dept. Business Process Innovation Group (BPM Dept.) pursues four activities broadly categorized as (1) paperless and stamp-free processes, (2) eliminate, reduce and change (commonly called as "NHK", from the Japanese equivalents *nakusu*, *herasu* and *kaeru*), (3) communication and change in mindset, and (4) one-stop consultation services.

### Business process transformation initiatives

Specific initiatives in these areas are introduced below.

#### Paperless and stamp-free processes

- From the fiscal year ended March 2024 we made our accounting forms paperless and stamp-free
- From the fiscal year ended March 2024, we transitioned to paperless and stamp-free personnel and wage-related application forms received from employees (smartphones have also been loaned to employees, including part-timers, who have not been issued PCs)
- We make full use of Microsoft 365 to digitize various paper forms (various application forms used at sites, daily inspection forms, daily operating reports, etc.)

#### Eliminate, reduce and change (NHK, from the Japanese equivalents *nakusu*, *herasu* and *kaeru*)

- Promoting the reorganization of meeting
- Eliminating staffed reception at the head office
- Abolishing the practice of sending greeting cards, New Year's cards, etc.
- Consolidating some of the operations conducted at each site in a shared services subsidiary

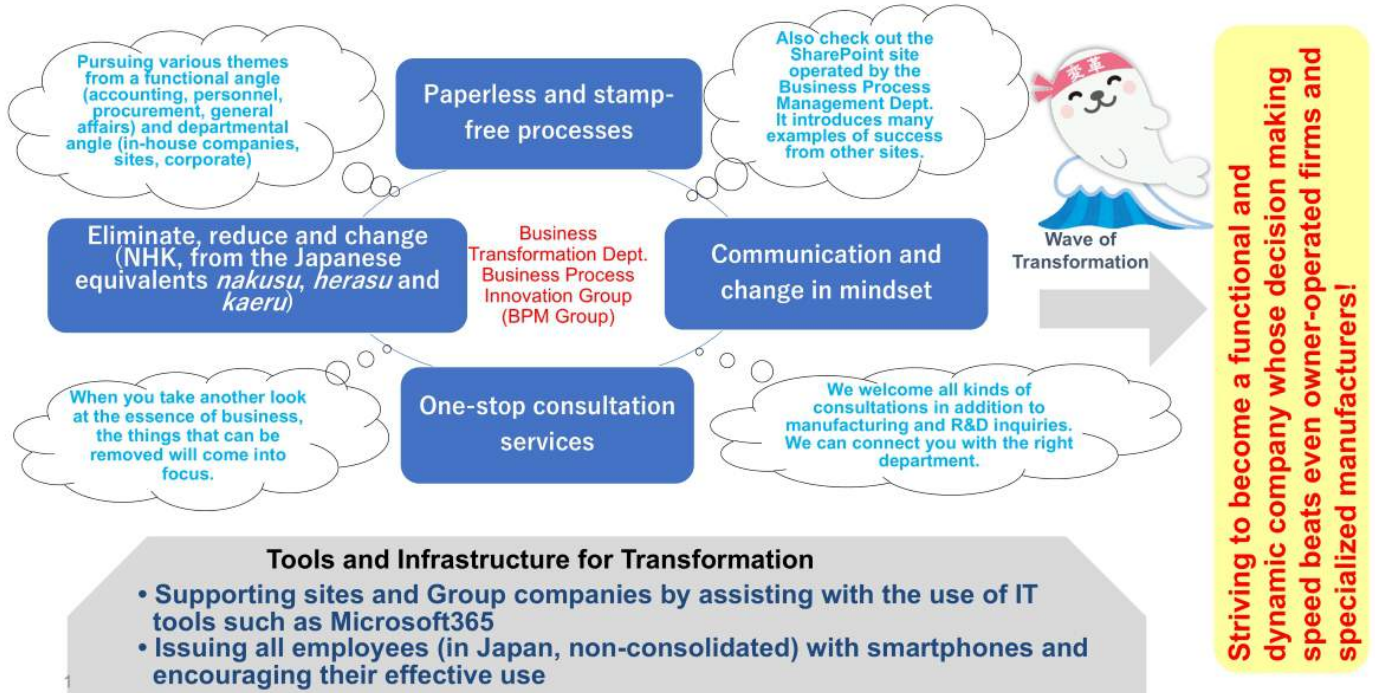
#### Communication and change in mindset

- Engage in multi-faceted communication with sites and Group companies to identify difficulties. Exchange views on what kind of support can be provided. (provide on-premises support to some sites)
- Introduce examples of success from various sites and Group companies on the BPM Dept. site
- Introduce and recommend examples of success at Town Hall Meetings

#### One-stop consultation services

- Embracing the slogan of "never pass the buck!" on a consultation, accept cases where it is not clear where to turn for advice. The cumulative number of consultations since the fiscal year ended March 2023 has exceeded 1,000.
- Hold "Business Streamlining Cafe" events weekly at head office as a walk-in consultation service that does not require reservations.

## Overview of Business Process Transformation



Overview of Business Process Transformation

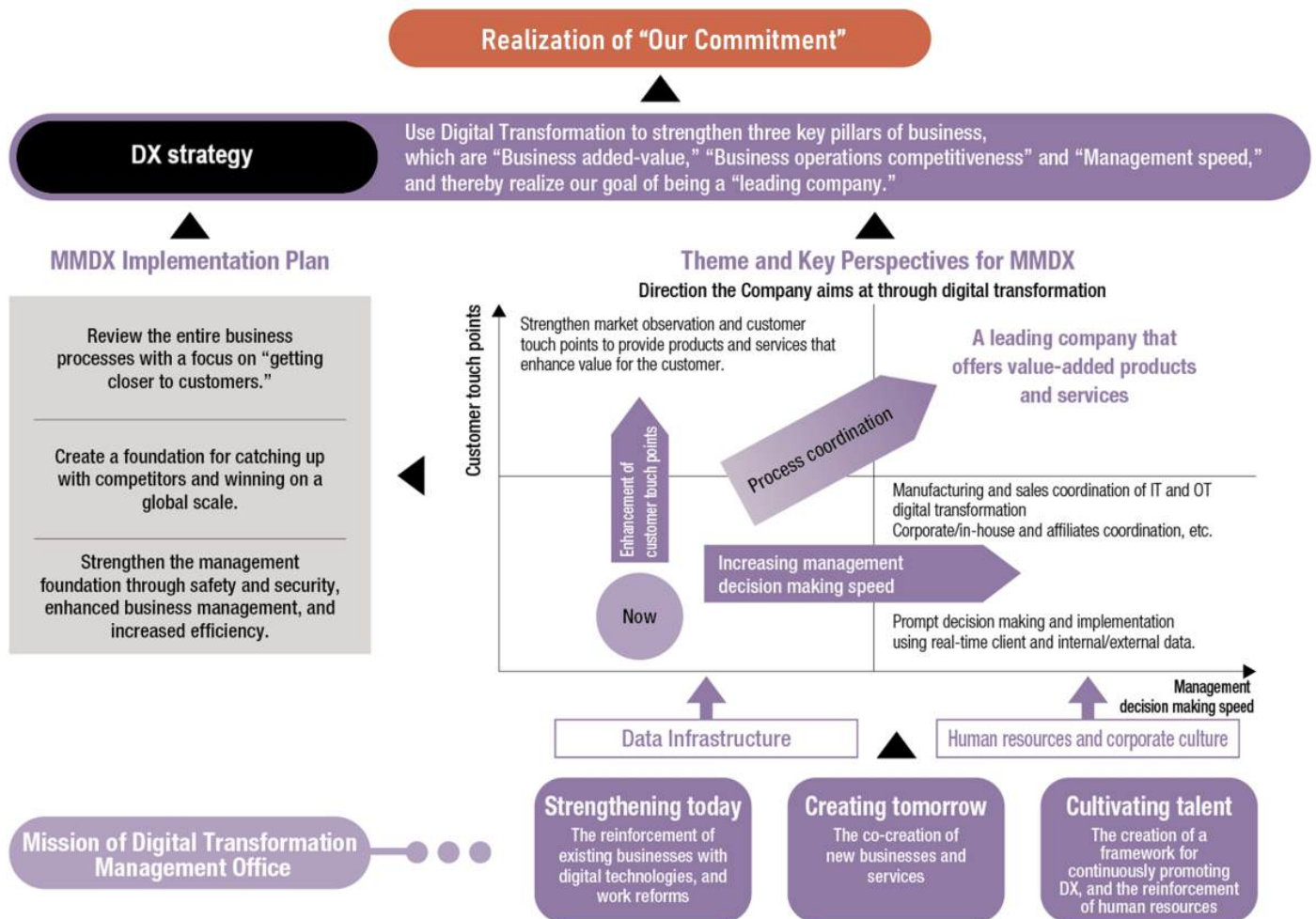
## Digital Transformation (DX) Strategy

- DX Strategy
- Promotion System
- Specific Initiatives

### DX Strategy

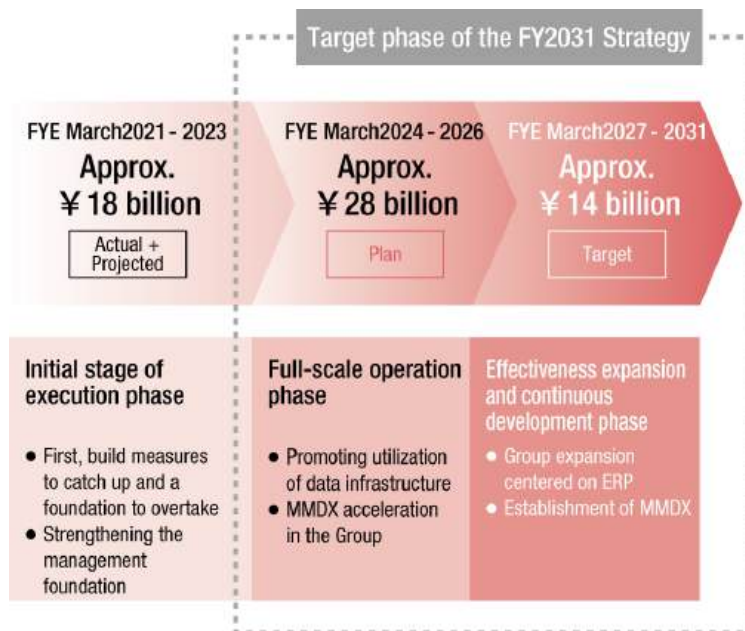
We strongly promote digitalization strategies that use data and digital technologies, driving implementation along the three pillars of business added-value, operational competitiveness and management speed as we aim to become a leading company in the DX sphere.

The Group is pursuing a DX strategy as a way to lay the foundations to prevail on the global stage. Toward achieving Our Commitment from 2030 to 2050, the DX Promotion Department is playing a central role in driving transformation with three missions, **Strengthening today:** using digital technology to reinforce existing business, **Creating tomorrow:** co-creation of new business and services, and **Cultivating talent:** reinforcing human resources and systems to effect reform continuously. To materialize the three pillars of DX promotion, namely business added-value, operational competitiveness and management speed, we have selected priority themes to be addressed based on the key DX perspectives of enhancement of customer touch points, process coordination and increasing management decision making speed, as well as the system and data infrastructure improvements and human resource and culture improvements that underpin them. Our business divisions and IT/digital departments are implementing these activities on a joint basis. By carrying out these activities on a speedy basis, the Group will aim to achieve real-time management that is responsive to societal change, environmental change and our own transformation. Since the fiscal year ended March 2021 we have named these DX initiatives of the Mitsubishi Materials Group "MMDX", and from the fiscal year ended March 2023, two years after the start of MMDX, we shifted into a new phase as "MMDX 2.0."



## DX strategy phase

Under MMDX, we have set the period from the fiscal year ended March 2024 to the fiscal year ending March 2026 as the full-scale operation phase, and will promote utilization of the data infrastructure while accelerating MMDX Group-wide. We have positioned the fiscal year ending March 2027 to the fiscal year ending March 2031 as the expanded effectiveness expansion and continuous development phase, during which we will advance the Group rollout with a focus on ERP and aim to firmly establish, maintain and improve MMDX.



### TOPICS

Mitsubishi Materials selected as a "Noteworthy DX Companies 2025" in "DX Stocks 2025" for the third consecutive year

In May 2025, we have been selected for the third year in a row, as a "Noteworthy Digital Transformation (DX) Companies 2025" following last year in a program run by the Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA).

The selection as one of the "Noteworthy DX Companies 2025" is in recognition of MMC's DX achievements, and efforts to foster a corporate culture. As an important initiative in our business strategy, we launched a new platform called "MEX" (Mitsubishi Materials E-Scrap EXchange) in December 2021 that enables online transactions, realizing a business model that will attract more business partners through DX. We also launched Tool Assistant, an online tool selection service incorporating the expertise of our engineers, in October 2024. By digitalizing tool selection through this service, users can select optimum tools as an experienced engineer would, regardless of time or place, contributing to an increase in productivity in the cutting tool industry and the resolution of challenges in the transfer of technical expertise.

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 2.0" and work on a variety of initiatives to fulfill Our Commitment.



> Press Release

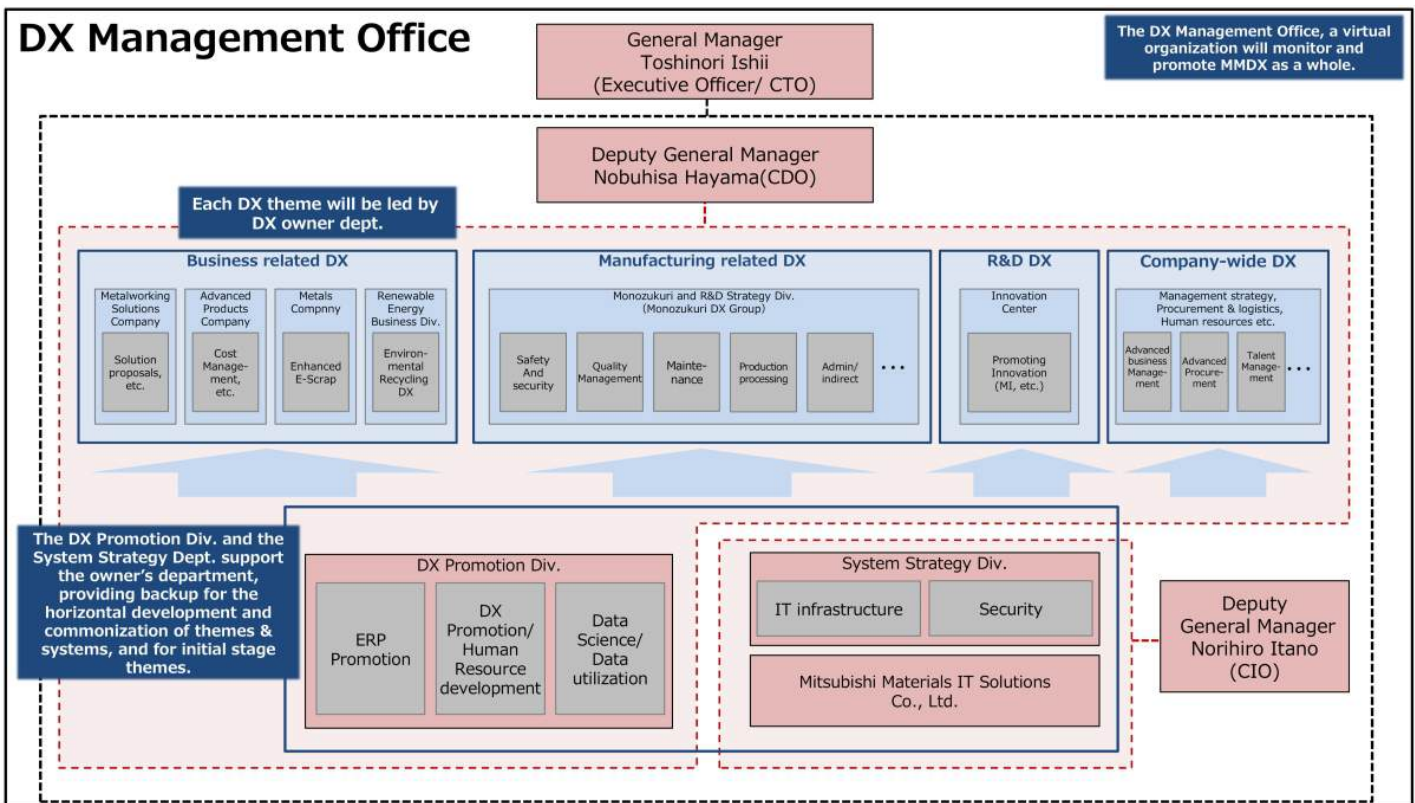
Mitsubishi Materials Named "Noteworthy DX Companies" for the Third Consecutive Year 

## Promotion System

We set up a virtual, company-wide DX Promotion Office, establishing a hybrid structure made up of business divisions, system divisions, and external support (advisors, partners, startups, etc.). We also established Mitsubishi Materials IT Solutions Co., Ltd., an IT subsidiary, to enhance the functionality of our Group's system divisions.

The following people and their roles have been assigned to the DX Promotion Office:

- Toshinori Ishii: 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, CDO (Chief Digital Officer)
  - Mission and Role:
    - To accelerate DX 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 in the accounting domain. To develop advanced digital talent. To foster a digital mindset across the entire Group.
- Norihiro Itano: Deputy General Manager, CIO (Chief Information Officer)
  - Mission and Role:
    - To review the roles of the Group's system divisions and strengthen their functions. To establish appropriate information security in Japan and expand it overseas. To promote productivity and efficiency across the Group through proactive adoption of new technologies.



## Specific Initiatives

### Smelting and Resource Recycling Business: The MEX E-Scrap Business Platform

We operate a resource recycling business that collects E-Scrap (mainly raw materials for recycling such as discarded circuit boards) from all over the world and recycles them into valuable metals. To create new added value in this business, we developed MEX, an E-Scrap business platform enabling transactions with recyclers, trading companies and other suppliers to be carried out with speed and ease. The service was launched in December 2021. Through MEX, we have improved the transparency of information related to E-Scrap transactions and made transactions more convenient, leading to greater supplier satisfaction and enhancing our attractiveness as an E-Scrap destination.

Since the service launched, MEX has added or developed the following features in an effort to provide better service. Looking ahead, we will aim to develop the infrastructure that is essential to our E-Scrap business by providing functions (responding to legal and regulatory frameworks, streamlining customer operations, etc.) for which there are unmet needs among stakeholders related to the E-Scrap business overall.

**Playing a role in the growth and expansion of the circular economy by providing a safe, secure, and reliable transaction environment for the E-Scrap business**

**STEP3: E-Scrap business to essential infrastructure**

Accelerate resource recycling by meeting stakeholder needs through MEX



**| 2) Metalworking Solutions Business: Tool Assistant**

The shortage of experienced workers in the manufacturing sector continues to worsen as the working population shrinks. This problem also exists in the cutting tool industry that we are involved in, where the lack of personnel with the required expertise and experience to select tools has become an issue. In selecting tools, there are many parameters to consider, including machining operation and materials, and complex assessments are necessary. However, at present, manufacturers and retailers spend a large amount of time responding to tool-related inquiries. In the future, the number of experienced workers capable of making appropriate selections is expected to decrease, making timely tool selection increasingly difficult. The industry as a whole needs solutions to these challenges. So we launched Tool Assistant, an online tool selection service incorporating the expertise of experienced engineers, on October 31, 2024. This service allows even beginners to quickly select the optimal tools, as an experienced engineer would by simply entering the required information. This not only reduces the burden on customers in tool selection and improves productivity, but also helps to address the challenge of transferring technical expertise.

- Current Situation / Issues**
- Tool selection process takes time and effort
  - Difficulty in passing on the expertise of experienced engineers to the next generation

- Environmental Changes**
- Metal Cutting industry is demanding digitalization
  - Spread of various online services
  - Decline working-age population



Tool Assistant optimizes the tool selection process and contributes to productivity improvement and the transfer of skills in the metal cutting industry

Intuitive operation makes it accessible even for people who are not confident with tool selection

**No expert tool or machining knowledge necessary**

Optimal tool selection can be made with a smartphone, regardless of time or place

**Can be used anytime, anywhere**

The app condenses the expertise of Skilled engineers to recommend the optimal tool

**Recommends the optimal tool**

### **| 3) Sophistication of Procurement**

We are promoting DX in procurement to streamline operations and strengthen governance by standardizing and digitizing procurement processes.

We have introduced a sourcing and supplier management system in the sourcing domain, and launched operations at 19 sites, including some of our Group companies. This has enabled us to standardize and digitize processes that had previously been person-dependent and were conducted via email and paper documents, thereby strengthening governance through visualization of work progress.

Currently, while promoting deployment of this system across our Group companies in Japan in the sourcing domain, we also plan to standardize and digitize processes in the purchasing domain to further improve efficiency and strengthen governance, thereby enhancing DX across all procurement operations.

### **| 4) Reforming Business Processes and Strengthening Operations Through ERP Introduction**

Mitsubishi Materials is working on ERP introduction to renew and standardize business processes, including domestic and overseas Group companies. Renewed and standardized accounting practices, which we had been pursuing on an advanced basis, entered operation at Mitsubishi Materials Corporation on a non-consolidated basis from the fiscal year ending March 2025. To ensure mission-critical business processes that enable improvements and greater sophistication on an integrated basis between business operations and IT, we pursued total optimization, creating and providing the financial statements data needed to make management decisions swiftly and without defects, and building mechanisms able to swiftly adapt to changes in the external environment (M&A, accounting systems, taxation systems, etc.).

Currently, we have rolled out these processes to 12 Group companies in Japan and 6 overseas, and in the fiscal year ending March 2026, we have already begun introducing them at 16 companies in Japan and 6 overseas.

### **| 5) 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 to enable our employees to adapt smoothly to the digital environment, covering everything from the basics of digital technology to its applications. This education is provided across the Group, both in Japan and overseas. We also offer Advanced Digital Education to train personnel 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

- ▣ R&D   ▣ Mission of Monozukuri and R&D Strategy Div.   ▣ Manufacturing and R&D Implementation Structure
- ▣ Goals and Strategies of Monozukuri and R&D Strategy Div.   ▣ Major Achievements in FYE March 2025
- ▣ Manufacturing and R&D Topicsa   ▣ Strengthening of manufacturing   ▣ Intellectual Property   ▣ Intellectual Property Promotion system
- ▣ Strengthening the Governance System   ▣ Strategic Dialogue   ▣ Branding of products developed through intellectual property
- ▣ Invention Reward System   ▣ Handling of Technology Contract Risks   ▣ Enhancement of Countermeasures to Product Counterfeiting
- ▣ Intellectual Property Education

### R&D

#### Developing New Products and Technologies to Anticipate Changes in the World around Us

Our basic policy when it comes to development is to develop materials in anticipation of the future, to create new products and technologies to strengthen business competitiveness by close cooperation of the Corporate/Division Laboratories, and to quickly realize R&D results through industry-academia-government collaboration (including CVC). With this policy in mind, we aim to "provide society with sustainable materials that design circulation."

Our research and development strategy calls for achieving sustainable enhancement of corporate value through the creation of new products, technologies, and new businesses through new products and process innovations that contribute to enhancing the functions of both the "artery" and "vein" of materials and reducing GHG. 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 (mobility, semiconductor-related materials) and new areas (life and healthcare, etc.) 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 with our manufacturing abilities we will work to give shape to this value as we strive to create new products, services and businesses, and to perform maintenance of the intellectual properties.

#### 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.

#### Areas for Improvement from FYE March 2025 and Beyond

Under our new Medium-term Management Strategy FY2031 Phase1, in the fiscal year ended March 2025, we worked on achieving differentiation in our manufacturing abilities and promoted the upgrading of production processes and shifting to smart factories and worked to promote the creation of new businesses. We will also continue to engage in research and development, focusing on areas that reflect emerging megatrends including resource recycling, decarbonization, semiconductor-related materials and mobility.

In the fiscal year ended March 2024, we newly established the Monozukuri and R&D Strategy Div., consolidating departments related to manufacturing (production technology), development, marketing and new business to fully integrate everything from the creation of ideas and R&D through to mass production and commercialization. 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 an in-house company to expand on its own. To promote coordination inside and outside the Group, reinforce business foundations and advance the creation of new businesses as well as to aim to develop and secure professional human resources across the company and continuously improve their level of expertise, in the fiscal year ending March 2025 we have also established a New Business Development Dept., Intellectual Property Dept., Strategy and R&D Strategy Dept. and Monozukuri and Corporate Production Engineering Dept. inside the division.

Through these efforts, we will strengthen efforts to deal with the challenges we currently face, namely coordination across multiple strategies, the flexible allocation of management resources, and the development of human resources specializing in general project management, mass production and commercialization.

## Mission of Monozukuri and R&D Strategy Div.

To strengthen the business competitiveness and the new business creations of the Mitsubishi Materials Group

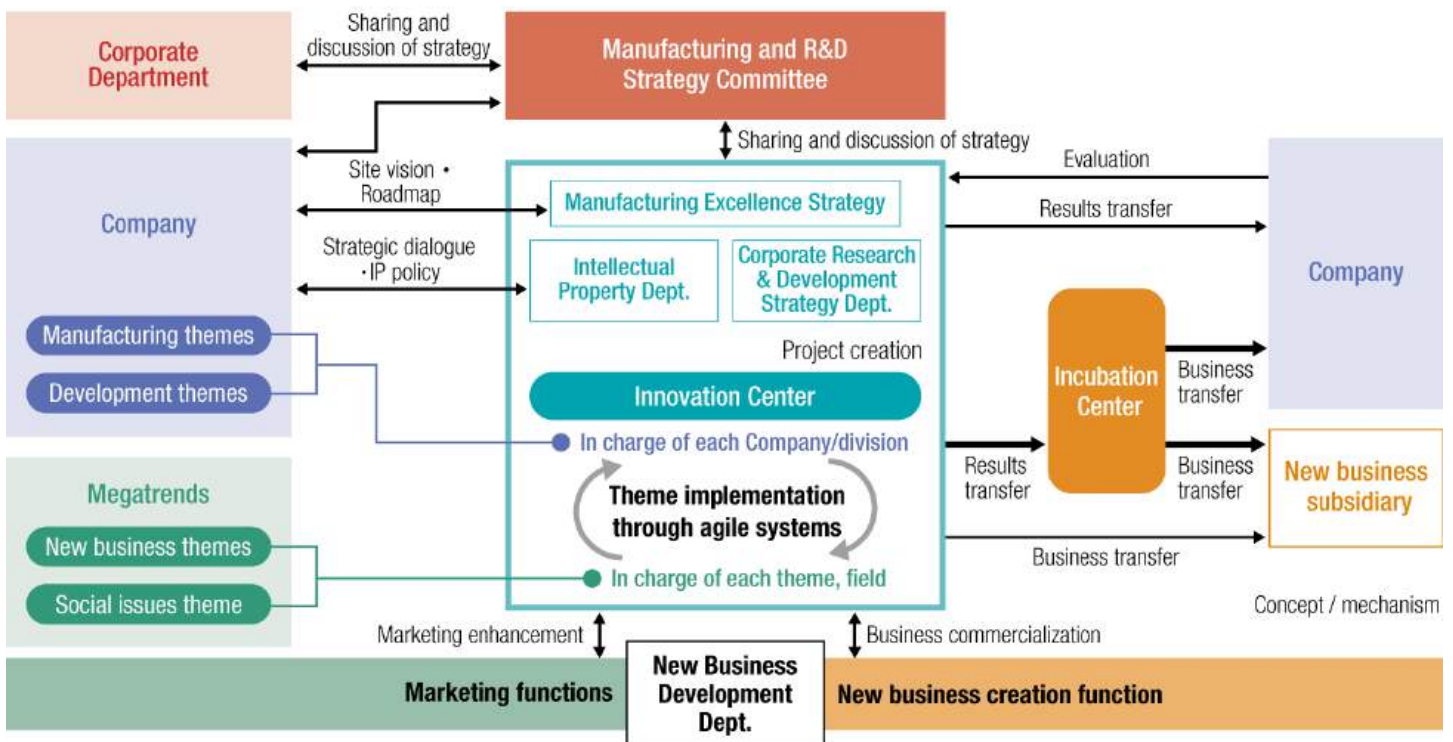
- We will build a strong R&D infrastructure that is trusted by customers of a global standard and become an organization that can complete everything from R&D to mass production (commercialization).
- We will promote the sophistication of our production process, the enhancement of manufacturing, and the development of smart factories.
- We will create an organization by gathering talented human resources from all over the world to create ideas, products, and businesses that contribute to the growth of the Mitsubishi Materials Group.

We will promote the formation and utilization of strategic intellectual property in order to maximize the value of intangible assets.

## Implementation Structure of Manufacturing and R&D

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Through these efforts, we will strengthen efforts to deal with the challenges we currently face, namely coordination across multiple strategies, the flexible allocation of management resources, and the development of human resources specializing in general project management, mass production and commercialization.



## Goals and Strategies of Monozukuri and R&D Strategy Div.

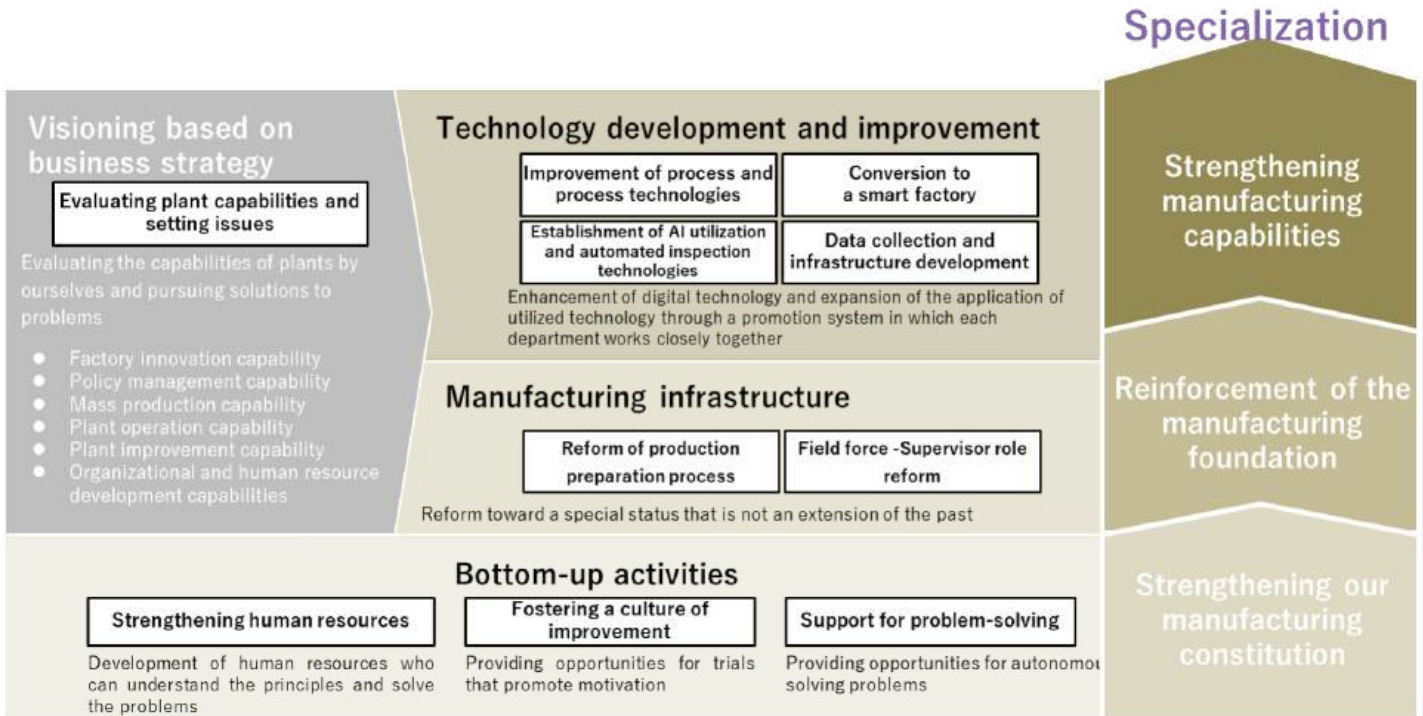
### Goals:

We will achieve sustainable improvement in corporate value through the creation of new businesses, specialization of manufacturing, and maintenance and development of key technologies.

And we will contribute to the expansion of resource recycling and the strengthening of the supply of high-performance materials and products, which are our business opportunities defined in FY2031 Strategy.

**Manufacturing Strategy:**

- Establishing each factory vision based on FY2031 Strategy, evaluating plant capabilities, and pursuing problem-setting and resolution
- "Differentiation of manufacturing capabilities" through bottom-up activities, enhancement of manufacturing infrastructure, and technological development and improvement



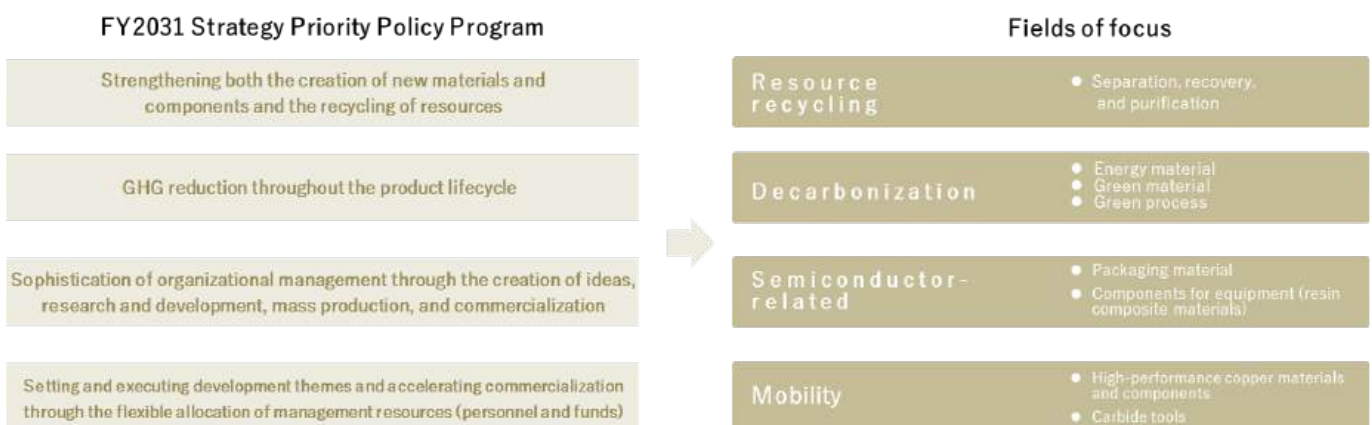
**R&D Strategy:**

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

**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)

**Providing sustainable materials designed for recycling**



## 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.
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	illumius Inc.	illumius 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 data is only available in Japanese on the website.

## Major Achievements in FYE March 2025

### TOPICS

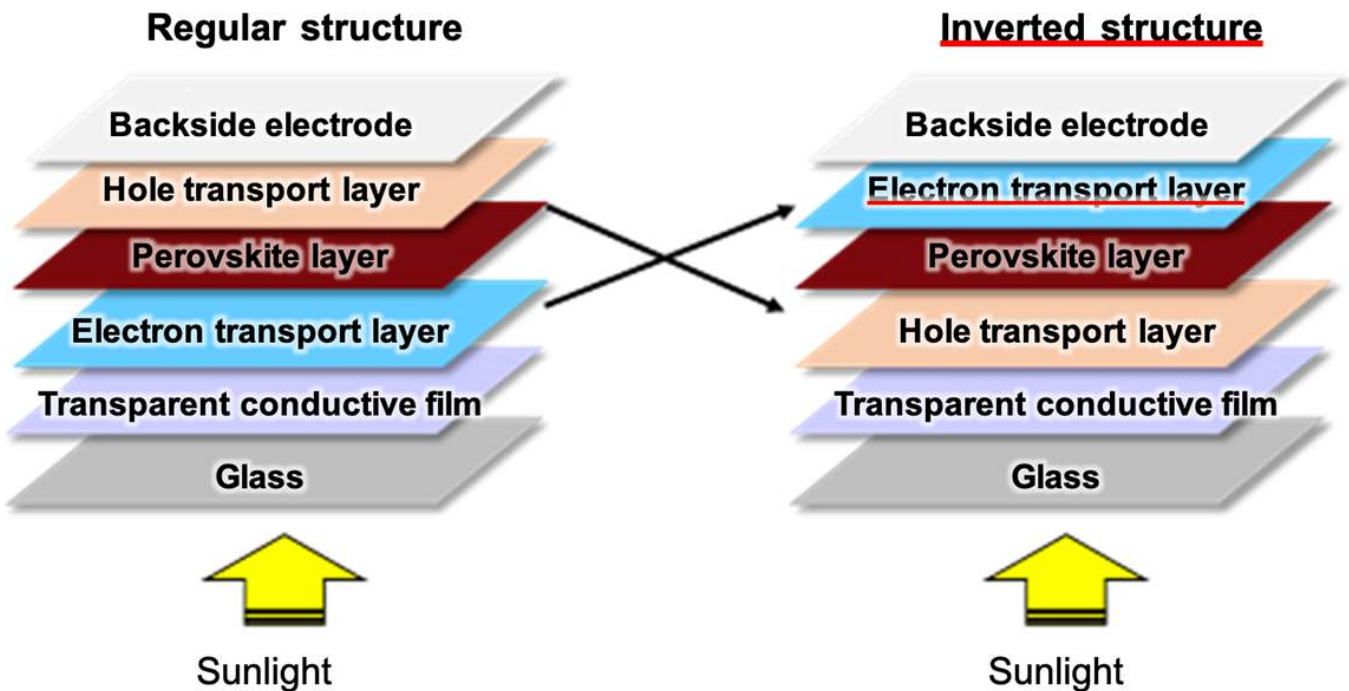
Developed an Ink for Electron Transport Layer Deposition That Improves the Power Conversion Efficiency of Perovskite Solar Cells  
 - Approximately 1.5 times higher power conversion efficiency than conventional inks achieved -

Mitsubishi Materials Corporation and EneCoat Technologies Co., Ltd. (headquartered in Kyoto, Japan; "EneCoat Technologies") have jointly conducted research and development of an electron transport layer, a component of perovskite solar cells, and developed a coating-type ink for film deposition that achieves approximately 1.5 times higher power conversion efficiency than conventional inks.

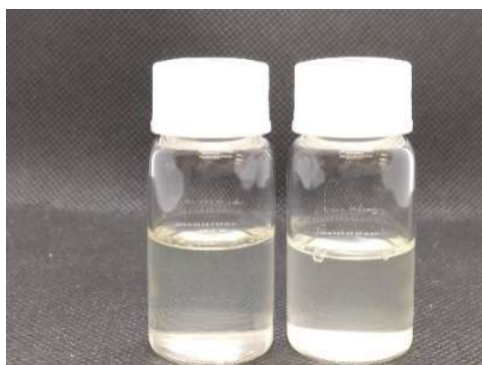
In recent years, perovskite solar cells have been attracting attention in the renewable energy field because of their high efficiency and low cost, as well as their light weight and flexibility, making them suitable for locations that did not allow easy installation. Durability and stability, which were previously considered issues, have also been improved through technological advances, and efforts toward commercialization are actively underway as the next generation of solar cells.

Perovskite solar cells have two types of structure depending on the material used for deposition: regular structure and inverted structure. The focus is now on the inverted structure for reasons of ease of manufacture and durability, and this structure requires the formation of a film called an "electron transport layer"<sup>\*1</sup> on top of the perovskite layer without causing damage. Although fullerene (C60), a carbon-based material, has conventionally been deposited by a vacuum process, research and development on low-cost materials and new deposition methods are underway for commercialization. In addition, inks for the electron transport layer are required to prevent erosion on the perovskite layer, ensure ink dispersion (coatability), and provide uniformity and adhesion after deposition.

\*1 Material that transports, from holes and electrons generated in the perovskite layer, only electrons to the current collector plate



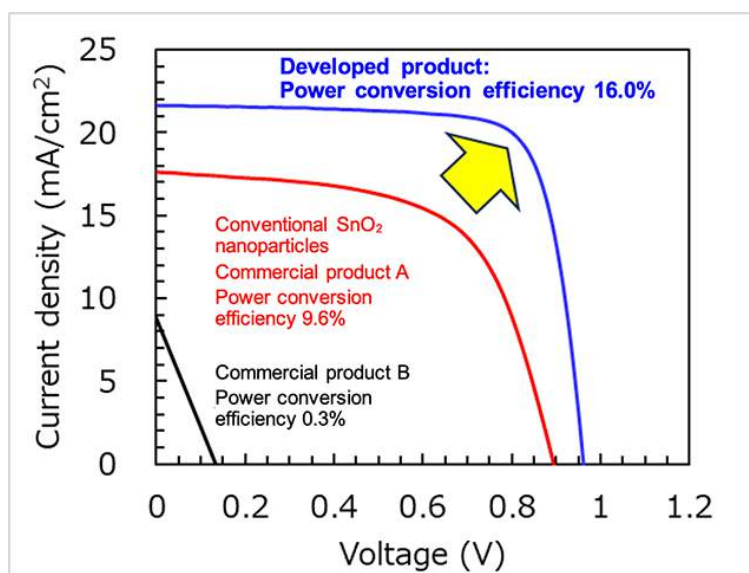
Schematic diagram of a perovskite solar cell



Newly developed tin oxide nano-ink

The MMC Innovation Center has been commissioned by EneCoat Technologies, which was entrusted with the NEDO (New Energy and Industrial Technology Development Organization) Green Innovation Fund Project, to develop an electron transport layer forming material that employs a coating-type process with excellent manufacturing cost, and has developed a new ink for film deposition.

Although the coating-type process is non-vacuum and cost-effective, the solvent in the deposition ink damages the perovskite layer and, in a non-damaging organic solvent, nano-sized (of 10-9 m order) tin oxide ( $\text{SnO}_2$ ) agglomerates and does not adhere well to the perovskite layer, which posed an issue. The newly developed coating-type ink for the deposition of the electron transport layer coats the surface of tin oxide nanoparticles with an appropriate material to successfully disperse them in an organic solvent without agglomerating them, allowing formation of a dense coating film with sufficient adhesion to the perovskite layer. This allows the electrons produced from the perovskite layer to be efficiently transported to the metal electrode. By adopting this new technology, a high power conversion efficiency of 16.0%, approximately 1.5 times higher than that of conventional inks, has been achieved.




Performance characteristics graph

This achievement was presented at the Asia-Pacific International Conference on Perovskite, Organic Photovoltaics and Optoelectronics (IPEROP25), an international conference held on January 20, 2025, at Kyoto University Uji Campus. MMC and EneCoat Technologies will continue to develop the process for applying the deposition ink, aiming for early commercialization for large-area perovskite solar cells.

This achievement was the result of a project (JPNP21016) funded by the NEDO, a national research and development agency.

> Press Release

Developed an Ink for Electron Transport Layer Deposition That Improves the Power Conversion Efficiency of Perovskite Solar Cells

- Approximately 1.5 times higher power conversion efficiency than conventional inks achieved – 

**TOPICS**

Held a "Demo Day" under the Acceleration Program Aimed at Creating New Businesses in a Short Period  
- Started commercialization preparations for two themes -

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

The program involved recruiting external partners possessing the necessary assets for commercialization and conducting activities to verify business hypotheses. Collaboration with our partner companies enabled MMC to quickly test hypotheses and perform demonstrations that would not have been possible alone. We will continue to accelerate our commercialization efforts by leveraging each other's assets.

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

2. Theme : Binder Jet 3D Printing Service Bureau  
Partner Company : 3D Printing Corporation  
(Representative: Devore Alexander, Devore Aiko, URL: <https://www.3dpc.co.jp/>)  
Business Overview : Design and engineering service, on-demand parts manufacturing, and hardware sales



Judges and people involved in the theme of the presentation

When this program was implemented in the fiscal year ended March 2025, we expanded it to actively solicit business ideas from external partners in addition to the themes that we proposed. The program is set to be implemented again in the fiscal year ending March 2026. Through the program, we aim to revitalize open innovation and promote the creation of new businesses that contribute to solutions to social issues.

> Press Release

Held a "Demo Day" under the Acceleration Program Aimed at Creating New Businesses in a Short Period - Started commercialization preparations for two themes –



## Topics of Monozukuri and R&D

### **Mitsubishi Materials and Tokyo Institute of Technology established Mitsubishi Materials Sustainability Innovation Collaborative Research Cluster**

Mitsubishi Materials Corporation ("Mitsubishi Materials") and the National University Corporation Tokyo Institute of Technology ("Tokyo Institute of Technology") have established the Mitsubishi Materials Sustainability Innovation Collaborative Research Cluster with the support of the Tokyo Institute of Technology Open Innovation Platform to conduct research on innovative materials and processes that contribute to a sustainable society.

The Collaborative Research Cluster will conduct joint research on composite materials, next-generation batteries, CO<sub>2</sub> utilization and so on by combining the extensive and advanced knowledge of materials possessed by Tokyo Institute of Technology with Mitsubishi Materials' accumulated materials technology and know-how on recycling and other processes relating to non-ferrous metals, particularly copper. By leveraging the strengths of the two organizations to address issues that would have been difficult to address in independent research, the Collaborative Research Cluster aims to create innovative materials and processes, etc. based on the keyword Green Transformation (GX), which contributes to a sustainable society.

Mitsubishi Materials and Tokyo Institute of Technology will utilize this Collaborative Research Cluster to promote technological development while actively incorporating cutting-edge technologies and contribute to the building of a prosperous society.



Award in 2022  
Awarded 56th Journal Prize by Japan Institute of Copper

Title: Mechanism of Modification of Strength/Stress-Relaxation Properties Induced by Low Temperature Annealing in Solid-Solution Copper Alloys  
The research focuses on the stress relaxation phenomenon (heat resistance under thermal loading) in Cu-Mg solid solution alloys, and combines state-of-the-art X-ray diffraction line profile analysis with EBSD analysis to investigate the microstructural changes that cause the phenomenon to clarify its mechanism. Cu-Mg solid solution alloys are a strength of Mitsubishi Materials. The results of this research provide new material design strategies for copper-based solid solution alloys with superior strength/stress relaxation property balance than ever before.

#### Awarding of the Japan Fine Ceramics Association's Prize

Title: Development of sintering silver paste for pressureless bonding to copper substrates  
This research is a bonding technology that utilizes fine ceramics technology (bonding of semiconductor devices to substrates for power modules), and is expected to contribute greatly to energy conservation, such as increasing the cruising range of electric vehicles. Specifically, by understanding the bonding mechanism and optimizing the paste components, direct bonding to Cu substrates can be achieved without pressure, and has the potential to realize high performance power modules at low cost. Based on the above, this technology was recognized as a new technology that will contribute to the development of the fine ceramics industry.

### Strengthening of manufacturing

Mitsubishi Materials Corporation (MMC) aims to fully utilize Group support functions and achieve the MMC Group vision by having each operating division continually lay out a vision for raising manufacturing capability to the higher level. By swiftly resolving issues with the use of human and technological resources inside and outside the Group, we will succeed in creating manufacturing capabilities that set us apart from the competitors.

#### Key Points to be Improved Upon in the Fiscal Year Ending March 2026 and Beyond

Through initiatives aimed at raising manufacturing capability to the next level, we will achieve our vision for plants based on business strategies that lead to medium- to long-term business growth, improve our ability to identify issues by utilizing digital technologies that enable production process upgrade, and enhance our ability to make meaningful improvements by innovating the way we work. We will also make proactive use of external knowledge in an effort to further enhance manufacturing capabilities.

In our plant vision, we will consider effective mechanisms to streamline vision development and the process of following up on the measures implemented. Under our manufacturing management framework, we consolidated evaluation items into six items, “plant innovation capabilities,” “management capabilities,” “Kaizen capabilities,” “operational capabilities,” “mass production capabilities,” and “organizational and human resource development capabilities,” to evaluate and understand plant management and operation processes from a high-quality perspective. We began to implement these measures in the fiscal year ended March 2025. In the fiscal year ending March 2026, we will modify our tools to make it possible to use our findings to elevate our plant manufacturing capabilities up to a higher level, and we will add evaluation items from a higher perspective to these tools. We will further improve the evaluation items and content so that we can continuously utilize the comprehensive evaluation including innovation capabilities. To strengthen technologies, we will continue to work on multiple themes in the “advanced production process,” provide factories with solutions of appropriate technologies for smart factory concept planning and realization, and continue to establish elemental technologies to improve quality, reduce labour, and achieve reduced manufacturing lead times. We will also develop a foundation for data collection and utilization using digital technology to speed up improvement activities and promote higher operational efficiency.

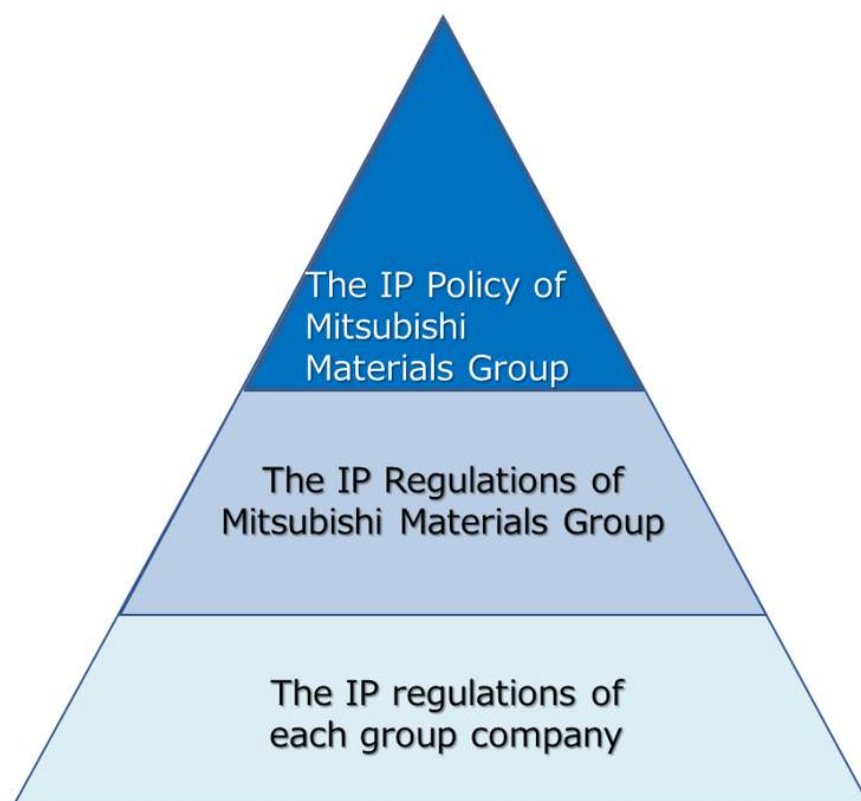
To reinforce our foundation and enhance our management capabilities, we will work together with companies and sites on their methods, including in the areas of productivity management, requirements for producing good products, and front line supervisors.

We have also developed a practical manufacturing human resource training program for young employees as part of our efforts to strengthen our organizational foundation. We will apply the program to each field of manufacturing, development, sales and management, and implement more effective initiatives that will contribute to improving the profitability of the plants. In particular, we will strengthen activities requiring DX-related knowledge, which will be more necessary in the future. We implement the DX Challenge program, which combines classroom and practical training. It is positioned as entry-level DX training. We are also providing training on the use of digital technologies in manufacturing in which trainees use digital technologies practically to engineering and manufacturing staff in particular. Continuing from the previous fiscal year, we are also pursuing initiatives to develop DMAIC (quantitative process improvement) leaders among management at each plant. In the fiscal year ending March 2026, we will continue to raise manufacturing issues and strengthen activities to establish improvement themes. Utilizing the expertise and technologies we have cultivated and accumulated to date, we will work to solve issues under an efficient framework.

## 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, within 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 Executive Officers and Directors, while actively disclosing our intellectual property initiatives, such as our ‘Strategic Dialogue’, 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

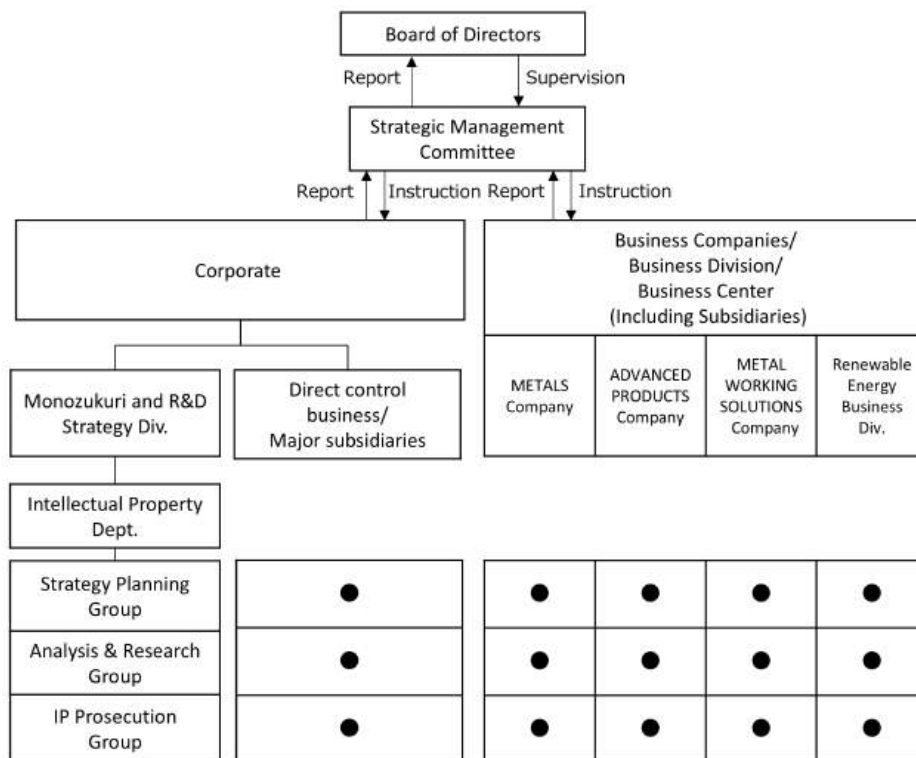
### Group Intellectual Property Regulations

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

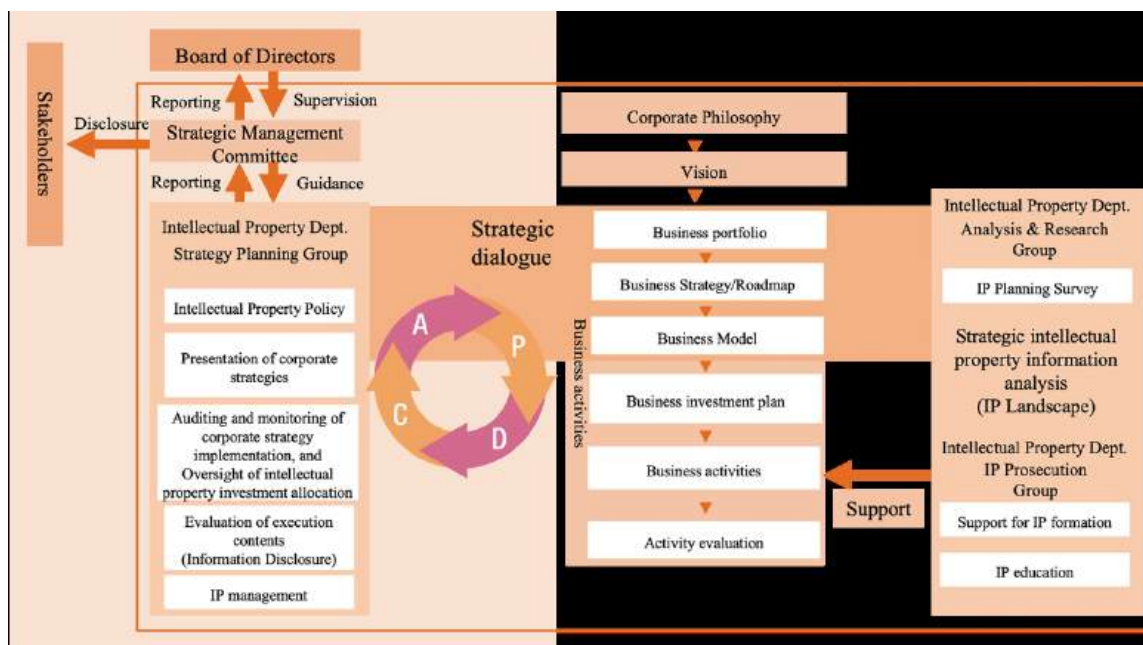


\* ● indicates support or involvement from the Intellectual Property Dept.

## Strengthening the Governance System

While utilizing intellectual property information analysis, we promote "strategic dialogue" between business divisions and intellectual property divisions with the aim of forming strategic intellectual property.

In addition, we have strengthened our governance system through regular reports to the Strategic Management Committee and the Board of Directors and deliberations in the Meeting of Executive Officers and the Board of Directors.

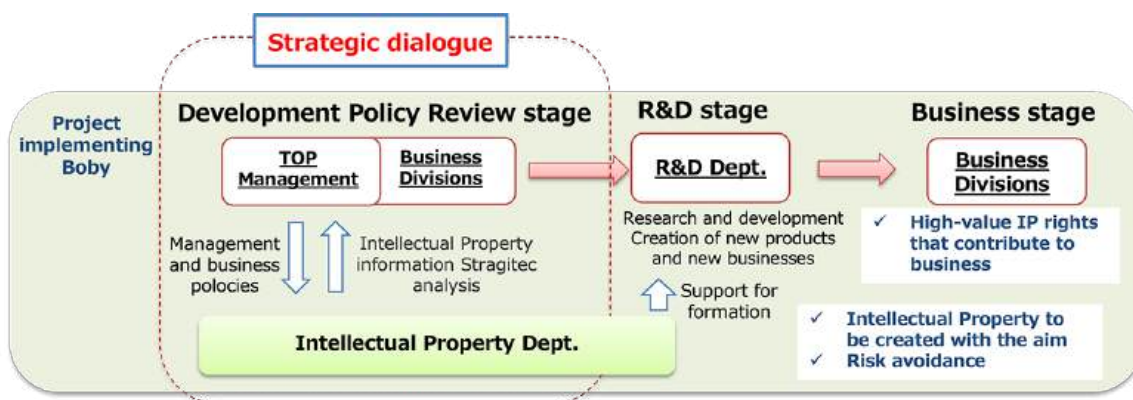


## Enhancement of Countermeasures to Product Counterfeiting

As a countermeasure to address counterfeit cutting tools that are manufactured overseas, we have apprehended 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 sixteen thousand websites selling counterfeit products. We will continue to detect brick-and-mortar stores selling counterfeit goods and monitor websites selling these products, in our effort to eradicate counterfeit products.

## Strategic Dialogue

The strategic dialogue is promoted as an intellectual property activity in line with management, business and development strategies and new business strategies. In the strategic dialogue, we hold dialogues with the Companies and new business creation divisions based on the results of analyses of intellectual property information, and strategically formulate the intellectual property needed for business and development. We support new value creation initiatives through various intellectual property activities, including strategic dialogue.



> Intellectual Property

## Promotion of Branding of Products Developed Based on Intellectual Property

Mitsubishi Materials has branded new materials and is actively building them.

### GloBrass/ECO BRASS

GloBrass and ECO BRASS are lead-free brass alloys with excellent machinability that are controlled to a lead content of 0.09% or less and comply with the EU's ELV Directive, RoHS Directive, and various regulations such as drinking water.

- Related Website

<https://www.mitsubishi-copper.com/en/products/materials/ecobrass/> 

### MOFC

MOFC is a lineup of high-quality, high-performance oxygen-free copper products incorporating our core technologies — oxygen-free copper production technology and material-design technology.

In 2021, an oxygen-free copper MOFC-HR that meets high strength and heat resistance was newly added.

- Related Release

<https://www.mmc.co.jp/corporate/en/news/2021/news20211001a.html> 

## Invention Reward System

Mitsubishi Materials has established Employee Invention Regulations in which an invention reward system is implemented.

In addition to providing a fixed amount of reward at the time of filing and registration of patents, utility models, and designs, performance rewards are provided when there is a certain profit to which the patents, utility models, and designs contributed.

Through the revision of the regulations, we have promoted inventions, such as eliminating the upper limit on the amount of incentive money and applying it to confidential inventions.

We will continue to improve our incentives for inventors so that they can be fairly evaluated.

## 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.

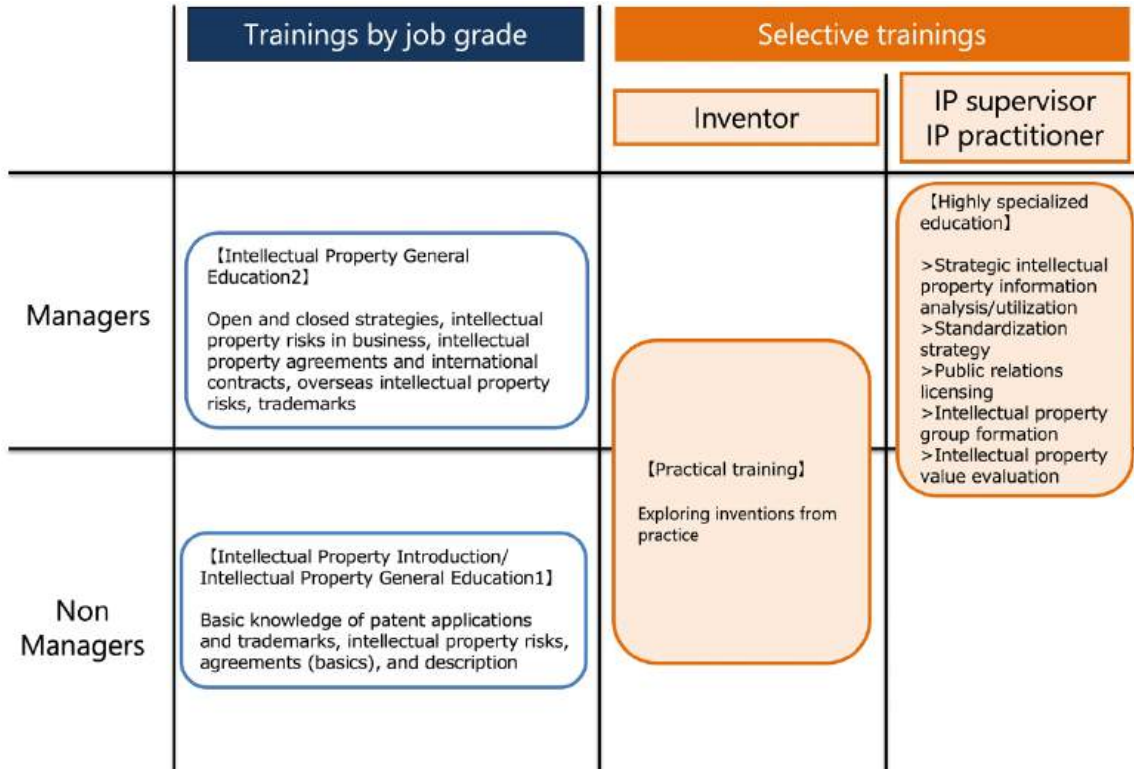
This system helps prevent the leakage of confidential information, manage contract periods, and assist in reviewing contract details. We also offer advisory services on technology agreements connected to intellectual property cases in various fields such as research, development, and business.

## 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 sixteen 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, 2025)**

Number of patent applications	Japan	158
	Overseas	77
Number of registered patents	Japan	2,051
	Overseas	2,316
Number of registered designs	Japan	80
	Overseas	18
Number of registered trademarks	Japan	305
	Overseas	167

\* The number of patent applications is the number filed from April 1, 2024 to March 31, 2025.

\* The number of patent applications overseas indicates the number of patent families (including PCT applications).

**Activities across the Mitsubishi Materials Group**

We believe it is important to engage in initiatives related to governance, Strategic Dialogue and intellectual property creation, management of technology contract risks, intellectual property education, and the enhancement of countermeasures to product counterfeiting. Based on the "Group Intellectual Property Regulations," we will organically integrate these functions to maintain and improve the level of IP governance throughout the Group, and contribute to reducing IP risks and maximizing Group business value.

> [Link to the Intellectual Property website](#) 

## Internal Branding

- ▣ Basic Approach
- ▣ Implementation Structure
- ▣ Goals and KPIs
- ▣ Internal Branding
- ▣ Communication Measures

### Basic Approach

The Group has established “[Our Commitment](#) □” as “For people, society and the earth, circulating resources for a sustainable future.” To enable every employee to fully demonstrate their capabilities to achieve Our Commitment, we are pushing forward with internal branding activities and communication measures. In August 2025, all of the employees of the Group collaborated in the rewriting of Our Values. We will achieve Our Commitment using the rewritten Our Value as action guidelines.

### Implementation Structure

We are pushing forward with branding activities within the Group. The Communication Committee, which consists of employees working at our sites and those of our Group companies, is leading these activities. The Committee members plan and implement initiatives to increase awareness of Our Values and energize communication in accordance with the characteristics of their individual organizations and the issues they are facing, thus increasing the unity of the Group as a whole. Through these initiatives, employees aim to ensure that [Our Commitment](#) and Our Values become firmly entrenched in our daily operations and methods of communication.

### Goals and KPIs

#### | Goals for the fiscal year ending March 2026

#### Awareness of Our Commitment 93%

(88.1% in the fiscal year ended March 2025, 85.5% in the fiscal year ended March 2024, 56.4% in the fiscal year ended March 2023)

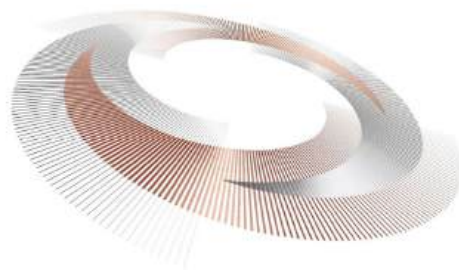
### Internal Branding

#### | Our Values workshop

In the fiscal year ended March 2025, we held a workshop for talking with all of the employees of the Group about Our Values. “We challenge, change, and grow together. We express praise and appreciation to encourage growth, for a better tomorrow.” The workshop was an opportunity for the participants to review their present values in light of the above story about Our Values and to listen to other people’s thoughts, which could lead to changes in their behaviors.

#### | Key Visual Development

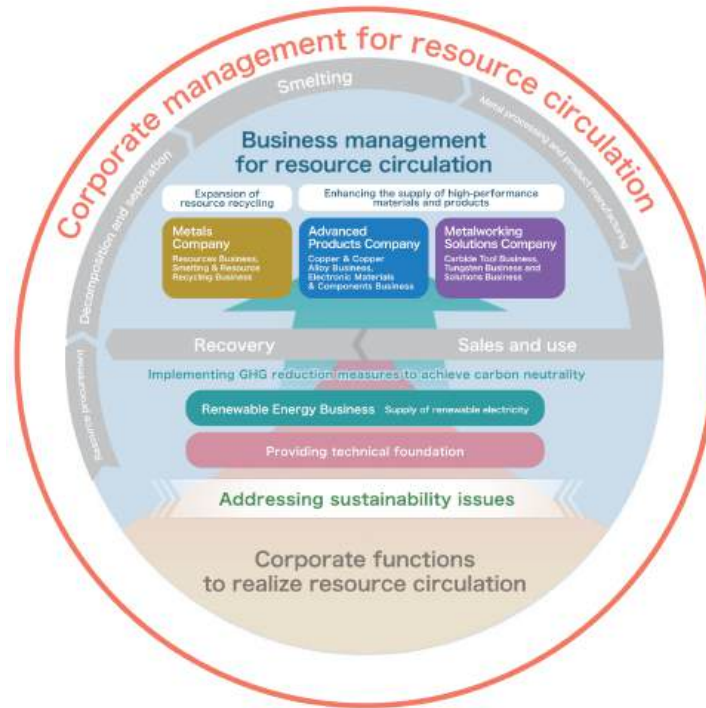
In internal and external branding activities, we deploy a key visual which represents Our Commitment in a visual form. The circular design represents the uninterrupted and powerful circulation of metal resources and their growth while adding further value. The texture evokes metal, expressing Mitsubishi 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 it is important to be an organization with good and healthy communication where employees have unrestricted communication. This is the foundation of our promotion of internal branding activities.

So, we are implementing measures of "1. Communication with management," "2. Connect every single employee and the entire Group horizontally" and "3. Support each challenge."

### List of Measures

Measure	Content
Tetsuya's room	An internal program involving the CEO talking directly with employees at the head office and other sites about their thoughts on work, issues they are facing, their future expectations and other topics, began to be implemented regularly in the fiscal year ending March 2026. It makes it possible for people at work sites to communicate with management and for employees to be exposed to the thinking of the CEO. These activities are opportunities for people to increase their understanding of each other.
Tetsuya's eye	This is an internally distributed column in which the CEO talks about information he has learned at work sites. He shares his perspectives and ideas with readers by introducing brilliant initiatives implemented at work sites and the employees who support these initiatives. The column is a catalyst facilitating employees' understanding of the direction of the Company and their learning new things about their own work.
Town Hall Meetings	In connection with internal branding activities, we hold Town Hall Meetings as a way to enhance communication of management information and promote two-way dialogue. We held 13 meetings covering 10 themes in the fiscal year ended March 2025.
Half-day workplace experiences	Half-day workplace experiences are being carried out as an opportunity for employees to experience jobs at other workplaces. This started in the fiscal year ended March 2022, with over 80 people taking part.
Reverse mentoring	Reverse mentoring is a program in which young employees become the mentors and give mentoring to management. Discussing various themes from a standpoint different from that of work provides opportunities to gain mutual awareness.

## Upper Management Communication Work

Members of management have been visiting Group locations to create opportunities for dialogue with employees.

In the fiscal year ending March 2026, opinions were exchanged on Our Values, and employees gave a wide range of opinions about examples of practice of Our Values and everyday issues, and a lively exchange of opinions took place.



## Distribution of Economic Value to Stakeholders

Interaction with Stakeholders    Responding to the Expectations and Needs of Stakeholders    Dialogue with Shareholders

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



## Relationships between stakeholders and businesses

Stakeholders	Relationship with businesses
 Shareholders & Investors	<b>Disclosing information as and when necessary, and engaging in dialogue regarding management</b> We aim to sustainably increase corporate value through mutual communication with shareholders and investors while fulfilling management transparency and accountability.
 Customers	<b>Engaging in business activities with an emphasis on improving customer satisfaction</b> We provide high-quality products and services that meet a wide range of customer needs and requirements.
 Employees	<b>Improving the value of individual talents</b> 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	<b>Building trusting relationships &amp; contributing to development</b> 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)	<b>Engaging in fair, impartial trade &amp; collaboration</b> 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	<b>Collaboration to solve social issues</b> 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)	<b>Non-profit Organizations (Educational/Research Institutions, NGOs &amp; NPOs)</b> We contribute to education support and human resource development through cooperation with educational and research institutions, NGOs and NPOs.
 Government	<b>Maintaining close, sound relations and assisting with policies</b> 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	<b>Engaging in wide-ranging dialogue &amp; collaboration in order to protect the environment</b> 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 recycling measures	<ul style="list-style-type: none"> <li>• "Contributing to the creation of a recycling-oriented society" is stated Our Commitment.</li> <li>• Optimization of material flow across the overall Group</li> <li>• Business expansion, research and development aimed at improving urban resource recycling</li> </ul>
Responding to the risks and opportunities associated with climate change	<ul style="list-style-type: none"> <li>• Driving the reduction of GHG emissions to achieve carbon neutrality by the fiscal year ending March 2046</li> <li>• Developing materials, products and technologies that contribute to decarbonization</li> <li>• Developing and promoting the use of renewable energies (geothermal energy, geothermal heat, hydroelectric energy, solar energy, etc.)</li> <li>• Pushing forward with demonstration testing and technology development related to CO<sub>2</sub> capture and utilization</li> <li>• Performing scenario analyses based on the TCFD recommendations</li> <li>• Calculation of our carbon footprint</li> </ul>

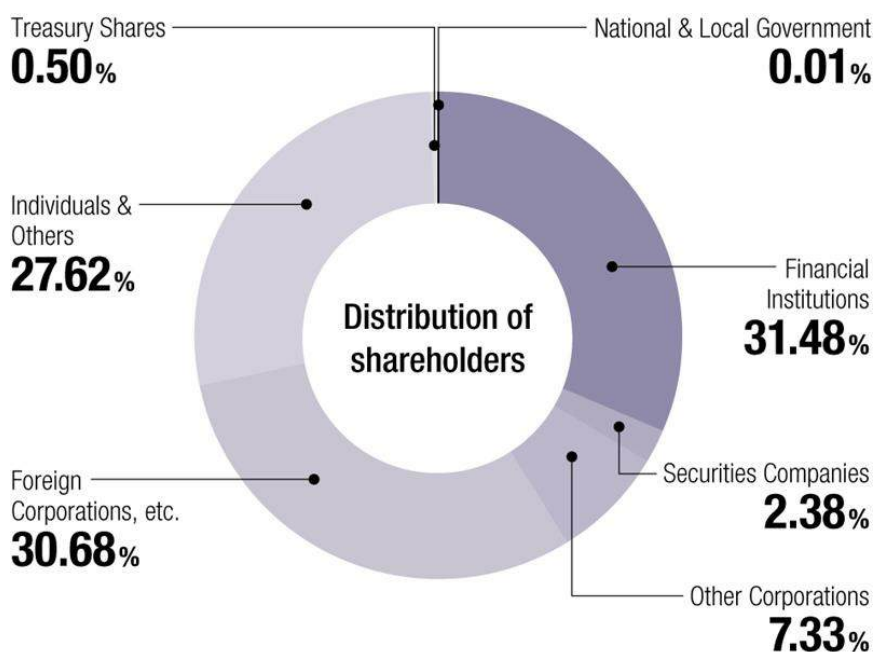
Key expectation and request	Group response
<b>Managing closed mines</b>	<ul style="list-style-type: none"> <li>Continuing management work, such as mine drainage treatment and maintenance of tailings dams, at closed mines (non-ferrous metal mines) owned by the Group in Japan (including the preservation and effects of some mines as cultural assets)</li> <li>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)</li> <li>Digitalization of management tasks for closed mines</li> <li>Cultivating the development of closed mine workers</li> <li>Developing technologies related to the management of closed mines</li> </ul>
<b>Preserving biodiversity (company-owned forests, areas around mines)</b>	<ul style="list-style-type: none"> <li>Obtaining the forest certification by SGEC for company-owned forests and promoting sustainable forest management</li> <li>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</li> </ul>
<b>Respecting human rights throughout the supply chain</b>	<ul style="list-style-type: none"> <li>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</li> <li>Sustainability Investment &amp; Loan Standards and loan standards and CSR Procurement Standards in the Metals 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</li> <li>Maintaining responsible mineral procurement certifications (gold, silver, tin, copper, lead and tungsten)</li> </ul>
<b>Quality control</b>	<ul style="list-style-type: none"> <li>Continued implementation of preventive measures regarding quality issues</li> <li>Days to reflect on quality and prevent quality issues from being forgotten</li> <li>Developing mechanisms that avoid producing non-standard goods through "Proactive quality management"</li> </ul>
<b>Creating safe, healthful working environments</b>	<ul style="list-style-type: none"> <li>Activities to raise awareness of SCQDE (prioritizing safety and health in every action)</li> <li>Continuing the Zero Occupational Accident Project</li> <li>Thorough efforts to make equipment safe (engineering measures) through risk assessments (RA)</li> <li>Strengthening health and safety education</li> <li>Raising employees' awareness of health</li> <li>Strengthening safety and health systems</li> <li>Ensuring the safety of employees of operating support providers (partner companies)</li> <li>Preventing fire, explosion, and other accidents</li> </ul>
<b>Talent development</b>	<ul style="list-style-type: none"> <li>Activating employee communication</li> <li>Development and continual improvement of an education and training system</li> <li>Developing next-generation business leaders</li> </ul>
<b>Promoting greater roles for diverse talents</b>	<ul style="list-style-type: none"> <li>Promoting Diversity, Equity and Inclusion</li> <li>Practicing health and productivity management</li> </ul>
<b>Strengthening information security</b>	<ul style="list-style-type: none"> <li>Improving and expanding the information infrastructure</li> <li>Expanding effective measures to defend against attacks aimed at vulnerabilities that are already known by attackers</li> <li>Reducing the risks of new threats, including targeted attacks</li> <li>Monitoring vulnerability and threats by the security operations center (SOC), and promptly handling incidents by establishing a computer security incident response team (CSIRT)</li> </ul>
<b>The evolution of governance</b>	<ul style="list-style-type: none"> <li>Group governance enhancement (communication, compliance framework and awareness, allocation of resources)</li> <li>Building a new risk management system that enhances effectiveness and certainty</li> <li>Enhanced Board Performance, Responses based on the Corporate Governance Code</li> </ul>

## 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 improve convenience for shareholders, a hybrid participation-type General Meeting of Shareholders (live streaming) has been conducted from the 96th Ordinary General Meeting of Shareholders held on June 24, 2021. The streamed video of the General Meeting of Shareholders is also posted on the Company's website for a certain period of time.

#### Distribution of Shareholders



#### Dialogue with Investors

In the fiscal year ended March 2025, financial results briefings (quarterly), Management Briefing, Progress and Outlook of the Medium-term Management Strategy FY2031, IR Day, and Sustainability IR meeting were held for stakeholders. At each meeting, after explaining the contents of our financial results, management strategy and sustainability initiatives etc., we set aside time for questions and answers in an effort to strengthen communication with participants. We communicated the feedback received from participants in a timely fashion through the IR reports published for senior management each month, and posted records including the details of the briefings and Q&A sessions to our website for viewing by individual investors.

We also actively exchanged opinions and communicated with institutional investors and securities analysts through individual meetings with institutional investors and securities analysts, small meetings with the CEO, CFO and Outside Directors, and participation in conferences hosted by securities companies. We also endeavored to communicate with individual investors by taking part in briefings for individual investors, and by posting our Material News shareholder newsletters on our website.

Going forward we will continue to engage in proactive IR and SR activities by deepening dialogue with stakeholders and maintaining and improving information disclosure.

#### IR and SR Activities in FYE March 2025

Item	Number of times held during FYE March 2025
Financial Results Briefing (quarterly)	4
Medium-term Management Strategy Progress Briefing	1
IR Day	1
Sustainability IR Meeting	1
Manufacturing Excellence & DX Meeting	1
Individual IR/SR meeting	207
Overseas IR	13
Briefing for individual investors hosted by a securities company	3

## 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 2025

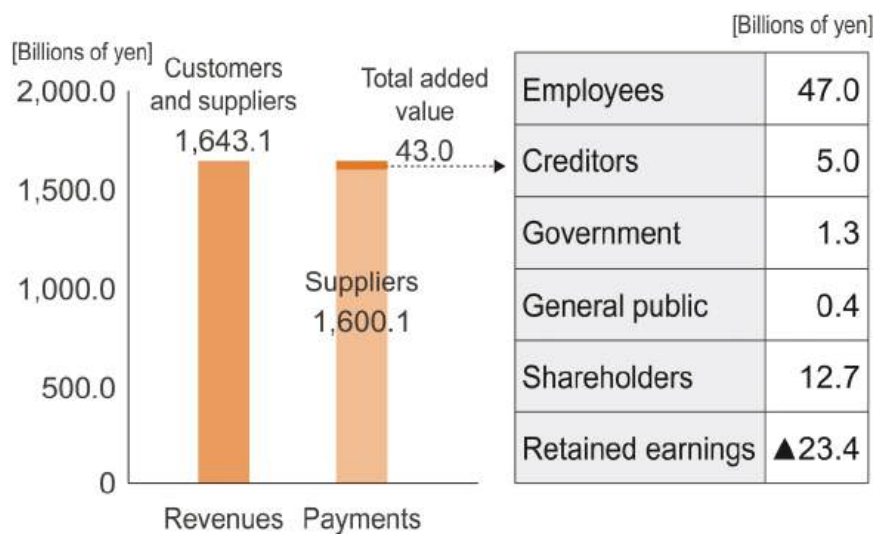
Revenue for Mitsubishi Materials in the fiscal year ended 2025 came to ¥1,643.1 billion. That included proceeds from the sale of products and services, dividends and other forms of non-operating income, and extraordinary income. Operating costs, which consist primarily of payments to suppliers, totaled ¥1,600.1 billion. After subtracting operating costs from our total revenue, the amount of added value generated through our business activities came to ¥43.0 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 ¥47.0 billion.

In the meantime, we distributed a total of ¥5.0 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 ¥1.3 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 ¥0.4 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 ¥12.7 billion. Retained earnings to cover investment and contingencies for the future meanwhile decreased ¥23.4 billion.



Economic Added Value

Category	Stakeholder	Amount (millions of yen)	Details/method of calculation
Revenues	Customers and suppliers	1,643,122	Net sales, non-operating income, extraordinary income
Payments	Suppliers	1,600,099	Operating costs (cost of sales and selling, general and administrative costs, minus deductions for personnel costs, tax and public charges, and donations)
	Employees	46,959	Personnel costs (including statutory welfare expenses and retirement benefit expenses) Interest expense
	Creditors	5,041	Interest expense
	Government	1,299	Taxes (corporate income tax, and other taxes and public charges liable as expenses)
	General public	392	Donations, etc.*
	Shareholders	12,692	Cash dividends paid
	Retained earnings	▲23,360	Net income minus cash dividends paid

\* 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 ¥25.4 billion and ¥32.3 billion respectively. ¥73.2 billion of this total was paid out in the form of pension assets to outside funds (coverage: 126.9%). In addition, ¥0.1 billion was registered as expenses in the form of accrued retirement benefits, with the remaining amount of ¥-15.6 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 ¥0.04 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

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### 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](#)  (3,078KB)

## Independent Assurance Statement

September 3, 2025

Mr. Tetsuya Tanaka  
Chief Executive Officer  
Mitsubishi Materials Corporation

### 1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Mitsubishi Materials Corporation (“the Company”) to provide limited assurance on the Company’s Performance Indicators (covered indicators are listed in the appendix) reported on Sustainability Report 2025 . The purpose of this process is to express our conclusion on whether the Performance Indicators were calculated in accordance with the Company’s standards. The Company’s management is responsible for calculating the Performance Indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

### 2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company’s responsible personnel to understand the Company’s standards
- Reviewing the Company’s standards
- On-site inspection of business sites
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Performance Indicators were calculated in accordance with the Company’s standards.

### 3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Performance Indicators have not been calculated in all material respects in accordance with the Company’s standards.

We have no conflict of interest relationships with the Company.



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Representative Director  
Sustainability Accounting Co., Ltd.  
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(Appendix) Lists of Performance Indicators

Environment Performance Indicators			
Themes		Results (From April 1, 2024 to March 31, 2025)	
		Non-consolidated	Consolidated*1
Energy input		6.34 PJ	15.2 PJ
Greenhouse gas emissions (Scope 1, 2, 3)	Scope1	286 thousand t-CO <sub>2</sub> e	787 thousand t-CO <sub>2</sub> e
	Scope2 (market-based)	149 thousand t-CO <sub>2</sub> e	324 thousand t-CO <sub>2</sub> e
	Scope3 (categories 1,2,3,4,5,6,7,9,10,12,15 total)	6.74 million t-CO <sub>2</sub> e	8.97 million t-CO <sub>2</sub> e
Scope1+Scope2 (covered by SPT*2)		—	688 thousand t-CO <sub>2</sub> e
Percentage of electricity from renewable energy sources (covered by SPT*2)		—	36 %
Percentage of recycled raw materials used		16.0 %	20.9 %
Raw material input		1.11 million t	2.46 million t
Water intake	Total water intake (including Brackish surface water/Seawater)	92.4 million m <sup>3</sup>	219 million m <sup>3</sup>
	Fresh water intake	9.85 million m <sup>3</sup>	40.6 million m <sup>3</sup>
Water discharged	Total water discharged (including discharged into the sea)	93.5 million m <sup>3</sup>	223 million m <sup>3</sup>
	Water discharged (excluding discharged into the sea)	9.50 million m <sup>3</sup>	33.3 million m <sup>3</sup>
Volume of industrial waste		6.79 thousand t	30.5 thousand t
SOx, NOx, soot and dust emissions	SOx	830 t	1.23 thousand t
	NOx	244 t	632 t
	Soot and dust	14 t	39 t
Emissions into water	BOD	123 t	177 t
	COD	25.1 t	305 t
	Nitrogen	161 t	226 t
Chemicals (subject to PRTR) released and transferred	Amount released into	37.6 t	276 t
	Amount transferred to	31.5 t	163 t
Social Performance Indicators			
Number of employees taking childcare leave		125	—
Percentage of Male Employees to Take Childcare Leave		79.5 %	—
Percentage of employees with disabilities (as of March 31, 2025)		2.9 %	—
Percentage of women in management positions (as of April 1, 2025)		3.9 %	—
Themes		Results (From January 1 to December 31, 2024)	
		Non-consolidated	Subcontractors*1
Occupational accident frequency rate	LTIFR	0.44	1.23
	TRIFR	1.66	3.69
Number of fatalities due to occupational accidents		0	0
Tier 1 process safety events (PSEs) per million hours based on CCPS definition		0 case	—

\*1 The number of companies for each theme is stated in the editorial policy of the Sustainability Report 2025

\*2 Sustainability Performance Target. Set targets to be achieved with respect to key performance indicators (KPIs)

## 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)

#### 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 data is only available 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 data is only available 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)

## | 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 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 since April 2022.

> METI's GX League Basic Concept  
(Click to check METI official website) 

\* This data is only available 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 data is only available 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 Nijiuro 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 data is only available in Japanese on the website.

External Evaluations

- ✦ Status of Indexes
- ✦ External Evaluation of ESG

Status of Indexes

MSCI ESG LEADERS INDEXES

Created by MSCI Japan, the index is developed by selecting companies demonstrating outstanding ESG activities within each industry. Our Company has been a constituent since June 2023.



(Click to check MSCI official website)

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.

2024 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.

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

(Click to check related information)

\* 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.



**FTSE4Good**

(Click to check related information)

### | FTSE 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 FTSE Blossom Japan Sector Relative Index has been adopted as an ESG passive management benchmark for the Government Pension Investment Fund (GPIF).



**FTSE Blossom  
Japan Index**

(Click to check related information)

### | FTSE 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.



**FTSE Blossom  
Japan Sector  
Relative Index**

(Click to check related information)

\* FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby verifies that Mitsubishi Materials Corporation has met the entry requirements for the FTSE Blossom Japan Sector Relative Index as a result of a third-party investigation. The FTSE Blossom Japan Sector Relative Index is widely used for creation and evaluation of sustainable investment funds and other financial instruments.

## | ECPI

ECPI is an investment management consulting firm based in Luxembourg and Milan that specializes in sustainable investments. Comprising multiple ESG indexes arranged by industry, region and theme, ECPI maintains indexes for each industry, region and theme made up of global companies that have met certain standards in their ESG-related activities. Our Company has been selected as a component of the index since December 2018.



## | 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 Group 2.

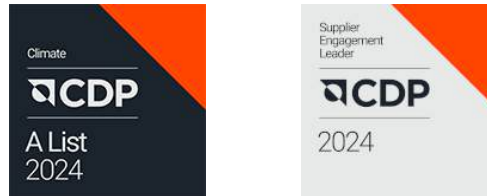
> [Morningstar Home Page](#)

(Click to check related information) 

## External Evaluation of ESG

### 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-step scoring from A to D-, we achieved an "A," the highest rating for the first time in the CDP 2024 Climate Change Assessment, and a "B" in the CDP 2024 Water Security Assessment. We were also recognized as the "Supplier Engagement Leader" in the CDP 2024 Supplier Engagement Assessment for two consecutive years.



(Click to check related information)

### MSCI ESG Ratings

The MSCI ESG Ratings examine and analyze companies' Environmental, Social, and Governance-related initiatives and rate them on a seven-point scale from the highest rank of AAA to CCC, and are regarded as a global benchmark for ESG investment. Our Company has received a rating of "AA" since December 2022.



(Click to check related information)

\* THE USE BY MITSUBISHI MATERIALS CORPORATION OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF MITSUBISHI MATERIALS CORPORATION BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

### The Ministry of the Environment's ESG Finance Awards Japan Environment Sustainable Category

The ESG Finance Awards Japan is an award established by the Ministry of the Environment in the fiscal year ended March 2020 which is intended for promoting and expanding ESG financing, 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 financing or environmental and social work.

The Environment Sustainable Category is designed to show investors and companies specific examples of companies that incorporate responses to key opportunities and risks related to environment into their management strategies to produce positive environmental effects while increasing corporate value.

In February 2025, our Company received the "Circular Economy Award" in recognition at the Minister of the Environment's 6th (fiscal year ended March 2025) ESG Finance Award Japan "Environment Sustainable Company."

We have been applying for this award since the fourth year (fiscal year ended March 2023) and, also have been selected as an "Environment Sustainable Company" for three consecutive years as a company that meets certain standards in terms of the level of disclosure.



(Click to check the Ministry of the Environment official website)

\* This data is only available in Japanese on the website.

## | KENKO Investment for Health

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 from the top 500 listed companies applying for the Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category "White 500").

Our Company was certified for the first time as a KENKO Investment for Health in March 2025.



(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 Organizations of KENKO Investment for Health (Large Enterprise Category) for four consecutive years since March 2022. Furthermore, we have been recognized as an Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) "White 500" for two 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.

In March 2025, we were awarded for the first time as an "Outstanding Company for Cancer Control Promotion" for the fiscal year ended March 2025.



(Click to check the Ministry of Health, Labour and Welfare official website) \*

This data is only available in Japanese on the website.

## | Human Capital Management Quality

"Human Capital Survey" is intended to examine the status of efforts by companies and organizations regarding human capital management and disclosure initiatives. The results of the survey are quantitatively analyzed, and those companies that are recognized for their high level of implementation are awarded. Since 2022, the survey has been conducted jointly by the HR Technology Consortium, HR Research Institute, MS&AD InterRisk Research & Consulting, Inc. Our Company was selected as a "Human Capital Management Quality 2023 (Silver)" in the "Human Capital Survey 2023".



(Click to check Human Capital Survey official website)

\* This data is only available 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 in November 2024.



(Click to check work with Pride official website)

\* This data is only available 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 data is only available 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 data is only available 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 the third consecutive year 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 data is only available in Japanese on the website.

## | Noteworthy DX Companies 2025

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 selected 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 since September 2023.



(Click to check Tokyo Promotion Council for the National Federation of Health Insurance Societies)

\* This data is only available in Japanese on the website.

## | Tokyo Sports Promotion Company

Tokyo metropolitan government certifies of companies to 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 data is only available 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 include 85 consolidated subsidiaries for Scope 1 and Scope 2 emissions and 47 major consolidated subsidiaries for Scope 3 emissions.
- Other environmental data is for major 47 consolidated subsidiaries with manufacturing facilities
- Compliance training data refers to the main companies subject to Compliance/Risk management activities (80 companies)
- Safety data relates to the 29 major consolidated subsidiaries
- Social contribution activities results covering 88 consolidated subsidiaries

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 2025, the following have been partially excluded from consolidation.

- Tohsoh Corporation (Business terminated on June 28, 2024)
- New Energy Fujimino Co., Ltd., (Business terminated on September 30, 2024)
- PT. Smelting (Transferred to an equity-method affiliate on July 30, 2024)

In addition, the following have been added to consolidation.

- H.C. Starck Holding (Germany) GmbH and 12 other companies (Acquired all shares on December 17, 2024)
- Dawson Shanahan Ltd. (Acquired all shares on May 3, 2024)

#### Period

The fiscal year ended March 2025 (April 1, 2024 – March 31, 2025)

\* This report may also include information from April 2025 onwards, in an effort to provide the most up-to-date information on the Group.

#### Date of Publication

September 2025 (previous : August 2024)

#### 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

\* A GRI Content Index is available via the Sustainability section of our website.

## Principal Reporting Tools

We systematically disclose information on the Group, mainly via the following reporting tools.

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 to 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 <a href="#">Sustainability data</a> , 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

Having examined and identified eleven "material issues" from two axes according to their importance to various stakeholders and their importance in light of Our Commitment, they provide the basic framework for both our Sustainability activities and its reports. 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 and corporate division 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 include Mitsubishi Materials Corporation and 85 consolidated subsidiaries for Scope 1 and Scope 2 emissions, and Mitsubishi Materials Corporation and 47 major consolidated subsidiaries for Scope 3 emissions.

Other environmental data is for Mitsubishi Materials Corporation and major 47 consolidated subsidiaries with manufacturing facilities

Period : April to March in each year

- The boundary for the fiscal year ended March 2025 consists of our Group companies as of March 31, 2025.
- For boundaries before the fiscal year ended March 2024, 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	2021.4-2022.3 Non-consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Raw material input	kilotons	16,882	4,019	3,778	2,459
(Waste)	kilotons	2,085	227	210	203
(Byproducts)	kilotons	1,072	325	307	310
(Natural resources)	kilotons	13,646	3,278	3,125	1,810
(Processed items and components)	kilotons	79	189	136	136
★Percentage of recycled raw materials used	kilotons	18.7	13.7	13.7	20.9

#### Energy

Data items	Unit	2021.4-2022.3 Non-consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Energy input	TJ	40,390	29,400	20,474	15,171
Energy input (purchased electricity)	GWh	1,113	1,997	1,582	1,200
Energy input (fuel: crude oil equivalent)	megaliters	765	232	170	120
Non-renewable energy input (purchased electricity)	GWh	1,093	1,945	1,367	1,060

## Water

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Total water intake (including brackish surface water/seawater)	thousand m <sup>3</sup>	687,683	355,299	309,145	218,955
(Fresh surface water (including rainwater, wetland water, rivers and lakes))	thousand m <sup>3</sup>	8,147	7,506	7,250	9,016
(Brackish surface water/Seawater)	thousand m <sup>3</sup>	633,852	311,712	267,765	178,320
(Groundwater (renewable))	thousand m <sup>3</sup>	5,109	777	450	550
(Groundwater (non-renewable potential))	thousand m <sup>3</sup>	N/A	N/A	N/A	N/A
(Associated/Incidental water)	thousand m <sup>3</sup>	N/A	N/A	N/A	N/A
(Third-party water source )	thousand m <sup>3</sup>	40,575	35,303	33,680	31,069
★Total water discharged (including discharged into the sea)	thousand m <sup>3</sup>	681,685	356,426	311,558	223,072
(Fresh surface water )	thousand m <sup>3</sup>	33,261	31,024	29,966	31,505
(Brackish surface water/Seawater)	thousand m <sup>3</sup>	645,939	323,010	279,725	189,810
(Groundwater)	thousand m <sup>3</sup>	N/A	N/A	N/A	N/A
(Third-party dischargers)	thousand m <sup>3</sup>	2,485	2,393	1,867	1,756
Total water consumption※	thousand m <sup>3</sup>	5,998	-1,127	-2,413	-4,117
★BOD	t	31	283	192	177
★COD	t	27	316	276	305
★Nitrogen	t	159	287	216	226
Phosphorus	t	0	6	6	7

\* Water consumption for the fiscal years ended March 2023, 2024, and 2025 is negative due to the standard calculation method (Total water consumption = Total water intake – Total water discharged).

This is because the volume of wastewater discharged from mine wastewater treatment exceeded the actual water discharged. This situation is part of our sustainable resource management and represents an exceptional case that cannot be expressed using the standard calculation method.

## Emissions

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Scope1,2 total emissions (CO <sub>2</sub> equivalent)	kilotons	7,250	1,916	1,671	1,111
(Derived from energy source)	kilotons	3,114	1,592	1,168	587
(Derived from processes)	kilotons	3,681	1	134	102
(Derived from waste*)	kilotons	434	285	369	422
(Other)	kilotons	21	38		
★Scope1 emissions (CO <sub>2</sub> equivalent)	kilotons	6,736	919	962	787
★Scope2 emissions	kilotons	514	997	709	324

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Scope3 emissions (CO <sub>2</sub> equivalent)	kilotons	3,263	11,972	10,734	8,973
(Category 1. Purchased goods and services)	kilotons	1,563	3,995	3,323	2,185
(Category 2. Capital goods)	kilotons	105	284	305	203
(Category 3. Fuel and energy-related activities not included in Scopes 1 and 2)	kilotons	525	229	162	130
(Category 4. Upstream Transportation and Distribution)	kilotons	617	751		
(Category 5. Waste generated from operations)	kilotons	2	25	22	17
(Category 6. Business travel)	kilotons	0	3	2	2
(Category 7. Employee commuting )	kilotons	2	8	7	7
(Category 8. Upstream Leased Assets)	kilotons	N/A	N/A	N/A	N/A
(Category 9. Downstream Transportation and Distribution)	kilotons	126	183	176	64
(Category 10. Processing of sold products)	kilotons	215	449	522	402
(Category 11. Use of sold products)	kilotons	N/A	N/A	N/A	N/A
(Category 12. End-of-life treatment of sold products)	kilotons	107	5	8	5
(Category 13. Downstream leased assets)	kilotons	N/A	N/A	N/A	N/A
(Category 14. Franchises)	kilotons	N/A	N/A	N/A	N/A
(Category 15. Investments)	kilotons	N/A	6,038	5,465	5,410
★SOx	t	786	2,682	1,741	1,226
★NOx	t	10,756	867	700	632
★Soot and dust	t	142	165	107	39

\* The calculation method was partially changed in the fiscal year ended March 2024 to include GHG emissions from E-Scrap processing.

## Waste

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Total*	t	13,970	44,830	44,236	30,501
(Hazardous waste to be recycled)	t	1,733	2,926	2,508	1,448
(Non-hazardous waste to be recycled)	t	6,553	20,263	22,360	13,990
(Hazardous waste to be landfill)	t	207	4,449	4,508	4,393
(Non-hazardous waste to be landfill)	t	5,477	17,192	14,860	10,670

\* The data on the volume of industrial waste represent values reported in accordance with the Waste Management and Public Cleansing Act.

## Chemical

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 consolidated	2023.4-2024.3 consolidated	2024.4-2025.3 consolidated
★Chemicals released*	t	78	182	309	276
(Atmosphere)	t	47	39	38	31
(Public waters)	t	31	93	141	115
(Soil)	t	0	0	0	0
(Landfills)	t	0	50	130	130
★Chemicals transferred*	t	42	186	157	163
(Sewers)	t	0	1	1	1
(Waste)	t	42	185	156	162

\* The data on chemicals released and transferred represent values reported under the Japanese Pollutant Release and Transfer Register (PRTR) system.

## Spending on environmental preservation

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 Non- consolidated	2023.4-2024.3 Non- consolidated	2024.4-2025.3 Non- consolidated
Investment Amount	millions of yen	4,911	14,677	4,516	5,684
Business area costs	millions of yen	4,848	14,556	4,449	5,296
(Pollution prevention costs)	millions of yen	4,089	2,500	3,022	4,092
(Global environmental conservation costs)	millions of yen	641	11,808	1,130	874
(Resource recycling costs)	millions of yen	118	247	297	330
Upstream/downstream costs	millions of yen	0	13	26	280
Administration costs	millions of yen	46	68	6	30
R&D costs	millions of yen	2	35	21	72
Social activity costs	millions of yen	0	0	0	0
Environmental remediation costs	millions of yen	15	5	14	4
Expense Amount	millions of yen	7,282	17,567	20,188	26,727

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 Non- consolidated	2023.4-2024.3 Non- consolidated	2024.4-2025.3 Non- consolidated
Business area costs	millions of yen	6,821	15,743	17,416	21,602
(Pollution prevention costs)	millions of yen	3,426	10,101	10,916	15,904
(Global environmental conservation costs)	millions of yen	450	475	520	382
(Resource recycling costs)	millions of yen	2,946	5,167	5,980	5,315
Upstream/downstream costs	millions of yen	0	1	17	33
Administration costs	millions of yen	272	1,615	2,343	4,816
R&D costs	millions of yen	32	53	66	124
Social activity costs	millions of yen	13	13	16	14
Environmental remediation costs	millions of yen	144	142	330	139

#### Other

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 Non- consolidated	2023.4-2024.3 Non- consolidated	2024.4-2025.3 Non- consolidated
Number of environmental law violations	cases	0	0	0	0

#### Closed mines

Data items	Unit	2021.4-2022.3	2022.4-2023.3	2023.4-2024.3	2024.4-2025.3
Number of closed mines managed by Mitsubishi Materials Group	locations	21	21	20	20
Number of closed mines made publicly accessible as cultural assets by Mitsubishi Materials Group	locations	4	4	4	4※

\* The tourism facility "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.

## Social

Boundary : Mitsubishi Materials Corporation and 114 consolidated subsidiaries

Education performance data refers to Mitsubishi Materials Corporation and the main companies subject to Compliance/Risk Management activities (80 companies)

Safety data relates to Mitsubishi Materials Corporation and 29 major consolidated subsidiaries

Social contribution activities results covering Mitsubishi Materials Corporation and 88 consolidated subsidiaries

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 2025 data items with ★ are those for which assurance is provided.

### Employment Status

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 Non- consolidated	2023.4-2024.3 Non- consolidated	2024.4-2025.3 Non- consolidated
Number of employees	persons	6,208	5,450	5,408	5,315
(Male)	persons	5,455	4,734	4,582	4,499
(Female)	persons	753	716	826	816
Percentage of female employees	%	12.1	13.1	15.3	15.4
Percentage of employees holding rights of collective bargaining	%	74.6	73.7	74.0	73.8
Average duration of service	years	17.7	17.8	18.2	18.5
(Male)	years	18.2	18.4	18.7	18.9
(Female)	years	14.1	14.1	14.0	15.9
Average age (Union member)	years	42.0	42.2	42.6	43.2
★Percentage of employees with disabilities	%	2.3	2.3	2.5	2.9
Percentage of women in management positions	%	2.5	2.5	3.2	3.9
Differences in pay between men and women*	%	—	61.8	60.1	63.8
(Permanent workers )	%	—	65.3	62.8	66.3
(Part-time and fixed-term workers )	%	—	50.3	56.8	57.2

\* 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 86.5% for management positions and 83.8% for union members.

Data items	Unit	2021.4-2022.3 Non- consolidated	2022.4-2023.3 Non- consolidated	2023.4-2024.3 Non- consolidated	2024.4-2025.3 Non- consolidated
Total number of recruits	persons	326	243	288	248
(Male)	persons	268	199	224	182
(Female)	persons	58	44	64	66
(Total number of new graduates)	persons	218	167	171	124
(Male)	persons	174	131	125	87
(Female)	persons	44	36	46	37
(Total number of experienced persons)	persons	108	76	117	124
(Male)	persons	94	68	99	95
(Female)	persons	14	6	18	29
Number of employees taking maternity leave	persons	23	16	17	27
Number of employees taking caregiving leave	persons	5	2	4	0
(Male)	persons	3	0	2	0
(Female)	persons	2	2	2	0
★Number of employees taking childcare leave	persons	76	103	99	125
(Male)	persons	56	84	83	105
(Female)	persons	20	19	16	20
Percentage of employees who returned to work after childcare leave	%	100	100	100	100
Employee turnover*1,2	%	2.9	2.9	3.1	3.3
Percentage of employees who left the company for their own reasons	%	2.3	2.5	3.0	2.9
(Male)	%	2.2	2.5	2.8	2.9
(Female)	%	3.1	2.2	4.1	2.7
(By age : 50 years and over)	%	1.3	1.0	1.4	1.1
(By age : 30-49 years)	%	1.7	2.2	2.9	2.9
(By age : Under 30 years)	%	5.1	5.6	5.6	6.4
Engagement survey (percentage of positive responses to all questions).	%	—	71	73	75

\*1 The number of regular employees who left the company / The number of regular employees at FYE March 2023.

\*2 In April 2021, the existing mandatory retirement age was raised from 60 to 65 years old.

Data items	Unit	2021.4-2022.3 Consolidated	2022.4-2023.3 Consolidated	2023.4-2024.3 Consolidated	2024.4-2025.3 Consolidated
Number of employees	persons	23,711	18,576	18,323	18,452
(Male)	persons	—*1	14,373	14,198	14,219
(Female)	persons	—*1	4,203	4,125	4,233
Employee Numbers According to Location (Japan)	persons	13,290	11,436	11,373	11,151
Employee Numbers According to Location (North America)	persons	3,693	744	760	815
Employee Numbers According to Location (South America)	persons	42	47	60	56
Employee Numbers According to Location (Oceania)	persons	10	12	12	9
Employee Numbers According to Location (Europe)	persons	1,201	1,182	1,227	1,825
Employee Numbers According to Location (East Asia)	persons	772	754	687	743
Employee Numbers According to Location (Southeast Asia)	persons	4,703	4,401	4,204	3,853
Percentage of female employees	%	—*1	22.6	22.5	22.9
Percentage of non-full-time employees*2	%	—*3	8.7	5.5	4.4

\*1 Beginning with FYE March 2023, a breakdown of all employees (consolidated) by gender is disclosed.

\*2 Calculated based on the input classification in the internal personnel data. Part-time and part-time employees are not included.

\*3 Beginning with FYE March 2023, the percentage of non-permanent employees in the total number of employees (consolidated) is disclosed.

Data items	Unit	2021.4-2022.3 Non-consolidated	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated
Average overtime hours (Union member)	hours	17.1	17.8	14	13.7
Percentage of paid leave taken (Union member)	%	81.1	87.3	83.9	86.6

## Educational Achievements

Data items	Unit	Fiscal Year Ended March 2022	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	Fiscal Year Ended March 2025
Annual total hours of training (Aggregated, Consolidated)*	hours	—	198,567	260,891	271,665
Annual total hours of training (Aggregated, Non-consolidated)	hours	151,000	118,565	106,630	129,252
Number of Participants in Compliances Education and Position-specific education Program (Aggregated, Non-consolidated)	persons	19,400	21,214	49,547	66,768

\* Number of Group companies to which employees receiving education and training belonged: 70 in FYE March 2019, 67 in FYE March 2020, 62 in FYE March 2021, 53 in FYE March 2022, and 38 in FYE March 2023, 74 in FYE March 2024, 80 in FYE March 2025.

From FYE March 2022, the number of participants in education and training includes non-regular employees as well as regular employees.

## Community

Data items	Unit	2021.4-2022.3 Non-consolidated	2022.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated
Spending on social contribution (excluding political donations)	millions of yen	443	405	221	392

## Occupational Safety and Health

Data items	Unit	2021.1-2021.12	2022.1-2022.12	2023.1-2023.12	2024.1-2024.12
★Occupational accident frequency rate (TRIFR : Non-consolidated)	%	1.68	2.30	2.88	1.66
★Occupational accident frequency rate (TRIFR : Subcontractors)	%	6.12	2.62	2.70	3.69
★Occupational accident frequency rate (LTIFR : Non-consolidated)	%	0.21	0.38	0.85	0.44
★Occupational accident frequency rate (LTIFR : Subcontractors)	%	2.27	0.66	0.98	1.23
Number of occupational accidents (Non-consolidated) *	cases	24	30	34	19
★Number of fatalities due to occupational accidents	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 97 consolidated subsidiaries

Period : April to March in each year

### Governance

Data items		Unit	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024
Number of Directors in Mitsubishi Materials Corporation*	Total	persons	10	10	11	11
	Male	persons	4	3	4	9
	Female	persons	0	0	0	2
	Outside Directors	persons	6	7	7	7
	Male	persons	5	5	5	5
	Female	persons	1	2	2	2
Female Directors		persons	1	2	2	2
Percentage of female Directors		%	10	20	18.2	18.2
Remuneration for Directors (total)		millions of yen	701	959	703	671
(Directors in Mitsubishi Materials Corporation)		millions of yen	124	97	88	88
(Outside Directors)		millions of yen	111	122	126	130
(Executive Officer)		millions of yen	466	740	489	452

\* As of the close of the General Meeting of Shareholders for the year in question.

### Donations to political groups

Data items	Unit	2021.4-2022.3 Non-consolidated	2021.4-2023.3 Non-consolidated	2023.4-2024.3 Non-consolidated	2024.4-2025.3 Non-consolidated
Amount of donations to political groups	thousands of yen	571	340	280	210

### Compliance

Data items	Unit	2021.4-2022.3 Consolidated	2022.4-2023.3 Consolidated	2023.4-2024.3 Consolidated	2024.4-2025.3 Consolidated
Number of reports and inquiries received through the in-house reporting system	cases	47	65	63	67
(Number of reports on compliance)	cases	—*	28	38	34
(Number of reports on corruption)	cases	—*	0	0	0
(Number of violations related to corruption)	cases	—*	0	0	0
(Number of harassment reports)	cases	—*	16	29	19
(Number of harassment certifications)	cases	—*	4	1	1

\* Starting from FYE March 2022, the Company discloses a breakdown of the number of consultations with the in-house reporting system.

| 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
<b>GRI 2: General Disclosures 2021</b>		
<b>1. The organization and its reporting practices</b>		
2-1	Organizational details	<a href="#">Corporate Profile</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">Corporate Profile</a>
2-3	Reporting period, frequency and contact point	<a href="#">Editorial Policy</a>
2-4	Restatements of information	There were no applicable events
2-5	External assurance	<a href="#">Third-Party Assurance</a>
<b>2. Activities and workers</b>		
2-6	Activities, value chain and other business relationships	<a href="#">Products &amp; Business</a>
2-7	Employees	<a href="#">Human Capital and Human Rights</a>
2-8	Workers who are not employees	<a href="#">Human Capital and Human Rights</a>
<b>3. Governance</b>		
2-9	Governance structure and composition	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a>
2-10	Nomination and selection of the highest governance body	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a>
2-11	Chair of the highest governance body	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a>
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">Sustainability Promotion Framework</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Sustainability Promotion Framework</a>
2-15	Conflicts of interest	<a href="#">Compliance</a>
2-16	Communication of critical concerns	<a href="#">Sustainability Promotion Framework</a>

No.	Indicator	Website
<b>GRI 2: General Disclosures 2021</b>		
<b>3. Governance</b>		
2-17	Collective knowledge of the highest governance body	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> 
2-18	Evaluation of the performance of the highest governance body	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> 
2-19	Remuneration policies	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> 
2-20	Process to determine remuneration	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> 
2-21	Annual total compensation ratio	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> 
<b>4. Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	<a href="#">Top Message</a> 
2-23	Policy commitments	<a href="#">Corporate Philosophy</a> 
2-24	Embedding policy commitments	<a href="#">Sustainability Promotion Framework</a>
2-25	Processes to remediate negative impacts	<a href="#">Human Capital and Human Rights Compliance</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Contact Us</a>  <a href="#">Compliance</a>
2-27	Compliance with laws and regulations	<a href="#">Compliance</a>
2-28	Membership associations	<a href="#">Distribution of Economic Value to Stakeholders</a>
<b>5. Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	<a href="#">Distribution of Economic Value to Stakeholders</a>
2-30	Collective bargaining agreements	<a href="#">Human Capital and Human Rights</a>
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	<a href="#">Materiality</a>
3-2	List of material topics	<a href="#">Materiality</a>
3-3	Management of material topics	<a href="#">Materiality</a>

## 200: Economic


No.	Indicator	Website
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	<a href="#">Distribution of Economic Value to Stakeholders</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate Change (Disclosure in Accordance with TCFD)</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Distribution of Economic Value to Stakeholders</a>
201-4	Financial assistance received from government	<a href="#">Distribution of Economic Value to Stakeholders</a>
<b>GRI 202: Market Presence 2016</b>		
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	<a href="#">Human Capital and Human Rights</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	<a href="#">Pollution Prevention</a> <a href="#">Distribution of Economic Value to Stakeholders</a>
203-2	Significant indirect economic impacts	<a href="#">Distribution of Economic Value to Stakeholders</a>
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	<a href="#">Compliance</a>
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Compliance</a>
205-3	Confirmed incidents of corruption and actions taken	<a href="#">Compliance</a>
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Compliance</a>
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	<a href="#">Tax Policy and Initiatives</a>
207-2	Tax governance, control, and risk management	<a href="#">Tax Policy and Initiatives</a>
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Tax Policy and Initiatives</a>
207-4	Country-by-country reporting	<a href="#">Tax Policy and Initiatives</a>

## 300: Environment

No.	Indicator	Website
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	<a href="#">Pollution Prevention</a> <a href="#">Resource Recycling</a> <a href="#">Sustainability Data</a>
301-2	Recycled input materials used	<a href="#">Pollution Prevention</a> <a href="#">Resource Recycling</a>
301-3	Reclaimed products and their packaging materials	<a href="#">Resource Recycling</a>
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	<a href="#">Pollution Prevention</a>
302-2	Energy consumption outside of the organization	<a href="#">Climate Change (Disclosure in Accordance with TCFD)</a>
302-3	Energy intensity	
302-4	Reduction of energy consumption	<a href="#">Climate Change (Disclosure in Accordance with TCFD)</a>
302-5	Reductions in energy requirements of products and services	
<b>GRI 303: Water 2018</b>		
303-1	Interactions with water as a shared resource	<a href="#">Water Resource Management</a>
303-2	Management of water discharge-related impacts	<a href="#">Water Resource Management</a>
303-3	Water withdrawal	<a href="#">Pollution Prevention</a>
303-4	Water discharge	<a href="#">Pollution Prevention</a>
303-5	Water consumption	<a href="#">Water Resource Management</a>
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
304-3	Habitats protected or restored	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
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	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>

No.	Indicator	Website
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
305-4	GHG emissions intensity	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
305-5	Reduction of GHG emissions	<a href="#">Biodiversity Initiatives (Disclosure in Accordance with TNFD)</a>
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">Pollution Prevention</a>
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Pollution Prevention</a>
306-2	Management of significant waste-related impacts	<a href="#">Pollution Prevention</a> <a href="#">Resource Recycling</a>
306-3	Waste generated	<a href="#">Pollution Prevention</a>
306-4	Waste diverted from disposal	<a href="#">Pollution Prevention</a>
306-5	Waste directed to disposal	<a href="#">Pollution Prevention</a>
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
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	<a href="#">Supply Chain Management</a>
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Supply Chain Management</a>

## 400: Society

No.	Indicator	Website
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	<a href="#">Human Capital and Human Rights</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	<a href="#">Human Capital and Human Rights</a>
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	<a href="#">Occupational Safety and Health</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational Safety and Health</a>
403-3	Occupational health services	<a href="#">Occupational Safety and Health</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational Safety and Health</a>
403-5	Worker training on occupational health and safety	<a href="#">Occupational Safety and Health</a>
403-6	Promotion of worker health	<a href="#">Occupational Safety and Health</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Occupational Safety and Health</a>
403-8	Workers covered by an occupational health and safety management system	<a href="#">Occupational Safety and Health</a>
403-9	Work-related injuries	<a href="#">Occupational Safety and Health</a>
403-10	Work-related ill health	
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	<a href="#">Human Capital and Human Rights</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Capital and Human Rights</a>
404-3	Percentage of employees receiving regular performance and career development reviews	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	<a href="#">Human Capital and Human Rights</a> <a href="#">Corporate Governance Report</a> 
405-2	Ratio of basic salary and remuneration of women to men	
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	<a href="#">Human Capital and Human Rights</a>
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	

No.	Indicator	Website
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
<b>GRI 410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	<a href="#">Supply Chain Management</a>
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
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
<b>GRI 413: Local Communities 2016</b>		
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
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	<a href="#">Supply Chain Management</a>
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Supply Chain Management</a>
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	<a href="#">Sustainability Data</a>
<b>GRI 416: Customer Health and Safety 2016</b>		
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	

No.	Indicator	Website
<b>GRI 417: Marketing and Labeling 2016</b>		
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	
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no applicable events

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