

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Business Report and Financial Statements prepared for the convenience of shareholders outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

BUSINESS REPORT

(For the period from April 1, 2024, through March 31, 2025)

1. Matters Concerning the Current State of Mitsubishi Materials Corporation Group

(1) Business Developments and Outcomes

【Regarding the performance of Mitsubishi Materials Group (hereinafter, “the Company” or “the Group”), consolidated operating profit increased due to the depreciation of the yen and the rise in metal prices. Consolidated ordinary profit grew due to an increase in equity-method investment profit.】

In the current fiscal year, amid the reduction of policy interest rates in the U.S. and Europe, the U.S. economy continued its recovery, whereas China and Europe experienced a slowdown in their economic recovery.

The Japanese economy has shown a gradual recovery trend, although there are signs of stagnation in personal consumption amid rising prices.

Regarding the business environment surrounding the Group, while demand for automobiles remained sluggish, there were signs of recovery in demand for semiconductors. In addition, there was an impact from both higher copper and gold prices as well as the depreciation of the yen compared to the same period in the previous year.

Under these circumstances, the Group has implemented various measures to enhance corporate value based on the Medium-term Management Strategy, which covers the period from the fiscal year ended March 2024 to the fiscal year ending March 2031.

As a result, in the current fiscal year, net sales were ¥1,962,076 million (up 27.4% year-on-year) and operating profit was ¥37,118 million (up 59.5% year-on-year). Ordinary profit was ¥60,235 million (up 11.3% year-on-year) mainly due to an increase in equity-method investment profit despite a decrease in dividends from mines. Profit attributable to owners of parent was ¥34,076 million (up 14.4% year-on-year) largely due to the impairment loss recorded and the gain on changes in equity associated with the conversion of PT. Smelting into an equity-method affiliate.

On a non-consolidated basis, the Company posted net sales of ¥1,608,327 million (up 35.4% from the previous fiscal year), an operating profit of ¥2,233 million (¥-9,233 million for previous year), an ordinary profit of ¥13,637 million (down 30.5% year-on-year), and profit of ¥-10,667 million (¥15,162 million for previous year).

The Company pays dividends based on the resolutions of the Board of Directors in accordance with its Articles of Incorporation. In addition, recognizing that returning profits to shareholders is one of the most important objectives of management, the Company's policy is to determine profit distribution based on a comprehensive assessment of various management factors, including periodic earnings, retained earnings, and financial strength. As for the profit allocation during the Medium-term Management Strategy FY2031, the Company will maintain a dividend payout ratio of around 30% from the fiscal year ended March 2024 to the fiscal year ending March 2026. With regard to the acquisition of treasury stock, we will continue to consider it flexibly, taking into account financial discipline factors such as cash flow conditions, stock price, and the net D/E ratio.

Based on this policy, the Company declared a year-end dividend of ¥50 by resolution of the Board of Directors held on May 16, 2025, which, together with the interim dividend of ¥50 resulted in a dividend of ¥100 per share (¥94 for the previous fiscal year) for the current fiscal year.

Below is an overview of the Group's performance by business segment.

●Metals Business

【Operating profit increased due to the depreciation of the yen and a significant increase in copper and gold prices. Ordinary profit also rose due to growth in operating profit and an improvement in equity-method investment profit.】

In the Metals business, net sales and operating profit increased year-on-year, mainly due to the impact of the yen's depreciation and a significant rise in copper and gold prices. Ordinary profit rose due to an increase in operating profit and an improvement in equity-method investment profit, despite a decrease in dividends from mines.

As a result, net sales for the entire Metals business amounted to ¥1,433,633 million, up 38.1% year-on-year. Operating profit increased 134.5% year-on-year to ¥23,138 million and ordinary profit rose by 32.6% year-on-year to ¥41,167 million.

●Advanced Products Business

【Operating profit increased due to the impact of fluctuations in copper prices and exchange rates in the Copper & Copper Alloy business, as well as signs of recovery in demand for certain products in the Electronic Materials & Components business. Ordinary profit was up due to an increase in operating profit.】

Regarding the Advanced Products business, fluctuations in copper prices and foreign exchange rates had an impact on the Copper & Copper Alloy business. Meanwhile, in the Electronic Materials & Components business, there were indications of recovery in demand for certain semiconductor-related products.

As a result, net sales and operating profit grew year-on-year. Ordinary profit rose primarily due to an increase in operating profit.

As a result, net sales for the entire Advanced Products business amounted to ¥510,358 million, increased by 4.4% year-on-year. Operating profit increased by 38.0% year-on-year to ¥5,643 million and ordinary profit rose 73.6% year-on-year to ¥3,156 million.

●Metalworking Solutions Business

【Operating profit decreased due to sluggish demand for automobiles and rising raw material costs. Ordinary profit also fell due to a decline in operating profit and foreign exchange losses.】

In the Metalworking Solutions business, net sales of carbide products, our main products, increased year-on-year due to the depreciation of the yen and the effect of price hikes. However, operating profit declined due to weak demand for automobiles and rising raw material costs. Ordinary profit also decreased due to the decline in operating profit and foreign exchange losses.

As a result, net sales for the entire Metalworking Solutions business amounted to ¥148,804 million, up 6.3% year-on-year. Operating profit decreased 17.7% year-on-year to ¥8,888 million, and ordinary profit was down 30.4% year-on-year to ¥8,537 million.

●Renewable Energy Business

【Operating profit rose as Appi Geothermal Energy Corporation became a consolidated subsidiary in April 2024. Ordinary profit was up due to an increase in operating profit.】

In the Renewable Energy business, net sales and operating profit increased year-on-year, as Appi Geothermal Energy Corporation became a consolidated subsidiary in April 2024. Ordinary profit rose due to an increase in operating profit and growth in equity-method investment profit.

As a result, net sales for the entire Environment & Energy business amounted to ¥8,337 million, up 79.5% year-on-year. Operating profit increased 182.6% year-on-year to ¥2,359 million and ordinary profit grew 204.3% year-on-year to ¥2,609 million.

●**Other Businesses**

【Operating profit declined due to withdrawal from the nuclear power business. As a result, ordinary profit also decreased.】

In other businesses, net sales and operating profit decreased due to the withdrawal from the nuclear power business. Ordinary profit decreased mainly due to a decline in operating profit. As a result, net sales for these businesses amounted to ¥157,670 million, down 1.8% year-on-year. Operating profit decreased 30.1% year-on-year to ¥5,474 million and ordinary profit was down 16.2% year-on-year to ¥18,551 million.

Net sales, operating profit (loss), and ordinary profit (loss) on a consolidated basis by business segment for the fiscal year ended March 2025 are as follows:

| Business Segments | Item | The 99th Fiscal Year (From April 1, 2023 to March 31, 2024) | | The 100th Fiscal Year (From April 1, 2024 to March 31, 2025) | | YoY Change (%) |
|---|------------------|---|----------------------------|--|----------------------------|-------------------|
| | | Amount (Millions of yen) | Percentage of Total (%) | Amount (Millions of yen) | Percentage of Total (%) | |
| Metals | Net sales | 1,038,025 | 67.4 | 1,433,633 | 73.1 | 38.1 |
| | Operating profit | 9,867 | 42.4 | 23,138 | 62.3 | 134.5 |
| | Ordinary profit | 31,046 | 57.4 | 41,167 | 68.3 | 32.6 |
| Advanced Products | Net sales | 488,712 | 31.7 | 510,358 | 26.0 | 4.4 |
| | Operating profit | 4,088 | 17.6 | 5,643 | 15.2 | 38.0 |
| | Ordinary profit | 1,818 | 3.4 | 3,156 | 5.2 | 73.6 |
| Metalworking Solutions | Net sales | 140,034 | 9.1 | 148,804 | 7.6 | 6.3 |
| | Operating profit | 10,802 | 46.4 | 8,888 | 23.9 | (17.7) |
| | Ordinary profit | 12,272 | 22.7 | 8,537 | 14.2 | (30.4) |
| Renewable Energy | Net sales | 4,644 | 0.3 | 8,337 | 0.4 | 79.5 |
| | Operating profit | 834 | 3.6 | 2,359 | 6.4 | 182.6 |
| | Ordinary profit | 857 | 1.6 | 2,609 | 4.3 | 204.3 |
| Other | Net sales | 160,600 | 10.4 | 157,670 | 8.0 | (1.8) |
| | Operating profit | 7,826 | 33.6 | 5,474 | 14.7 | (30.1) |
| | Ordinary profit | 22,131 | 40.9 | 18,551 | 30.8 | (16.2) |
| Elimination and corporate <small>*Note</small> | Net sales | (291,374) | (18.9) | (296,726) | (15.1) | 1.8 |
| | Operating profit | (10,142) | (43.6) | (8,385) | (22.6) | (17.3) |
| | Ordinary profit | (14,023) | (25.9) | (13,786) | (22.9) | (1.7) |
| Total | Net sales | 1,540,642 | 100.0 | 1,962,076 | 100.0 | 27.4 |
| | Operating profit | 23,276 | 100.0 | 37,118 | 100.0 | 59.5 |
| | Ordinary profit | 54,102 | 100.0 | 60,235 | 100.0 | 11.3 |

Note: Net sales, operating profit, and ordinary profit resulting from transactions among business segments are deducted in "Elimination and corporate."

(2) Status of Financing of the Group

The main financing of the Company for the fiscal year under review was through the issuance of common bonds (¥20,000 million), the issuance of commercial paper and bank loans.

The balance of interest-bearing debt at the end of the fiscal year under review decreased ¥10,065 million from the end of the previous fiscal year to ¥593,098 million.

(3) Capital Expenditures of the Group

The Group determines capital expenditure allocations by carefully selecting projects in areas where future earnings and growth are expected while striving to reduce interest-bearing debt.

The total capital expenditure for the fiscal year ended March 2025 was ¥58,878 million, as a result of maintenance and repair work on existing facilities in each business, as well as the expansion and rationalization of production facilities.

Capital expenditures for each business segment for the fiscal year ended March 2025 are as follows:

- Metals Business

In addition to the maintenance and repair of existing facilities in this business in general, the Company strengthened its production facilities.

Capital expenditures in this business segment amounted to ¥19,015 million.

- Advanced Products Business

In addition to maintenance and repair work on existing facilities in this business as a whole, the Group carried out work, etc. to strengthen the production facilities mainly in the Copper & Copper Alloy business.

Capital expenditures in this business segment amounted to ¥18,055 million.

- Metalworking Solutions Business

The Group carried out expansion and optimization work on its facilities, as well as maintenance and repair work on existing facilities.

Capital expenditures in this business segment amounted to ¥12,740 million.

- Renewable Energy Business

The Company conducted maintenance and repair work on existing facilities.

Capital expenditures in this business segment amounted to ¥1,921 million.

- Other Businesses

The Group carried out maintenance and repair work at existing facilities.

Capital expenditures in the other businesses segment amounted to ¥7,145 million.

(4) Changes in the Assets, and Profit and Loss of the Group and the Company

1) Changes in the Assets, and Profit and Loss of the Group (Consolidated)

| | | The 97th Fiscal Year (From April 1, 2021 to March 31, 2022) | The 98th Fiscal Year (From April 1, 2022 to March 31, 2023) | The 99th Fiscal Year (From April 1, 2023 to March 31, 2024) | The 100th Fiscal Year (From April 1, 2024 to March 31, 2025) |
|--|-------------------|--|--|--|---|
| Net sales | (Millions of yen) | 1,811,759 | 1,625,933 | 1,540,642 | 1,962,076 |
| Operating profit | (Millions of yen) | 52,708 | 50,076 | 23,276 | 37,118 |
| Ordinary profit | (Millions of yen) | 76,080 | 25,306 | 54,102 | 60,235 |
| Profit attributable to parent shareholders | (Millions of yen) | 45,015 | 20,330 | 29,793 | 34,076 |
| Profit per share | (Yen) | 344.56 | 155.60 | 228.07 | 260.82 |
| Net assets | (Millions of yen) | 655,752 | 628,875 | 685,623 | 693,276 |
| Net assets per share | (Yen) | 4,476.52 | 4,541.96 | 5,003.75 | 5,183.34 |
| Total assets | (Millions of yen) | 2,125,032 | 1,891,795 | 2,167,628 | 2,375,345 |

2) Changes in the Assets, and Profit and Loss of the Company (Non-consolidated)

| | | The 97th Fiscal Year (From April 1, 2021 to March 31, 2022) | The 98th Fiscal Year (From April 1, 2022 to March 31, 2023) | The 99th Fiscal Year (From April 1, 2023 to March 31, 2024) | The 100th Fiscal Year (From April 1, 2024 to March 31, 2025) |
|-------------------------|-------------------|--|--|--|---|
| Net sales | (Millions of yen) | 1,144,592 | 1,180,998 | 1,188,036 | 1,608,327 |
| Operating profit (loss) | (Millions of yen) | 6,668 | 4,259 | (9,233) | 2,233 |
| Ordinary profit | (Millions of yen) | 25,687 | 24,146 | 19,621 | 13,637 |
| Profit (loss) | (Millions of yen) | 29,797 | 20,376 | 15,162 | (10,667) |
| Profit per share (loss) | (Yen) | 228.07 | 155.95 | 116.07 | (81.65) |
| Net assets | (Millions of yen) | 414,016 | 383,281 | 393,172 | 365,283 |
| Net assets per share | (Yen) | 3,169.06 | 2,934.06 | 3,009.81 | 2,795.70 |
| Total assets | (Millions of yen) | 1,573,837 | 1,471,687 | 1,660,409 | 1,852,792 |

(5) Priorities for the Group

< Medium-term Management Strategy FY2031 >

The future of the global economy is expected to become uncertain due to the impact of U.S. policy trends, including tariff policies, and there are concerns about downturns in the economy and volatility in capital markets. Regarding the Japanese economy, in addition to trends in the global economy, there are also concerns about downward pressure on the economy due to the impact on consumer sentiment resulting from continued price hikes. The business environment surrounding the Group is also expected to remain challenging due to fluctuation in foreign exchange rates, a decline in TC/RC, and changes in demand trends for automobiles and semiconductors.

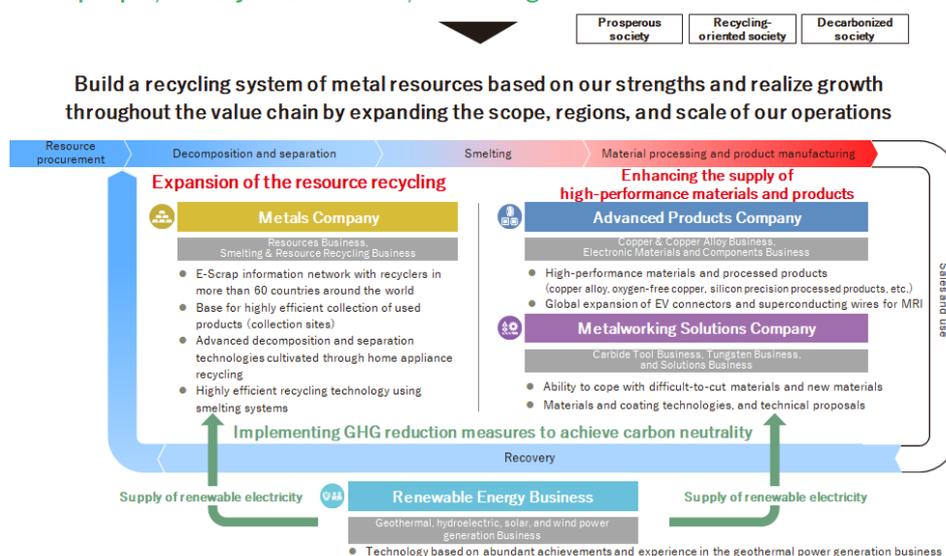
Against this backdrop, the Group will implement various measures based on the Medium-term Management Strategy (hereinafter, "FY2031 Strategy"), which covers the period of the fiscal year ended March 2024 to the fiscal year ending March 2031, in order to increase corporate value. Based on its corporate philosophy of "For People, Society and the Earth," we at the Group have set out our vision of "Circulating resources for a sustainable future" and our mission of "Create a sustainable future (a prosperous, recycling-oriented and decarbonized society). An overview of the FY2031 Strategy is as follows. It should be noted that the external environment assumed at the time of the FY2031 Strategy has changed significantly. To ensure profitability even in the event of a deterioration in the external environment, the Company has embarked on "fundamental structural reforms" and has begun to revise its Medium-term Management Strategy for the fiscal year ending March 2027 and beyond.

1.1) Our Commitment

(a) Our Commitment

The Group has set out “Our Commitment” of “For people, society and the earth, circulating resources for a sustainable future.” The Group will build a recycling system of metal resources based on our strengths and realize growth throughout the value chain by expanding the scope, regions, and scale of our operations.

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



(b) Strategic roadmap

The FY2031 Strategy will be divided into two phases, Phase 1 from the fiscal year ended March 31, 2024, to the fiscal year ending March 31, 2026, and Phase 2 from the fiscal year ending March 31, 2027, to the fiscal year ending March 31, 2031, in order to achieve Our Commitment. In Phase 1, the Company will work improve profit growth and profitability by strengthening cost competitiveness and investing in medium- to long-term growth areas centered on resource recycling.

(c) Financial plans and targets

In the fiscal year ending March 31, 2026, the final year of Phase 1, the Company plans to achieve net sales of ¥1.94 trillion, operating profit of ¥70.0 billion, ordinary profit of ¥87.0 billion, ROIC of 5.5%, ROE of 10.0%, EBITDA of ¥150.0 billion, net D/E ratio of 0.7 times, and net interest-bearing debt/EBITDA ratio of 3.5 times.

(d) Capital allocation

During Phase 1, the Company plans cash outflows of ¥230.0 billion in growth investments, ¥130.0 billion in maintenance and upgrading investments, and ¥60.0 billion in dividends, etc., against a cumulative cash inflow of ¥420.0 billion.

(e) Shareholder returns

Based on the recognition that returning profits to its shareholders is one of the most important management issues, the Company decides profit allocation based on a comprehensive assessment of factors across its management, which include earnings for the period, internal reserves, and financial standing. With regard to the profit allocation during the FY2031 Strategy period, the Company will aim for a dividend payout ratio of around 30%. In addition, the Company will continue to consider flexibly repurchasing its own shares in light of financial discipline such as cash flow conditions, stock prices, and net D/E ratio.

1.2) Efforts to enhance corporate value

(a) Business portfolio management

In Phase 1, the Company will implement measures such as cost reduction and process optimization to increase profitability by improving ROIC.

The Company's management policy for the business portfolio is as follows.

- Optimize allocation of management resources by managing the business portfolio with two axes of growth and profitability
- Evaluate business growth potential by EBITDA growth rate and supplement it by the market growth rate
- Aim to increase economic profit (= ROIC spread × invested capital) while maintaining and improving ROIC spread to improve enterprise value
- Accelerate the improvement of business value by improving efficiency through the integration of the Metals company and the environmental recycling business (smelting and resource recycling)

(b) Investment allocation and profit contribution

Of the total growth investment of ¥560.0 billion in FY2031, the Company plans to invest ¥250.0 billion to contribute to a recycling-oriented society through investments in mines and the tungsten business, etc., ¥280.0 billion to strengthen the competitiveness of the Advanced Products Company and Metalworking Solutions Company, and ¥30.0 billion to contribute to a decarbonized society by strengthening the geothermal power generation business, etc.

The Company's approach to investment allocation is as follows.

- Select investment targets considering the mission suitability, the balance between maintenance and upgrading, and growth investment
- Evaluate returns based on business characteristics and allocate them appropriately among businesses
- Maintain financial discipline with an overall net D/E ratio of 1.0 time or less, while maintaining financial soundness for each business

(c) Strengthening cost competitiveness

Under the FY2031 Strategy, the Company will also work to strengthen cost competitiveness and reduce costs by approximately ¥9.0 billion in Phase 1.

The ratio of accumulated cost reductions to operating profit is expected to be approximately 13% in the fiscal year ending March 2026.

1.3) Business strategy

The target and strategy of each business segment under the FY2031 Strategy are as follows.

• Metals Company

Target: Leader in Resource Recycling of Nonferrous Metals

| | | |
|-------------------|--|---|
| Business strategy | Resources Business | <ul style="list-style-type: none"> ● Promotion of technological development to recover rare metal resources contained in copper deposits ● Acquisition of copper mining interests and securing copper concentrates through continuous investment in mines ● Expansion of electrolytic copper supply through SX-EW(*Note) operations at copper mines |
| | Smelting & Resource Recycling Business | <ul style="list-style-type: none"> ● Strengthening and expanding the networks to promote resource recycling ● Expansion of electrolytic copper production capacity ● Increasing the recycling rate by expanding the treatment of recycled products containing metal resources ● Creation of rare earths and rare metals recycling businesses ● Accelerating business developments in Japan and overseas (E-Scrap, home appliances, automobile recycling) |

*Note: Solvent extraction and electrowinning: A two-step hydrometallurgical process consisting of solvent extraction and electrolysis collection

• Advanced Products Company

Target: Global First Supplier

| | | |
|-------------------|--|---|
| Business strategy | Copper & Copper Alloy Business | <ul style="list-style-type: none"> ● Improve the recycling rate of wrought copper products and establish a scrap platform base ● Overseas (Luvata): Rapid entry into growing markets (xEV, healthcare, and environment) ● Expand sales and strengthen services to overseas customers with establishes a new overseas plant which carries out a downstream process, with the domestic plants as mother ones |
| | Electronic Materials & Components Business | <ul style="list-style-type: none"> ● Highly capital-efficient management through continual restructuring of the business portfolio ● Strategic investment in focused products in growth areas ● Developing and securing human resources for the creation of new businesses and the promotion of business alliances ● Enhancing manufacturing capabilities and DX to enhance production sophistication and profitability ● Providing business and social value (SDGs) for carbon neutrality |

• Metalworking Solutions Company

Target: A Leading Company in Tungsten Products Recognized by Customers Globally

| | | |
|-------------------|---------------------------------|---|
| Business strategy | Metalworking Solutions Business | <p>Transforming into a truly global company with the aim of autonomous business development in strategic markets</p> <p><Carbide tools business></p> <ul style="list-style-type: none"> ● Stable supply of the world's top quality, high-efficiency products utilizing the strength of materials and coating technology <p><Tungsten business></p> <ul style="list-style-type: none"> ● Expansion of business scale for rechargeable batteries in addition to carbide tools, etc. ● Strengthening environmental responsiveness <p><Solution business></p> <ul style="list-style-type: none"> ● Commercialization of solution sales to manufacturing sites |
|-------------------|---------------------------------|---|

• Renewable Energy Business

Target: Expansion of Renewable Power Generation to Achieve 100% Self-sufficiency in Renewable Power Electricity

| | | |
|-------------------|---------------------------|---|
| Business strategy | Renewable Energy Business | <p>Consolidate the renewable energy business in the Strategic Headquarters as a company-wide effort to expand the business from a long-term perspective</p> <ul style="list-style-type: none"> ● New development at one location every three years to expand geothermal business ● New entrants into wind power generation where power generation costs are expected to decline in the future |
|-------------------|---------------------------|---|

1.4) Carbon neutral *Note 1

Of the MMC Group’s greenhouse gas (hereinafter, “GHG”) emissions, we aim to reduce Scope 1 (direct emissions) and Scope 2 (indirect emissions associated with the use of supplied energy) by 47% by the fiscal year ending March 2031 compared to the fiscal year ended March 2021. In addition, including GHG emissions from resource circulation efforts, we aim to achieve carbon neutrality by the fiscal year ending March 2046. We also plan to reduce Scope 3 (emissions from other companies’ activities other than Scope1 and Scope2), specifically in categories 1, 3, and 15 *Note 2 by more than 22% by the fiscal year ending March 2031 compared to the fiscal year ended March 2021. Furthermore, MMC Group aims to achieve 100% self-sufficiency in electricity derived from renewable energy sources by the fiscal year ending March 2051.

*Note 1: The greenhouse gas emission reduction targets were revised in July 2024, and the figures are based on the revised targets.

*Note 2: These categories account for more than 80% of the Group's Scope 3 emissions.

Category 1 : Purchased goods and services

Category 3 : Fuel and energy-related activities not included in Scopes 1 and 2

Category 15 : Investments

1.5) Strengthening management foundation

As described below, the Group will strengthen its initiatives to address issues common to the entire Group and continue to reinforce its management base to enhance corporate value.

| | |
|--------------------------|--|
| Manufacturing strategy | <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● Achieving sustainable enhancement of corporate value through the creation of new products, technologies, and businesses |
| Human resources strategy | <ul style="list-style-type: none"> ● Maximizing the value of human resources and creating an organization dedicated to winning ● Building a foundation for co-creation and growth |
| DX strategy | <ul style="list-style-type: none"> ● Use data and digital technology to promote the three pillars of improving business added-value, operational competitiveness, and management speed More than two years have passed since MMDX was launched, and in order to strengthen manufacturing and steadily implement conventional themes, MMDX has reorganized its themes, strengthened its structure, etc., and has entered a new phase as MMDX 2.0 |
| IT strategy | <ul style="list-style-type: none"> ● To realize the MMC Group IT WAY, promote IT modernization to support business from the viewpoint of data utilization, work style, and security ● Investing on a scale of ¥10 billion, IT cost in FY2031 is 1.0% or less of the sales |

<Material Issues (Materiality)>

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 have identified material issues, which are important social issues that we aim to resolve through our corporate activities.

In formulating the FY2031 Strategy, we identified issues from various perspectives and organized material issues into two axes: importance to each stakeholder and importance in light of the Group's Our Commitment. Thereafter, we re-established the key themes for each material issue and the nature and objectives of initiatives for each key theme.

We at the Company 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 “Pursuing 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 at the time of preparation of this report 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 |
| 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 | Prevention of occupational accidents |
| | Creating mentally and physically pleasant workplace |
| | Prevention of infectious diseases |
| | Reinforcing compliance |
| | Enhancing internal control through group governance |
| | Enhancement of corporate governance |
| | Preventing leakage of harmful substances outside the site and eliminating environmental law violations |
| 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 |

*Safety & health (Safety & health come first), Compliance & environment (Compliance & environment to ensure fair activities), Quality (Quality of products and services provided to our “customers”)

The Group intends to promote value creation through the implementation of the above measures by concentrating the collective strength of the Group, and ask for the continued support and cooperation of the Group’s shareholders.

(6) Major Business Activities of the Group (as of March 31, 2025)

The Group is mainly engaged in smelting and sales of copper, gold, silver, lead, tin, palladium, etc., environmental recycling, manufacturing and sales of copper semi& finished products, electronic materials and components, etc., manufacturing and sales of cemented carbide products, etc., and businesses related to renewable energy. The major products and services of each business segment are as follows:

| Business Segments | Major Products, etc. |
|-----------------------------------|---|
| Metals | Copper, gold, silver, lead, tin, sulfuric acid, palladium, home appliance recycling, etc. |
| Advanced Products | Copper & copper alloy products (copper cakes, billets, copper alloy products, copper wire rods, etc.), electronic materials and components (functional materials, chemical products, electronic devices, sealing products etc.), etc. |
| Metalworking Solutions | Cemented carbide products (cemented carbide tools, cemented carbide alloy, etc.), etc. |
| Renewable Energy ^{*Note} | Geothermal, hydroelectric, and solar power generation |
| Other | Cement business, real estate management, forestry, engineering, etc. |

Note: As of September 30, 2024, the Company transferred all of its shares of New Energy Fujimino Co., Ltd. to Terrarem Group Co., Ltd. As a result, the biogas power generation business was transferred from the Group's business as of the same date.

(7) The Group's Major Plants and Business Offices (as of March 31, 2025)

1) The Company

| | | |
|-----------------------------|---|---|
| Head Office | Marunouchi, 3-2-3, Chiyoda-ku, Tokyo | |
| Plants, etc. | Metals | Naoshima Smelter & Refinery (Kagawa), Ikuno Plant (Hyogo) |
| | Advanced Products | Wakamatsu Plant (Fukushima), Ceramics Plant (Saitama), Sakai Plant (Osaka), Sambo Plant (Osaka), Sanda Plant (Hyogo) |
| | Metalworking Solutions | Tsukuba Plant (Ibaraki), Gifu Plant, Akashi Plant (Hyogo) |
| | Other | Akita Refinery, Saitama Property Management Office, Energy Project & Technology Center (Saitama) ^{*Note 1} , Fuji-Oyama Plant (Shizuoka) |
| Branches ^{*Note 2} | — | |
| R&D Centers | Innovation Center (Ibaraki) | |
| Overseas Offices | Vancouver Office (Canada), London Office (United Kingdom) | |

Note 1: Due to the organizational change effective April 1, 2025, the Energy Project & Technology Center was abolished.

Note 2: Effective September 30, 2024, the Osaka Regional Head Office was abolished.

2) Main Subsidiaries

| Business Segments | Company Name ^{*Note 1} |
|---------------------------|---|
| Metals ^{*Note 2} | Onahama Smelting & Refining Co., Ltd. (Fukushima), Hosokura Metal Mining Co., Ltd. (Miyagi), Materials Eco-Refining Co., Ltd. (Tokyo) ^{*Note 3} |
| Advanced Products | Sambo Metals Corp. (Osaka), Mitsubishi Materials Electronic Chemicals Co., Ltd. (Akita), Luvata Oy (Finland) |
| Metalworking Solutions | H.C. Starck Holding (Germany) GmbH ^{*Note 4} , MMC Hartmetall GmbH (Germany), Mitsubishi Materials U.S.A. Corporation (U.S.), MOLDINO Tool Engineering Ltd. (Tokyo) |
| Renewable Energy | Appi Geothermal Energy Corporation (Iwate) ^{*Note 5} , Hachimantai Green Energy Co., Ltd. (Akita) |
| Other | Mitsubishi Materials IT Solutions Co., Ltd. (Saitama), Mitsubishi Materials Techno Corporation (Tokyo), Mitsubishi Materials Trading Corporation (Tokyo), Mitsubishi Materials Europe B.V. (The Netherlands) ^{*Note 6} |

Note 1: Figures in parentheses after “Company Name” in the table indicate the location of headquarters for domestic subsidiaries and the country of headquarters for overseas subsidiaries.

Note 2: As of June 30, 2024, PT. Smelting was transferred from a consolidated subsidiary of our company to an equity-method affiliate due to a decrease in our company’s equity ratio as a result of a third-party allotment of shares.

Note 3: As of April 1, 2025, the business of Materials Eco-Refining Co., Ltd. was transferred to Mitsubishi Materials Trading Corporation and two other companies through an absorption-type company split.

Note 4: On December 17, 2024, the Company acquired all of the shares of H.C. Starck Holding (Germany) GmbH.

Note 5: On April 1, 2024, the Company made Appi Geothermal Energy Corporation, a consolidated subsidiary.

Note 6: As of September 1, 2024, the Company expanded and reorganized the functions of MM Netherlands B.V., a 100% subsidiary of the Company, and established Mitsubishi Materials Europe B.V.

(8) Employees of the Group and the Company (as of March 31, 2025)

1) Employees of the Group (Consolidated)

| Business Segments | Number of Employees (persons) ^{*Note 1} |
|---|--|
| Metals ^{*Note 2} | 2,090 (decreased by 325) |
| Advanced Products | 6,325 (decreased by 19) |
| Metalworking Solutions ^{*Note 3} | 7,269 (increased by 634) |
| Renewable Energy | 113 (0) |
| Other | 1,737 (decreased by 108) |
| All Companies (Common) ^{*Note 4} | 918 (decreased by 53) |
| Total | 18,452 (increased by 129) |

Note 1: The figures within parentheses in the “Number of Employees” section of the table show the increase or decrease from the end of the previous fiscal year.

Note 2: As of June 30, 2024, the number of employees in the Metals business decreased because PT. Smelting was excluded from the scope of consolidation due to a reduction in its equity interest in the Company resulting from a third-party allotment of shares.

Note 3: As of December 17, 2024, the number of employees in the Metalworking Solutions business increased due to the acquisition of shares in H.C. Starck Holding (Germany) GmbH and 12 other companies.

Note 4: The number of employees listed for all companies (common) refers to those belonging to administrative divisions that cannot be classified into specific business segments.

2) Employees of the Company (Non-consolidated)

| Number of Employees (persons) | YoY Change (persons) | Average Age (years old) | Average Years of Employment (years) |
|-------------------------------|----------------------|-------------------------|-------------------------------------|
| 5,315 | Decreased by 93 | 43.2 | 18.5 |

(9) Major Subsidiaries and Affiliates (as of March 31, 2025)**1) Major Subsidiaries**

| Company Name | Capital | Percentage of Ownership (including indirect ownership) (%) | Main Business Activities |
|---|---------------------------------|--|--|
| Appi Geothermal Energy Corporation ^{*Note 1} | ¥100 million | 51.0 | Operation for geothermal power generation |
| H.C.Starck Holding (Germany) GmbH ^{*Note 2} | €25 thousand | 100.0 | Manufacture and sales of tungsten products |
| MMC Hartmetall GmbH | €3 million ^{*Note 3} | 100.0 | Sales of cemented carbide tools |
| Onahama Smelting & Refining Co., Ltd. | ¥6,999 million | 100.0 | Smelting on consignment of copper concentrate |
| Mitsubishi Materials U.S.A. Co., Ltd. | \$7 million ^{*Note 3} | 100.0 | Sales of cemented carbide tools |
| Materials Eco-Refining Co., Ltd. ^{*Note 4} | ¥400 million | 100.0 | Sales of contract smelting and scrap materials for non-ferrous metals |
| Mitsubishi Cable Industries, Ltd. | ¥8,000 million | 100.0 | Production and sale of sealing products |
| Mitsubishi Materials Techno Corporation | ¥1,042 million | 100.0 | Contracting for facility construction, civil engineering and construction, production and sale of industrial machinery |
| Mitsubishi Materials Trading Corporation | ¥393 million | 100.0 | Sale of the Company's products and other non-ferrous metal products |
| Mitsubishi Materials Europe B.V. ^{*Note 5} | \$47 million ^{*Note 3} | 100.0 | Recycling design business, resources business, tungsten business |
| MOLDINO Tool Engineering, Ltd. | ¥1,455 million | 100.0 | Production and sales of cemented carbide tools |
| Luvata Oy | €160 million ^{*Note 3} | 100.0 | Production and sales of copper and fabricated products |

Note 1: As of April 1, 2024, the Company made Appi Geothermal Co., Ltd. a consolidated subsidiary.

Note 2: As of December 17, 2024, the Company acquired all shares of H.C. Starck Holding (Germany) GmbH.

Note 3: Paid-in capital is shown.

Note 4: Effective April 1, 2025, the business of Materials Eco-Refining Co., Ltd. was transferred to Mitsubishi Materials Trading Corporation and two other companies through an absorption-type company split.

Note 5: Effective September 1, 2024, the Company established Mitsubishi Materials Europe B.V., by expanding and reorganizing the functions of MM Netherlands B.V.

2) Major Affiliates

| Name of the Company | Capital | Percentage of Ownership (including indirect ownership) (%) | Main Business Activities |
|--|----------------------------------|--|---|
| PT. Smelting ^{*Note 1} | \$579 million ^{*Note 2} | 34.0 | Production and sale of copper cathodes in Indonesia |
| LM Sun Power Co., Ltd. | ¥495 million | 50.0 | Operation of solar power generation |
| Green Cycle Corporation | ¥350 million | 16.4 | Recycling of home appliances and other products |
| Mantoverde S.A. | \$518 million ^{*Note 2} | 30.0 | Operation of the Mantoverde copper mine |
| Yuzawa Geothermal Power Generation Corporation | ¥3,802 million | 30.0 | Operation of geothermal power generation |
| Mitsubishi UBE Cement Corporation | ¥50,250 million | 50.0 | Cement business and ready-mixed concrete business, etc. |

Note 1: Effective June 30, 2024, PT. Smelting was transferred from a consolidated subsidiary in our company to an equity-method affiliate due to a decrease in its equity in our company as a result of a third-party allotment of shares.

Note 2: Paid-in capital is shown.

(10) Acquisition or Disposition of Shares and Other Equity Interests or Stock Acquisition Rights of Other Companies

The Company reached an agreement with Masan High-Tech Materials Corporation (hereinafter, “MHT”) to acquire all shares of H.C. Starck Holding GmbH, a company engaged in the tungsten business (hereinafter, “Acquisition”). Additionally, at a meeting of the Board of Directors held on May 29, 2024, the Company resolved to conclude a definitive agreement for the Acquisition with Masan Tungsten Limited Liability Company, a group company of MHT, and concluded the definitive agreement on the same day. The Acquisition was completed on December 17, 2024, through Mitsubishi Materials Europe B.V. (a wholly owned consolidated subsidiary of the Company, formerly MM Netherlands B.V.).

(11) The Group's Major Lenders (as of March 31, 2025)

| Lender | Borrowing Amount (Millions of yen) | Company Shares held by the Lender | |
|--------------------------------|------------------------------------|---|---|
| | | Number of Shares Held (Thousand shares) | Percentage of Shareholding (%) ^{*Note} |
| MUFG Bank, Ltd. | 124,393 | — | — |
| Mizuho Bank, Ltd. | 87,733 | — | — |
| The Norinchukin Bank | 43,007 | — | — |
| Development Bank of Japan Inc. | 34,384 | — | — |
| The Hachijuni Bank, Ltd. | 26,142 | 207 | 0.2 |

Note: Percentages of shareholding were calculated after deducting treasury shares (646,000 shares)

(12) Important Matters Concerning the Current Status of Other Corporate Groups

The Company reached an agreement with PT Freeport Indonesia (hereinafter, "PTFI") regarding our consolidated subsidiary, PT. Smelting (hereinafter, "PTS") on the following matters.

- To expand PTS's copper concentrate processing capacity (hereinafter, "Expansion Work").
- For PTS to receive a loan from PTFI, a joint investment partner, covering all costs associated with the Expansion Work, with the loan amount will be converted into new shares of PTS (capital increase) based on the book value net asset method on the condition that the Expansion Work is completed.
- Change the operating method of PTS to a method in which the smelting of copper concentrate is commissioned from PTFI from 2023 onwards (contract smelting).

The Board of Directors meeting held on November 25, 2021, resolved to conclude a relevant contract with PTFI, and the relevant contract was concluded with PTFI on November 30, 2021. Effective June 30, 2024, PTS has changed from a consolidated subsidiary to an equity-method affiliate of the Company due to a decrease in its shareholding ratio following the completion of the capital increase through third-party allotment to PTFI.

2. Matters Related to Shares (as of March 31, 2025)

(1) Total number of authorized shares: 340,000,000 (No change from the previous fiscal year-end)

(2) Total number of issued shares: 131,489,535 (No change from the previous fiscal year-end)

(3) Number of shareholders: 138,557 (Up 28,103 from the previous fiscal year-end)

*This includes 97,042 shareholders with voting rights (Up 17,763 from the previous fiscal year-end).

(4) Major Shareholders

| Name of shareholder | Number of shares held (Thousand shares) | Percentage of shareholding (%) *Note |
|---|--|--|
| The Master Trust Bank of Japan, Ltd. (Trust account) | 24,351 | 18.6 |
| Custody Bank of Japan, Ltd. (Trust account) | 7,638 | 5.8 |
| NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 7,483 | 5.7 |
| NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS | 3,868 | 3.0 |
| BNYM AS AGT/CLTS NON TREATY JASDEC | 3,247 | 2.5 |
| Meiji Yasuda Life Insurance Company | 3,101 | 2.4 |
| NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT | 3,013 | 2.3 |
| NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT | 2,312 | 1.8 |
| NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT | 1,905 | 1.5 |
| Nippon Life Insurance Company | 1,673 | 1.3 |

Note: Percentages of shareholding were calculated after deducting treasury shares (646,400 shares).

(5) Status of shares issued to the Company's directors during the fiscal year under review as compensation for the execution of their duties

| | Type and number of shares *Note 1 | Number of grantees *Note 2 |
|--------------------|--|----------------------------|
| Executive Officers | The Company's common stock 22,663 shares | 2 |

Note 1: The Company adopts a system called the Board Incentive Plan (BIP) trust for directors' remuneration. Under this system, points are accumulated during the trust period in accordance with the Executive Officer's position in each fiscal year, and shares of the Company's common stock equivalent to 70% of the accumulated points (rounding down for shares less than one unit) and cash equivalent to the conversion price of the Company's common stock corresponding to the remaining accumulated points are delivered and paid as Executive Officer's remuneration after the Executive Officers retire. The shares that have been delivered in cash as a result of the said conversion of our common stock are also included in the number of shares in the above table.

Note 2: The "Number of grantees" indicates the number of persons who retired as Executive Officers by the end of the previous fiscal year and who received share grants during the current fiscal year by satisfying the conditions for share grants.

3. Information on the Company's Executives

(1) Directors and Executive Officers

(i) Directors (as of March 31, 2025)

| Title | Name | Responsibility | Significant Positions at Other Organizations |
|--|----------------------------------|---|---|
| Director, Chairman, Chair of the Board | Akira Takeuchi | Member of the Audit Committee | |
| Director | Hikaru Sugi *Note 1,2 | Member of the Nomination Committee Member of the Remuneration Committee (Chair) | |
| Director | Tatsuo Wakabayashi *Note 1,2 | Member of the Nomination Committee (Chair) Member of the Remuneration Committee | Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation *Note 3 Outside Director, Mitsubishi Logistics Corporation *Note 4 |
| Director | Koji Igarashi *Note 1,2 | Member of the Nomination Committee Member of the Sustainability Committee (Chair) | |
| Director | Kazuhiko Takeda *Note 1,2,5,6 | Member of the Nomination Committee Member of the Audit Committee (Chair) | |
| Director | Rikako Beppu *Note 1,2,7 | Member of the Nomination Committee Member of the Audit Committee Member of the Remuneration Committee | Counsel, Squire Patton Boggs, Tokyo (Foreign Law Joint Enterprise) *Note 8 Audit & Supervisory Board Member (Outside), Toyota Tsusho Corporation *Note 9 |
| Director | Hatsunori Kiriyaama *Note 1,2 | Member of the Audit Committee Member of the Sustainability Committee | Representative Director and CEO, forGL Co., Ltd. *Note 10 Outside Director, Calbee, Inc. *Note 11 |
| Director | Nozomi Sagara *Note 1,2 | Member of the Audit Committee Member of the Sustainability Committee | |
| Director | Naoki Ono *Note 12 | Member of the Sustainability Committee | |
| Director | Nobuhiro Takayanagi *Note 12 | | |
| Director | Makoto Shibata *Note 12 | | |

Note 1: Directors Hikaru Sugi, Tatsuo Wakabayashi, Koji Igarashi, Kazuhiko Takeda, Rikako Beppu, Hatsunori Kiriyaama, and Nozomi Sagara are Outside Directors as defined in Article 2, Paragraph 15 of the Companies Act.

Note 2: The Company has notified Tokyo Stock Exchange that Directors Hikaru Sugi, Tatsuo Wakabayashi, Koji Igarashi, Kazuhiko Takeda, Rikako Beppu, Hatsunori Kiriyaama, and Nozomi Sagara Independent Directors (Outside Directors who are not likely to cause conflicts of interest with general shareholders) respectively, in accordance with the regulations of Tokyo Stock Exchange, Inc.

Note 3: The Company has a business relationship with Mitsubishi UFJ Trust and Banking Corporation, concerning stock transfer agency services, etc., but the amount of such transactions is less than 1% of the respective consolidated net sales of the Company and Mitsubishi UFJ Trust and Banking Corporation. Moreover, the Company has no borrower-lender relationship with Mitsubishi UFJ Trust and Banking Corporation.

Note 4: The Company has a business relationship with Mitsubishi Logistics Corporation including consignment of transportation, etc. However, the transaction amount is less than 1% of the respective consolidated net sales of the Company and Mitsubishi Logistics Corporation.

Note 5: Kazuhiko Takeda, Chair of the Audit Committee, has experience as a Chief Financial Officer (CFO) in a major subsidiary of a listed company and possesses considerable expertise in finance and accounting.

Note 6: Director Kazuhiko Takeda is a full-time member of the Audit Committee. The Company has assigned full-time members of the Audit Committee in order to improve the effectiveness of audits conducted by the Audit Committee. In addition, the Audit Committee Office has been established as an organization to support the duties of the Audit Committee. Furthermore, the department in charge of internal auditing and the accounting auditor report the results of audits and the status of improvements to the Audit Committee to ensure the effectiveness of audits by the Audit Committee.

Note 7: Rikako Beppu's name in the family register is Rikako Okiura.

Note 8: The Company does not have a business relationship with Squire Patton Boggs Tokyo (Foreign Law Joint Enterprise).

Note 9: The Company has a business relationship with Toyota Tsusho Corporation, including the sale of products, but the amount of transactions is less than 3% of the respective consolidated net sales of the Company and less than 1% of the Toyota Tsusho Corporation's consolidated net sales.

Note 10: The Company does not have a business relationship with forGL. Co., Ltd.

Note 11: The Company does not have a business relationship with Calbee, Inc.

Note 12: Directors Naoki Ono, Nobuhiro Takayanagi and Makoto Shibata concurrently serve as Executive Officers. Directors Naoki Ono and Makoto Shibata retired as Executive Officer on March 31, 2025.

As of April 1, 2025, the following Directors have changed their positions as follows.

| Title | Name | Responsibility | Significant Positions at Other Organizations |
|---|----------------|--|--|
| Executive Advisor, Non-Executive Director | Akira Takeuchi | Member of the Audit Committee | |
| Chair of the Board | Naoki Ono | Member of the Sustainability Committee | |

(ii) Executive Officers (as of March 31, 2025)

| Title | Name | Responsibility | Significant Positions at Other Organizations |
|---|--------------------------------|---|--|
| Chief Executive Officer (Representative Executive Officer) | Naoki Ono *Note 1,2,3 | CEO *Note 4, Responsible for General Operation of the Company, Internal Audit, Renewable Energy business, Energy Project & Technology Center | |
| Managing Executive Officer | Tetsuya Tanaka | CSuO *Note 5, Responsible for Business Process Management, Safety, Environment & Quality, Environmental Stewardship Center, Sustainable Development, Legal & Compliance | |
| Managing Executive Officer | Nobuhiro Takayanagi *Note 1 | CFO *Note 6, Responsible for Accounting & Finance, Management Strategy, Procurement & Logistics, Corporate Communications, Mitsubishi Materials Europe B.V. | |
| Managing Executive Officer | Makiko Nogawa *Note 7 | CHRO *Note 8, Responsible for Human Resources & Organizational Development, Human Resources & Labor Administration, HRBP, General Affairs, Secretary | |
| Managing Executive Officer (Representative Executive Officer) | Makoto Shibata *Note 1,2,3 | CTO *Note 9, Responsible for Monozukuri and R&D Strategy, DX Promotion, System Strategy | |
| Managing Executive Officer | Katsuyoshi Isaji *Note 3 | President, Metals Company | |
| Managing Executive Officer | Toshinori Ishii | President, Advanced Products Company | |
| Managing Executive Officer | Kazuo Ohara | President, Metalworking Solutions Company | |

Note 1: Executive Officers Naoki Ono, Nobuhiro Takayanagi and Makoto Shibata concurrently serve as Directors.

Note 2: Managing Executive Officer Naoki Ono and Makoto Shibata retired as Representative Executive Officer on March 31, 2025.

Note 3: Managing Executive Officer Naoki Ono, Makoto Shibata and Katsuyoshi Isaji retired as Managing Executive Officer on March 31, 2025.

Note 4: CEO is an abbreviation for Chief Executive Officer.

Note 5: CSuO is an abbreviation for Chief Sustainability Officer.

Note 6: CFO is an abbreviation for Chief Financial Officer.

Note 7: Makiko Nogawa's name in the family register is Makiko Mori.

Note 8: CHRO is an abbreviation for Chief Human Resources Officer.

Note 9: CTO is an abbreviation for Chief Technical Officer.

As of April 1, 2025, the following Executive Officers have been given new titles or responsibilities as shown below.

| Title | Name | Responsibility | Significant Positions at Other Organizations |
|--|---------------------|---|--|
| Managing Executive Officer (Representative Executive Officer) | Tetsuya Tanaka | CEO Responsible for General Operation of the Company, Internal Audit, Sustainability Promotion ^{*Note 1} , Environmental Stewardship Center, Mitsubishi Materials Europe B.V. | |
| Managing Executive Officer [Newly appointed] | Kayo Hirano | CFO Responsibilities of the CFO ^{*Note 2} , Responsible for Procurement & Logistics | |
| Managing Executive Officer | Makiko Nogawa | CHRO Responsibilities of the CHRO ^{*Note 3} , Responsible for General Affairs, Corporate Communications, Legal & Compliance, Business Transformation | |
| Managing Executive Officer | Toshinori Ishii | CTO Responsibilities of the CTO ^{*Note 4} , Responsible for Renewable Energy Business | |
| Managing Executive Officer (Representative Executive Officer) | Nobuhiro Takayanagi | President, Metals Company | |
| Managing Executive Officer [Newly appointed] | Zhang Shoubin | President, Advanced Products Company | |

Note 1: Sustainability Promotion: Sustainability Management (including Safety, Environment & Quality, Sustainable Development, Environmental Stewardship Center)

Note 2: Responsibilities of the CFO: Accounting, Finance, Financial Controlling, Investor Relations

Note 3: Responsibilities of the CHRO: Global Human Resources, Human Resources & Industrial Relations

Note 4: Responsibilities of the CTO: Monozukuri and R&D Strategy, DX Promotion, System Strategy

(2) Outline of the Content of Limited Liability Agreement

The provisions of the Articles of Incorporation allow the Company to execute with Directors (excluding those who are Executive Directors, etc.) agreements limiting liability for damages in accordance with Article 427, Paragraph 1 of the Companies Act. In accordance with the provisions, the Company has concluded limited liability agreements with all of the Non-Executive Directors. An outline of the agreements is as follows:

With respect to liability as described in Article 423, Paragraph 1 of the Companies Act, if Directors (excluding those who are Executive Directors, etc.) perform their duties in good faith and without gross negligence, the Directors shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Companies Act. The Company shall indemnify the Directors for damages in excess of the amount of the liability.

(3) Summary of Contents of Directors' and Officers' Liability Insurance Policy, etc.

The Company has included Directors, Executive Officers, Corporate Auditors, and Operating Officers of the Company and some of its subsidiaries as insured parties under the Directors' and Officers' Liability Insurance Policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the premiums are fully borne by the Company and the subsidiaries.

The insurance policy covers damages and litigation expenses that may arise from the insured being held liable for the performance of his/her duties or from claims related to the pursuit of such liability. However, the policy does not cover damages resulting from the insured's criminal acts or willful violations of laws and regulations, nor does it cover damages that fall under any of the exclusions set forth in the insurance policy.

(4) Amount of Remuneration, etc. for Directors and Executive Officers

| Classification of Officers | Total Amount of Remuneration, etc. (Millions of yen) | Type of Remuneration, etc. | | | | | |
|---|--|---------------------------------------|--|--|---|---|---|
| | | Monetary Remuneration | | | | Non-monetary Remuneration | |
| | | Basic Remuneration ^{*Note 2} | | Bonus ^{*Note 4} (Performance-linked Remuneration) | | Stock-based Compensation ^{*Note 5} | |
| | | Total Amount (Millions of yen) | Number of Eligible Recipients (Number of Persons) ^{*Note 3} | Total Amount (Millions of yen) | Number of Eligible Recipients (Number of Persons) | Total Amount (Millions of yen) | Number of Eligible Recipients (Number of Persons) |
| Directors ^{*Note 1} (Outside Directors) | 219 (130) | 219 (130) | 10 (9) | — | — | — | — |
| Executive Officers ^{*Note 1} | 372 | 281 | 8 | — | — | 90 | 8 |

Note 1: The total amount of remuneration, etc. paid to those who concurrently serve as Directors and Executive Officers and the number of persons covered by such remuneration, etc. are shown in the column for Executive Officers.

Note 2: Since July 2024, the Company has paid the chair's allowance to Directors who chair the Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee. The above basic remuneration for Outside Directors includes this chair's allowance.

Note 3: As of the end of the fiscal year ended March 2024, the Company has 11 Directors and eight (8) Executive Officers. The number of Directors mentioned above includes two (2) Directors (including two (2) Outside Directors) who retired during the current fiscal year.

Note 4: During the current fiscal year (ended June 2024), a total of ¥76 million in bonuses was paid to the nine (9) Executive Officers who were in office at the end of the previous fiscal year, based on the performance evaluation and non-financial evaluation covering the previous fiscal year.

The calculation method, performance indicators used, and actual performance of performance-linked remuneration for the previous fiscal year are as described below in "Calculation Method and Performance Indicators Used in Calculating Performance-Linked Remuneration for the Previous Fiscal Year and Actual Performance." The performance-linked remuneration for the period covered by the current fiscal year is scheduled to be paid in June 2025 in accordance with "(5) Policy etc. on Determining of Remuneration for Officers" below. However, the total amount and the number of eligible individuals have not yet been finalized at the time of preparing this report.

Note 5: 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. An outline of the remuneration system for Directors and Executive Officers is as described in "(5) Policy etc. on Determining of Remuneration for Officers."

[Calculation Method and Performance Indicators Used in Calculating Performance-Linked Remuneration for the Previous Fiscal Year and Actual Performance]

Bonuses (performance-linked remuneration) paid in the current fiscal year are calculated based on performance evaluation and non-financial evaluation covering the previous fiscal year. The calculation method and performance indicators used in the calculation and their actual results are as follows:

<Method of calculation and performance indicators used in the calculation, as well as their actual results >

The annual bonus shall be determined based on the consolidated operating profit, relative comparison of TSR (Total Shareholder Return: calculation method is described below), 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】

- (i) Consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), based on which the earning capacity of one's main job is measured:
The evaluation of consolidated operating profit (evaluation coefficient) is multiplied by an adjustment factor based on the consolidated operating profit growth rate compared with other companies to enhance awareness of the need for growth greater than market growth (relative comparison with six domestic nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies in Japan)
- (ii) Relative comparison of TSR (relative comparison with six domestic nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies in Japan)
- (iii) Non-financial evaluation that evaluates 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 Human Rights
3. Promote Diversity 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】

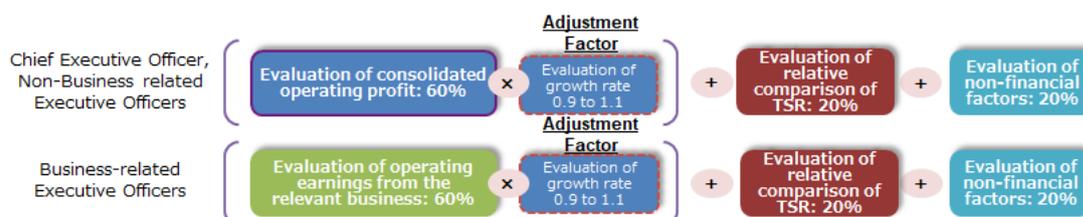
By deeming the amount payable for achievement of the target (Base Annual Bonus) as 100%, the amount for each individual shall be calculated by using the following calculation formula:

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 approximately 200% based on performance.

【Evaluation Weight】

The basic 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 evaluation (or, in the case of an Executive Officer in charge of business activities, operating profit from the relevant business sector), relative TSR comparison and non-financial factors, respectively.



【Target of Performance Evaluation Indicators for Annual Bonus】

With regard to the target of consolidated operating profit for the annual bonuses, in principle, the consolidated operating profit plan for the current fiscal year in the Medium-term Management Strategy shall be applied (for the operating profit of the business in charge, the consolidated operating profit plan pertaining to the business in charge shall be used).

The following are the target and actual values of performance-linked indicators for bonuses paid in the current fiscal year:

| Evaluation criteria | | Target value | Actual value |
|---|---------------------------------|---------------|---------------|
| Operating profit | Consolidated | ¥50.0 billion | ¥23.2 billion |
| | Metals Business | ¥21.8 billion | ¥9.8 billion |
| | Advanced Products Business | ¥15.5 billion | ¥4.0 billion |
| | Metalworking Solutions Business | ¥14.3 billion | ¥10.8 billion |
| Consolidated operating profit growth rate | | – | (53.52%) |
| TSR | | – | 134% |

(5) Policy etc. on Determining of Remuneration for Officers

* The Company has partially revised the remuneration system for Directors, and since July 2024, the chair’s allowance has been paid to Directors who serve as Chairs of the Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee.

<Remuneration System for Directors and Executive Officers>

With the aim of creating an attractive remuneration system for outstanding management personnel 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 (hereinafter, “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) As for the remuneration for Executive Officers, 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. As for the remuneration for Directors (excluding those who concurrently hold the posts of Director and Executive Officer), 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 Chairs of the Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee shall be paid an allowance in addition to their basic remuneration in consideration of their responsibilities.

- (4) An annual bonus shall be determined with the emphasis on the performance in each fiscal year, while appropriately evaluating the relative results of Total Shareholder Return (TSR)* and the status of each Executive Officer's implementation of medium- to long-term management strategies, etc.

$$* \text{TSR} = \frac{\text{Average closing price of the stock on each day in March of the current year} + \text{Total amount of dividends per share in the current fiscal year}}{\text{Average closing price of the stock on each day in March of the previous year}}$$

- (5) A medium- to long-term incentive shall be stock-based compensation that enables Officers to share awareness of the need for 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 on and determined by the Remuneration Committee composed of a majority of Independent Outside Directors.
- (7) Necessary information shall be disclosed actively so that stakeholders including shareholders can monitor the relationship between performance, etc. and remuneration.

2. Remuneration System for Officers

- (1) Directors (excluding those who concurrently hold the posts of Director and Executive Officer)
The remuneration system for Directors shall be, in principle, only basic remuneration paid in cash. However, Directors who serve as Chairs of the Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee shall be paid an allowance in addition to their basic remuneration in consideration of their responsibilities. The amount shall be determined by taking into consideration an individual Director's job position, whether he/she is a full-time/part-time Director, etc. and referring 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" (Note. In the case where the annual bonus payment rate is 100%) as to 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.

Further, 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】

- (i) Consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating profit from the relevant business sector), based on which the earning capacity of one's main job is measured: to be multiplied by an adjustment factor based on the consolidated operating profit evaluation (evaluation factor) compared with other companies to enhance awareness of the need for growth greater than market growth (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies)
- (ii) Relative comparison of TSR (relative comparison with domestic six nonferrous metal companies and the companies chosen mainly among domestic similar-sized manufacturing companies)
- (iii) Non-financial evaluation that evaluates 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 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】

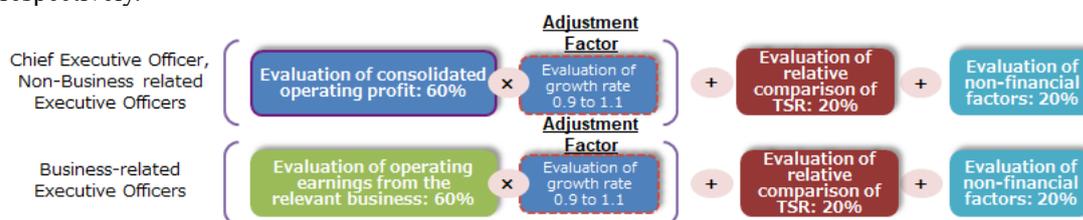
By deeming the amount payable for achievement of the target (Base Annual Bonus) as 100%, the amount for each individual shall be calculated by using the following calculation formula:

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 approximately 200% based on a performance.

【Evaluation Weight】

The basic 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 evaluation (or, in the case of an Executive Officer in charge of business activities, operating profit from the relevant business sector), relative TSR comparison and non-financial factors, respectively.



【Target of consolidated operating profit for annual bonus】

With regard to the target of consolidated operating profit for annual bonuses, in principle, consolidated operating profit for the current period planned in the Medium-term Management Strategy shall be applied (For operating profit of the business for which the Officer is responsible, planned consolidated operating profit 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 (hereinafter, "the Company's Stock, etc.") from the realization of the Company's shares shall be granted 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 Stock, etc. During the trust period, it is an incentive plan to 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 fiscal years including the current fiscal year (from the fiscal year ended March 2024 to the fiscal year ending March 2026) shall be 140,000 points in total.

<Request for restitution of compensation (malus 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, 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.

The Remuneration Committee has determined that the individual remuneration, etc., for each Director and Executive Officer in the fiscal year under review aligns with the policy for determining Director and Executive remuneration, as it was determined according to the established remuneration structure based on the policy.

Note: Since April 2025, an allowance will be provided to Directors who serve as the Chair of the Board. The revised content is available on the Company website below.

<https://www.mmc.co.jp/corporate/en/company/governance.html>

(6) Major Activities of Outside Directors

| Classification | Name | Attendance at Meetings of the Board of Directors, etc. Held during the Fiscal Year Ended March 2025*Note | Major Activities and Summary of Duties Performed in Relation to the Role Expected to Outside Directors |
|----------------|--------------------|---|---|
| Director | Hikaru Sugi | <p>Board of Directors 19/19 (100%)</p> <p>Nomination Committee 16/16 (100%)</p> <p>Remuneration Committee 11/11 (100%)</p> <p>Sustainability Committee 3/3 (100%)</p> | <p>Through his extensive experience as a leader of a globally operating manufacturer, he has gained a wealth of technical knowledge in development, design, and production processes, as well as insight into corporate strategy and overall management from a global perspective. Based on such insights, he provides valuable recommendations to the Board of Directors from various perspectives, aiming to enhance the Group's medium- to long-term corporate value. He also oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as a member of the Nomination Committee and the Chair of the Remuneration Committee, he contributes from an objective and neutral standpoint to the selection of candidates for the Company's Board of Directors, decisions on executive remuneration for the Executive Officers etc. And, as a member of the Sustainability Committee, he contributes from an objective and neutral standpoint to the selection of the examination of sustainability-related themes within the Company.</p> |
| Director | Tatsuo Wakabayashi | <p>Board of Directors 19/19 (100%)</p> <p>Nomination Committee 16/16 (100%)</p> <p>Audit Committee 3/3 (100%)</p> <p>Remuneration Committee 11/11 (100%)</p> | <p>Through his experience as President and Chairman of a financial institution, he has gained insight into banking, finance, accounting, and overall management. Based on such expertise, he makes useful recommendations from various perspectives, including the enhancement of the Group's medium- to long-term corporate value, and oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as the Chair of the Nomination Committee and a member of the Remuneration Committee, he contributes from an objective and neutral standpoint to the selection of candidates for the Company's Board of Directors, decisions on executive remuneration for the Executive Officers etc. Moreover, as a member of the Audit Committee, he conducts objective and impartial audits primarily focused on the execution of duties by Executive Officers.</p> |

| | | | |
|----------|-----------------|--|---|
| Director | Koji Igarashi | <p>Board of Directors 19/19 (100%)</p> <p>Nomination Committee 16/16 (100%)</p> <p>Audit Committee 3/3 (100%)</p> <p>Sustainability Committee 10/10 (100%)</p> | <p>Through his extensive experience as a leader of a globally expanding food manufacturer, he has gained a wealth of technical knowledge in technological development and manufacturing as well as insight into various aspects of management, such as business globalization, business transformation and innovation, and digitalization. Based on such insights, he provides valuable recommendations to the Board of Directors from various perspectives, aiming to enhance the Group's medium- to long-term corporate value. He also oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as a member of the Nomination Committee and the Chair of the Sustainability Committee, he contributes from an objective and neutral standpoint to the selection of candidates for the Company's Board of Directors, and the examination of sustainability-related themes within the Company. Moreover, as a member of the Audit Committee, he mainly audits the execution of duties by Executive Officer and others from an objective and neutral standpoint.</p> |
| Director | Kazuhiko Takeda | <p>Board of Directors 19/19 (100%)</p> <p>Nomination Committee 13/13 (100%)</p> <p>Audit Committee 14/14 (100%)</p> <p>Sustainability Committee 3/3 (100%)</p> | <p>Through his extensive experience as a senior executive of a conglomerate that develops a wide range of businesses all over the world and the leader of its major subsidiaries, he has gained a wealth of knowledge in corporate management, business operations and administration, accounting and finance, and information technology. Additionally, his years of work experience in Europe and the United States have provided him with a global perspective on corporate strategy and overall management. Based on such expertise, he offers valuable insights from various perspectives to the Board of Directors, with the aim of enhancing the Group's medium- to long-term corporate value. He also oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as the Chair of the Audit Committee, he mainly audits the execution of duties by Executive Officers, etc. from an objective and neutral standpoint. Moreover, as a member of Nomination Committee, he contributes from an objective and neutral standpoint to the selection of candidates for the Company's Board of Directors, and as a member of the Sustainability Committee, he actively contributes to the examination of sustainability-related themes within the Company from an objective and neutral standpoint.</p> |

| | | | |
|----------|--------------------|---|--|
| Director | Rikako Beppu | <p>Board of Directors 19/19 (100%)</p> <p>Nomination 13/13 (100%)</p> <p>Audit Committee 14/14 (100%)</p> <p>Remuneration Committee 11/11 (100%)</p> <p>Sustainability Committee 3/3 (100%)</p> | <p>Through her extensive experience over many years as attorney-at-law both in Japan and abroad, she has a deep understanding based on advanced legal knowledge, as well as specialized expertise in corporate legal affairs, particularly in the areas of global business development and business restructuring. Based on such insights, she provides valuable recommendations to the Board of Directors from various perspectives, aiming to enhance the Group's medium- to long-term corporate value. She also oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as a member of the Nomination Committee and Remuneration Committee, she contributes from an objective and neutral standpoint to the selection of candidates for the Company's Board of Directors, decisions on executive remuneration for the Executive Officers etc., and as a member of the Sustainability Committee, she actively contributes to the examination of sustainability-related themes within the Company from an objective and neutral standpoint. Moreover, as a member of the Audit Committee, she mainly audits the execution of duties by Executive Officers, etc. from an objective and neutral standpoint.</p> |
| Director | Hatsunori Kiriyama | <p>Board of Directors 15/15 (100%)</p> <p>Audit Committee 11/11 (100%)</p> <p>Sustainability Committee 7/7 (100%)</p> | <p>He has extensive knowledge of corporate management and marketing as gained from his experience as manager at a leading international company as well as insights into corporate strategies and general aspects of management from a global perspective based on his experience as supervisor of the Asia region and manager at a U.S. company. Moreover, he has extensive insights into development of management human resources based on many years of corporate management experience in and outside Japan. Based on such insights, he provides valuable recommendations to the Board of Directors from various perspectives, aiming to enhance the Group's medium- to long-term corporate value. He also oversees the execution of duties by Executive Officers and others from an independent standpoint.</p> <p>In addition, as a member of the Sustainability Committee, he contributes from an objective and neutral standpoint to the examination of sustainability-related themes within the Company, etc. Moreover, as a member of the Audit Committee, he mainly audits the execution of duties by Executive Officers and others from an objective and neutral standpoint.</p> |

| | | | |
|----------|------------------|--|---|
| Director | Nozomi Sagara | Board of Directors 15/15 (100%) Audit Committee 11/11 (100%) Sustainability Committee 7/7 (100%) | She has extensive knowledge of trade and industry policies through many years of service at the Ministry of Economy, Trade and Industry. She has specialized knowledge in metallic mineral resources, renewable energy, information technology and recycling fields as well as technical knowledge as a holder of a Master of Engineering degree. Based on such insights, she provides valuable recommendations to the Board of Directors from various perspectives, aiming to enhance the Group's medium- to long-term corporate value. She also oversees the execution of duties by Executive Officers and others from an independent standpoint. In addition, as a member of the Sustainability Committee, she contributes from an objective and neutral standpoint to the examination of sustainability-related themes within the Company, etc. Moreover, as a member of the Audit Committee, she mainly audits the execution of duties by Executive Officers and others from an objective and neutral standpoint. |
|----------|------------------|--|---|

Note: Regarding attendance at Board of Directors meetings, etc., held during the current fiscal year, attendance at Board of Directors meetings held during each Outside Director's term of office is shown in the table above. In addition, the attendance of each Outside Director at each committee meeting held during each Outside Director's term of office as a member of each committee is shown in the table above.

4. Matters Concerning Accounting Auditor

(1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Audit Fees to Accounting Auditor for Fiscal Year Ended March 31, 2025

| Content of the Audit Fees | Amount |
|---|---------------------------------|
| (i) Audit fees paid by the company to Accounting Auditor | ¥206 million ^{*Note 1} |
| (ii) Total amount of monetary and other financial benefits paid by the Company and its subsidiaries (including the above-mentioned) | ¥324 million |

Note 1: The Company has not subdivided the amount of fees for auditing based on the Financial Instruments and Exchange Act and the amount of fees for auditing based on the Companies Act. In the auditing agreement entered with the Accounting Auditor, it is not possible to substantially subdivide the two. This amount thus includes audit fees based on the Financial Instruments and Exchange Act. The Audit Committee has determined and agreed that this amount is appropriate based on comprehensive consideration of the accounting auditor's audit plan, quality control system, performance of duties including the status of cooperation with the Audit Committee, and the number of audit days and personnel based on the Company's size and business characteristics.

Note 2: Among the major subsidiaries of the Company, H.C. Starck Holding (Germany) GmbH, MMC Hartmetall GmbH, Mitsubishi Materials U.S.A. Corp., Mitsubishi Materials Europe B.V. and Luvata Oy use the services of auditing corporations (including auditors who have the appropriate auditing qualifications abroad) other than the services of Deloitte Touche Tohmatsu LLC, to audit accounting related documents (in accordance with the Companies Act and the Financial Instruments and Exchange Act and the applicable laws of the concerned foreign countries' own legislations).

(3) Content of Non-auditing Services

The Company entrusts to the Accounting Auditor services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services), such as "Comfort Letter Preparation Services for Bond Issuance."

(4) Policy on Dismissal or Non-reappointment of the Accounting Auditor

The Audit Committee shall check the Accounting Auditor's (i) expertise, independence, timeliness and appropriateness, quality control and governance systems, (ii) ability to respond to the Company's multi-industry and global business development, (iii) efficiency of accounting and auditing operations, (iv) communication with the Audit Committee, management, etc., (v) any applicability to dismissal requirements based on statutory grounds, and (vi) continuous audit period. If any problems with these conditions are found, the Audit Committee will dismiss the Accounting Auditor or determine the content of the proposal for dismissal or non-reappointment of the Accounting Auditor to be presented to the General Meeting of Shareholders in accordance with the statutory procedures.

5. Systems to Ensure Appropriate Business Operations and the Status of Operation of Those Systems

●Fundamental Policy

The Board of Directors has resolved the following fundamental policy regarding the establishment of systems to ensure appropriate business operations.

(1) Systems to ensure the execution of duties by Executive Officers and employees in conformity with laws and the Articles of Incorporation

- 1) The Company shall determine the Corporate Philosophy, etc. as the supreme common rule of Mitsubishi Materials Group, and also shall put in place internal regulations to establish a compliance system.
- 2) The Company shall determine through the Board of Directors, the Executive Officers' Meeting and other committees, Strategic Management Committee, etc. the details for the execution of duties by the Executive Officers and employees in accordance with laws, the Articles of Incorporation, internal regulations, etc. In addition, the legal department and the related departments shall carry out the preliminary review of specific significant matters.
- 3) The Board of Directors shall receive reports on the status of execution of duties from Executive Officers on a regular basis, and shall also receive reports from Executive Officers on necessary matters at meetings of the Board of Directors as required from time to time.
- 4) The Company shall appoint an Officer from among its Executive Officers to oversee matters relating to compliance and establish an organization for SCQ and a department responsible for compliance, and shall also enforce cross-divisional compliance promotion activities (including internal education) for the whole Company based on the policies, plans, etc. to be established for each fiscal year.
- 5) The Company shall establish a reporting desk to deal with particulars related to problems that may arise over compliance.
- 6) The Company shall enforce periodical auditing concerning the state of compliance in each department by the department in charge of internal audits.

(2) Systems for preservation and management of information related to the execution of duties of Executive Officers

The Company shall properly preserve and manage the minutes of the Strategic Management Committee, the other significant meetings, as well as other significant information, based on laws, the Articles of Incorporation, internal regulations, etc.

(3) Regulations and other systems concerning risk management

- 1) The Company shall deliberate carefully on significant matters through the Board of Directors, the Strategic Management Committee and other decision-making bodies based on laws, the Articles of Incorporation, internal regulations, etc. In addition, the Company shall carry out the preliminary review of certain important matters through legal and other related departments based on the internal regulations and others in order to identify risks and prevent risk elicitation and manifestation.

- 2) The Company shall determine the internal regulations, policies and plans, etc. related to general risk management. In addition, the Company shall appoint an Officer from among its Executive Officers to oversee matters relating to risk management and establish an organization for SCQ and a department responsible for risk management and shall enforce cross-divisional risk management promotion activities for the whole Company.
- 3) Executive Officers shall develop and implement measures, based on internal regulations, policies, and plans related to general risk management, to continuously assess risk factors within the company group and minimize losses in the event of risk materialization.
- 4) We establish regulations regarding crisis management structure, crisis response measures, etc., in order to promptly and appropriately address and take corrective actions in the event that risks with significant impact on the Group's management become manifest.

(4) Systems to ensure efficient execution of duties by Executive Officers

- 1) The Company has chosen to be one with a Nomination Committee among the governance systems under the Companies Act and will accelerate decision-making with the appropriate transfer of authority to Executive Officers with respect to decisions on matters concerning the execution of duties. The Company will establish the rules for official authority and decision-making based on the areas of responsibility of each Executive Officer and internal regulations.
- 2) The Company shall determine the management plan, allocate suitable management resources and authority among the divisions controlled by each Executive Officer to achieve the plan, and require those divisions to formulate their own specific plans. In addition, the Executive Officers shall suitably verify the state of progress of the plan of each division and take appropriate measures when necessary.

(5) Systems to ensure appropriate operations by the corporate group comprising the Company and its subsidiaries

- 1) The Company shall aim to establish corporate ethics and build a Group compliance and risk management system (including an internal education system) through the promotion of activities and behaviors, etc. toward compliance and risk management by the Group, including subsidiaries, based on the Corporate Philosophy, etc. and internal regulations, etc. that are applied consistently throughout the Group.
- 2) Concerning each subsidiary, the Company shall aim to improve the soundness and efficiency of management of the subsidiary, and by extension the whole Group, by determining a response liaison department within the Company. The concerned department shall consult and exchange information with the subsidiary concerning specific significant matters.
- 3) The Company shall establish various regulations related to internal controls concerning financial reporting. The Company shall also establish assessment mechanisms for those internal controls and build a system to ensure the accuracy of the Group's financial reports.
- 4) In addition to the above-mentioned 1), 2) and 3), the Company shall enforce periodic auditing concerning compliance, risk management and the efficiency of management of subsidiaries by the department in charge of internal audits.

(6) Matters concerning Directors and employees assigned to assist the Audit Committee, matters concerning the independence of such Directors and employees from Executive Officers, and matters concerning ensuring the effectiveness of instructions provided by the Audit Committee to such Directors and employees

- 1) The Company shall establish the Audit Committee Office to assist with the operations of the Audit Committee. Further, the Company shall assign necessary personnel as employees to assist with the operations of the Audit Committee Office.
- 2) The employees assigned to support the Audit Committee shall perform their duties in accordance with the instructions of the Audit Committee.
- 3) The personnel reassignment of employees to the Audit Committee in its duties shall be made with the prior consent of the Audit Committee (or the designated Audit Committee member, if the Audit Committee designates a particular Audit Committee member). In addition, the Audit Committee (or the designated Audit Committee member, if the Audit Committee designates a

particular Audit Committee member) shall be responsible for evaluating the performance of employees who are to support the Audit Committee in its duties.

(7) Systems for reporting to the Audit Committee and for ensuring that people making reports shall not experience disadvantageous treatment as a result of this reporting

- 1) The Directors (excluding those who are members of the Audit Committee), Executive Officers and employees shall swiftly report appropriate information to the Audit Committee in accordance with the method stipulated in laws and the internal regulations of the Company, in the case where there is considerable damage to the Company's operations in areas for which they are responsible or the possibility of a significant impact on the Company. In addition, the same shall apply in the event that the Audit Committee requests a report about business operations.
- 2) In the event of a report by a Director, Executive Officer, Audit & Supervisory Board Member or employee, etc. of the Company or its subsidiary to the reporting desk on a compliance-related problem, the department in charge of the reporting desk shall in principle report the content of such report to the Full-time Member of the Audit Committee.
- 3) The department in charge of internal audits of the Company shall report to the Audit Committee important items heard from Directors, Executive Officers, Audit & Supervisory Board Members and employees, etc. of the Company and its subsidiaries, as well as important items from audit results. As for the matters determined to be necessary for the operations of the Audit Committee, the department in charge of such matters shall make a periodic report.
- 4) The Company and its subsidiaries shall establish provisions in their internal rules and regulations to ensure that persons who report to the Audit Committee (including those who report indirectly through others) are not subject to adverse treatment based on the fact of their reporting.

(8) Matters concerning policies related to the handling of expenses or obligations incurred during the execution of duties by the Members of the Audit Committee

Any member of the Audit Committee may request the Company in advance to pay expenses, etc. deemed to be necessary for the execution of his/her duties. Further, any member of the Audit Committee may request the Company after the fact to reimburse any expense paid out on an emergency or temporary basis. The Company shall pay expenses necessary for the execution of duties of the members of the Audit Committee upon request by any of such members.

(9) Other systems to ensure effective auditing by the Audit Committee

- 1) The Audit Committee shall exchange opinions with the Executive Officers, including the Chief Executive Officer, the Audit Committee Office, the department in charge of internal audits and other departments necessary for the execution of duties of the Audit Committee, as well as the Accounting Auditor, etc., periodically or as the occasion demands.
- 2) If deemed necessary for the execution of its duties, the Audit Committee has the authority to provide instructions to the internal audit department. In the event of any conflict between the instructions received from the Audit Committee and those from the Executive Officers, the instructions of the Audit Committee shall prevail.
- 3) The Full-time Members of the Audit Committee shall be provided with the opportunity to attend the Strategic Management Committee and other significant meetings of the Company, and the Company shall establish systems to enable each member of the Audit Committee to review, through the internal information system, the materials and minutes of any significant meetings related to the execution of business duties.

●Overview of Operational Status

Principal initiatives to secure the operation of systems to ensure appropriate business operations are indicated as follows.

(1) Initiatives Related to Compliance

- 1) The Company and its subsidiaries share a Corporate Philosophy etc. aimed at ensuring sound corporate activities that comply with laws and regulations and are in accordance with social mores. Awareness of the Company's Corporate Philosophy etc. is instilled throughout the Group.
- 2) Members of the SCQ Management Office meets regularly to deliberate on annual policies and plans related to overall compliance activities, as well as to share and evaluate the status of compliance and reports made to the whistleblower hotline within the Group and reports that have been submitted to the internal reporting desk. The Company and its subsidiaries work together to ensure consistent compliance training throughout the Group and address compliance-related issues.
- 3) With regard to quality, the Company has established regulations, guidelines, etc. that apply to the entire Group, and is working to establish a quality control system and otherwise manage quality appropriately.

(2) Initiatives Related to Risk Management

- 1) For risk management, significant cross-group risks are managed by management and head office administration department, while significant business-specific risks are managed by the head office business divisions. Every fiscal year, these risks are comprehensively identified and evaluated. The results are reported to the Board of Directors and other relevant bodies in the Sustainability Deliberative Council, as well as resolutions in the Strategic Management Committee. The Company and its subsidiaries implement risk management for the above risks and risks unique to each business location, and the status of such activities are regularly monitored at the management level as well.
- 2) Regarding work-related accidents, meetings of the Zero Accident Committee and Group Safety meetings are convened to decide on management priorities and share information about legal updates, thereby endeavoring to ensure an appropriate response.
- 3) The Company formulates regulations and business continuity plans (BCPs) prescribing action guidelines in the event of large-scale accidents, natural disasters or terrorism, etc. In addition, the SCQ Management Office holds the Risk and Crisis Management Panel during normal times and times of crisis alike to prevent damage from spreading.

(3) Initiatives Related to Enhancing Management Soundness and Efficiency

- 1) The Company formulates Medium-term Management Strategies and annual budgets, and strives to appropriately allocate management resources and authorities to its various departments. The status of significant business execution is reported to the Board of Directors.
- 2) By clearly indicating the scope of responsibility of Executive Officers, as well as the operational responsibilities and authority of individual departments, the Company strives to ensure the appropriateness of accelerated decision-making and business execution.
- 3) For each subsidiary, the Company identifies a responsible liaison division within the Company. That division receives reports on significant investment projects and compliance-related problems and consults and exchanges information with the subsidiary on such matters.

(4) Initiatives Related to Internal Audits

Based on an annual audit plan, the Internal Audit Department of Corporate Division and each Company conducts periodic internal audits of the compliance, risk management and management efficiency of internal divisions and subsidiaries and reports the results of these audits to the Board of Directors.

(5) Initiatives Related to Audits by the Audit Committee

- 1) Members of the Audit Committee attend the Strategic Management Committee and other important meetings, visit the Company offices and exchange opinions with Executive Officers, etc.
- 2) The department responsible for internal audits regularly reports the findings to the members of the Audit Committee. Likewise, the department responsible for internal reporting provides regular reports on the whistleblowing cases received to the members of the Audit Committee.
- 3) The Audit Committee Office has been established to assist duties of the Audit Committee. Additionally, within the office, we allocate the necessary staff members to support the duties of the Audit Committee. Transfer of such employees is subject to the consent of the Audit Committee (or the designated Audit Committee member, if applicable) in advance, and the performance evaluations of these staff members are conducted by the Audit Committee (or the designated Audit Committee member, if applicable). These measures contribute to enhancing the effectiveness of the Audit Committee's audits.

(Reference) Status of Corporate Governance

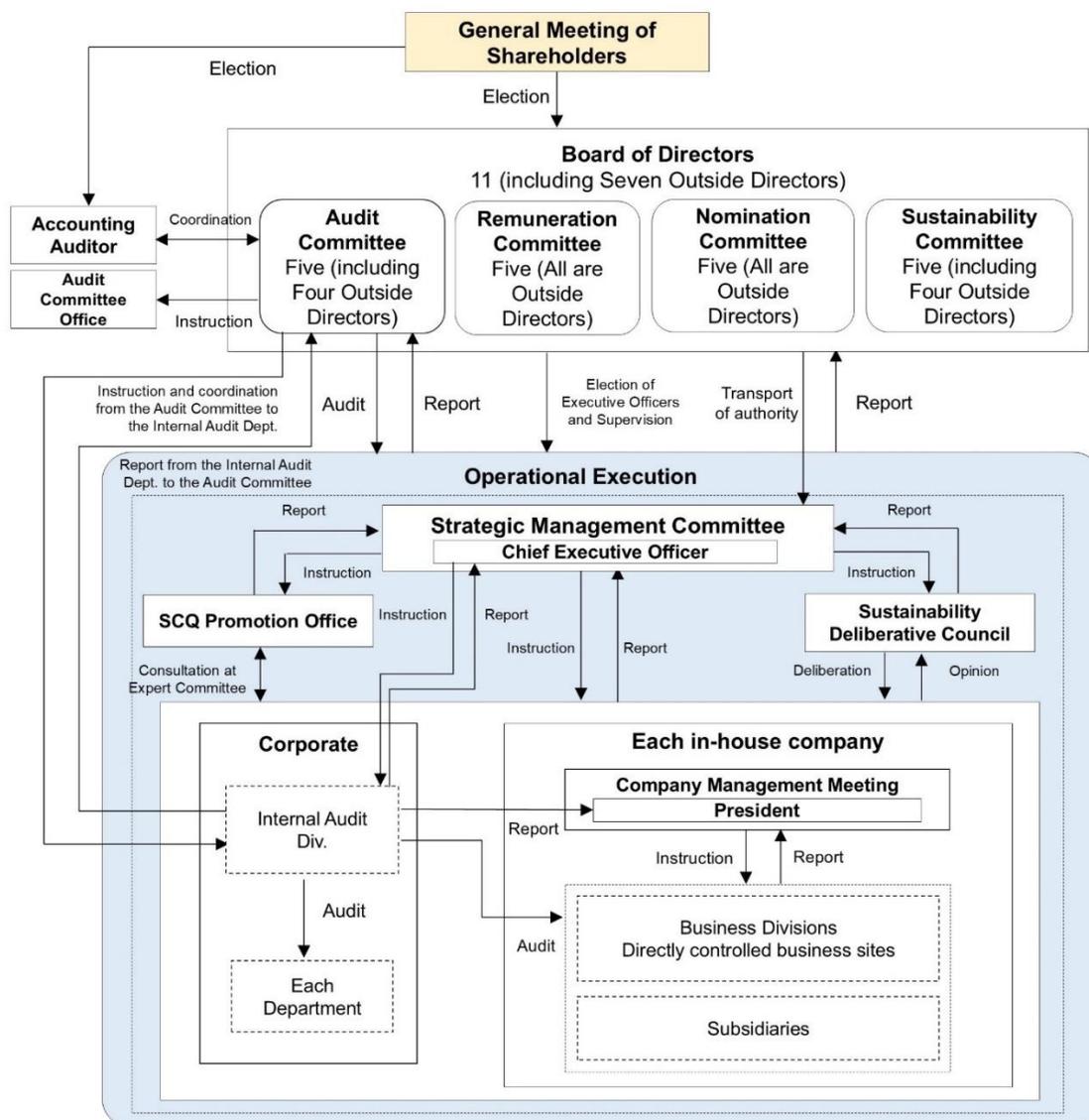
<Basic Approach >

- We have, based on the Group's Corporate Philosophy, 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.
- * 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.
<https://www.mmc.co.jp/corporate/en/company/governance.html>

The Corporate Governance Framework related to the Company's management decision-making/supervision, business execution, and auditing is outlined in the following chart, "Overview of the Corporate Governance System."

[Overview of the Corporate Governance System] Note: Chart as of April 1, 2025.

[Overview of Corporate Governance System]



<Composition of the Board of Directors>

The Company’s basic policy regarding 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 is comprised of a diverse range of human resources with different expert knowledge, experience, and other qualities.

In accordance with this policy, the Company has adopted a basic approach that the Board of Directors shall be comprised of Directors (not including Outside Directors) who have considerable knowledge and experience in the operation of each business, and sophisticated expertise as well as a diverse range of human resources. Particular consideration has been given to candidates for Outside Directors to ensure that they consist of individuals with experience and knowledge in business management and organizational operation, and those who have broad and sophisticated expertise and extensive experience in finance and accounting, legal affairs, production technology, research and development, sales, international relations, etc.

The number of the Board of Directors is set at an appropriate level to enable the Board of Directors to function most effectively and efficiently (twelve members or less as provided in the Articles of Incorporation) and a majority of the members is composed of Independent Outside Directors. In accordance with the Basic Policy on Corporate Governance, the majority of the Nomination, Audit, Remuneration, and Sustainability Committees are composed of Independent Outside Directors, and each Committee is chaired by an Independent Outside Director.

<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 Company evaluated the effectiveness of the Board of Directors using a third-party organization for the first time (Since the fiscal year ended March 2022, a third-party evaluation shall be conducted once every three years).

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 the fiscal year ended March 2025.

(2) Questionnaire items

The questionnaire uses a four-grade evaluation for the questions below (1. Strongly agree, 2. Agree, 3. Disagree, 4. Totally disagree) and provides a free comment space where needed.

- The Company's management issues and risks
- Roles and functions of the Board of Directors
- Scale and composition of the Board of Directors
- Status of operations of the Board of Directors
- Discussions at the Board of Directors meetings
- 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
- The Company's governance structure and the overall effectiveness of the Board of Directors
- Self-evaluation

(3) Interview items

Based on the responses to the questionnaire, interviews were conducted by the third-party organization regarding the following key items related to the effectiveness of the Board of Directors.

(i) Evaluation of business and management

Evaluation of progress in the Medium-term Management Strategy, the Company's competitive advantage, organizational structure and corporate culture, discussions on medium- to long-term growth, individual issues (group governance/ internal control, human capital, penetration/utilization of ROIC, DX strategy, etc.), etc.

(ii) Evaluation of the Board of Directors

Evaluation of explanatory materials/agenda setting/board operation, attributes of the Chair of the Board of Directors, establishment of the Lead Outside Director, roles/functions of the Board of Directors, expected roles and current status of Outside Directors, composition of Outside Directors and Inside Directors, etc.

(iii) Evaluation of Nomination, Audit, Remuneration, and Sustainability Committees

Evaluation of the composition, role, operation, etc. of each committee

2. Status of initiatives concerning the issues for improvement for the fiscal year ended March 2025 based on the fiscal year ended 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.”
- The Company's Board of Directors will further discuss the Company's medium- to long-term competitive advantage.

(2) Management 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.”
- The Company's Board of Directors will consider a fundamental review of the selection of agenda items for the Board of Directors meetings, as well as more effective management methods.
- It was also suggested that materials and explanations at the Board of Directors meetings should be more concise and precise. We will work to improve these matters as well.

The Board of Directors will keep making efforts to improve the effectiveness toward future.

Consolidated Balance Sheet
[As of March 31, 2025]

(Millions of yen)

| Item | Amount | Item | Amount |
|--|------------------|---|------------------|
| [Assets] | | [Liabilities] | |
| Current assets | 1,464,306 | Current liabilities | 1,297,333 |
| Cash and deposits | 91,605 | Notes and accounts payable - trade | 99,426 |
| Notes receivable - trade | 23,309 | Short-term borrowings | 308,345 |
| Accounts receivable - trade | 171,045 | Income taxes payable | 4,396 |
| Merchandise and finished goods | 151,718 | Provision for bonuses | 11,920 |
| Work in process | 141,312 | Provision for loss on disposal of inventories | 772 |
| Raw materials and supplies | 190,399 | Deposited gold bullion | 773,036 |
| Leased gold bullion | 463,727 | Deposited gold bullion | 99,435 |
| Gold bullion in custody | 129,505 | | |
| Other | 102,212 | Non-current liabilities | 384,735 |
| Allowance for doubtful accounts | (530) | Bonds payable | 100,000 |
| | | Long-term borrowings | 184,753 |
| Non-current assets | 910,151 | Deferred tax liabilities | 10,921 |
| Property, plant and equipment | 438,443 | Deferred tax liabilities for land revaluation | 7,667 |
| Buildings and structures, net | 152,535 | Provision for loss on business of subsidiaries and affiliates | 73 |
| Machinery, equipment and vehicles, net | 155,323 | Provision for environmental measures | 14,120 |
| Land, net | 88,428 | Provision for directors' retirement benefits | 422 |
| Construction in progress | 22,609 | Provision for share based compensation plan | 456 |
| Other, net | 19,545 | Retirement benefit liability | 41,208 |
| | | Other | 25,112 |
| Intangible assets | 53,117 | Total liabilities | 1,682,069 |
| Goodwill | 32,823 | [Net assets] | |
| Other | 20,294 | Shareholders' equity | 577,714 |
| | | Share capital | 119,457 |
| Investments and other assets | 418,590 | Capital surplus | 81,745 |
| Investment securities | 310,772 | Retained earnings | 379,339 |
| Retirement benefit asset | 25,282 | Treasury shares | (2,828) |
| Deferred tax assets | 24,919 | Accumulated other comprehensive income | 99,535 |
| Other | 58,381 | Valuation difference on available-for-sale securities | 7,894 |
| Allowance for doubtful accounts | (766) | Deferred gains or losses on hedges | 972 |
| Deferred assets | 887 | Revaluation reserve for land | 15,670 |
| Opening expenses | 887 | Foreign currency translation adjustment | 57,698 |
| | | Remeasurements of defined benefit plans | 17,300 |
| | | Non-controlling interests | 16,026 |
| | | Total net assets | 693,276 |
| Total assets | 2,375,345 | Total liabilities and net assets | 2,375,345 |

Note: Amounts are rounded down to the nearest millions of yen.

Consolidated Profit and Loss Statement
 [For the fiscal year ended March 31, 2025]

(Millions of yen)

| Item | Amount |
|---|------------------|
| Net sales | 1,962,076 |
| Cost of sales | 1,795,431 |
| Gross profit | 166,645 |
| Selling general and administrative expenses | 129,526 |
| Operating profit | 37,118 |
| Non-operating income | 48,618 |
| Interest income | 4,415 |
| Dividend income | 20,197 |
| Share of profit of entities accounted for using equity method | 17,539 |
| Rental income from non-current assets | 3,824 |
| Other | 2,640 |
| Non-operating expenses | 25,501 |
| Interest expenses | 8,771 |
| Expense for the maintenance and management of abandoned mines | 4,170 |
| Rental expenses on non-current assets | 2,741 |
| Foreign exchange losses | 2,572 |
| Loss on retirement of non-current assets | 2,090 |
| Other | 5,154 |
| Ordinary profit | 60,235 |
| Extraordinary income | 12,661 |
| Gain on changes in equity | 7,649 |
| Gain on sales of investment securities | 3,927 |
| Gain on sales of non-current assets | 119 |
| Other | 965 |
| Extraordinary losses | 22,933 |
| Impairment loss | 13,494 |
| Provision for reserve for environmental measures | 4,510 |
| Other | 4,927 |
| Profit before income taxes | 49,963 |
| Income taxes – current | 9,392 |
| Income taxes – deferred | 214 |
| Profit | 40,357 |
| Profit attributable to non-controlling interests | 6,280 |
| Profit attributable to owners of parent | 34,076 |

Note: Amounts are rounded down to the nearest millions of yen.

Statement of Changes in Consolidated Shareholders' Equity

[For the fiscal year ended March 31, 2025]

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 119,457 | 81,745 | 358,569 | (2,898) | 556,875 |
| Changes during period | | | | | |
| Cash dividends | | | (12,692) | | (12,692) |
| Profit attributable to owners of parent | | | 34,076 | | 34,076 |
| Reversal of revaluation reserve for land | | | (10) | | (10) |
| Change in scope of consolidation | | | (604) | | (604) |
| Purchase of treasury shares | | | | (20) | (20) |
| Disposal of treasury shares | | (0) | | 90 | 90 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (0) | 20,769 | 69 | 20,838 |
| Balance at end of period | 119,457 | 81,745 | 379,339 | (2,828) | 577,714 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|------------------------------|---|--|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefits plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 9,751 | 3,262 | 16,063 | 57,567 | 10,123 | 96,766 | 31,981 | 685,623 |
| Changes during period | | | | | | | | |
| Cash dividends | | | | | | | | (12,692) |
| Profit attributable to owners of parent | | | | | | | | 34,076 |
| Reversal of revaluation reserve for land | | | | | | | | (10) |
| Change in scope of consolidation | | | | | | | | (604) |
| Purchase of treasury shares | | | | | | | | (20) |
| Disposal of treasury shares | | | | | | | | 90 |
| Net changes in items other than shareholders' equity | (1,857) | (2,289) | (392) | 131 | 7,177 | 2,768 | (15,954) | (13,185) |
| Net changes in items other than shareholders' equity | (1,857) | (2,289) | (392) | 131 | 7,177 | 2,768 | (15,954) | 7,653 |
| Total changes during period | 7,894 | 972 | 15,670 | 57,698 | 17,300 | 99,535 | 16,026 | 693,276 |

Note: Amounts are rounded down to the nearest millions of yen.

Balance Sheet
[As of March 31, 2025]

(Millions of yen)

| Item | Amount | Item | Amount |
|---|------------------|---|------------------|
| [Assets] | | [Liabilities] | |
| Current assets | 1,244,168 | Current liabilities | 1,190,511 |
| Cash and deposits | 30,268 | Notes payable – trade | 637 |
| Notes receivable - trade | 9,682 | Accounts payable - trade | 74,177 |
| Accounts receivable - trade | 128,557 | Short-term borrowings | 261,332 |
| Merchandise and finished goods | 91,307 | Lease obligations | 253 |
| Work in process | 98,338 | Accounts payable-other | 20,263 |
| Raw materials and supplies | 148,380 | Accrued expenses | 28,425 |
| Advance payments | 34,466 | Corporate taxes payable | 672 |
| Prepaid expenses | 2,147 | Contract liabilities | 4,581 |
| Short-term loans receivable | 48,134 | Unearned revenue | 246 |
| Accounts receivable - other | 15,658 | Provision for bonuses | 5,472 |
| Leased gold bullion | 463,727 | Deposits received from employees | 6,377 |
| Deposited gold bullion | 129,505 | Notes payable-facilities | 186 |
| Other | 44,123 | Accounts payable - facilities | 12,991 |
| Allowance for doubtful accounts | (129) | Asset retirement obligations | 281 |
| | | Deposited gold bullion | 773,036 |
| | | Other | 1,574 |
| Non-current assets | 608,623 | Non-current liabilities | 296,997 |
| Property, plant and equipment | 223,490 | Bonds payable | 100,000 |
| Buildings | 52,386 | Long-term borrowings | 151,300 |
| Structures | 23,775 | Lease obligations | 990 |
| Machinery and equipment | 65,241 | Deferred tax liabilities for land revaluation | 7,667 |
| Vessels | 2 | Provision for retirement benefits | 9,491 |
| Vehicles | 174 | Provision for loss on business of subsidiaries and affiliates | 380 |
| Tools, furniture and fixtures | 3,837 | Provision for environmental measures | 13,806 |
| Land | 67,589 | Provision for share awards | 456 |
| Leased assets | 1,108 | Asset retirement obligations | 2,286 |
| Construction in progress | 8,376 | Guarantee deposits received | 4,088 |
| Trees | 997 | Other | 6,529 |
| Intangible assets | 12,376 | Total liabilities | 1,487,508 |
| Mining right | 0 | [Net assets] | |
| Software | 7,650 | Shareholders' equity | 356,853 |
| Software in progress | 4,546 | Share capital | 119,457 |
| Other | 178 | Capital surplus | 112,995 |
| Investments and other assets | 372,757 | Legal capital surplus | 85,654 |
| Investment securities | 8,018 | Other capital surplus | 27,341 |
| Shares of subsidiaries and associates | 294,285 | Retained earnings | 127,228 |
| Bonds of subsidiaries and associates | 4 | Other retained earnings | 127,228 |
| Investments in capital | 146 | Retained earnings brought forward | 127,228 |
| Investments in capital of subsidiaries and Associates | 2,687 | Treasury shares | (2,828) |
| Long-term loans | 662 | Valuation and translation adjustments | 8,429 |
| Long-term loans receivable from subsidiaries and associates | 35,406 | Valuation difference on available-for-sale Securities | 1,875 |
| Prepaid pension costs | 9,374 | Deferred gains or losses on hedges | 654 |
| Deferred tax assets | 10,605 | Revaluation reserve for land | 5,899 |
| Other | 11,564 | Total net assets | 365,283 |
| Total assets | 1,852,792 | Total liabilities and net assets | 1,852,792 |

Note: Amounts are rounded down to the nearest millions of yen.

Profit and Loss Statement
 [For the fiscal year ended March 31, 2025]

(Millions of yen)

| Item | Amount |
|---|------------------|
| Net sales | 1,608,327 |
| Cost of sales | 1,545,212 |
| Gross profit | 63,114 |
| Selling general and administrative expenses | 60,880 |
| Operating loss | 2,233 |
| Non-operating income | 32,294 |
| Interest income | 4,340 |
| Dividend income | 21,846 |
| Rental income from non-current assets | 3,904 |
| Other | 2,202 |
| Non-operating expenses | 20,890 |
| Interest expenses | 5,041 |
| Expense for the maintenance and management of abandoned mines | 3,764 |
| Rental expenses on non-current assets | 2,716 |
| Loss on retirement of non-current assets | 3,047 |
| Foreign exchange loss | 2,522 |
| Other | 3,797 |
| Ordinary profit | 13,637 |
| Extraordinary income | 2,500 |
| Gain on sales of investment securities | 1,697 |
| Gain on liquidation of affiliates | 713 |
| Other | 88 |
| Extraordinary losses | 27,870 |
| Impairment losses | 10,355 |
| Loss on valuation of shares of subsidiaries and associates | 10,221 |
| Provision for reserve for environmental measures | 4,197 |
| Other | 3,096 |
| Loss before income taxes | 11,732 |
| Income taxes - current | (2,757) |
| Income taxes - deferred | 1,692 |
| Loss | 10,667 |

Note: Amounts are rounded down to the nearest millions of yen.

Statement of Changes in Shareholders' Equity
[For the fiscal year ended March 31, 2025]

(Millions of yen)

| | Shareholders' equity | | | | | | | |
|---|----------------------|------------------------|-----------------------|-----------------------|----------------------------------|-------------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | | | Retained earnings | | Treasury shares | Total Shareholders' equity |
| | | Legal capital reserves | Other capital surplus | Total Capital surplus | Other retained earnings | Total Retained earnings | | |
| | | | | | Retained earnings bought forward | | | |
| Balance at beginning of period | 119,457 | 85,654 | 27,341 | 112,995 | 150,568 | 150,568 | (2,898) | 380,124 |
| Changes during the period | | | | | | | | |
| Cash dividends | | | | | (12,692) | (12,692) | | (12,692) |
| Loss | | | | | (10,667) | (10,667) | | (10,667) |
| Reversal of revaluation reserve for land | | | | | 19 | 19 | | 19 |
| Purchase of treasury shares | | | | | | | (20) | (20) |
| Disposal of treasury shares | | | (0) | (0) | | | 90 | 90 |
| Net changes in item other than shareholders' equity | | | | | | | | |
| Total changes during period | — | — | (0) | (0) | (23,340) | (23,340) | 69 | (23,270) |
| Balance at end of period | 119,457 | 85,654 | 27,341 | 112,995 | 127,228 | 127,228 | (2,828) | 356,853 |

| | Valuation and translation adjustments | | | | Total net assets |
|---|---|------------------------------------|------------------------------|---|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Total valuation and translation adjustments | |
| Balance at beginning of period | 4,085 | 2,824 | 6,138 | 13,047 | 393,172 |
| Changes during period | | | | | |
| Cash dividends | | | | | (12,692) |
| Loss | | | | | (10,667) |
| Reversal of revaluation reserve for land | | | | | 19 |
| Purchase of treasury shares | | | | | (20) |
| Disposal of treasury shares | | | | | 90 |
| Net changes in item other than shareholders' equity | (2,209) | (2,169) | (238) | (4,617) | (4,617) |
| Total changes during period | (2,209) | (2,169) | (238) | (4,617) | (27,888) |
| Balance at end of period | 1,875 | 654 | 5,899 | 8,429 | 365,283 |

Note: Amounts are rounded down to the nearest millions of yen.