



MITSUI KINZOKU Integrated Report 2025

For the year ended March 31, 2025



FTSE Blossom
Japan Index

FTSE Russell confirms that Mitsui Mining & Smelting Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF Mitsui Mining & Smelting Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsui Mining & Smelting Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



FTSE Blossom
Japan Sector
Relative Index

FTSE Russell confirms that Mitsui Mining & Smelting Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



Sompo Sustainability Index



MITSUI
KINZOKU

MITSUI MINING & SMELTING CO.,LTD.
CSR Office

1-11-1 Osaki, Shinagawa-ku, Tokyo
141-8584, Japan
e-mail csr@mitsui-kinzoku.com
URL <https://www.mitsui-kinzoku.com/en/>



About Mitsui Kinzoku Integrated Report 2025

This report describes how Mitsui Kinzoku Group will create economical and social value through the management in our value creation process, focusing the Medium Term Business Plan which began in FY2025.

We have edited this report referring to the International Integrated Reporting Framework advocated by the International Integrated Reporting Council (IIRC), the “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation” developed by the Ministry of Economy, Trade and Industry, the GRI Sustainability Reporting Standards (GRI Standards), and SASB standards.

You can find detailed financial information in our Securities Report and detailed governance information in our Corporate Governance Report.

[Coverage]
This report focuses on figures for FY2024 (April 2024 – March 2025). It also contains details of initiatives prior to that period, and initiatives that are underway for FY2025.

[Scope]
In principle, Mitsui Kinzoku (non-consolidated) and its consolidated subsidiaries are covered in this report.

[Caution concerning forward-looking statements]
In addition to facts about Mitsui Kinzoku Group past and present, this report contains decisions, plans and other forward-looking statements based on information available at the time of writing. Please bear in mind that social situations in the future, and the actual results of our business activities, may vary from the forward-looking statements contained herein.

[Securities Report] only available in Japanese
<https://www.mitsui-kinzoku.com/toushi/lib/yuuka/>

[Corporate Governance Report] only available in Japanese
<https://www.mitsui-kinzoku.com/toushi/management/governance/>

We use the SDG icons in this report in accordance with the UN SDG guidelines.
<https://www.un.org/sustainabledevelopment/>

CONTENTS

Integrated Report 2025
MITSUI KINZOKU

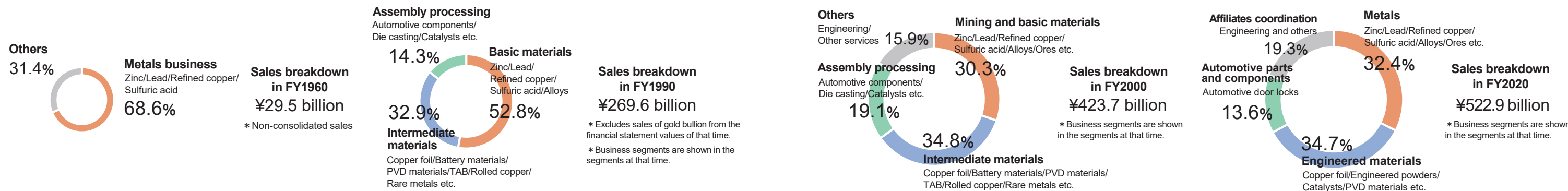
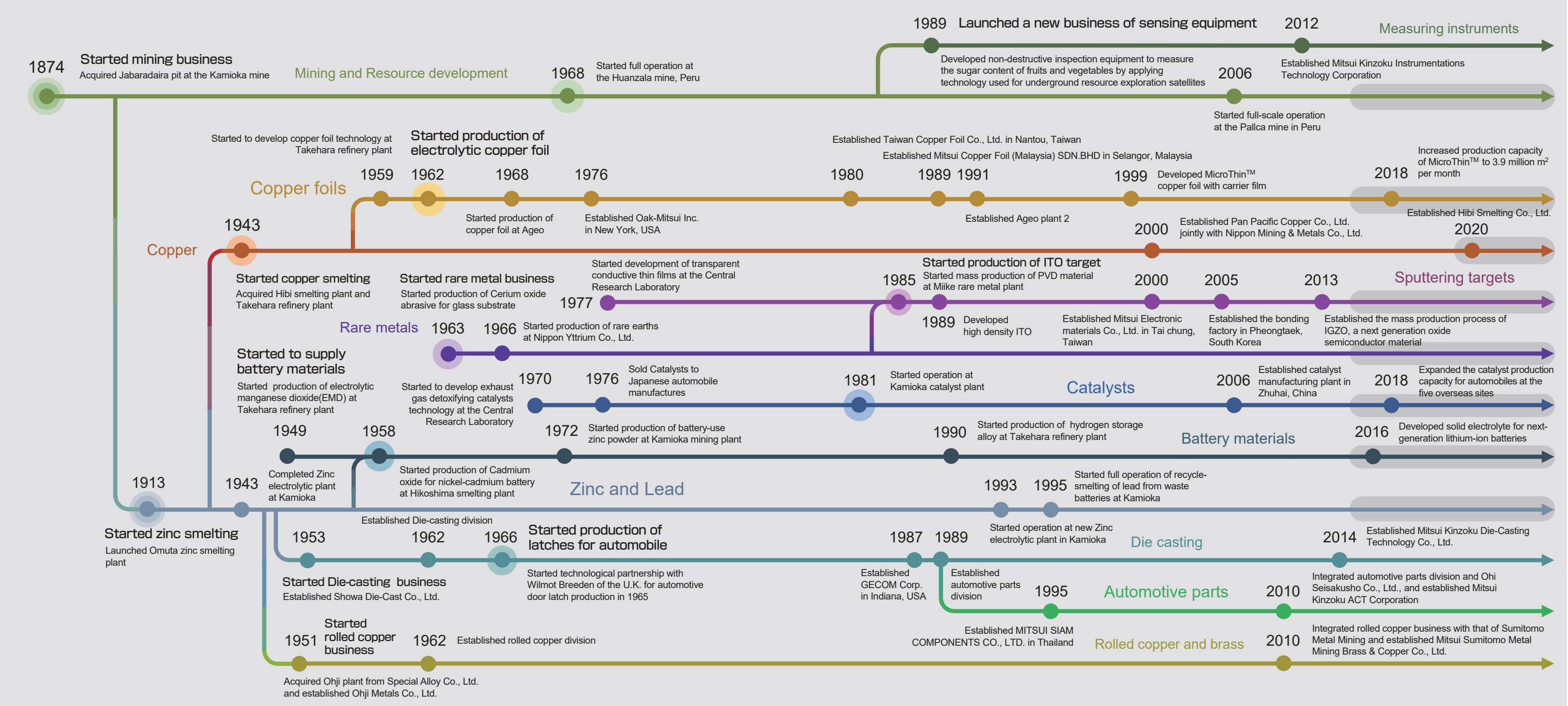
04	Our History	41	Respect for human rights
06	My commitment President and Representative Director NOU Takeshi With the aim of promoting the well-being of the world in order to continue to serve as a company that is needed by society, we have launched a new Medium-term Management Plan to realize our Vision for 2030.	42	Intellectual Property Management
12	Philosophy of Mitsui Kinzoku Group	44	Supply chain management
16	Our value creation process As a nonferrous metal manufacturer, we have cultivated our technologies and know-how and developed our value chain in our history. "Material Intelligence" — this is the source of our value creation.	46	Mining business
18	Stakeholders and materiality	48	Corporate governance
22	Review of the previous medium term business plans and the New 2025-2027 Medium Term Business Plan	58	Roundtable Discussion with the Chair of the Board of Directors and Outside Directors
24	Financial strategy	64	Promotion of DX
26	Financial highlights	66	Risk management
28	Managing portfolio dynamically	67	Compliance
30	Business strategy [Business Creation Sector]	70	Quality Assurance
32	Business strategy [Engineered Materials Sector]	72	Occupational health and safety
34	Business strategy [Metals Sector]	74	Initiatives for environmental issues
36	Capital as the source of value creation	82	Mitsui Kinzoku Group Sustainability Initiatives
37	Human Capital Management	87	Third party opinion
		88	11-Year Summary of Selected Financial Data
		90	Financial Section
		130	ESG data
		136	Corporate profile and Stock information
		137	Independent Practitioner’s Assurances Report

Our History

Our origin is to develop the resources that are blessings from the earth and perform smelting of nonferrous metal. We have continued to provide materials and products that are essential to many industries by giving added value to nonferrous materials through processing and assembly. We will strive to create new value utilizing our core technologies cultivated by our nonferrous metal smelting business, such as in separation and purification, powder control, electrochemistry, and solution chemistry.

Areas that our current core business domains

* Lists only major events and initiatives.





My commitment

With the aim of promoting the well-being of the world in order to continue to serve as a company that is needed by society, we have launched a new Medium-term Management Plan to realize our Vision for 2030.

Building on our achievements to date, we will combine measures in our various businesses with initiatives that make the world more sustainable.

President and Representative Director

A handwritten signature in black ink, reading "J. Nou".

NOU Takeshi

The first medium-term management plan to be created and implemented since I became President (the 2022-2024 MTP) has concluded. In the first and second years of the plan, we did not achieve our original targets, but in the final year (FY2024), although we fell slightly short of our sales target, we were able to surpass the initially established targets for all other financial indicators. In the Metals Sector specifically, exchange rates and bullion prices remained higher than expected, and associated inventory factors were favorable, which had a significant effect, but increased sales of mainstay products in the Engineered Materials Sector such as electrolytic copper foil and engineered powders also contributed, enabling Mitsui Kinzoku to set new records for both sales and profits. We were relieved and deeply grateful to achieve such results in a milestone fiscal year that marks the 150th anniversary of our founding. However, this sense of satisfaction was brief and is already in the past. We have now embarked on a new medium-term management plan, the 2025-2027 MTP. As I have already mentioned herein, my mission and commitment as President is to ensure that we build a rock-solid foundation for Mitsui Kinzoku to continue to contribute to society and remain a corporate group needed by society for the next 50 years, the next 100 years, and beyond.

In FY2025, the Trump administration’s policy of imposing high tariffs has created uncertainty in the global economic outlook, which means we must pay even closer attention to fluctuations in interest rates and exchange rates. As our businesses’ supply chains expand globally, I feel that we also must manage them more closely than before. Unlike the previous year, when business remained strong, we currently expect a decrease in sales and profits this fiscal year based on the assumptions that the yen will appreciate and bullion prices will decline.

Domestically, we are aware of various issues that need to be addressed, such as the ongoing rises in raw material and energy prices, higher inflation, the polarization of consumption associated with rising prices and inflation, and the worsening of the human resources shortage. Of course, we do not intend to use the current management environment, which is uncertain and extremely challenging, as an excuse. In each of our businesses, we will do everything we should do and can do to exceed our initial sales and profit expectations even if only slightly. Implementing the 2025-2027 MTP is an essential step toward successfully achieving the Vision for 2030 that the Group has outlined.

Over the next three years, we will further solidify the foundation for continuously creating economic and social value.

During the 2022-2024 MTP period, we successfully reduced interest-bearing debt by 26.2%, a faster reduction than we had ever achieved before. For this reason, we obtained results exceeding the initial targets for both the consolidated equity ratio, which the 2022-2024 MTP identified as a key financial indicator to be improved, and ROE.

In the 2025-2027 MTP that starts this fiscal year, we aim to increase our cash flow from operating activities, which we will allocate to increasing growth investments and shareholder returns by around 2.5 times compared to the 2022-2024 MTP. Going forward, we plan to further raise DOE (the dividend on equity ratio), which we previously increased from 2.5% to 3.0% by adopting a progressive dividend policy, to the 3.5% level. We also have the option to buy back stock as part of our return policy.

Under the 2022-2024 MTP, we began working in earnest on portfolio management and dynamic management of our business portfolio as well as incorporating business evaluations based on ROIC. Under the 2025-2027 MTP, we will implement rigorous cash flow management while further strengthening management that considers capital costs and stock price.

To shareholders and investors, it may seem that we are progressing slowly in terms of effectively allocating management resources and pursuing capital efficiency. Last fiscal year, I believe we achieved our goals of speeding up decision-making and enhancing discussions at the Board of Directors meetings, especially concerning management strategy and policy, by transitioning to a company with an Audit & Supervisory Committee. In FY2024, we were also able to devote a significant amount of time to discussing management strategy, reviewing the business portfolio, and discussing M&A and organizational restructuring proposals at the Board of Directors meetings. Two years ago, we incorporated achieving ESG indicators as a requirement for directors’ stock compensation; this year, we added ROIC as an indicator for their performance-linked compensation. Furthermore, with the aim of strengthening portfolio management, we have added business segments’ WACC (weighted average cost of capital) and ROIC Spread*¹ as new indicators for business evaluation. Based on objective business evaluations using ROIC as a yardstick, under the 2025-2027 MTP, we are considering implementing “Big Moves” in several businesses as measures for fundamental cash generation. “Big Moves” refer to measures that will enable a shift toward non-linear growth rather than incremental growth. Based on such measures, we intend to target non-linear growth—in other words, accelerated growth at an unprecedented rate.

During the 2022-2024 MTP period, as a result of an ongoing review of our business portfolio, we decided to sell and completed the sale of several businesses. We have also received inquiries from some investors who want to know if there are any buy-side projects in the works. In fact, we are considering “buy-side M&A” as one of our Big Moves. If something fully meets our investment criteria after we conduct a thorough business evaluation, we intent to proceed boldly and quickly.

Last fiscal year, we also conducted a review of our materiality, which identifies the key issues that the Group must tackle. This review was intended to further link the initiatives in each sector with our CSR, ESG, and sustainability initiatives, in line with the strategy described in the 2025-2027 MTP. We narrowed down the previous 12 items to a total of 7 items: 3 items aimed at contributing to solving environmental and social issues via our business activities and 4 items aimed at increasing the value we provide to society. We have defined these as our new materiality from FY2025. We have diligently clarified the various issues facing society today and have reassessed what kinds of risks and opportunities these represent for the Group and what kinds of positive and negative impacts our business activities may have on them. Of course, this is also aligned with the Group’s Management Philosophy, Purpose, and Vision. Along with the financial indicators aimed at improving economic value, these materiality issues are non-financial indicators that will lead to enhancing social value, and we have also set more specific KPIs for various initiatives than we have done in the past.

* 1 The value obtained by deducting WACC (weighted average cost of capital) from ROIC (return on invested capital).

New guidelines for implementing integrated thinking-based management from an HR perspective

In addition, we have revised our Code of Conduct and created new “Values.” The former specifies the standards that must be followed without exception by organizations and individuals in order to maintain our stakeholders’ trust. We revised the Code of Conduct for the first time in nine years in response to the changing needs of society. The latter articulates our organizational beliefs and culture, which provide infrastructure for creating an environment in which every employee can work with enthusiasm and create new value in order to realize the Vision based on our Purpose. The Values express the actions and values that should be emphasized in five phrases. We have incorporated these values as criteria for individual employees’ targets and personnel evaluations in our performance-based HR system, which is steadily taking root. In addition, one of the items in our newly identified materiality is “human resources who implement our values,” and we strongly expect that fostering a culture in which everyone can work enthusiastically and tackle rewarding challenges will contribute in multiple synergistic ways to maximizing the value of our social capital, such as creating safe, comfortable workplaces, promoting job satisfaction reforms, and diversifying our workforce.

Since we also recognize that intellectual capital (i.e., intellectual property) is an important management resource, we will not relax our efforts in this area. We will continue to seek to diligently acquire and protect the rights to the knowledge that we have accumulated to date as well as to actively promote intellectual property management, which plays a role in enhancing ambidextrous exploration. In the past, it was difficult to visualize this value, but we are now performing indicator-based management using a figure known as

the “Patent Asset Index,” thus enabling us to steadily increase our intellectual capital. As part of our system to enhance corporate value and support integrated thinking-based management, we also enhanced our DX efforts during the 2022-2024 MTP period. As planned, we established digital infrastructure for purposes such as addressing information security. The 2025-2027 MTP period has been defined as a digital proliferation period, during which we will focus our efforts on rolling out our digital utilization model group-wide, expanding the use of new shared tools such as generative AI, and cultivating DX talent.

As previously indicated in our Carbon Neutral Roadmap, making steady progress to expand DX will help to stabilize operations in various manufacturing processes, increase production efficiency, and reduce energy use. Moreover, the Business Creation Sector, which is enhancing its R&D competitiveness by promoting DX, is pursuing the development of new businesses, which we are highly confident will contribute to the realization of a carbon neutral society due to synergies between technologies and products that support carbon reduction and elimination.

A deep sense of regret and remorse

Looking back at the past fiscal year, there is one matter that must be mentioned. As revealed by a whistle-blowing report in October 2024 and announced in the findings of an investigation by the Special Investigative Committee in April, incidents of inappropriate conduct, such as falsifying and fabricating inspection measurement data, occurred at our subsidiary Mitsui Kinzoku Perlite Co., Ltd. These occurred even though risk management and rigorous compliance were highlighted in the 2022-2024 MTP, and as the President of Mitsui Kinzoku, who is responsible for the entire Group, I am deeply ashamed.

I would like to once again sincerely apologize for allowing this inappropriate conduct to occur, which has violated the trust of our stakeholders, including the customers who have used Perlite products for construction materials, landscaping, and other purposes for many years. Since this case came to light, Mitsui Kinzoku and Mitsui Kinzoku Perlite have analyzed the underlying causes and urgently implemented initiatives to prevent recurrence, such as enhancing compliance awareness, ensuring the reliability of inspection data, and improving systems. Further, in my role as President, this case has enhanced my awareness of the importance of quality, and I continue to visit various manufacturing sites for the purpose of teaching employees that we must prioritize quality over meeting deadlines or making profits. I firmly promise that this kind of non-compliant behavior and scandal, which caused us to lose the public’s trust, will not happen again.

Based on our Purpose, we are transitioning to integrated thinking-based management in order to pursue a balanced approach to ambidexterity, execute our management strategy based on both economic value and social value, and become a sustainable company in both financial and non-financial terms. To promote the well-being of the world, we will continue to steadfastly pursue these with an unwavering mindset. Lastly, more than ever before, our senior leadership will proactively share information and communicate with internal and external stakeholders to achieve our Vision for 2030. We truly hope we can continue to count on your valuable support going forward.

(July 2025)



Philosophy of Mitsui Kinzoku Group

Our Management Philosophy, presenting the unshakeable principles of Mitsui Kinzoku Group, declares that the goals of the Group's business are contribution to society and eternal growth. By practicing integrated thinking-based management, which aims to enhance both economic and social value, we strive to build a mechanism for sustainable improvement in corporate value and to achieve continuous growth. To this end, we established in 2022, the Purpose as our basis for making judgments and the Group Vision (Vision for 2030).

経営理念

創造と前進を旨とし
価値ある商品によって社会に貢献し
社業の永続的発展成長を期す

三井金属鉱業株式会社

Management Philosophy

“ With creativity and productivity,
We, Mitsui Kinzoku Group, will explore products of value to society,
and seek an eternal growth of our group.”

Mitsui Kinzoku Group’s mission included in its Management Philosophy

The Management Philosophy was developed and documented in 1984, more than 40 years ago.
It declares that the goal of the Group's business is contribution to society and sustainable growth.
Grateful to our predecessors for having had the perspective of sustainability,
we will pass on the values they sought to uphold.

【Corporate Slogan】

Taking full advantage of Material Intelligence

Mitsui Kinzoku in a nutshell

We are a manufacturing company mainly dealing with non-ferrous metal materials and always thinking about what our strengths are, how we can utilize them effectively, and what value we can create.
With thinking them thoroughly, we pursue our originality and value.

【Purpose】

探索精神と多様な技術の融合で、
地球を笑顔にする。

We promote the well-being of the world
through a spirit of exploration and diverse technologies.

Why we exist

The Purpose of Mitsui Kinzoku Group is to promote the well-being of the world by utilizing the spirit of exploration and diverse technologies, two strengths that the Group has cultivated to date. We endeavor to achieve this by developing materials and building business models with low environmental impact, as well as by providing value that brings comfort to people's lives.

“Spirit of exploration”

A spirit of constantly searching for something better and something new as the exploration part of our business. With our origin in mine development, and by continuing to explore, we will create various businesses and products supporting industries and people's lives.

“Diverse technologies”

Toward the exploitation part, we will share wisdom with internal and external stakeholders and integrate diverse technologies to continue creating new value. To this end, we will also pass technologies and wisdom on to the next generation and improve them.

“We promote the well-being of the world”

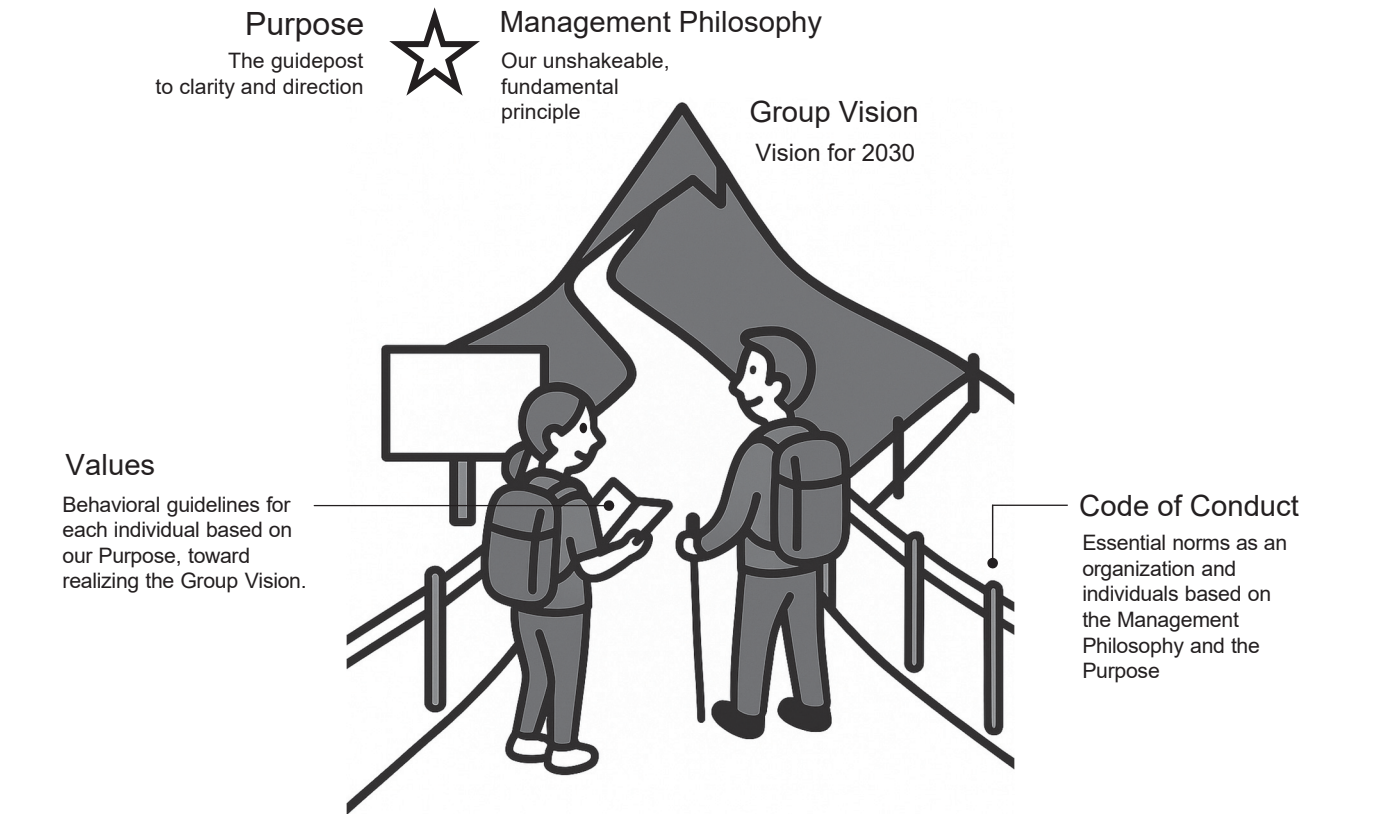
Through integrated thinking, we will conduct business activities not only focusing on immediate profits but also on a long-term vision, considering their impact on the planet and humanity, thereby bringing smiles to our faces while working for the Group.

【Group Vision】

Vision for 2030

Building new businesses - and the future - with our material intelligence.

By taking full advantage of our Material Intelligence based on the Purpose, we will continue creating new products and services that contribute to the development of the global environment and humanity, aiming to become a company essential for the well-being of the world.



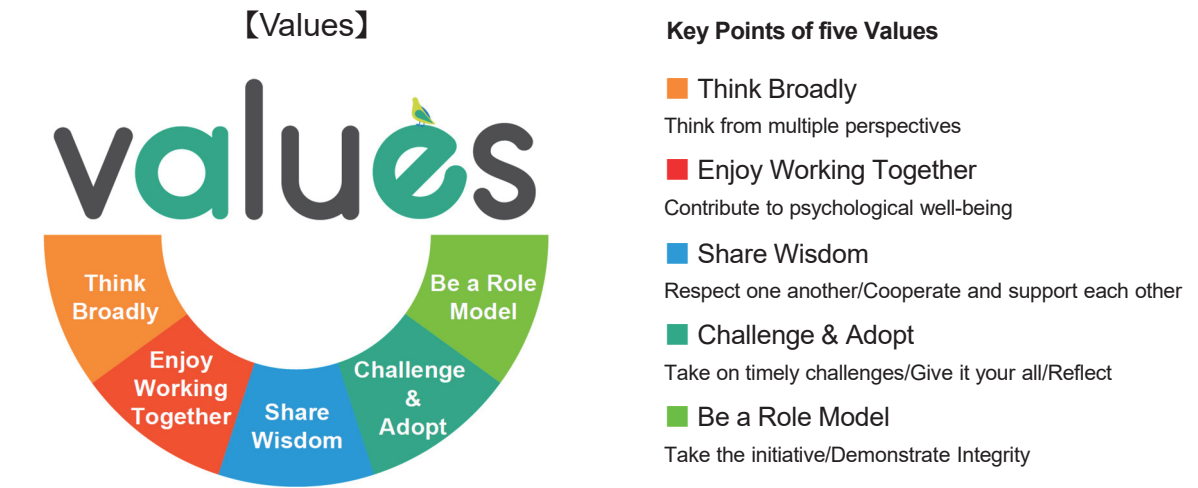
Initiatives to promote the Purpose

“We promote the well-being of the world through a spirit of exploration and diverse technologies.” This is the Purpose of Mitsui Kinzoku Group. We are promoting various initiatives for dissemination of the Purpose to ensure that all employees working for the Group not only understand and share it as our unshakeable basis for making judgments and as the guidepost for a sustainable society, but take ownership of it and practice it in everyday work as well.

22-24 MTP			After 25-27 MTP	2030
[FY2022]	[FY2023]	[FY2024]		
Recognition Recognize the Purpose/Vision			Action Put our own actions into words to achieve the Purpose/Vision and practice them in everyday work	To realize the Vision The organizational culture we aim for Pursuing both economic value and social value Providing workplaces with psychological safety, where everyone can leverage their uniqueness and enjoy taking on challenges Building a culture allowing flexible responses to situations in an uncertain business environment Ensuring high ethical standards to remain a trusted partner in society
Understanding/ resonance				
Main initiatives - Formulating and rolling out the Purpose/Vision - Rolling out the tools for dissemination - Launching the Special Purpose website - Conducting Purpose training - Creating My Purpose and posting it on the special website - Releasing Purpose commercials - Rolling out the video of an interview with the President - Enhancing training - Linking with various initiatives (e.g., GK activities, call for ideas on new businesses)			- Conducting briefing sessions on the Purpose/Values - Connecting with evaluation systems through the Values - Enhancing information dissemination to encourage employees to take ownership of the Purpose, introducing a mechanism to strengthen employee interactions (under discussion) - Introducing an award system to encourage actions in line with the Purpose (under discussion)	
Dissemination of the Purpose			Goals for 2027	
FY2022 (H1) in Japan Recognition =78 % Understanding=26 Resonance =53 Action =33 (Valid responses: 3,507)	FY2023 (H1) in Japan Recognition =90 % Understanding=31 Resonance =60 Action =31 (Valid responses: 2,776)	FY2024 (H2) in Japan Recognition =98 % Understanding =45 Resonance =67 Action =37 (Valid responses: 4,312)	Recognition =95 % Understanding =80 (Management) 60 (Non-management) Resonance =90 (Management) 70 (Non-management) Action =80 (Management) 60 (Non-management)	

Formulation of Values

To aim for the Purpose and Vision, it is essential that each employee understand what they should do and put it into action with confidence. To facilitate these behavioral changes, we formulated the Values in 2025 as the behavioral guidelines that all Group employees should appreciate.



As we strive to achieve the Vision based on the Purpose, Mitsui Kinzoku Group firmly believes in the essential role of building an enabling environment, where each individual can enjoy working, exchange ideas utilizing their own talent and uniqueness, and create new value. To this end, we have defined the organizational culture the Group should have, put it into words, and combined it with what we currently lack as an organization, actions and values we should reinforce, and the unique features the Group has built and should pass on to the future. This process has led us to identify five new values.

We will promote the Values across the Group through various methods, such as effectively using the Value Book that explains the concept to employees, hosting briefing sessions on the Purpose and the Values, and using the Values as a foundation for employee evaluation.

To be a trusted partner for stakeholders

The Code of Conduct shows a set of values and actions to be shared by all officers and employees of Mitsui Kinzoku Group. To successfully promote the well-being of the world, as declared in the Purpose, we first need to be trusted by our stakeholders. As the Code of Conduct underpins the sound business continuity based on the Purpose, we will disseminate it across the Group through various educational and awareness-raising activities.

[Compliance] Page 67

Code of Conduct

1. Basic Philosophy

We shall act based on our Management Philosophy and Purpose as members of the Mitsui Kinzoku Group.
We shall create economic and social value by providing assured quality in manufacturing and services that contribute to solving environmental and social issues, thereby working towards the realization of a sustainable society.

2. Compliance

We shall comply with local and international laws and our company’s regulations, and act in accordance with the conscience of our society.

3. Human Rights

We shall respect human rights. We shall act with the recognition that human rights are given to all human beings from birth.

4. Honest Business Activities

We shall conduct appropriate business activities based on free and fair competition.
We shall maintain sound and transparent relationships with political entities, government agencies, customers, suppliers, and other stakeholders. We shall engage in responsible procurement practices with our suppliers.

5. Rejection of Antisocial Forces

We shall resolutely confront antisocial forces and organizations and thoroughly prohibit all relationships with them.

6. Environment

We shall address environmental issues in every aspect of our business activities.

7. Health and Safety

We shall create workplace environments that ensure health and safety.

8. Empowerment and Diversity

We shall respect individuality and create a comfortable workplace environment where diverse talents can thrive.

9. Information Security and Management

We shall comprehensively protect and manage confidential information, including personal and customer information.

10. Information Disclosure

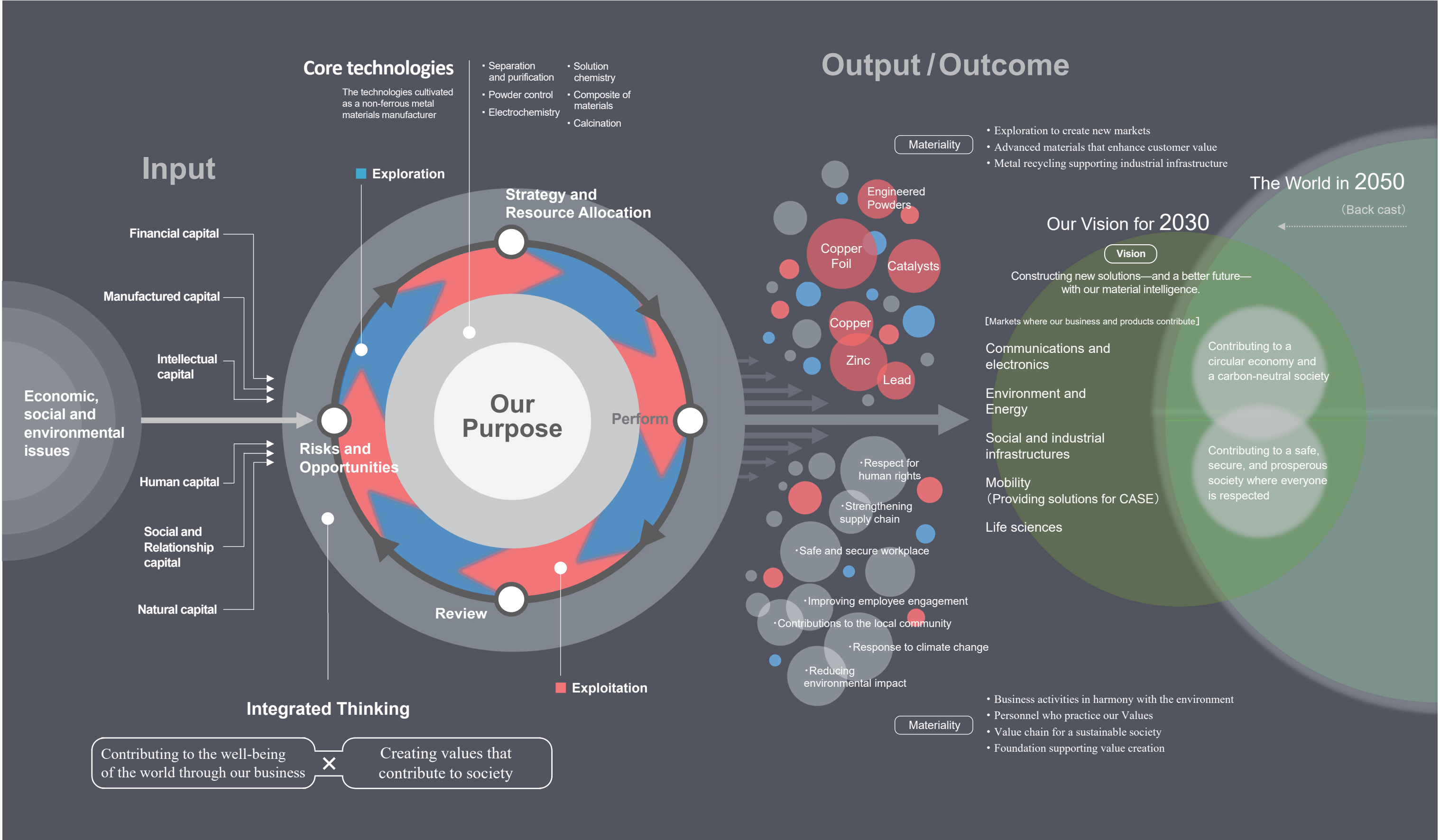
We shall proactively, appropriately and fairly disclose corporate information.

11. Stakeholder Engagement

We strive to promote mutual understanding through communication with stakeholders and strive to reflect their expectations and requests in our business activities.

Our value creation process

As a nonferrous metal manufacturer, we have cultivated our technologies and know-how and developed our value chain in our history. “Material Intelligence” — this is the source of our value creation. Based on the newly set Purpose, we will practice the integrated thinking-based management to realize the Vision. In the scope of “promoting the well-being of the world”, we will implement a business model of exploration (forging new businesses) and exploitation (developing existing businesses) to achieve long-term value creation.



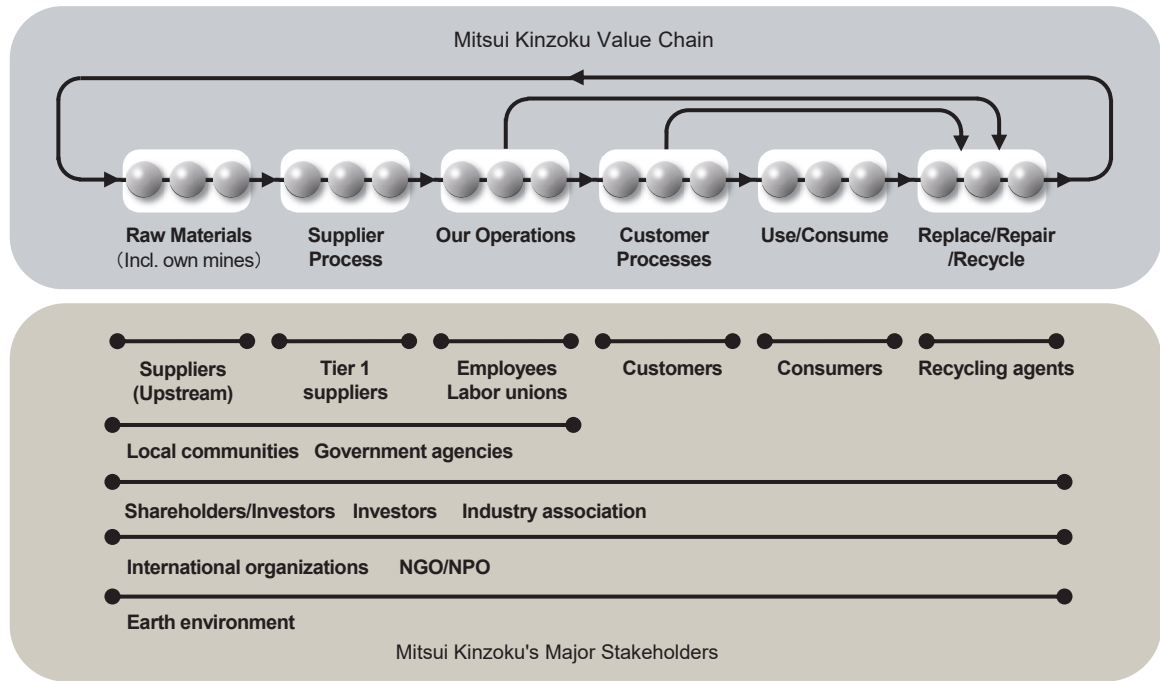
Stakeholders and materiality

Mitsui Kinzoku Group is committed to practicing management that integrates sustainability in order to continue creating value over the long term. We have identified major stakeholders as well as material issues (materiality) to promote the integrated thinking-based management efficiently.

Identification of major stakeholders and engagement

Mitsui Kinzoku Group has identified major stakeholders in accordance with the eight criteria of ISO 26000. The major stakeholders are determined as highly likely to be affected by our business activities economically, environmentally, and socially. The earth environment is considered as being one of our major stakeholders. Sustainability frameworks and standards, including the SDGs, indicate the common social and environmental issues which these multiple stakeholders are facing. In FY2024, we reviewed our major stakeholders and continued engagement through initiatives such as ESG briefings for institutional investors, supplier briefings, and dialogue sessions with client companies to better understand their expectations and concerns. We reflect the feedback in our materiality initiatives.

Stakeholder mapping along the value chain



Materiality identification and review

Among the various environmental and social issues raised by stakeholders, Mitsui Kinzoku Group selects those with particularly significant impacts on the Group's value chain and identifies them as material issues (materiality).

FY2016 Materiality identification

Primarily based on the seven core subjects of ISO 26000, we identified them by mapping them across two axes: "Importance to stakeholders" and "Importance to our Group."

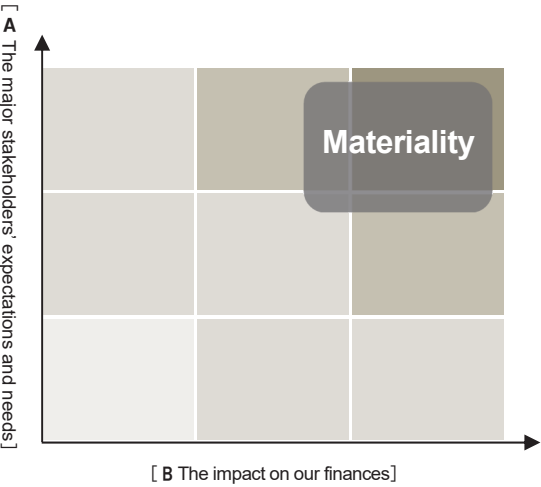
FY2019 Materiality review

Business opportunities with the potential to contribute to solving societal challenges and ESG risks that could impact financial performance were identified from two perspectives. As initiatives supporting materiality promotion, six items were selected from the "capital" perspective. Prioritization was based on two axes: "the major stakeholders' expectations and need" and "the impact on our finances."

FY2024 Materiality review

In pursuit of the Purpose and Vision for 2030 established in 2022, we recognize the critical importance of identifying and understanding the risks and opportunities arising from environmental and social challenges, as well as mitigating risks and capturing opportunities for growth. In FY2024, we conducted an analysis of medium- to long-term environmental changes and the associated risks and opportunities. Based on our findings, we identified new material issues—specifically those that significantly impact stakeholders and the financial aspects of the Group. These material issues have been integrated into our medium term plan through the establishment of KPIs, and we are strategically allocating management resources to address them. Progress is reported quarterly to the Executive Council, while important matters are reported to and deliberated by the Board of Directors to reinforce governance and promote the PDCA cycle.

[Review steps]

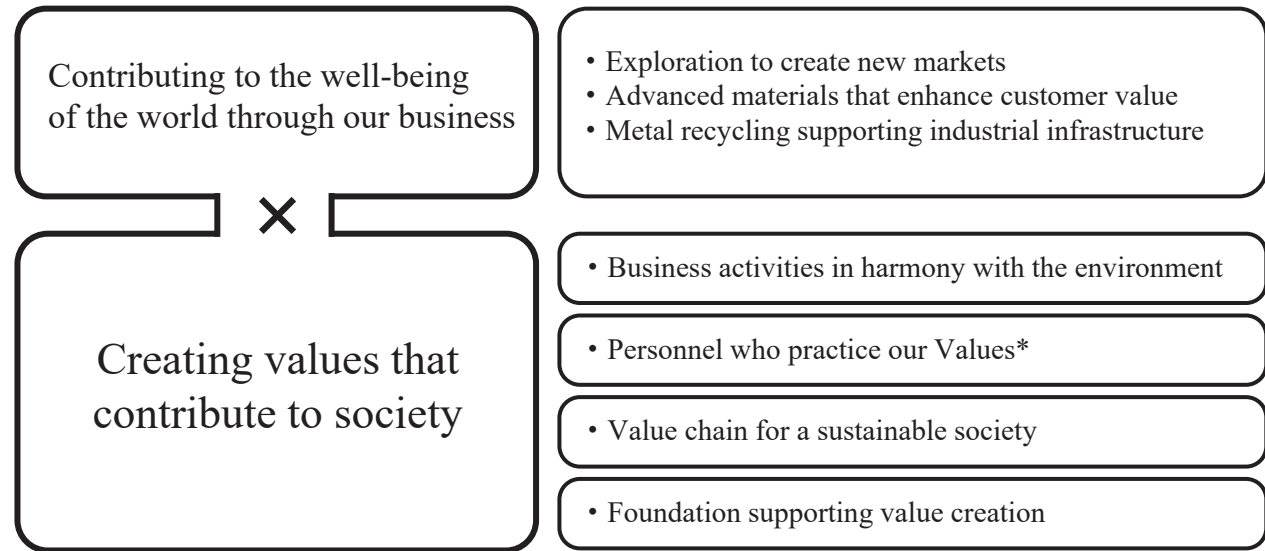


Primary frameworks referenced

- GRI Standard
- ICMM
- ISO 26000
- Keidanren Charter of Corporate Behavior
- OECD Due Diligence Guidance for Responsible Business Conduct
- RBA (Responsible Business Alliance) Code of Conduct
- SASB Standard
- SDGs
- SSBJ
- UNGC

New materiality (FY2025~)

We will strive to align our business initiatives more than ever before with efforts to enhance sustainability in society.



* = Newly Established "Values (Behavioral guidelines)"

Materiality and KPIs in 2025-2027 Medium Term Plan

For each material issue, we have defined sub-material issues to focus on and set their KPIs in the 2025-2027 New Medium Term Business Plan. We will enhance the reliability of each initiative by implementing the PDCA cycle while closely linking it with the business strategy.

※1 The scope of KPIs covers Mitsui Kinzoku and its consolidated subsidiaries in Japan and overseas. Notes are provided when the scope differs.
※2 Domestic consolidation scope. Includes Mitsui Kinzoku and its domestic consolidated subsidiaries.
※3 Mitsui Kinzoku and its major domestic consolidated subsidiaries.
※4 Mitsui Kinzoku (non-consolidated).

Risks and Opportunities	Materiality	Sub-materiality	KPI in the 25 MTP (FY2027)	SDGs we can contribute to
[Risks] Falling behind in the market and losing competitiveness due to insufficient contribution to addressing global environmental and social challenges. [Opportunities] Expanding the market for environmental businesses, creating business models contributing to resource recycling, providing products and services to help achieve carbon neutrality, obtaining de-facto standards in each market	Exploration to create new markets	Advancing R&D themes contributing to carbon neutralityto the demonstration phase	- Complete initial evaluation of CO2 capture using actual gas at partners and collaborators - Complete demonstration testing from CO2 capture to methanol production at the India catalyst manufacturing site	   
	Advanced materials that enhance customer value	Continuous creation of Environmental Contribution Products	Environmental Contribution Products: 50% or more of total new product launches (by number of items) , 50% or more of total sector sales	
	Metal recycling supporting industrial infrastructure	Lead element recovery from E-scrap	Lead concentration residue processing amount: 148% Sn, Sb, Bi recovery amount: 130%	
[Risks] Impact of increasingly stringent policies, laws, and regulations across countries, reputational risk stemming from delayed responses to environmental and social challenges, physical risks associated with climate change, degradation of natural capital [Opportunities] Enhancing organizational resilience and corporate reputation through resource circulation and the pursuit of carbon neutrality	Business activities in harmony with the environment	Response to climate change	Toward net-zero emissions by 2050, reduce GHG emissions by 22% (Scope 1+2, compared to 2013 levels)	      
		Resource conservation and environmental impact reduction	- Water usage reviews at domestic smelting sites: 100% completed - Water usage reviews at sites in high-stress areas: 100% completed - Zero discharge of untreated wastewater into public waterways - Promotion of substitution and reduction in the use of hazardous chemicals - Reduction in total waste emissions: 20% or more - Effective utilization rate of waste plastics: 80% or more ※2	
		Biodiversity conservation	- Assessments to identify impacts of business activities on biodiversity: 10 sites completed - Roadmaps for ecosystem restoration at priority sites directly developed by the Group: 100% completed	
[Risks] Declining quality of talent due to changes in the external environment, outflow of talent due to the loss of opportunities for diverse talent to play an active role [Opportunities] Securing talent contributing to value creation and improving their productivity, innovation through diversity	Personnel who practice our Values	Occupational safety and health	- Accidents (not requiring days off, requiring days off, and fatal accidents): <30 - Accidents/diseases among new employees (<1 years of employment), senior employees (>60 years old) and foreign-national employees: <10 - Frequency rate of accidents: <0.4 - Fatal accidents: 0 - Accidents that cause irreversible physical sequelae: 0	     
		Health management	Improving Absenteeism and Presenteeism ※3	
		Promotion of DE&I and job satisfaction reforms	- Iki-iki active engagement – company-wide average (engagement indicator) : 55% ※3 - Percentage of women employees: 24% ※4 - Rate of paternity leave taken by male employees: 85% ※4 - External evaluation :Eruboshi certification, Nadeshiko Brand, Kurumin certification ※4 - Communication indicator: 45% ※3 - Percentage of women in managerial positions: 6.8% ※4	
[Risks] ESG risks from suppliers, supply chain disruption due to geopolitical and other risks [Opportunities] Ensuring stable supply by reducing negative environmental and social impact, improving competitiveness	Value chain for a sustainable society	Respect for Human Rights	Preparations to obtain gold status in the RBA audit by selecting target sites, having external audits, and making improvements	     
		Supply chain management	- Achieved full implementation and collection of SAQs from all targeted suppliers : 100% - Completed engagement with all C-ranked suppliers on corrective actions: 100% - Exploring the implementation of supplier briefings and audits	
[Risks] Losing stakeholder trust due to compliance breaches, corporate scandals, and inadequate information security measures [Opportunities] Building stakeholder trust by enhancing management efficiency and ensuring transparency in governance practices	Foundation supporting value creation	Corporate governance	- Percentage of addressed issues identified at the Board Effectiveness Assessmet in the previous year ※3 - Awareness rate of the Code of Conduct in the compliance survey: 75% or more paying attention to the Code when necessary ※3	  
		Promotion of DX	- Achievement of KPIs for the digital shift in business sectors - Work efficiency of generative AI users through operational reforms: up 10% - Group-wide roll out of SASE (Secure Access Service Edge): 100% implementation - Stronger regulation of ICT rules through systematization - Creation of DX talent: 30 people or more	

Review of the previous medium term business plans and the New 2025-2027 Medium Term Business Plan

Under past medium term business plans, we improved our financial condition, shifted to integrated thinking-based management, and developed a system for sustainable corporate value improvement. We have started the first year of our newly launched 2025-2027 Medium Term Business Plan based on a review of our performance to date and the challenges that we face.

Review

2019—2021 Medium Term Business Plan

[Basic concept]

Transform growth foundation to achieve vision for 2024

Vision for 2024
By 2024, we want to be a company that continually creates and develops growth products and businesses in our three core business segments (Engineered Materials, Metals, and Automotive Parts)

[Key initiatives]

Strengthen ESG management and aggressively develop CSR

Ambidexterity “Exploration”

Launched the Business Creation Sector, which is in charge of exploring new businesses

Ambidexterity “Exploitation”

Instilled the concept of “autonomous self-management,” in which each business sector carries out optimal operations independently

Others

Sold our interest in the Caserones copper mine (Chile) to eliminate future risks

[Financial targets and actual results in the final year]

	(Targets)	(Results)
Ordinary income	37.0 billion yen	66.0 billion yen
FCF (three-year total)	50.0 billion yen	47.8 billion yen
ROE	10.0 %	23.8 %
Equity ratio	40.0 %	37.6 %
D/E Ratio (net)	0.70	0.82

[Post-completion issues]

- Executing strategies aimed at improving corporate value for the entire Group
- Establishing a flexible system to adapt to rapid changes in the external environment

2022—2024 Medium Term Business Plan

[Basic concept]

1. Establish a system capable of responding to changes

Aim to realize the Vision for 2030 based on our Purpose

2. Shift to integrated thinking-based management

Shift to integrated thinking-based management in order to establish a business management strategy based on two pillars: enhancing social value and improving economic value

[Key initiatives]

Integrated thinking-based management

(Social value improvement)

Addressing environmental issues

Promoted initiatives such as CO₂ reduction toward carbon neutrality

Corporate governance

Transitioned to a company with an Audit & Supervisory Committee

Transform to human capital management

Introduced a job-based human resources system, improved treatment, and promoted D, E & I

(Financial value improvement)

Ambidexterity

Implemented large-scale business restructuring, including dynamic portfolio management, creation of the Rare Material Division, business sales of affiliates, and elimination of the Mobility Sector

(1) Ambidexterity “Exploration”

Made progress in strategic investments, external co-creation including CVC investments, and strengthening of core technologies

(2) Ambidexterity “Exploitation”

Engineered Materials Sector:
Expanded the value of existing businesses; and improved new business creation activities and social value

Metals Sector:
Strengthened collaboration of zinc, lead, and copper in metal recycling networks; expanded efforts to use low-carbon energy

[Financial targets and actual results in the final year]

	(Targets)	(Results)
Ordinary income	60.0 billion yen	76.4 billion yen
FCF (three-year total)	37.0 billion yen	55.8 billion yen
ROE	14.0 %	21.2 %
Equity ratio	50.0 %	50.4 %
D/E Ratio (net)	0.42	0.37

[Post-completion issues]

- Shifting to management that considers capital costs and share price
- Strengthening group-wide strategies aimed at accelerating corporate value enhancement and becoming a company that creates new synergy and value

Overview of the New 2025-2027 Medium Term Business Plan (the 25-27 MTP)

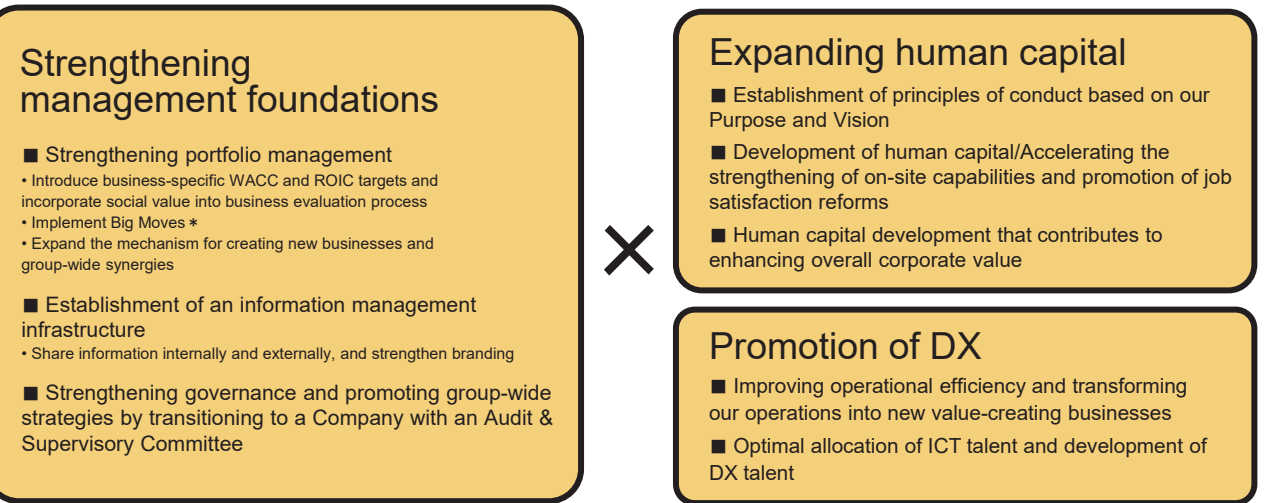
Recognition of issues for the next three fiscal years

In terms of the issues observed in the course of implementing the 19-21 MTP, we recognized the need for group-wide strategies aimed at enhancing corporate value and the establishment of a system to support growth by responding flexibly to the rapidly changing external environment, and under the 22-24 MTP, we pursued efforts aimed at achieving the Vision based on our Purpose, which revolved around integrated thinking-based management and ambidexterity. Our initiatives to enhance social value broadly achieved the expected results, while in terms of enhancing economic value, we achieved the initial targets for both profit and loss as well as financial indicators in FY2024, which was the final year of the 22-24 MTP, and achieved our largest recorded profit ever see (the table on the left).

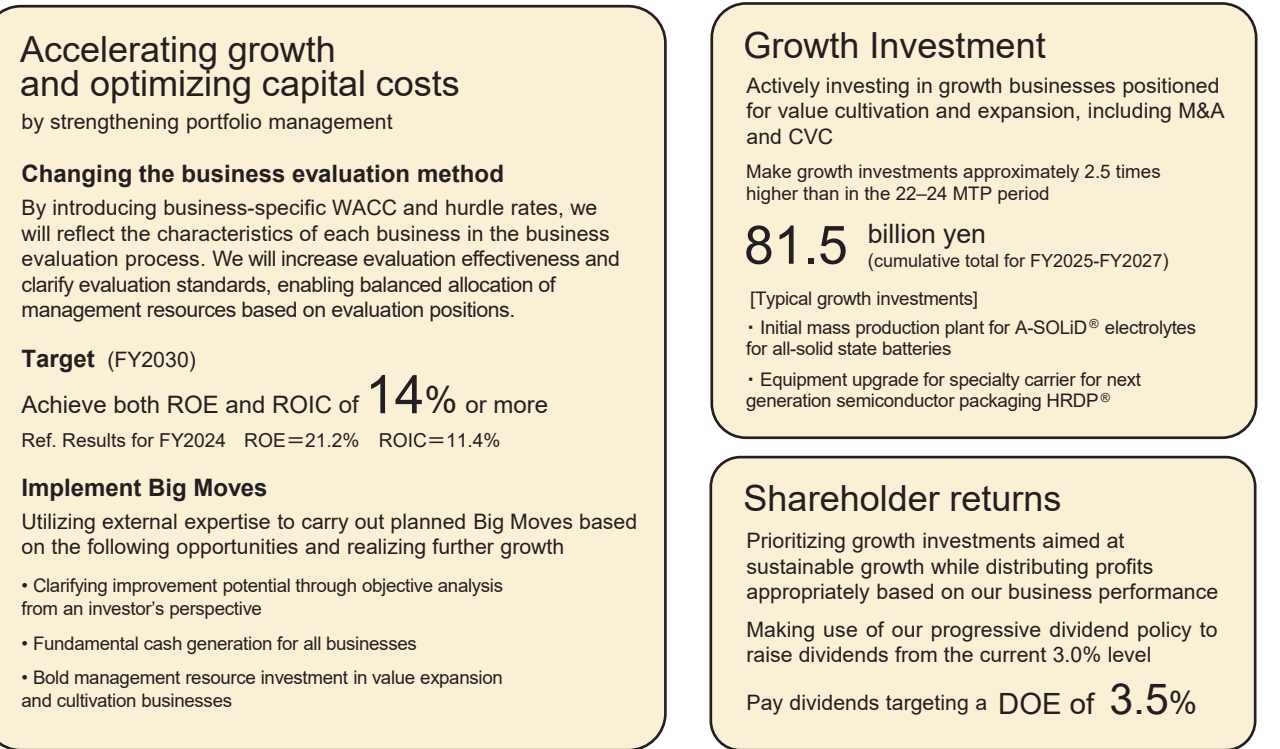
Under the 25-27 MTP, to ensure that we implement our Purpose and realize our Vision, we will refine the existing measures from the 22-24 MTP and implement additional measures. Based on the results of our efforts under the 22-24 MTP, initiatives that should be strengthened during the term of the current plan include strengthening the business foundation to support group-wide strategies to accelerate corporate value enhancement, expanding human resources to this end, and promoting DX to support such efforts. We have therefore identified these as key issues in the 25-27 MTP.

25—27 MTP key issues

* Big Moves: Change to non-linear growth rather than gradual growth



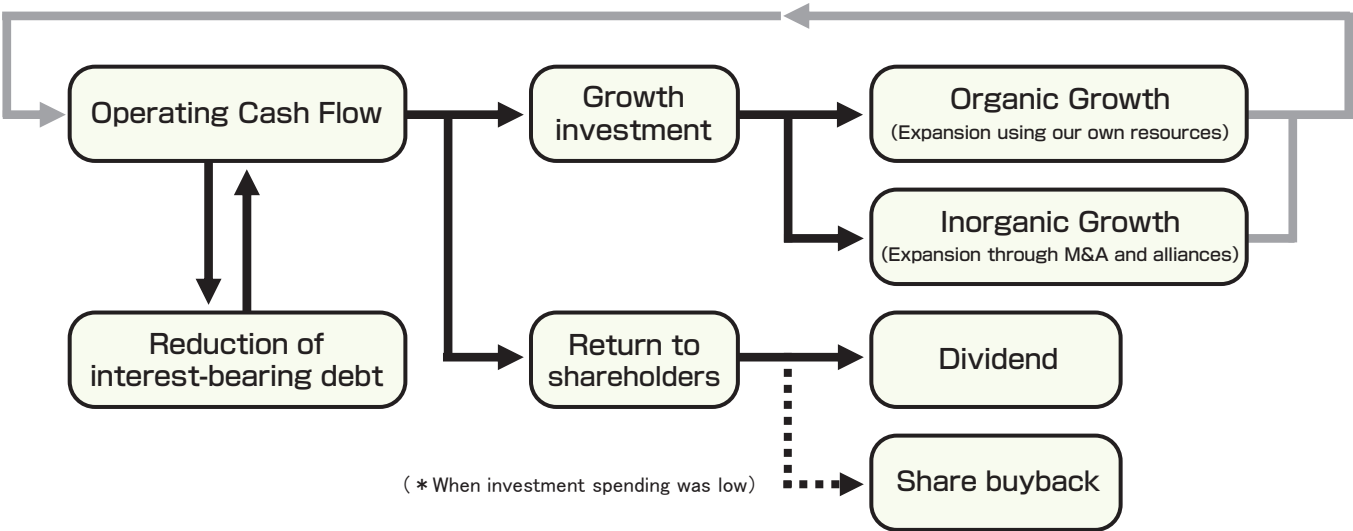
Financial targets set and their aims



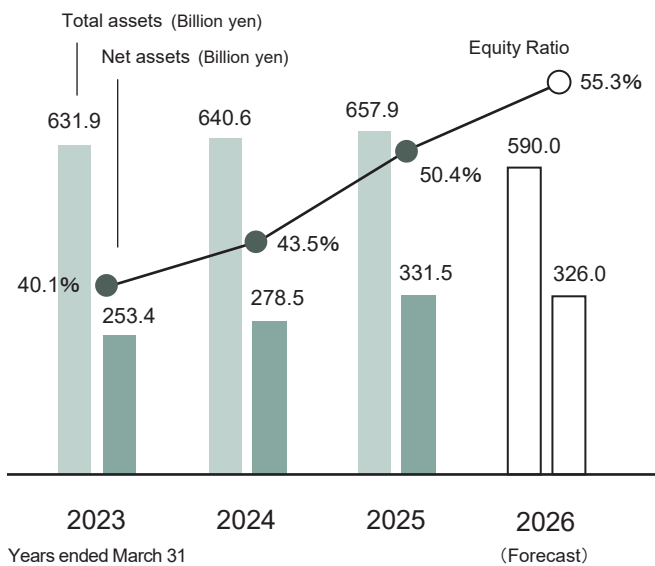
Financial Strategy

Achieve sustainable corporate value enhancement by implementing a financial strategy that is coordinated with our business strategy and focused on investment efficiency

Cash Flow Allocation



Trends in consolidated equity ratio



We were able to achieve the numerical financial targets specified in the 2022-2024 MTP, thereby greatly improving our financial health. In the newly launched 2025-2027 MTP, with the aim of further enhancing our corporate value, we are shifting away from the financial condition improvement phase in order to accelerate efforts to pursue management that is more strongly focused on capital costs and stock price.

During the second most recent medium-term management plan (the 2019-2021 MTP) period, we embarked on business monitoring based on ROIC. Thereafter, during the 2022-2024 MTP period, we incorporated ROIC as a business evaluation indicator for dynamic management of our business portfolio, developing a system for evaluating the capital efficiency of each business. In FY2024, which was the final year of the 2022-2024 MTP, we calculated WACC per business as well as ROIC and added the ROIC Spread, which is derived from these two figures, as an indicator for measuring business value. Based on the attributes of each business, we are using WACC to accurately evaluate each business segment and carefully managing capital utilization efficiency with the aim of improving group-wide ROIC. By enhancing business evaluation and executing more efficient management resource allocation, we continue to actively invest in businesses positioned as “Value Expansion” and “Value Cultivation” businesses. We intend to create a virtuous cycle in which we increase the cash generated by our core businesses and existing businesses that are pursuing “Value Reinforcement/Optimization” and then allocate the proceeds to invest in further growth. We are establishing a financial framework that will enable our shareholders and other stakeholders to understand the links between our business strategy and our financial strategy.



Representative Director, Executive Vice President, Senior General Manager of Corporate Planning & Control Sector

IKENOBU Seiji

Financing policy

To ensure stable business operations, we keep a certain level of liquidity assets to prepare for drastic changes in the market, exchange rates, and nonferrous metal prices. Meanwhile, in addition to active investments in the Business Creation and Engineered Materials Sectors, following our previous mid-term plan, we will continue to pursue investments to improve our social & environmental value and financial value under the current mid-term plan. To implement these activities, we strive to procure financing in accordance with our funding needs, considering the overall financial market situation, interest rates, and other factors.

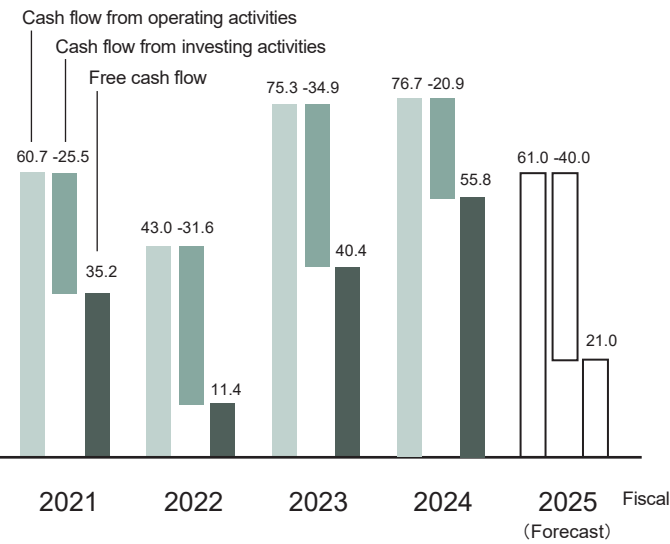
Return to shareholders

The 2022-2024 MTP prioritized sustainable, stable distribution of dividends, setting a target DOE (dividend on equity ratio) of 3.0%. Under the 2025-2027 MTP, we have adopted a progressive dividend policy to achieve more stable shareholder returns, and we will implement dividends with a target DOE of 3.5%. To make effective use of cash, we have added buying back shares as a new option, depending on the status of investment spending.

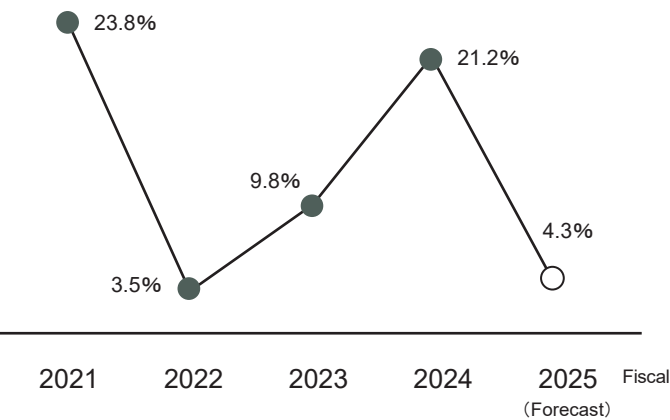
Tax policy

Mitsui Kinzoku Group complies with the laws and regulations of the countries and regions in which we do business, and conduct our business activities in accordance with the tax guidelines published by international organizations such as the OECD (the Organization for Economic Cooperation and Development). When making business decisions, we consider tax matters and position tax strategy as part of our business strategy. If countries and regions have preferential taxation systems, we carefully check the actual situation of our business and the purpose of the systems, use them appropriately, and do not take tax avoidance acts that abuse the systems.

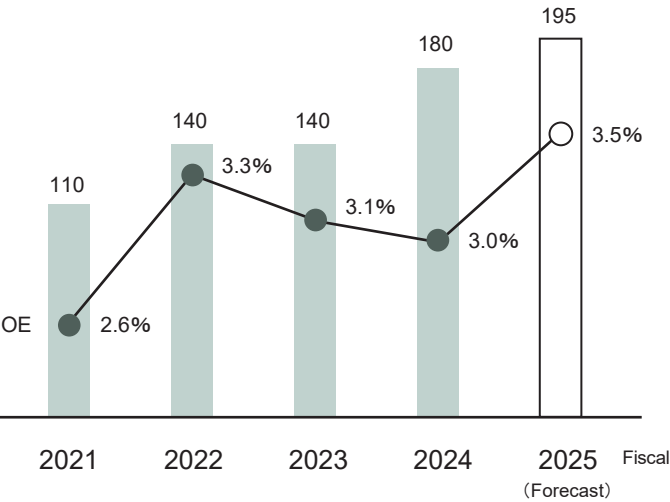
Cash flow (Billion yen)



Trends in ROE



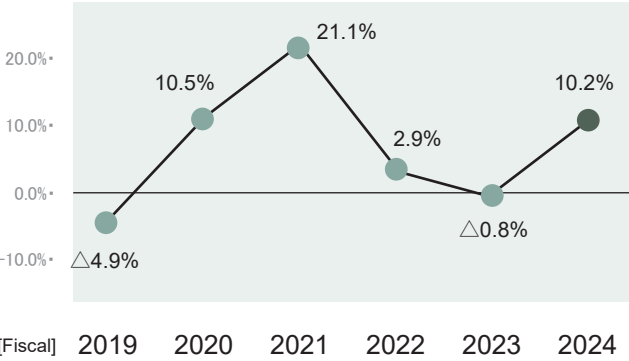
Trends in consolidated dividend on equity (Yen)



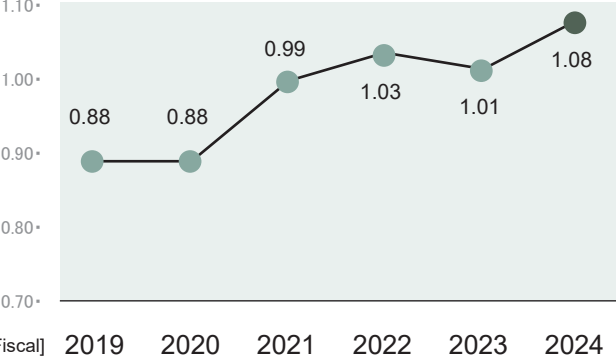
Financial Highlights

Trends in major financial indexes

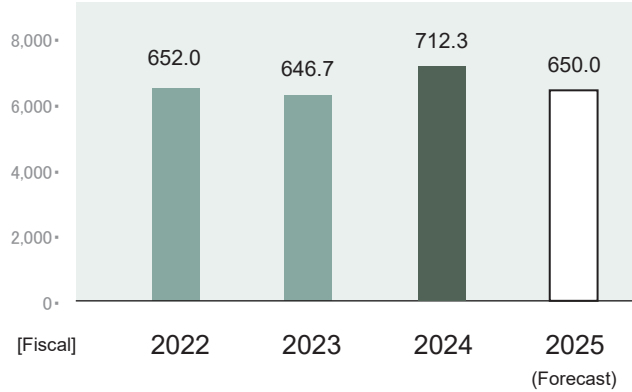
Sales growth rate



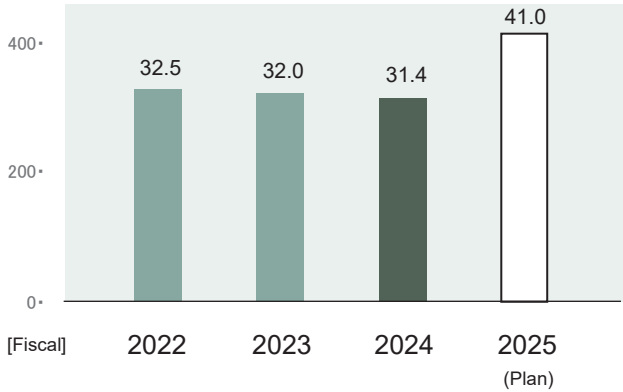
Total asset turnover ratio



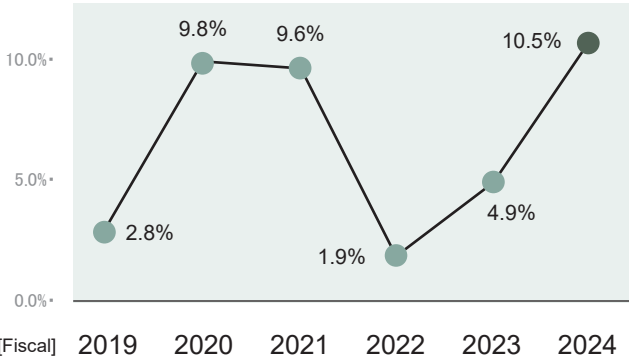
Net Sales



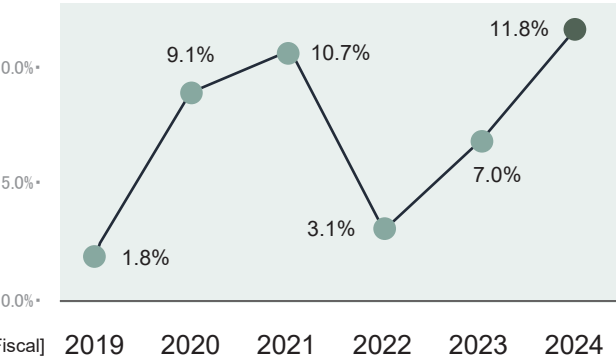
Capex



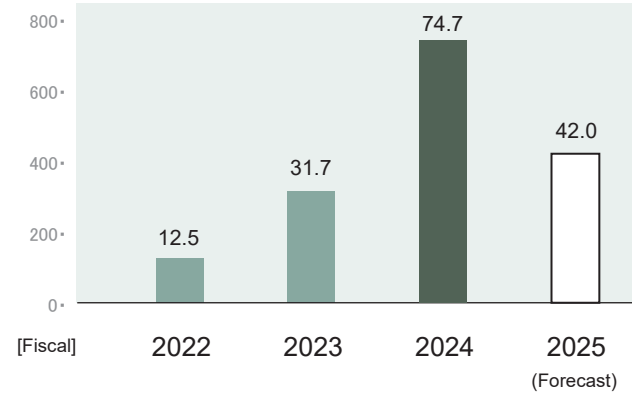
Rate of operating profit on sales



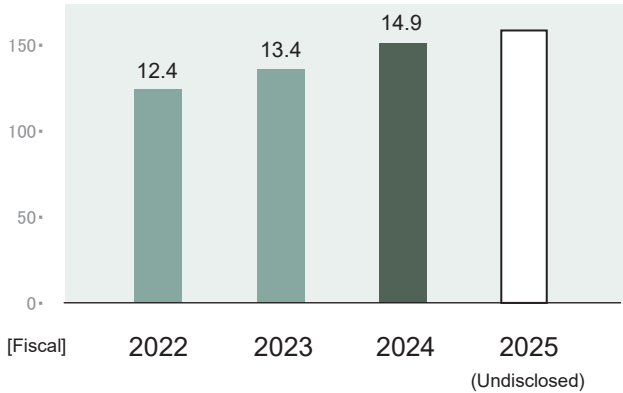
ROA (Return on assets)



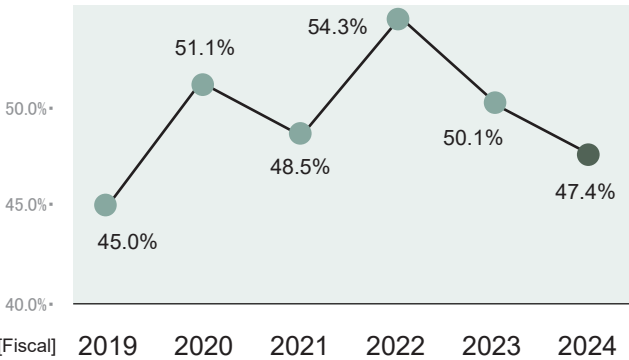
Operating profit



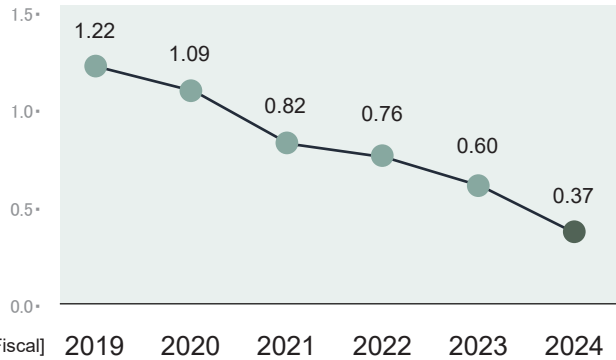
R&D expenditures



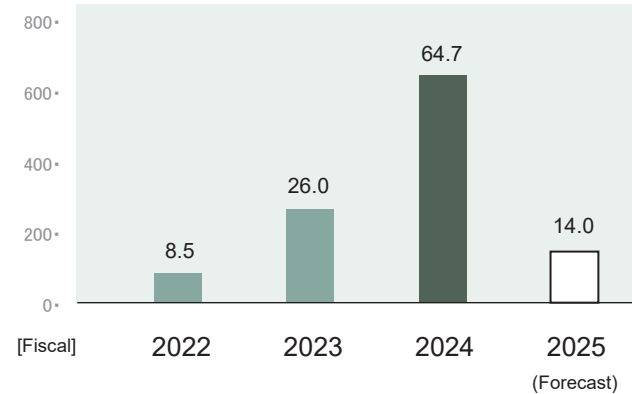
Overseas sales ratio



Net D/E ratio



Profit attributable to owners of parent



Highlights of major financial indexes for the past 11 fiscal years are listed on pages 88-89. Please refer to those pages as well.

Managing portfolio dynamically

Strategic investments in M&As

We will balance and accelerate the management of “exploitation” and “exploration” and pursue internal and external synergies to continually create financial value and social and environmental values.

We have backcast an “attractive market” in 2030 based on our forecast of the world in 2050, and have forecast a “winnable market” in 2030 based on the Mitsui Kinzoku Group's strengths, and set our activity areas for 2030 as the intersection of these markets. We will strategically manage the Group's various businesses and constantly optimize the allocation of management resources to continue creating and supplying products that can contribute to these markets in the areas of communications/electronics, environment/energy, social/industrial infrastructure, mobility, and life science. These are vital, indispensable initiatives for the Group to achieve continuous growth.

According to these scopes, we restructured the organization at the start of the recent medium-term management plan. The concept for the reorganization had two visions: attractive product/market scopes and allowing continued pursuit of synergies. Moving away from our previous framework, in which each sector reached its own market and customers, we have transformed our organizations, enhancing their capacities to deliver value by re-grouping them according to product/market scope. This will lead to each business sector developing its existing businesses, and in addition, the Business Creation Sector will create new businesses, thus establishing a structure that enhances and accelerates the pursuit of ambidexterity.

“Exploitation” involves developing existing businesses and maximizing their potential. “Exploration” involves forging new businesses and expanding knowledge in uncharted areas to create new businesses. These two factors will be balanced by the pursuit of ambidexterity.

“Growth prospects” are evaluated based on market attractiveness and our competitiveness. “Business value” was previously evaluated based on EBITDA and ROIC, but the new medium-term management plan (the 2025-2027 MTP) adds ROIC Spread to the evaluation indicators.

We define ROIC Spread as the value obtained by deducting a business segment's WACC (weighted average cost of capital for the business) from ROIC. We believe this will allow us to more accurately judge whether we are using capital efficiently and reliably generating earnings as well as to better measure improvement in corporate value.

* Best owner

“Best owner” refers to the management entity that is expected to make the best use of the management resources of the business to maximize the corporate value in the medium to long term.

In businesses with high growth prospects, which is the matrix's vertical axis, we actively use external resources, not only internal growth, including M&As and business alliances for further Value Expansion and Value Cultivation. The Business Development Office of the Corporate Planning Department is responsible for implementing these initiatives. We will combine synergies created through internal business reorganization and partnerships with external organizations to enhance our growth strategies.

Based on dynamic business portfolio management, we will constantly assess businesses and explore internal and external best owners* for businesses that are categorized as Value Transformation. The Business Reconstruction Office of the Corporate Planning Department, which governs businesses not included in the business sectors, is responsible for these initiatives.

FY2024 Business Evaluation Matrix review and measures

In last FY2024, we also evaluated and reviewed the growth prospects of each business in the Group.

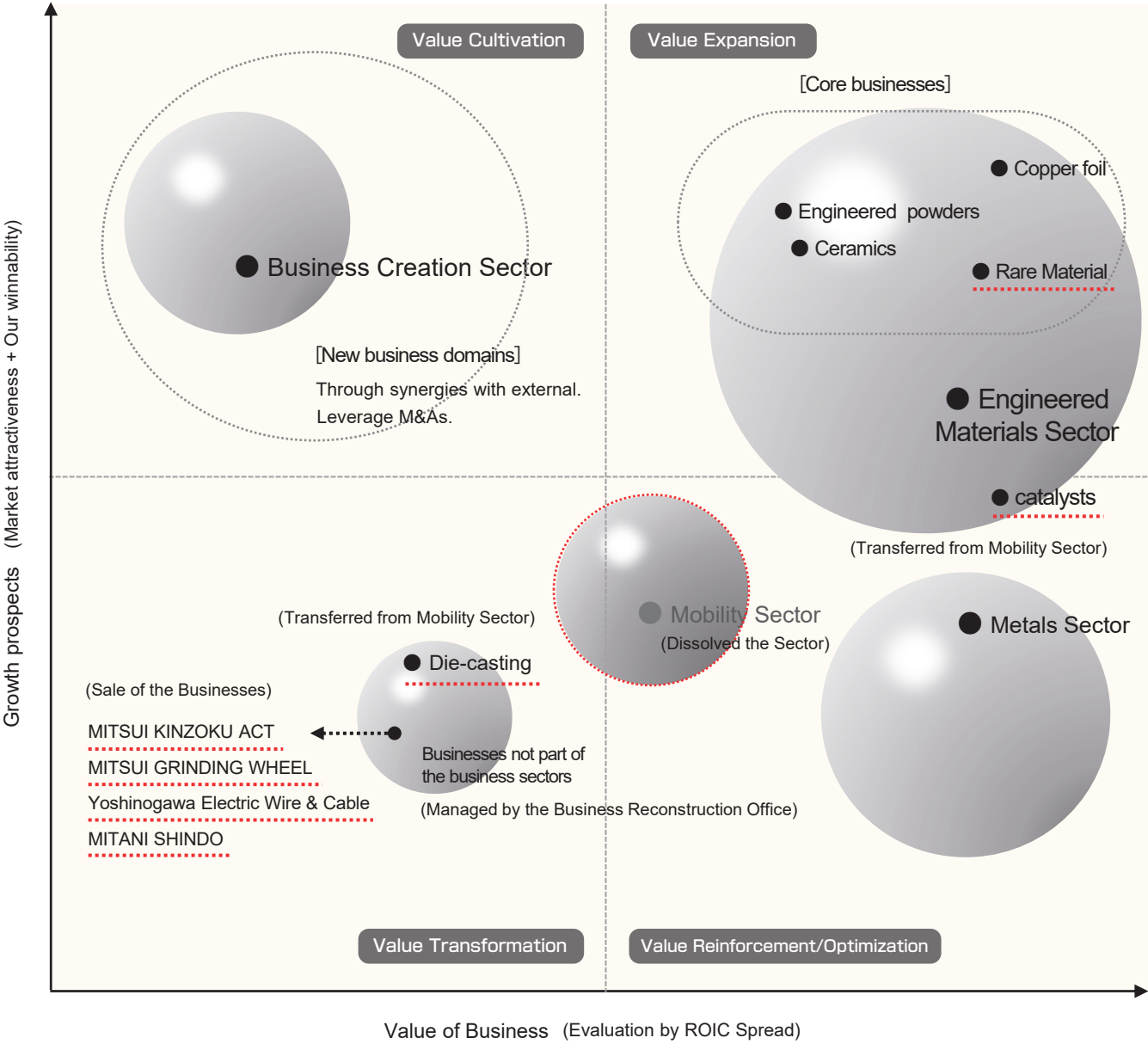
In FY2023, with the aim of creating synergy with the engineered powder rare metal business, we made Nippon Yttrium Co., Ltd. a wholly owned subsidiary, incorporating it as a core business that can contribute to value expansion. Since we expect we may be able to achieve even greater synergy, we absorbed Nippon Yttrium to create our new Rare Materials Division.

Aiming to realize our Vision, we eliminated the Mobility Sector to pursue more efficient, concentrated allocation of management resources. We also decided to sell Mitsui Kinzoku ACT Corporation which was long a mainstay of the Group's parts manufacturing business.

Going forward, our thorough business evaluation and allocation of management resources focused on strategic selection and concentration will steadily lead to higher corporate value.

One of the key concepts of the newly launched 2025-2027 MTP is “Big Moves.” By leveraging internal and external expertise while adopting an investor's perspective, we will carry out fundamental cash generation and large-scale resource investments. We expect that doing so will further demonstrate the evolution of the Group's business portfolio.

Portfolio Matrix Measures implemented in FY2024 Re-evaluated and action taken in FY2024



Exploring for new businesses

[Business Creation Sector]

Vision for 2030 (What we should be in 2030)

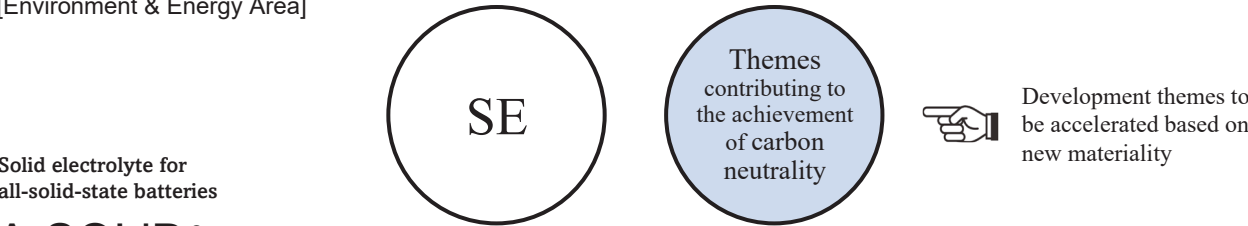
A team of excited people co-creating value, and exploring the future with material intelligence

“Help build a better future.” By taking on this challenge and making it come true, we will help improve the sustainability of society and enhance the corporate value of Mitsui Kinzoku Group.

R&D Themes Advancing Toward Commercialization and Their Markets

* The size of each circle illustrates the estimated amount of contributed profit in 2030.

[Environment & Energy Area]



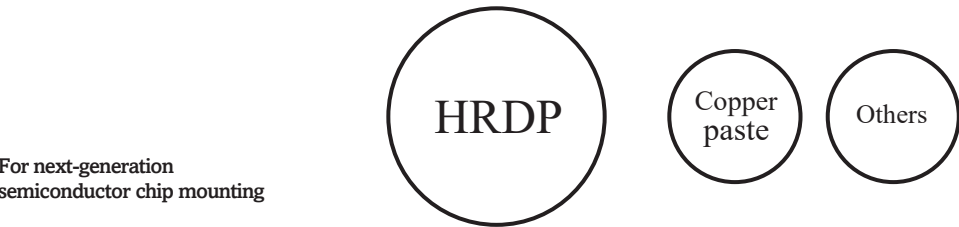
Solid electrolyte for all-solid-state batteries

A-SOLiD®

All-solid-state batteries are expected to be the next generation of storage batteries. In FY2021, we started to produce and supply A-SOLiD®, a solid electrolyte that is a key material for all-solid-state batteries, at our mass production testing facility. Since then, we have continued to boost our production capacity, and we plan to start operation of a line with four times the initial production capacity in the second half of this year. Development of this mass-production technology has been recognized as an initiative under the Ministry of Economy, Trade and Industry's plan to ensure a stable supply of storage batteries. Thanks to their excellent battery properties and

heat resistance, all-solid-state batteries have already been adopted in industrial applications. In addition, automakers are actively and seriously developing next-generation EVs equipped with all-solid-state batteries, which are expected to shorten charging time and increase driving distance. Automakers aim to launch next-generation EVs in the late 2020s, and demand for solid electrolytes is expected to grow dramatically in line with this movement. We will continue to ensure the high quality and supply capacity of A-SOLiD® to meet this strong demand growth.

[Next-generation Electronics Area]



For next-generation semiconductor chip mounting

HRDP®

Product development using our HRDP®, a special carrier for next-generation semiconductor chip mounting, has been consistently commencing at many customers, including composite chip module and IC chip mounting device manufacturers. It is highly evaluated as contributing to shorter cycle times and higher yields in the production processes of next-generation semiconductor packages. Customers plan to move forward with using HRDP® in mass production by 2030, and in line with such plans, we are proceeding to introduce a second production line at a partner's factory;

this fiscal year, fully automated lines are scheduled to commence operation for the purposes of further improving quality and increasing production capacity. We are striving to make HRDP® the mounting platform for next-generation semiconductor packages and the de facto standard in the market. To accelerate full-scale commercialization, we intend to generate synergistic effects with units that have semiconductor-related business, and in the second half of this fiscal year, we will transfer control to the Engineered Materials Sector.

* SE = Solid Electrolyte HRDP = High Resolution De-bondable Panel

Exploration

Value Cultivation

The mission of the Business Creation Sector is to provide our stakeholders with “exciting” value with our spirit of exploration and diverse technologies, and thus contribute to improving the corporate value of Mitsui Kinzoku Group.

The Business Creation Sector is responsible for Exploration in the ambidexterity-oriented management promoted by the Group. In the business portfolio, management resources are intensively allocated to this Sector as the area of Value Cultivation.

We are committed to achieving more than 10 billion yen in profit by 2030 by commercializing as many projects as possible from the current R&D subjects and existing business implementation units to meet the aggressive input of people, costs, and investments.

To achieve these goals, we have been working on R&D enhancement through DX and collaboration and co-creation with external parties;

the enhancement of project commercialization by increasing human resources; and the improvement of strategic support by establishing mass-production process technologies for commercialization, expanding intellectual property and strengthening the quality assurance system.

In terms of “R&D enhancement,” we are making steady progress, both in Japan and overseas, in market co-creation efforts with customers, startups, universities, partners, and others aimed at creating new innovations that integrate our technologies with external resources.

Going forward, we will continue to work together to enhance the Group's growth and society's sustainability by leveraging our material intelligence to provide problem-solving value unique to Mitsui Kinzoku Group.



Senior Executive Officer, Senior General Manager of Business Creation Sector

YASUDA Kiyotaka

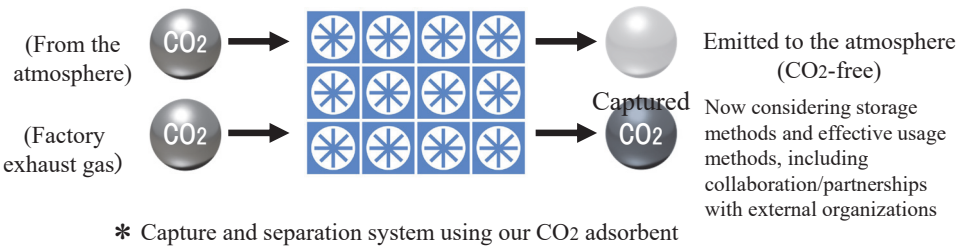
New Materiality in the 2025-2027 MTP

Exploration to create new markets

Advance R&D themes contributing to carbon neutrality to the demonstration phase. (Goals for FY2027)

Theme: CO2 Capture Business

Completion of an initial evaluation using actual gas at partners and collaborators who want to capture CO2

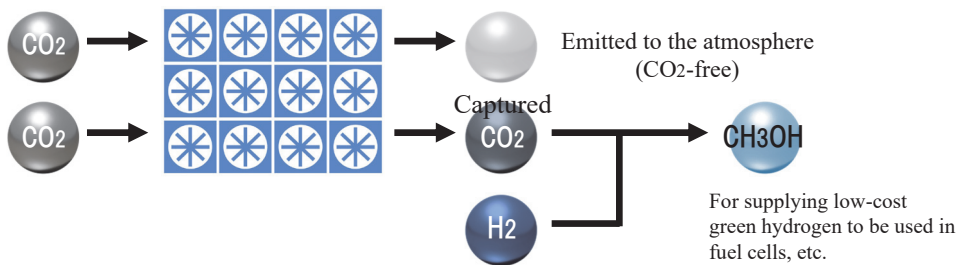


Technologies that capture the CO2 contained in the atmosphere or factory exhaust gas are attracting interest because they enable recovered CO2 to be used as a resource (e.g., as a raw material for synthetic fuels or chemicals). The CO2 adsorbent we have developed plays an important role in the capture and separation process.

Theme: CCU-S Demonstration Project in India

Carbon Capture & Utilization System

Completion of a demonstration project of the process from capture to methanol generation at a catalyst manufacturing site in India



The demonstration project we are undertaking in India has been selected for the Ministry of Economy, Trade, and Industry's Global South Future-Oriented Co-Creation Project subsidy program.

Engineered materials

[Engineered Materials Sector]

Vision for 2030 (What we should be in 2030)

FY2030 targets: ¥330 billion net sales, ¥70 billion ordinary income

More than 70% of newly launched products and more than 50% of sales are environmental contribution products.

New Structure from FY2025

Business Divisions and Main Products under the Sector

Copper Foil Division

Electrolytic copper foil for printed circuit boards, MicroThin™ copper foil with carrier film, embedded capacitors

Catalysts Division

Catalysts for detoxifying exhaust gas (for automobiles, motorcycles, and utility engines)

Engineered Powders Division

Conductive powders, ultrafine powder for electronic materials, solder powder, atomized powder, battery materials (hydrogen storage alloy, lithium manganese oxide)

Rare Material Division

Oxidized/carbonized tantalum and niobium, cerium oxide abrasives, rare earth products (oxides, rare earth compounds, metal products, rare earth salts, processed products)

Ceramics Division

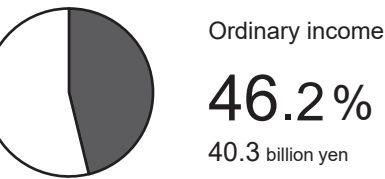
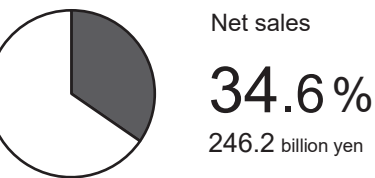
Refractory materials, fine ceramics, molten aluminum treatment systems

PVD Materials Division

Transparent conductive thin film applications, oxide semiconductor applications, sputtering target materials

FY2024 Results

Proportion of the entire Group's results by sector



* The various amounts are aggregate figures based on the new business segments.
* The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

Exploitation

Value Expansion

Strengths of the Engineered Materials Sector

- High-quality, high-performance product lineup that leverages the unique core technologies and expertise we have developed to date
- Production and sales systems located in consumption areas, especially in the Asia region
- Creation of synergy through collaboration with internal and external partners

Key Top-Share Products

For semiconductor packages	95 %
Copper foil with carrier film	
For AI servers	40 %
High-grade VSP™	
For motorcycles	50 %
Catalyst for exhaust purifier	
For hybrid vehicles	30 %
Battery Materials (Hydrogen storage alloy)	
For MLCC	30 %
Copper powders	
For glass substrates	40 %
Cerium Oxide Abrasives	
For filtration of molten aluminum	85 %
METALOFILTER®	
For liquid crystal displays	40 %
Oxide semiconductor target material	

* Each figure indicates the share of the global market.

Changes in Capital Investment of the Sector

FY2025	13.5 (10.7) billion yen (plan)
FY2024	7.6 (6.3) billion yen
FY2023	7.5 (5.6) billion yen
FY2022	8.1 (5.9) billion yen

* Figures in parentheses indicate the amount of the total investment invested in growth areas.
* For FY2022 and FY2023, the figures are the totals of the old business segments.

Last year marked the 150th year since our founding, and the Engineered Materials Sector has played an important role throughout the company's history. This is the sector that possesses the diverse technologies that have been utilized to fulfill Mitsui Kinzoku's Purpose of "promoting the well-being of the world through a spirit of exploration and diverse technologies." We have met society's needs across a wide range of industrial fields with technologies adapted to the times, including developing metal smelting technologies, introducing new external technologies and combining them with our own technologies, and collaborating with our customers to create products that contribute to society. The Engineered Materials Sector supports industries around the world with cutting-edge technologies and innovative products. We supply high-added-value products in diverse fields, such as electronic materials, automotive components, and environmentally friendly materials. In the electronic materials field, we develop and manufacture high-performance copper foil and electronic materials that are indispensable to smartphones, tablets,

5G telecommunications equipment, and more. These materials play a key role in maximizing the performance of today's electronic equipment, which is expected to achieve high-speed communication at a high level of reliability. In the automotive components field, our catalyst products improve batteries for hybrid automobiles and fuel costs as well as contribute to enhancing environmental performance, such as by reducing CO2 emissions. Furthermore, in the field of environmentally friendly materials, we are making efforts to develop recyclable materials and products with reduced environmental footprints while pursuing initiatives aimed at realizing a sustainable society, such as utilizing renewable energy. Mitsui Kinzoku's Engineered Materials Sector is constantly tackling new challenges aimed at achieving technological innovation and a sustainable society. Going forward, we will continue to work with our customers around the world to deliver optimal solutions that pave the way to a brighter future.



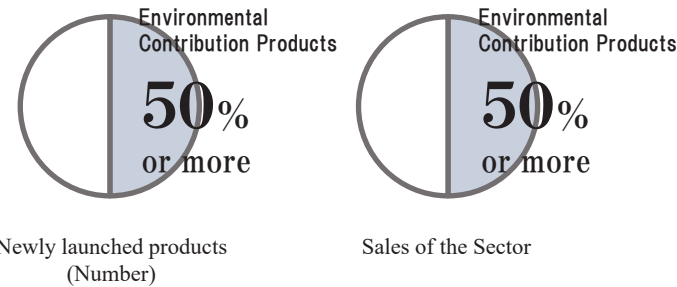
Representative Director
Senior Managing Director,
Senior Managing Executive Officer,
Senior General Manager of
Engineered Materials Sector

OKABE Masato

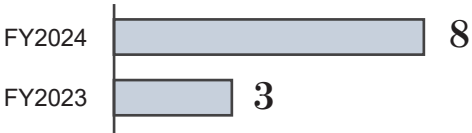
New Materiality in the 2025-2027 MTP

Advanced materials that enhance customer value
Continuously create Environmental Contribution Products

(Goals for FY2027)



Environmental Contribution Products –
Number of internally certified products



Main certified products

- Electrolytic copper film using 100% recycled copper (Copper Foil)
- ITO targets using recycled indium (PVD Materials)
- Ta-related iconos™ rare metal solution (Engineered Liquids Commercialization Promotion Division)
- CeraMesh® new kiln tool (Ceramics)

In the Engineered Materials Sector, we have been pursuing the acquisition and deployment of LCA (lifecycle assessment) evaluation techniques since 2021 in various business divisions. While the possible scope of data validation varies by product, such evaluations quantitatively evaluate the environmental footprint throughout the product lifecycle, including processes at the supplier, processes at Mitsui Kinzoku, customer processes, and even usage by the end user and product disposal.

In 2023, we developed an internal certification system for products with significant environmental reduction effects based on the results of LCA evaluation; the scope includes both newly developed and upgraded products. We are actively incorporating this system into our review process; to date, 11 products have been certified. Going forward, we will continue to create such environmental contribution products, which can enhance customer value and serve as flagship products for integrated thinking-based management, which balances economic value and social value.

Value Expansion in the 2025-2027 MTP

Customer markets and products for which we will strengthen our involvement/collaboration

- AI servers
- High-speed switching devices
- Photoelectric conversion devices
- Semiconductors (advanced logic, memory)
- High-capacity HDDs (hard disk drives)
- Next-generation base stations
- High-end smartphones
- Next-generation SAW filters
- MLCC (multilayer ceramic capacitors)
- Fine ceramics
- 3D printing
- Photovoltaic cells
- Semiconductor manufacturing equipment

Metals Mining and smelting

[Metals Sector]

Vision for 2030 (What we should be in 2030)

We are essential in efforts to build a sustainable world.

We strive to further enhance recycling network underpinned by distinctive characteristics, and we continue to explore new mineral resources and utilization of low-carbon energy.

New Structure from FY2025

Business Divisions and Main Products under the sector

Zinc Division
Zinc, Zinc-based alloys, Zinc products, Lightweight aggregate

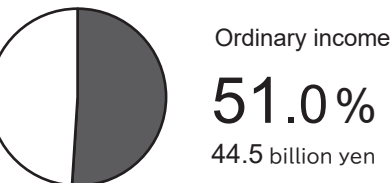
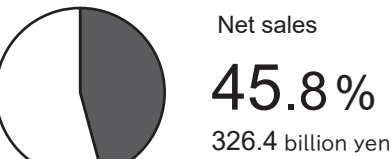
Lead Division
Lead, Tin, Bismuth, Antimony trioxide, Lead compounds

Copper & Precious Metals Division
Copper, Gold, Silver, Sulfuric acid

Mineral Resources Division
Zinc concentrate, Lead concentrate, Copper concentrate, Geothermal Resource

FY2024 Results

Proportion of the entire Group's results by sector



* The various amounts are aggregate figures based on the new business segments.
* The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

Exploitation

Value Reinforcement/Optimization

Strengths of the Metals Sector

- Smelting Division**
- We are a leading domestic producer of zinc.
 - We can process a wide range of raw materials thanks to our network of seven smelters in Japan.
 - Hachinohe Smelting is one of the few smelters in the world with ISP technology, and we have a smelting network that combines wet and dry zinc smelting along with copper and lead smelting.
 - We produce compounded zinc for highly corrosion resistant galvanized sheet iron (a high-added-value product).
- Mining Division**
- We have operated our own zinc mines in Peru for many years.
 - We produce clean, high-grade zinc concentrate.

Key Top-Share Products

Zn	Zinc	49 %
Bi	Bismuth	61 %

* Each figure indicates the domestic production share.

Percentage of recycled materials in products

Zn	Zinc	50 %
Pb	Lead	69 %
Cu	Copper	27 %
Sn	Tin	100 %

While striving to ensure a stable supply of non-ferrous metal materials, which are essential to various kinds of infrastructure around the world, we have worked to advance our recycling and smelting businesses over the years. To meet growing recycling needs as we transition to a recycling-oriented society, the mission of the Metals Sector is to propose and provide solutions that help build a sustainable world.

Focused on our Vision for 2030, we will pursue a more sophisticated recycling network, explore new mining opportunities, reduce CO2 emissions to create a decarbonized society, explore renewable energy solutions, and improve digital infrastructures for digital transformation (DX) under the newly launched current medium-term management plan.

During the three-year period of the 2025-2027 MTP, in addition to recycling zinc from galvanized sheet iron, which we are already pursuing, we will make efforts to process lead concentrate residue that contains tin, antimony, bismuth, and other valuables. Processing needs for these elements in particular will grow as E-scrap recycling advances at various copper smelters.

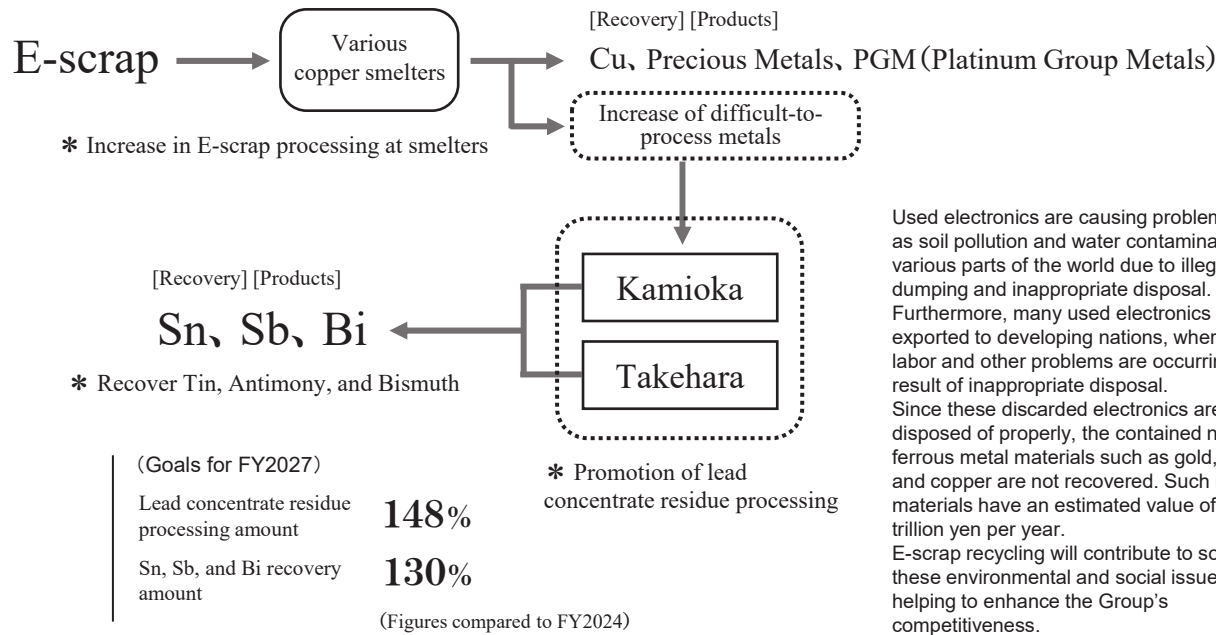
We will continue to provide value that only we can provide by making the best use of our zinc, lead, and copper smelting and refining network with our Group's diverse processes, mining resources, and renewable energy.



Senior Executive Officer,
Senior General Manager of
Metals Sector
SAITO Osamu

New Materiality in the 2025-2027 MTP

Promoting E-scrap recycling by leveraging our smelting network



Used electronics are causing problems such as soil pollution and water contamination in various parts of the world due to illegal dumping and inappropriate disposal. Furthermore, many used electronics are exported to developing nations, where child labor and other problems are occurring as a result of inappropriate disposal. Since these discarded electronics are not disposed of properly, the contained non-ferrous metal materials such as gold, silver, and copper are not recovered. Such metal materials have an estimated value of over 1 trillion yen per year. E-scrap recycling will contribute to solving these environmental and social issues while helping to enhance the Group's competitiveness.

Network of our smelters

For example, valuable metals such as lead, copper, tin, and silver that are recovered at Hachinohe Smelting—which can simultaneously smelt zinc and lead—are combined with tin, antimony, and other metals recovered at Kamioka Mining & Smelting. They are then processed into finished products at our Takehara Refinery Plant. Fly ash from Miike Smelting's electric furnaces and refuse incinerators contains zinc and copper. The zinc is sent to a zinc smelter and the copper is sent to Hibi Kyodo Smelting to be processed into finished products.

We can process complex, diverse recycled raw materials by utilizing the smelting network of seven smelters with diverse processes in Japan.

Going forward, we will continue to enhance our technical capabilities and processing capacity for recycled raw materials at our smelters and refineries to meet larger and more complex recycling needs.



Capital as the source of value creation

Mitsui Kinzoku Group has expanded its business by leveraging the capital cultivated over its 150-year history. These forms of capital not only underpin our competitiveness but also drive our capacity to address evolving social and environmental challenges, serving as the source of continuous value creation. We are committed to passing this strength, inherited from our predecessors, on to the future to realize our Vision based on the Purpose.

Financial capital

- Financial capital supports the sustainable growth of Mitsui Kinzoku Group. It ensures proper shareholder returns while also forming a financial foundation capable of addressing future environmental changes as well as risks and opportunities.
- We build trust with investors with a focus on continuous and sincere dialogue with the capital market.
- In the 2025-2027 New Medium Term Business Plan, we will assess our business value with ROIC Spread by introducing business-specific WACC, while also adopting business-specific hurdle rates as criteria for investment decisions. Through these measures, we aim to further enhance capital efficiency.

ROIC	Equity Ratio	Net D/E Ratio
11.4 %	50.4 %	0.37

Manufactured capital

- We possess a diverse and abundant business infrastructure, comprising production sites and related facilities developed over the years both in Japan and overseas. These assets enable the establishment of a global production system and serve as a foundation for the Group's ongoing business development.
- In production processes, we promote activities for improvement on a daily basis, aiming for continuous enhancement in production efficiency and quality. The GK (group activities for quality control) at each workplace supports these efforts and is positioned as one of the Group's strengths.

Major domestic sites	Major overseas sites
14	19

Intellectual capital

- Our diverse and abundant fundamental and production technologies constitute our core capital that underpins the competitive advantage of Mitsui Kinzoku Group. We protect and utilize this capital through intellectual property management.
- This technological capital enables the Group to create new value through the introduction of new products, and drives the growth, expansion, and sustainability of the value we have created as new businesses.

Patent registrations	R&D Expenses
3,561	14.9 billion yen

* All figures are results for fiscal year 2024.

Human capital

- Our employees, identifying themselves based on the Purpose and Management Philosophy, are the drivers of the Group's value creation.
- With our origin in the area of resources, exploration is embedded in our DNA. It is the spirit of Mitsui Kinzoku Group, enabling us to deliver solid results and create new businesses even under uncertain circumstances.
- The Group's sustainable growth is founded on an enabling work environment where diverse talent can fully demonstrate their strengths, and a human resource development system that allows flexible execution of our business strategies.

Consolidated employees	Resonance with the Purpose
12,097	67 % 73 %
	(Domestic) (overseas)

Social and Relationship capital

- Through a history of diversification, we have built an extensive customer network. Alongside this, we have earned long-lasting trust through technological development and quality improvement. These efforts have enabled us to cultivate a diverse and engaged customer base.
- We have built a system for continuous cooperation with suppliers within and outside Japan, enabling stable delivery of products to address various market needs.
- We have facilitated co-creation with external partners, utilizing the strengths of each party, and materialized open innovation incorporating various insights and technologies. These achievements have contributed to the creation of competitive products and services.
- We build good relationships with local communities through continuous community-based initiatives in the areas we operate.

Number of suppliers signed the consent form	Social contribution expenditures
228	247.5 million yen
Ref. FY2023 212	

Natural capital

- Mitsui Kinzoku Group's business activities rely on natural capital. In the mining business, we extract zinc and other ores. Water, energy, and other natural resources are essential for all of our business activities.
- We are promoting initiatives such as water resource conservation, expansion of renewable energy use, reduction of GHG emissions, and minimization of waste and hazardous substance discharges, aiming to conduct business activities in harmony with the environment.
- In the Metals business, we have built a metal recycling network, reducing the use of primary raw materials by using recycled ones.

Energy consumption	Water withdrawal
666,191 kl	107,283 thousand m ³
(Crude oil equivalent)	

Human Capital Management

We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization while supporting the shift to integrated thinking-based management from the perspective of human capital management.



SUGIMOTO Akiko
Executive Officer
Corporate Planning & Control Sector,
General Manager
of Human Resource Department

People are our most important management capital.

Mitsui Kinzoku Group clearly communicates that people are our most important management capital. This is because only people can proactively create value. No matter how exceptional our equipment, materials, and intellectual assets are, nothing will be created unless people make use of them. Moreover, investing in people by developing them through training/education and work assignments increases their value and the range of what they can do. I believe that enhancing people's sense of being closely connected to their company, organization, and work as well as feeling that they may freely express themselves enables them to make the most of their abilities.

Diversity is also important. In order for the Group to solve the difficult challenges it will face in the future and to achieve sustainable growth, human resources with diverse ideas, values, experiences, and skills are indispensable. This is because even if people excel as individuals, it is difficult for an organization without diversity to make better decisions, and such an organization also lacks resilience.

We are pursuing initiatives that will enable every employee to make full use of their abilities and contribute to the business in the areas where they are expected to have the most impact.

Human Capital Management Vision for 2030

In the world of 2050 envisioned by the Mitsui Kinzoku Group's Purpose, it is predicted that people's work styles will differ greatly from those of today and that HR mobility will increase significantly. We have thought about what we should do going forward to ensure that Mitsui Kinzoku is still a company where people choose to work in such a future era. As a result of considering people-related risks and opportunities by back-casting from the world of 2050 based on our Vision, we have established the following Human Capital Management Vision for 2030 from an HR perspective: "We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization."

By leveraging talent as an organization while supporting individuals' sense of fulfillment and growth, we will support our business management strategy—i.e., executing integrated thinking-based management—and realizing the Group's Vision from an HR perspective.

Human capital management strategy

In April 2025, we established a new Basic Policy for Human Resource Development*1 that outlines our human capital management strategy (Figure 1). Based on the premise that companies should fulfill their responsibility to respect human rights, it specifies our Values in the form of action principles that we want every employee to prioritize in order to pursue our Purpose and achieve our Vision. This is the foundation that supports the Group’s human capital management strategy as well as reliable implementation of our performance-based HR system and enhancement of health management to maintain and promote employees’ physical and mental well-being.

We are carrying out initiatives centered around the strategy’s two pillars: respecting individuals (the left side of the figure) and leveraging talent as an organization (the right side).

1 Foundation of the Human capital management strategy

Performance-based HR system and Values

In FY2022, starting with the introduction of mandatory retirement at age 65, Mitsui Kinzoku dramatically overhauled its HR system for the purpose of making the organization more dynamic and fostering a culture of taking on challenges. Abolishing the conventional system of assigning work to people, we have introduced a job-type performance-based HR system that specifies the work which is necessary to carry out our business management strategy and then assigns people to perform such work. This has made multiple career options possible, including both generalist and specialist career paths. Along with this, we have abolished the system of dividing employees into sougoushoku (career track) and ippanshoku (non-career track), creating a system that provides opportunities for exceptionally talented human resources to play an active role regardless of their age, seniority, and educational background.

To ensure that every employee acts with our Values in mind, we have also launched new initiatives to incorporate our Values into the individual goals and personnel evaluation criteria used in our HR system.

Enhancement of health management

Good mental and physical health for all employees who work for us and their families can be viewed as the foundation for maximizing their individuality and capabilities, which improves the vitality of Mitsui Kinzoku Group. We make efforts to promote health management and maintain/improve employee well-being. Since 2019, Mitsui Kinzoku has been certified as a Health and Productivity Enterprise every year. Starting in FY2025, we have designated three key health initiatives: smoking cessation measures, improvement of eating habits and fostering of a culture of exercise. We are carrying out initiatives such as prevention of sitting for extended periods

With regards to the individual-focused pillar, we are providing a comfortable work environment for people who work at the Mitsui Kinzoku Group, ensuring job satisfaction. Furthermore, we will increase the number of highly engaged employees who are genuinely motivated to work for our company. With regards to the organization-focused pillar, we are allocating human resources by considering what kind of people should be assigned where based on various business evaluations (cultivation, expansion, reinforcement/optimization, and transformation), developing human resources for this purpose, and enhancing successor development for management and other key positions.

Based on the synergies between the strategies for these two pillars, I believe we can more successfully achieve the Group’s Vision at a higher level.

and promotion of exercise through messages from senior leadership and videos by executives. We launched initiatives aimed at eliminating smoking on our premises by the end of FY2030. We will visualize the effects of such investments using absenteeism*2 and presenteeism*3 figures.

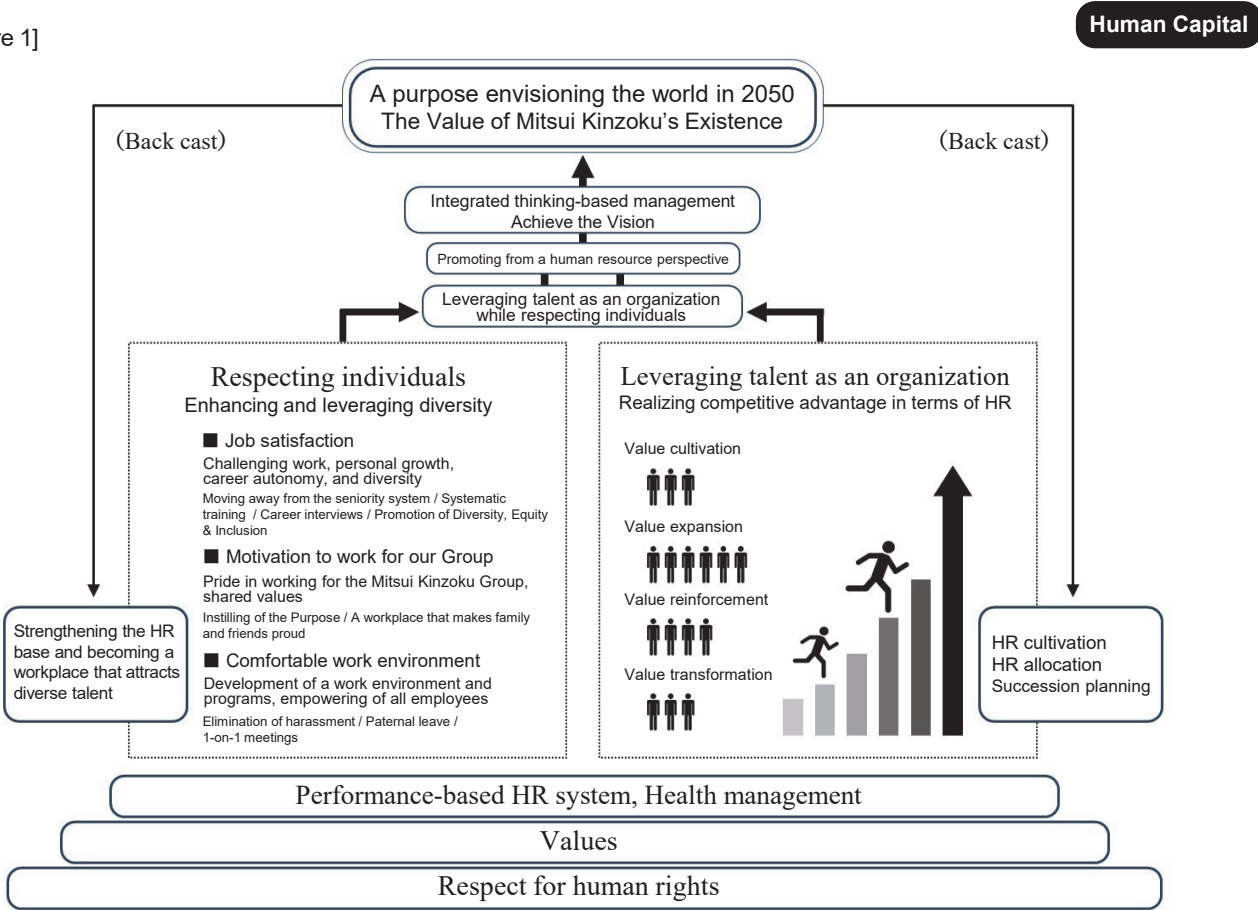
2 Human capital management strategy: Respecting individuals

Job satisfaction reforms

As part of our individual-focused strategy, Mitsui Kinzoku is pursuing diversity initiatives and job satisfaction reforms. We have formed a Diversity, Equity, and Inclusion Committee*4 (chair: President and Representative Director NOU Takeshi; advisor: Outside Director TAKEGAWA Keiko). Implemented under the President’s own initiative, it supports women’s career development, and it has created a roadmap of initiatives that go beyond what is required and has established KPIs, including materiality-related items, which are being pursued (Table 1). A system has been established through which the Diversity, Equity, and Inclusion Committee regularly reports on its initiatives to the Board of Directors and discusses them, and then incorporates the results into its activities, thereby ensuring that such activities are linked to our business management strategy.

With regard to developing a comfortable work environment, we have gradually introduced various support programs tailored to employees’ life stages, some of which surpass relevant national standards. In 2024, we established a Rewarding and Engaging Work Promotion Office for the purpose of developing an environment that enables employees to pursue their work with enthusiasm.

[Figure 1]



Job satisfaction reforms will also be accelerated during the 2025-2027 Medium Term Business Plan. In particular, we have created a system that further enhances the feasibility of reforms by appointing departmental promotion leaders and having the Senior General Manager of each sector report on its progress to the Diversity, Equity, and Inclusion Committee, with the aim of achieving a company-wide average engagement index of 55%.

We are also engaged in eliminating harassment, which is a prerequisite for improving engagement. Thus far, we have created the policy on harassment prevention for our Group, conducted regular training on harassment for all employees, set up harassment consultation desks in each department and notified employees about them, and established a desk for anonymous whistleblowing as well as a procedure for handling whistleblowing cases (P.68).

Directors’ compensation is linked to KPIs via ESG indicator-based restricted stock compensation (P.54). The initiatives we have carried out to date to enhance job satisfaction and to develop a more comfortable work environment have been well-received, and in 2024, we were selected as a Nadeshiko Brand. Moreover, we received a Platinum Ring (the highest award) at the Psychological Safety Awards 2025 organized by ZENTech.

Career development support

Under the performance-based HR system, we empower individuals to understand career autonomy, meaning that workers draw up and pursue their own career plans rather than being handed a career by the company. The company must recognize individuals’ right to choose their career and support the realization of each employee’s career vision by discussing it with them.

Since FY2022, Mitsui Kinzoku has made job descriptions public, including those for management positions, making it easier for people to understand which career path they should pursue. Holding discussions between organizations and individuals by enhancing career development support, introducing one-on-one meetings and career interviews, and improving self-declaration forms has enabled ability development based on individual career visions, suitability, and demonstrated capabilities.

To this end, we have also revised our training system. The new system shifts to cafeteria-style training that provides employees with autonomous learning and reskilling opportunities aimed at pursuing the career they envision. To provide everyone working at the Mitsui Kinzoku Group with a wide range of learning opportunities, we operate an online learning platform called MLP (the Mitsui-Kinzoku Learning Platform).

*1 Basic Policy for Human Resource Development https://www.mitsui-kinzoku.com/en/csr/society/human_resource/
*2 Absenteeism: Missing work due to health problems
*3 Presenteeism: Decreased efficiency due to some kind of health problem despite being present at work
*4 The Diversity, Equity, and Inclusion Committee <https://www.mitsui-kinzoku.com/en/csr/society/diversity/#block02>

[Table 1] KPIs Related to Human Capital Management Materiality

1. Acceleration of job satisfaction reforms	Performance in FY2024	Plans for FY2025	KPIs for FY2027	Goals for FY2030
<i>Iki-iki</i> active engagement – company-wide average % (engagement indicator)	51%	50%	55%	70%
2. Implementation of recruitment of diverse HR				
Percentage of women employees	25%	23%	24%	27%
Rate of paternity leave taken by male employees	52%	70%	85%	—
External evaluation	• <i>Eruboshi</i> certification • <i>Nadeshiko</i> Brand	• <i>Eruboshi</i> certification • <i>Nadeshiko</i> Brand	• <i>Eruboshi</i> certification • <i>Nadeshiko</i> Brand • <i>Kurumin</i> certification	• <i>Platinum Kurumin</i> Certification • Bronze Certification under the <i>PRIDE Index</i>
3. Value creation leveraging diverse perspectives				
Communication indicator	40%	39%	45%	60%
Percentage of women in managerial positions	5.1%	5.6%	6.8%	10%

Leveraging talent as an organization

System to support flexible deployment of appropriate personnel based on business positioning

Identification and developing of human resources to support the building of new businesses

- Simulating the number of people required by job type
- Internal development of job types for which mid-career recruitment is difficult

Improvement of the accuracy of assigning the right people to the right positions based on data

- Expansion of the centrally managed database
- Evolution of personnel matching (avoidance of career goal mismatches)

3 Human capital management strategy: Leveraging talent as an organization

To strategically leverage talent as an organization, in April 2022, we established the Human Resource Business Partner (HRBP) Office within the Human Resource Department. By placing HRBP officers in each business sector, we have established a system for allocating human resources linked to group-wide dynamic management of business portfolios from the Group's perspective. Starting in FY2025, we will pursue more efficient allocation of human resources as well as promotion of human resource development aligned with our business strategy. In addition, we will seek to identify the human resources required over the medium to long term through succession planning for key positions, develop human resources who are capable of driving ambidexterity, and implement talent management in each department while leveraging digital technologies.

4 Instilling of strategies and discussions with employees

To instill our human capital management strategies and measures in our employees, the Executive Officer and General Manager of the Human Resources Department, who is a senior manager at Mitsui Kinzoku, has given briefings and held discussions at applicable domestic sites as part of a human resources caravan since FY2022. In FY2024, personnel at various sites were divided into four groups (site executives, managers, general personnel, and unionized employees), and an explanation of our strategies, HR programs, career development support, and job satisfaction reforms was given to each group, providing a forum for discussing and sharing opinions about the implementation of these items, working conditions, and our human capital initiatives in general. We have reviewed the opinions shared and topics raised at the sites and will work to improve our human capital management-related measures in FY2025 and beyond.

Respect for Human Rights

In order to fulfill its corporate responsibility to respect human rights, Mitsui Kinzoku Group addresses this issue according to its Human Rights Policy in reference to the UN Guiding Principles on Business and Human Rights.

Human Rights Policy, human rights risk assessment, and Human Rights Standards

Mitsui Kinzoku Group approaches human rights issues by developing a human rights management system based on its Human Rights Policy. We assess human rights risks associated with the Group's business activities, and define the Group's employees, supply chains and local communities involved in the mining business as stakeholders that can be particularly affected by our business activities and a high-priority target to address. Also, we have specified 11 categories of human rights risk factors unique and significant to the Group, including forced labor and child labor. We have formulated the Human Rights Standards, addressing these human rights risks, as guidelines for conducting human rights due diligence (human rights DD).

[Human Rights Management System]

[Human Rights Policy] [Human Rights Standards]

<https://www.mitsui-kinzoku.com/en/csr/society/humanrights/>

[Supply chain management] Page 44

[Mining business] Page 46

Human rights training

We are conducting human rights training for all employees of our Group in order to ensure proper understanding and awareness of the Human Rights Policy and Standards as well as human rights. In FY2024, we offered human rights training via an online learning platform (video), in which 68% of the employees participated. Additionally, we provided human rights training for 54 employees at overseas sites in conjunction with human rights DD.

Human rights due diligence

We conduct human rights DD at each Group site to check and improve implementation of the Human Rights Standards. We have been conducting human rights DD for all employees including non-regular and indirect employees utilizing our self-assessment questionnaire (SAQ). We have completed the process at 48 sites (84.2%) of the target 57 sites within and outside Japan by FY2024. In FY2024, we conducted human rights DD at three major sites overseas. As a result, we found no major risks, and no direct forced labor or child labor. For the human rights issues that were identified, we provided feedback to each site and implemented corrective measures.

Human rights issues identified through human rights DD and corrective measures taken

- Correction in the handling of working hours (overseas sites)
- Provision of work rules in employees' native language (overseas sites)

Respect for human rights of foreign-national employees

In FY2023, we conducted individual interviews with foreign technical interns and met with relevant stakeholders regarding 11 former and current foreign technical interns recruited under the Technical Intern Training Program (TITP) in Japan. The study, which aimed to determine the costs the interns had paid in the recruitment process before coming to Japan, was completed in FY2024. Taking account of the ILO's principles and opinions by a third-party expert, we identified and reimbursed the amount that employers should have covered out of the total the interns had paid. To prevent a recurrence, we formulated a draft of detailed rules concerning employment of foreign-national employees in the Group.

Our Group participates in a private-public cooperation platform comprised of industry groups, related government agencies, and business enterprises for promoting a responsible approach toward recruitment and employment of foreign nationals, working to enhance stakeholder engagement. We also operate an internal and external whistle-blowing system (P.64) as a grievance mechanism to handle issues related to the human rights of stakeholders. Information on this system is disseminated through the corporate website, training, and other channels.

Labor relations

Mitsui Kinzoku Group respects freedom of association and collective bargaining. Mitsui Kinzoku and major affiliates in Japan each have a respective labor unions under the Mitsui Mining & Smelting Workers Union. Based on the union shop agreement, all general employees become members of the labor unions. About 80% of the other consolidated affiliates in Japan have labor unions. Labor unions are organized in 12 of the overseas consolidated companies. Labor-management council meetings and labor-management roundtables are held regularly to provide a forum for communication with workers and to sign collective agreements every year. No strikes or lockouts lasting more than a week occurred in FY2024.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,731	4,284	9,015
Total employees	6,876	6,290	13,166
Coverage rate	68.8%	68.1%	68.5%

* Information on labor unions at several sites is unavailable due to legal requirements.

Intellectual Property Management

Recognizing intellectual property as an important management resource, Mitsui Kinzoku Group has set out a basic policy of properly protecting rights, securing an advantage in business and using it for new business creation, minimizing risks associated with intellectual property, developing and retaining IP personnel, and establishing a corporate culture of respecting intellectual property.

Based on the 2025-2027 New Medium Term Business Plan, the Intellectual Property Department further reinforces intellectual property activities closely linked with the management strategy to facilitate initiatives for the Vision for 2030.

Intellectual property governance system

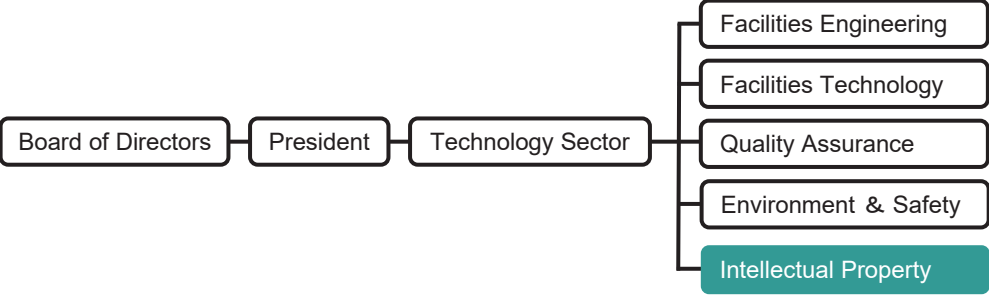
The senior general manager of the Technology Sector, who supervises the Intellectual Property Department, reports the policy and status of intellectual property activities through the Board of Directors to the President and other officers who direct business execution.

As for the senior general managers of business sectors, the heads of business divisions, and the general managers of the development departments, the general manager of the Intellectual Property Department and others meet with them to report on the status of individual intellectual property activities and discuss activities to obtain IP rights. Through these efforts,

we are working to protect, properly manage, and increase the value of intellectual property obtained in the process of creating new businesses and enhancing existing businesses.

Since April 2025, we have discontinued intellectual property offices at business sectors as concurrent positions, and have consolidated them to the Intellectual Property Department*1. This arrangement aims to enable speedy and flexible changes in the system for intellectual property activities according to the management strategy.

New framework starting in FY2025



* 1 The concurrent position remains at the Intellectual Property Office under the Business Creation Sector.

Key data on intellectual property

FY2024	Patent Family applications * 3	Patent Asset Index * 4	Competitive Impact * 4	Patent Family held * 4
The entire Group * 2	148	2,851	1.5	1,843
Business Creation Sector	57	983	2.8	347
Engineered Materials Sector	61	1,263	1.4	903
Metals Sector and others	30	620	1.0	601

* 2 Powdertech Co., Ltd., an equity method affiliate, is excluded.

* 3 The trend in the number of the Group's patent family applications (from FY2020 to FY2024) and the number of registered patents by country as of the end of March 2025 are available on P.134.

* 4 Valuation data calculated by PatentSight® provided by LexisNexis Intellectual Property Solutions. A patent family is a bundle of patent applications in multiple countries based on the same basic application. Competitive Impact (CI) is the average of indicators showing the competitiveness and quality of a patent family. Patent Asset Index is the sum of CI values. As some patents are jointly held by two or more sectors, the total value of the patent assets for the sectors is different from the total value for the entire Mitsui Kinzoku Group.

Activities in FY2024

The Business Creation Sector actively files and acquires patents to create new businesses. The Engineered Materials Sector files and acquires patents to protect existing businesses and newly developed products, while also taking inventory of patents and other measures to improve efficiency.

As a result, while the number of acquired patent families showed a downward trend, the Patent Asset Index increased at a CAGR of 2% (compared to FY2020) thanks to an increase in the Competitive Impact. These data illustrate our progress in the construction of intellectual property and intangible assets. (See the graph at the top right.)

In the Business Creation Sector

The Business Creation Sector is committed to intellectual property activities under the policy of "maximizing the future value of new businesses through strategic intellectual property acquisition and risk management."

The Sector is working on commercializing A-SOLiD®, a solid electrolyte for all-solid-state batteries, as well as sintered copper paste for power semiconductors. It is also expanding the business of HRDP®, a special carrier for next-generation semiconductor packages.

In addition, the R&D Center in the Sector is actively promoting research and development on capturing and converting CO2 to create new technologies, fostering the application and acquisition of relevant technologies.

As a result, the Patent Asset Index showed a growth trend with a CAGR of 15% (compared to FY2020) thanks to increases in acquired patent families with Competitive Impact, indicating our progress in the construction of intellectual property and intangible assets for Value Cultivation.

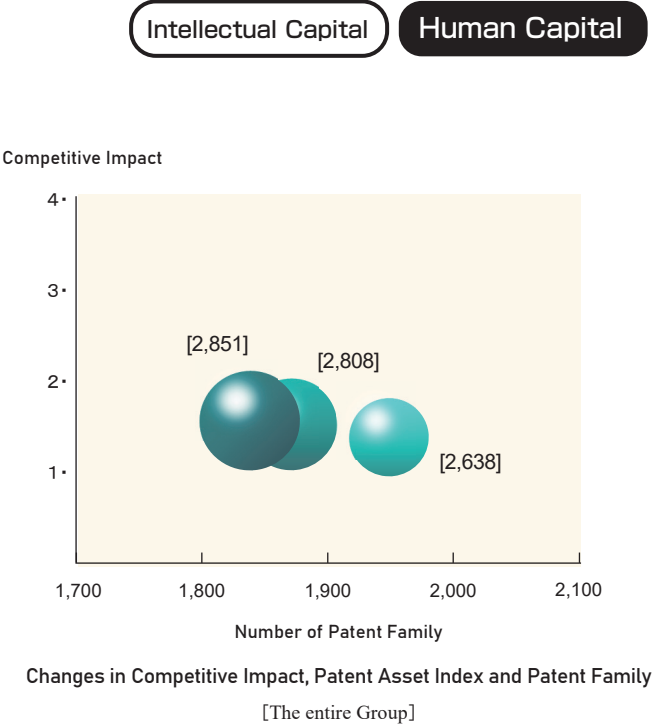
In the Engineered Materials Sector

The Engineered Materials Sector engages in intellectual property activities based on the policy of "maximizing business profits and minimizing risks through intellectual property activities in line with business strategies."

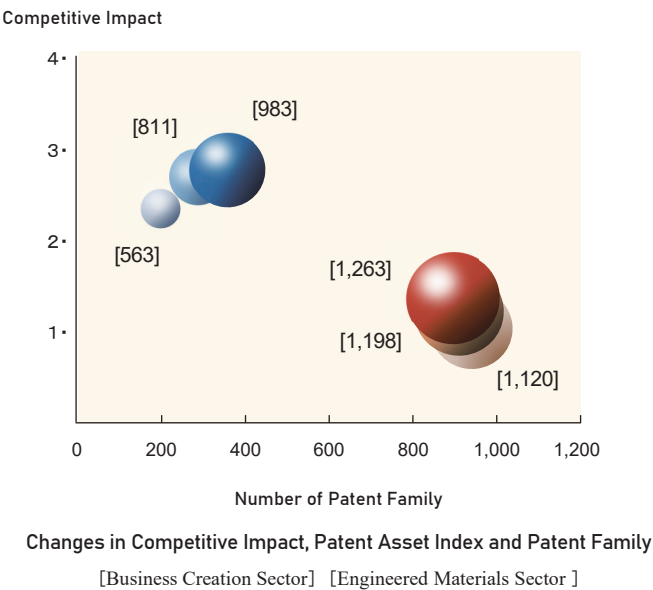
In businesses that we must strengthen considering the market environment, we actively file, acquire, and maintain patents necessary for growth. On the other hand, we carefully examine and determine what actions to take for other businesses.

We are particularly promoting filing, acquisition, and maintenance of patents on new product lines targeting the year 2030, including iconos™ at the Engineered Liquid Business Promotion Division, and NANOBIX™ at the Rare Material Division, and technologies for high-speed communication at the Copper Foil Division. In the meantime, we are also working to improve the efficiency of investment in intellectual property by taking inventory of and selling acquired patents.

As a result, while the number of acquired patent families showed a declining trend, the Patent Asset Index increased at a CAGR of 3% (compared to FY2020) thanks to an increase in the Competitive Impact. These data indicate our progress in the construction of intellectual property and intangible assets for Value Expansion. (See the graph at the bottom right.)



● Data for FY2024
● Data for FY2022
● Data for FY2020
※ The values in [] are Patent Asset Indexes.



Business Creation Sector Engineered Materials Sector
● Data for FY2024 ● Data for FY2024
● Data for FY2022 ● Data for FY2022
● Data for FY2020 ● Data for FY2020
※ The values in [] are Patent Asset Indexes.

Supply chain management

Aiming to establish resilient supply chains, Mitsui Kinzoku Group also endeavors to reduce their adverse impact on society and the environment based on its Purpose. We are promoting supply chain management in cooperation with our suppliers and business partners.

Responsibility for our supply chain

We have formulated the Mitsui Kinzoku Group procurement policy to effectively manage our supply chain, with a focus on human rights and labor, health & safety, the environment, and ethics. The procurement policy consists of the basic procurement policy as our commitment and the procurement guidelines which provide specific instructions for executing the policy. The procurement guidelines have been revised regularly (with the third edition issued in FY2024).

Recognizing supply chain management as one of the material issues, the Group is developing its management system and overseeing its progress. We regularly share the latest trends in supply chain management with supervising bodies, including the Board of Directors and executive officers, through training programs for them and on other occasions.

Also, we have a grievance mechanism in place to accept reports from our employees, suppliers, and other stakeholders (P.68). In FY2024, we received zero reports on risks associated with our supply chain.

[Mitsui Kinzoku Group Procurement Policy :
Basic Procurement Policy・Procurement Guidelines]

[Supply chain management system]

<https://www.mitsui-kinzoku.com/en/csr/supplychain/>

Supply chain due diligence (DD)

Mitsui Kinzoku Group assesses risks in its supply chain with reference to procurement spending, supplier types, and international ESG risk indicators. We identify risks and critical suppliers*¹ that have a particularly significant impact on the Group's business, and conduct supplier due diligence to reduce the identified risks.

We request our tier 1 suppliers to implement the procurement policy and to manage their own suppliers. For critical suppliers, we request that they submit their signed policy agreement forms and complete an SAQ (Self-Assessment Questionnaire) in order to assess the implementation status of the policy. Regarding high-risk (C-ranked) suppliers, we engage with them regarding corrective actions. In FY2024, we updated the SAQ to align it with the revised procurement guidelines.

For promoting business integrity, we are striving to conclude an anti-bribery/corruption agreement with suppliers (P.69). Also, to address issues on energy consumption and GHG emissions, we are working with suppliers to reduce Scope 3 emissions .

Within the Group, we regularly conduct supply chain management training of employees to ensure that they put our procurement policy into practice.

We also evaluate implementation of the procurement policy in the framework of internal human rights due diligence.

Performance in the second cycle (FY2021-2024)

Having defined the four years from FY2021 to FY2024 as the second cycle, the Group has made a commitment to effectively implement supplier due diligence and reduce critical risks in the supply chain, based on which we have promoted initiatives with specific targets (KPIs). In FY2024, we conducted an SAQ survey for critical suppliers targeted in the second cycle who had not yet responded to the initial survey. We received responses from 56 suppliers, with a response rate of 94.9%.

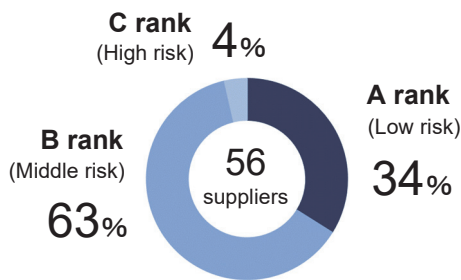
According to the SAQ results, 4% of all suppliers were C-ranked. Looking closely by section, the scores for "General"*² followed by "The Environment" tended to be lower than those for other sections.

We engage with C-ranked suppliers regarding corrective actions, explaining the issues identified by the Supply Chain Committee and having dialogue to bring about improvements. We ask these suppliers to make plans to reduce the identified risks and regularly follow up on their progress, and we work together with them to complete any corrective actions.

Targets (KPIs) and performance in the second cycle

1. Achieve a 100% annual SAQ implementation rate for target suppliers: 94.9%
2. Achieve a 100% engagement rate for corrective actions with high-risk (C-ranked) suppliers: 100%

Result of supplier SAQ for the critical suppliers in FY2024



* The total does not add up to 100% due to rounding to the nearest whole number.

* 1 We identify critical suppliers based on the following criteria. (These include non-production material suppliers for staffing, contracting/outsourcing, and service suppliers such as transportation, warehousing, and equipment companies.)
(1) Top 80% of suppliers regarding annual amount procured in the Group
(2) Suppliers providing critical and irreplaceable parts and products
(3) Staffing suppliers with a significant effect on the business
(4) Suppliers operating in high-risk regions (as identified with reference to international ESG risk indicators)

* 2 "General" includes questions on monitoring of and compliance with laws and regulations, supply chain management, administrative guidance, quality assurance/fraud, and BCP/risk management.

In FY2024, we implemented engagement with 12 suppliers. In the second cycle, we engaged with all 25 C-ranked suppliers, of whom 16 completed improvements by the end of March 2025. As for other activities, we disseminate information on the procurement policy, collect signed agreement forms from critical suppliers, and conduct an SAQ for new suppliers.

Starting in FY2025, in accordance with the new Medium Term Business Plan, we formulated our Vision for 2030 and KPIs for 2027 in supply chain management (P.21) to drive our initiatives forward.

Performance in FY2024 (single year)

Measures	Number of supplier responses *3
Request to implement the procurement policy	887 (795)
Receipt signed agreement form	228 (212)
Implement SAQ	90 (73)
Including : Critical suppliers(KPI)	56
: New suppliers	18
: Existing suppliers	16
Implement engagement	12 (4)
Responsible minerals sourcing survey *4	236 (142)

Initiative in the Group	Participants
In-house training *5	648 (442)
Including : Online training	495
: Responsible minerals sourcing	99
: Overseas sites (face-to-face)	54

* 3 All suppliers including existing suppliers that have not yet implemented the SCM activities in the first cycle and new suppliers.

* 4 Total number of responses to surveys using standard formats in the industry, such as CMRT, EMRT, and AMRT, or other formats.

* 5 Total number of supply chain management training participants.

* The numbers in parentheses indicate performance in the previous fiscal year.

Responsible minerals sourcing

As a corporate group in the minerals supply chain, Mitsui Kinzoku Group has developed its management system for responsible minerals sourcing. We have been promoting efforts in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as requests made in various international initiatives such as the RMI*⁶, LBMA*⁷, and the LME*⁸. We have identified CAHRAs*⁹ not only on 3TG (tin, tantalum, tungsten, and gold) but also on other target minerals such as silver, copper, zinc, lead, and cobalt. We work to identify and reduce risks in these areas related to social issues, such as conflicts, money laundering, the financing of terrorism, and human rights violations, as well as environmental issues.



Discussion meeting with the JEITA Responsible Minerals Trade Working Group (at the Mitsui Kinzoku Head Office)

The Group has formulated the Responsible Mineral Sourcing Policy as a comprehensive policy.

Also, we review the CAHRAs and target minerals in a timely manner based on the legal and regulatory trends in each country, and revise the policy as needed. Based on the policy, each smelting business obtains third party certification as a responsible smelter and renews it every year.

In the smelting business, we formulated the Responsible Procurement Policy for Mineral Raw Materials. Due diligence is implemented in accordance with the LBMA's guidance for silver, and with the LBMA's guidance and RMI's standard RMAP*¹⁰ for gold. Regarding copper, zinc, and lead, we conduct due diligence in line with LME consultation on responsible sourcing, annually assessing risks by evaluating suppliers of mineral raw materials as well as checking their places of origin and transportation routes. For suppliers who do not respond to our repeated inquiries, we implement active engagement, including reconsidering our business relationship. Regarding these initiatives, we underwent an audit by an independent auditor, the results of which have been reported and made available to the public. We also disclose the Compliance Report, summarizing our activities for the current fiscal year, and the assurance report issued by the independent auditing company on our corporate website.

With regard to the tantalum smelting business and tin refining in the PVD materials business, based on the RMAP, we regularly receive third party audits and acquire RMAP Conformant status.

In businesses other than smelting, we conduct supply chain due diligence in line with industry platforms, based on customer requests. We also participate in the Responsible Minerals Trade Working Group by the Japan Electronics and Information Technology Industries Association (JEITA). In 2024, we exchanged views on due diligence in the mineral supply chain. Mitsui Kinzoku Group will continue to promote cooperation and engagement with downstream companies in the supply chain and, through JEITA, with international initiatives such as the RMI.

* 6 RMI: Responsible Minerals Initiative

* 7 LBMA: The London Bullion Market Association

* 8 LME: The London Metal Exchange

* 9 CAHRAs: Conflict Affected and High-Risk Areas

* 10 RMAP: Responsible Minerals Assurance Process

Mining business

Mitsui Kinzoku Group has its roots in the mining business, which symbolizes the spirit of exploration presented in our Purpose. We promote sustainable management of the mining business by utilizing the technologies and expertise in mine operations that we have cultivated to date.

The Sustainability Action Plan for Mining Business and the mining business management

We have formulated an action plan based on our materiality in consideration of the risks related to mining pointed out in the ICMM basic principles and by SASB. We are executing the plan and managing its progress annually.

In addition to this progress control, we conduct annual surveys on human rights and environment using a self-assessment check sheet for sites engaged in mining activities at the operating mines for which we hold an investment ratio of more than 50% to manage related risks.

Relationships with the local communities around the mines

Compania Minera Santa Luisa that operates the Huanzala Mine and the Pallca Mine places importance on the engagement with the local communities around the mines, and is continuing to address the needs of the communities, such as by developing infrastructure, providing educational aid, and offering support for agriculture and livestock.

In FY2024, as in the previous year, we dispatched specialists to the local communities as needed to help develop the livestock industry.

We received a complaint from local residents about trucks carrying mined ores in FY2022. In FY2024, we continued discussions to resolve the issue in a speedy manner while also implementing necessary corrective measures.

Management of the tailings dam

We regard the leakage incidents of tailings dams as one of the major risks in the mining business and manage tailings dams in accordance with applicable technical guidelines and manuals. Regarding the tailings dams managed by Mitsui Kinzoku Group, we conduct stability evaluations based on applicable guidelines to confirm their earthquake resistance properties.



We provide continuous support in various areas, such as improving domestic animal breeding. (Near the Pallca Mine, in the Llamac Farmers' Community)

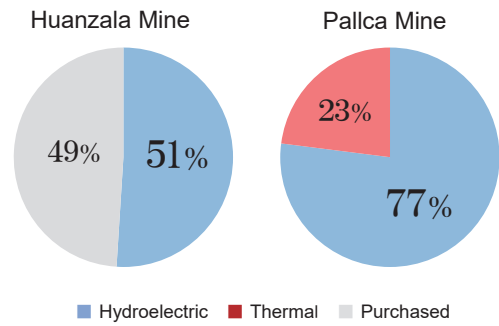
Summary of the Sustainability Action Plan for Mining Business

Related Materiality	KPI (FY2027)	Scope
Business activities in harmony with the environment	• Plant a total of 3,000 trees mainly in former waste rock deposition sites	Huanzala Mine (Peru)
	• Add soil and plant grass to suspended mines, closed mines, and waste rock deposition sites	Kamioka Mine (Gifu, Japan)
	• Reduce deposition by reusing tailings	Huanzala Mine (Peru)
	• Start real-time monitoring at the tailings dam and develop a comprehensive plan for emergency responses	
	• Protect biodiversity by promoting ecotourism	Huanzala Mine/Pallca Mine (Peru)
Personnel who practice our Values	• Reexamine standards for safe blasting	Akeshi Mine (Gifu, Japan)
Value chain for a sustainable society	• Develop policies to promote local employment and procurement from local suppliers	Huanzala Mine/Pallca Mine (Peru)

Use of renewable energy

The Huanzala Mine and the Pallca Mine each own one hydroelectric power plant and use the electricity in their operations.

Breakdown of annual electricity use by type (FY2024)



Management of water

The Huanzala Mine and the Pallca Mine manage the drainage of water in accordance with the EIA (Estudio Impacto Ambiental = Environmental impact study) and in compliance with the relevant legislation.

Taking into account the risks of acidic water to the surrounding environment, including biodiversity, we carry out measures for the sources of acidic water as well as the collection, management, and neutralization of the acidic water through comprehensive treatment. Concerning the suspended or closed mines in Japan managed by the Group, we have installed mine wastewater treatment facilities in the managed areas generating acidic mine wastewater that includes heavy metals, ensuring that water quality meets the national standards.

Closure plan

We have submitted closure plans for mines subject to applicable laws and obtained government approval. Based on the closure plans, we guarantee or accumulate expenses for closure. In the closure plans, we are taking measures according to the current lifecycle of the mines, taking future closures into account. We are currently focusing on reducing the generation of mine wastewater and acidic water ,and stabilizing the landform through soil covering and grass planting.

Specifically, at the Huanzala Mine and Pallca Mine, we are working on the removal of waste rock piled up on the surface during past mining operations. We are also developing drainage ditches and planting grass in the cleared area in order to regenerate vegetation.

Mine	Closure plan	Amount of guaranteed/accumulated expenses (FY2024)
Huanzala Mine (Peru)	Planned	12.8 million US dollars
Pallca Mine (Peru)	Planned	3.2 million US dollars
Akeshi Mine (Kagoshima, Japan)	Not planned	265.1 million yen *

* The amount of accumulated funds for the Akeshi Mine indicated in the table is that for a tailings dam located at a refinery related to the mine.

We disclose detailed information on our corporate website about our sustainability initiatives in mining business.

https://www.mitsui-kinzoku.com/en/csr/mining_business/

TOPICS

Atalaya
Advanced Exploration Project

Project overview

This is an exploration project for zinc and lead deposits located between the Huanzala Mine and the Pallca Mine. We started the research in 2006, acquired a 100% interest in 2009, and have continually conducted various researches and technical discussions to date.

We formed a development research team consisting of Japanese and local national staff members. The team discusses and evaluates the project, aiming to create a mine that can contribute to society.

Initiatives in the 25-27 MTP

We will conduct a feasibility study to facilitate basic design and assessment of the potential for mine development. In parallel with this study, we plan to implement an environmental baseline survey and an environmental impact assessment of mine development, based on which we will move forward with the procedures to obtain construction permits and approvals.

Aiming for sustainable mine development

We have cultivated various technologies and expertise through development of and years of operating the Huanzala Mine and Pallca Mine. Utilizing these resources, we are carrying out exploration and project evaluations while considering the surrounding environment and gaining understanding from local communities. Also, in planning mine development, we will formulate plans to achieve co-existence and co-prosperity, going beyond reducing the impact on the surrounding environment and local communities.



The Atalaya Project camp area, situated in the Andes in central Peru (Photo taken from the entrance of the exploration area)

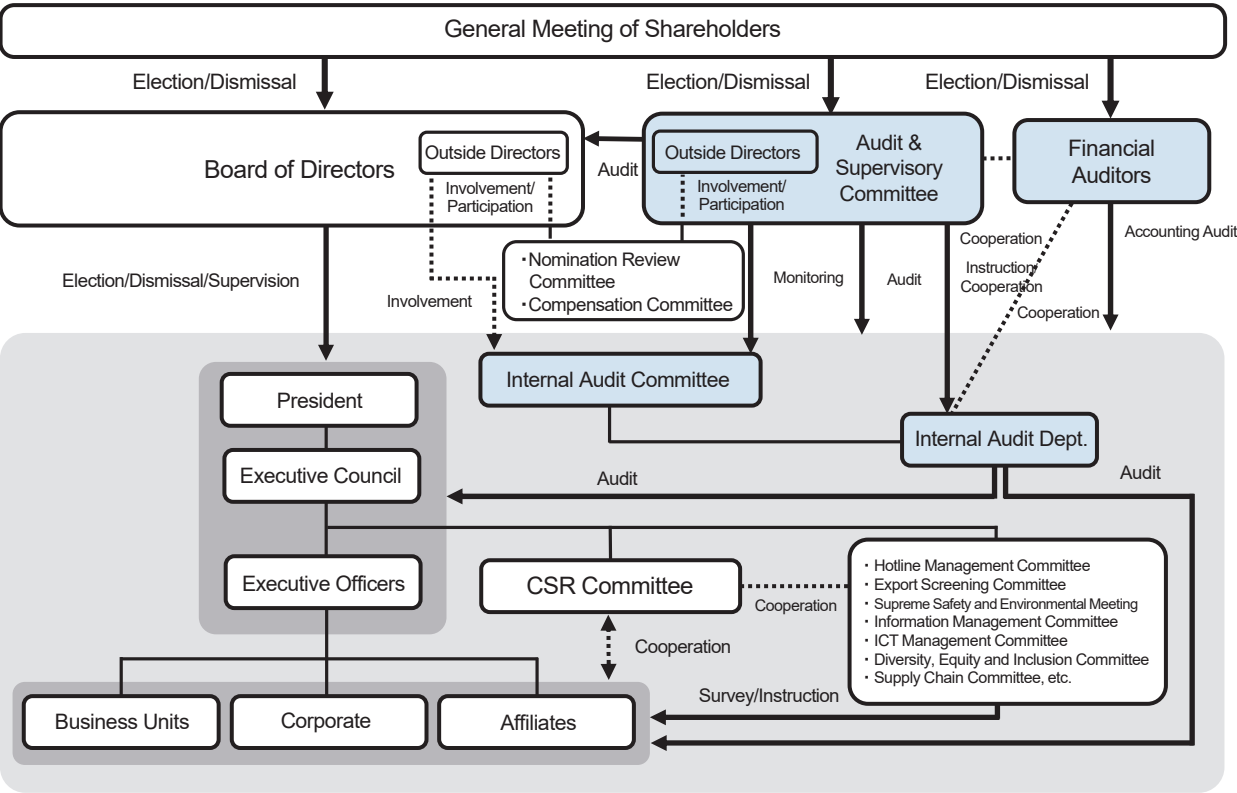
The foundation of our value creation

Mitsui Kinzoku views corporate governance as one of its most important managerial tasks that Mitsui Kinzoku shall strive to improve organizational structures and systems for management, and implement various measures as necessary, based on the recognition that corporate governance is a system for making fair and transparent decisions in a rapid and decisive manner, taking into consideration the positions of the stakeholders, including shareholders, customers, employees and local communities in order to achieve Our Vision of “Building new businesses – and the future – with our material intelligence.” based on Our Purpose of “We promote the well-being of the world through a spirit of exploration and diverse technologies.” under Our Management Philosophy of “With creativity and productivity, We, Mitsui Kinzoku Group, will explore products of value to society, and seek an eternal growth of our group.” Corporate governance is the foundation for sustaining the long-term value creation of Mitsui Kinzoku Group.

History of corporate governance reform at Mitsui Kinzoku

FY	~ 2014	2015	2016	2019	2021	2022	2023	2024	2025
Organizational design	Company with a Board of Corporate Auditors				Company with an Audit & Supervisory Committee				
Advisory Committees	Internal Audit Committee (2004~) Nomination Review Committee and Compensation Committee (2005~)								
Ratio of Outside Directors on the Board of Directors The number of females is indicated in parentheses	9.1% (0)	22.2% (0)	33.3% (0)	33.3% (0)	37.5% (1)	37.5% (1)	33.3% (1)	50% (2)	50% (2)
Ratio of Outside Auditors/Directors on the Board of Corporate Auditors/Audit & Supervisory Committee The number of females is indicated in parentheses	50% (0)	50% (0)	50% (0)	50% (1)	50% (0)	50% (0)	50% (0)	75% (1)	75% (1)
Chairpersons of the Board of Directors	President or Chairperson			Internal Director (non-executive)		Outside Director			
Topics	● Commencing the Board Effectiveness Assessment/ Formulating the Corporate Governance Guidelines				● Revising the term of office for Directors to one year ● Introducing restricted stock compensation systems		● Introducing ESG indicators in compensation for Directors		

Corporate governance system of Mitsui Kinzoku



Notes: 1. Chairpersons of the Nomination Review Committee and the Compensation Committee are Outside Directors.
2. The Audit & Supervisory Committee of the Company and Corporate Auditors of the Affiliates have taken cooperation effectively and timely.

Governance system: key points

- 1
- Improving the effectiveness and transparency of the Board of Directors
- Mitsui Kinzoku transitioned to a company with an Audit & Supervisory Committee at the 99th Annual General Meeting of Shareholders held on June 27, 2024, aiming to expedite decision-making related to management in order to enhance discussions on management policies and strategies by making the agenda of the Board of Directors more focused, and to strengthen the Board’s supervisory functions regarding management.
 - We conduct the Board Effectiveness Assessment every year, set the percentage of addressed issues identified in the previous year as a KPI, and monitor the progress of these improvements at Board meetings.
- 2
- Independence and diversity of the Board of Directors
- We appoint five Outside Directors, including two women, which account for half of the ten Directors, and six Non-Executive Directors, which constitute the majority of the Board of Directors. Moreover, an Outside Director serves as Chair of the Board of Directors.
 - We established the voluntary Nomination Review Committee and the Compensation Committee. In each committee, Outside Directors constitute the majority, at five out of seven, and an Outside Director also serves as Committee Chair.
- 3
- Enhancement of auditing and supervisory functions
- Mitsui Kinzoku organizes an Internal Audit Committee chaired by the Director in charge of the Internal Audit Dept. and comprised of the head of the Internal Audit Dept., General Managers of each sector’s Administration Dept, Heads of the relevant departments in the Corporate Unit, and others. The Committee decides policies on and annual plans for internal audits, evaluates audit results, and reports them to the Board of Directors.
 - The Internal Audit Dept. collaborates with relevant departments in the Corporate Unit based on decisions by the Internal Audit Committee to conduct internal audits of each site in Japan and overseas as well as affiliates.
 - Directors who are Audit & Supervisory Committee Members attend Internal Audit Committee meetings as observers and accompany internal audits as appropriate to monitor internal auditing.

Mechanisms supporting Directors and the Board of Directors

Advisory Committees	Nomination Review Committee	The Committee reviews candidates to serve as Directors by considering their capabilities, knowledge, and character comprehensively using the skills matrix, and those deemed capable of satisfactorily fulfilling the responsibilities are nominated by the Board of Directors. In FY2024, the Nomination Review Committee held nine meetings, with all members attending. 【Agenda for FY2024】 Review of Executive Officers’ roles, revision of the skills matrix, succession planning, interviews with candidates for Executive Officer positions, deliberations on executive personnel affairs, etc.
	Compensation Committee	The Committee establishes and revises the criteria for determining the amounts of base compensation and performance-linked compensation for Directors, and determines the amounts of compensation for each Director. In FY2024, the Compensation Committee held ten meetings, with all members attending. 【Agenda for FY2024】 Examination of FY2023 ESG indicator results, decisions on the compensation of Directors for FY2024, revision of treatment for officers in affiliate companies, review of compensation for Directors, deliberation on the FY2025 ESG indicators, FY2025 KPI for performance-based compensation of Internal Directors (introduction of ROIC), FY2025 compensation of Executive Officers, etc.
Executive Officer system	Executive Officer	We introduced the Executive Officer system in order to enhance the agility and flexibility of business execution and increase the vitality of management.
	Executive Council	The Council is composed of Senior Executive Officers (including those who concurrently serve as Directors), and deliberates in advance on matters to be resolved by the Board of Directors and discusses important matters related to business execution. In FY2024, the Executive Council held 56 meetings.
Communication and training of Directors and Executive Officers	Top Management Meeting	We have established a communication forum where all members of the Board of Directors, including Outside Directors, discuss in advance particularly important management strategies and medium- to long-term issues to be deliberated upon at Board of Directors meetings. We organize the issues in order to streamline and improve discussions at Board of Directors meetings and to strengthen communication between Directors.
	Training Program for Directors and Executive Officers	We hold executive training for Directors and Executive Officers when they are appointed and on an ongoing basis during their term of office, in order to provide them with the information and knowledge on business activities that are necessary to supervise management.

Directors and Board of Directors

Overview of the Board of Directors

The Board of Directors aims to strengthen the mechanism to effectively supervise initiatives to address medium- to long-term management issues and speed up the decision-making process. The Board of Directors consists of ten Directors, half of whom (five, including two women, three of whom are Directors who are Audit & Supervisory Committee Members) are Outside Directors. Outside Directors are appointed with consideration of their independence and ability to reflection of diverse stakeholders’ perspectives.

In FY2024, the Board of Directors held 14 meetings, with all members attending.

Organization structure (as of June 27, 2025)

Directors

★ indicates the Chair of each meeting body.



NOU Takeshi
President and Representative Director

NRC

CC

ED

★



IKENOBU Seiji
Representative Director, Executive Vice President, Senior General Manager of Corporate Planning & Control Sector

ED



OKABE Masato
Representative Director Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Engineered Materials Sector

IAC

★

ED



YAMASHITA Masashi
Managing Director, Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector

NRC

CC

ED



SHIKI Kazuya

ASC

★

Outside Directors



TOIDA Kazuhiko

【Important positions held concurrently at other organizations】

- Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI)
- Chairperson, St. Stephen's School

BoD

★

NRC

CC



TAKEGAWA Keiko

【Important positions held concurrently at other organizations】

- Director of Institute of Women's Culture, Showa Women's University
- Specially Appointed Professor, Showa Women's University

NRC

CC



ISHIDA Toru

【Important positions held concurrently at other organizations】

- Outside Director, Sankyu Inc.

ASC

NRC

★

CC



INOUE Hiroshi

【Important positions held concurrently at other organizations】

- Lawyer
- Outside Director and Audit & Supervisory Committee Member, Mazda Motor Cooperation
- Outside Director and Audit & Supervisory Committee Member, Custody Bank of Japan, Ltd.

ASC

NRC

CC

★



KAWANISHI Sachiko

【Important positions held concurrently at other organizations】

- Senior Managing Director, Internet Disclosure, Co., Ltd.

ASC

NRC

CC

ASC

 Audit & Supervisory Committee Member

NRC

 Nomination Review Committee Member

CC

 Compensation Committee Member

IAC

 Internal Audit Committee Member

ED

 Executive Director (Executive Council Member)

【Ensuring Independence and Objectivity】

Ratio of Outside Directors

Internal

5

Outside

5

50%

【Strengthening Management Supervision】

Ratio of Non-Executive Directors

Executive

4

Non-Executive

6

60%

【Promoting Diversity】

Ratio of Female Directors

Female

2

Male

8

20%

Skills matrix of Director

The skills shown in the skills matrix below have been selected by the Nomination Review Committee as the skills necessary for promoting the Purpose, Vision, and executing the 25-27 MTP.

Skills matrix of each Director

Name	Corporate management	Business strategies	Finance/ Accounting	Technologies/ R&D/DX	Sales/ Marketing	HR/HR development	Legal affairs/ Risk management	Internationality	Sustainability/ Economic security
NOU Takeshi	◎	○		◎				○	◎
IKENOBU Seiji	◎	○		◎					
OKABE Masato		◎			◎		○	◎	○
YAMASHITA Masashi	○		◎			◎		◎	
TOIDA Kazuhiko	◎	○			◎			○	○
TAKEGAWA Keiko						◎	○	◎	
SHIKI Kazuya							◎	○	○
ISHIDA Toru							◎	○	◎
INOUE Hiroshi						○	◎		◎
KAWANISHI Sachiko	○		◎	○					○

○ indicates skills possessed by the Directors and Audit & Supervisory Committee Members, while ◎ indicates skills the Company expects Directors and Audit & Supervisory Committee Members to demonstrate in particular.

Reason selected as necessary skill

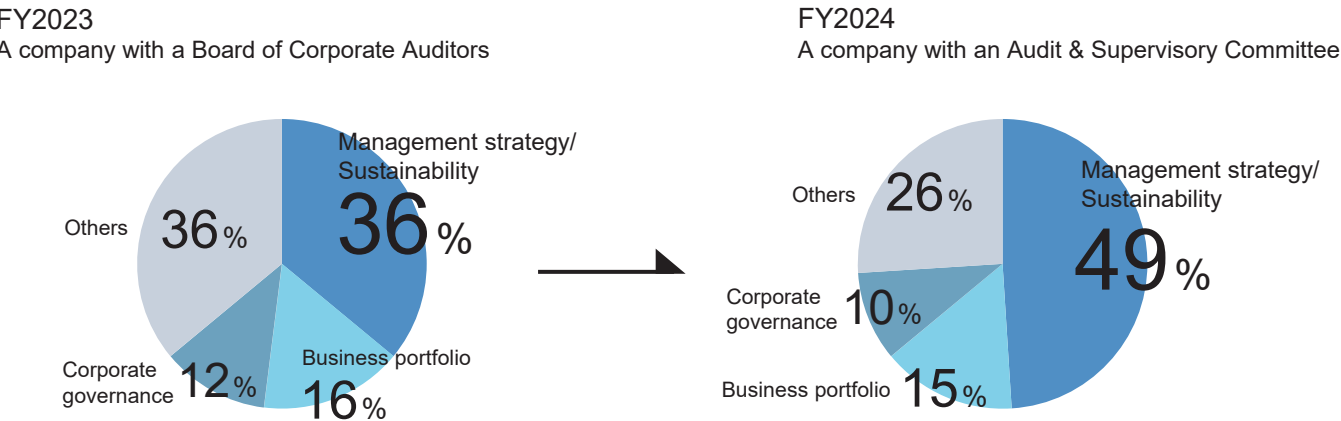
Skills	Reason for selecting skill
Corporate management	Competence, experience and leadership enabling the formulation of strategies and the implementation of integrated thinking-based management and ambidexterity are necessary for execution of the 25-27 MTP, looking towards the Purpose and Vision.
Business strategies	Knowledge and experience enabling the formulation and implementation of strategies for establishing a competitive advantage are necessary for realizing sustainable business growth.
Finance/ Accounting	Knowledge and experience of finance and accounting are necessary to establish financial strategies that will bolster growth investment and shareholder returns to increase the resilience of the financial base underpinning management and to achieve sustainable improvement in corporate value.
Technologies/ R&D/ DX	The creation of new products and businesses and the strengthening of existing businesses are necessary to drive company growth, and development based on unique technologies and improvement of efficiency through sophisticated production technologies and DX are essential.
Sales/ Marketing	A good familiarity with the business environment and relationships between the Company and its customers and other stakeholders as well as knowledge and experience enabling the formulation and implementation of product planning and sales strategies are necessary.
HR/HR development	The attraction, retention and development of talent, a company's most valuable resource, improvement of job satisfaction to increase engagement, and promotion of diversity are directly linked to performance.
Legal affairs/ Risk management	Legal knowledge and experience are necessary to implement appropriate corporate governance, compliance and risk management in business activities as well as to increase the effectiveness of management supervision within the Board of Directors.
Internationality	An in-depth understanding of and respect for each country's culture and diversity are necessary for survival as a global enterprise.
Sustainability/ Economic Security	Consideration for the environment, adherence to fair business practices and action to address economic security concerns are needed in order to continue being regarded as necessary by society, and high levels of knowledge including about business-related matters, a long-term perspective and adaptability are required.

Agenda for the Board of Directors Meeting

Mitsui Kinzoku transitioned to a company with an Audit & Supervisory Committee on June 27, 2024, aiming to expedite decision-making related to management in order to enhance discussions on management policies and strategies by making the agenda of the Board of Directors more focused, and to strengthen the Board’s supervisory functions regarding management. As a result of this transition, discussions by the Board have become more focused, as we aimed for, with management strategy/sustainability, the business portfolio, and governance topics representing 76% of the discussion time.

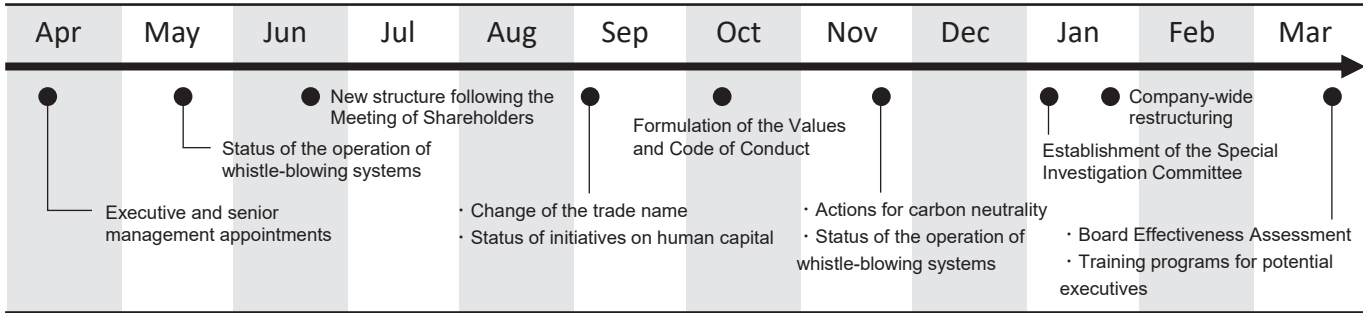
In FY2024, the Board held discussions with a particular focus on formulation of the 25-27 MTP, the sale of Mitsui Kinzoku ACT, and restructuring of the Mobility Sector.

Percentage of discussion time by agenda category in board meetings



Main topics in board meetings by agenda category and their timing (FY2024)

Agenda categories	Agenda items	Reporting items
Management strategy/ Sustainability	Measures for the 25-27 MTP(formulating the Values and Code of Conduct, restructuring the entire company, changing the trade name, etc.) Transition to a company with an Audit & Supervisory Committee	Situation of each business sector and corporate division Actions for carbon neutrality Status of initiatives on human capital
Business portfolio	Review of business portfolio Implementation of Individual M&A and organizational restructuring projects	Progress of individual M&A and organizational restructuring projects
Corporate governance	Exclusive matters for the Board of Directors as mandated by law Approval of business reports and financial statements Revision of company rules	Board Effectiveness Assessment Status of cross held stocks Dialogue with institutional investors
Others	Review of the whistle blowing systems Implementation of business investment Executive and senior management appointments	Status of the operation of whistle-blowing systems Progress of business investment Training programs for potential executives

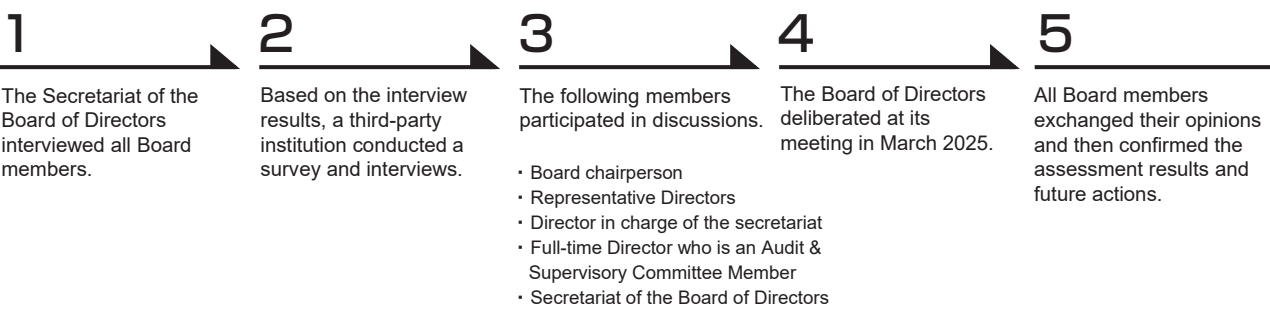


* In addition to the agenda items mentioned above, the Board of Directors regularly receives reports on the situation regarding each business sector and corporate unit.

Board Effectiveness Assessment

We conduct the Board Effectiveness Assessment every year to ensure the continuous enhancement of the board’s function.

Assessment process



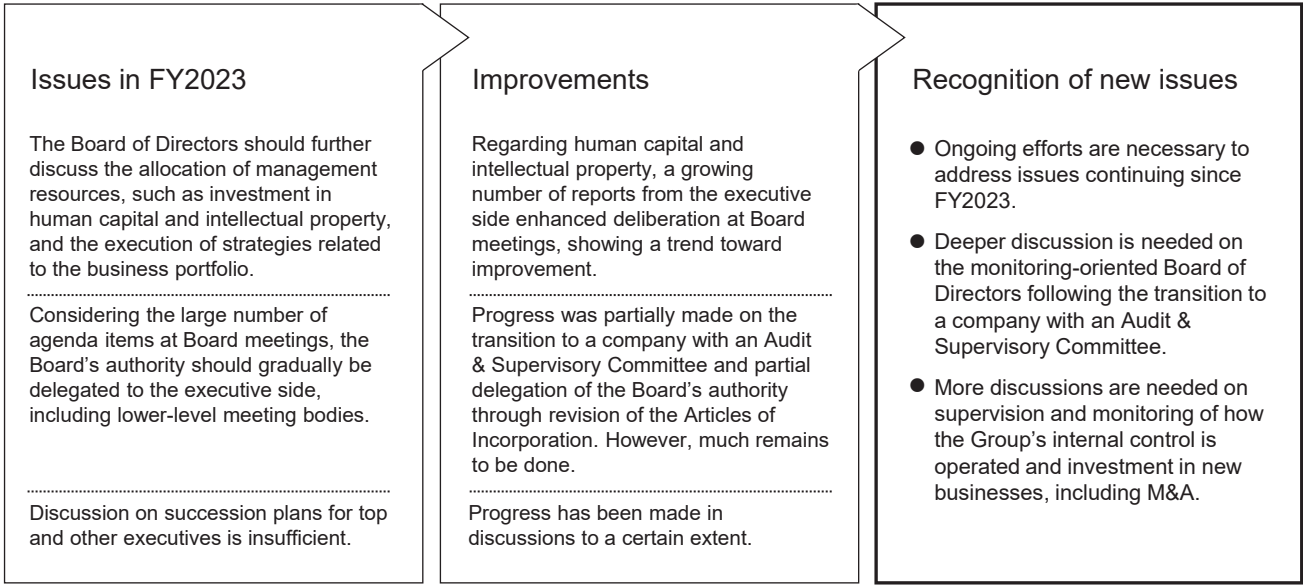
Assessment result

The majority of responses indicated that there were no major problems with the Board’s effectiveness. Based on the results of past effectiveness assessments, the Board of Directors’ effectiveness is deemed to be improving.

[Assessment points]

- In light of the FY2023 effectiveness assessment results, members of the Board of Directors reached a common understanding that the Board should adopt a monitoring model. Based on this recognition, the transition was made to a company with an Audit & Supervisory Committee in June 2024 in order to strengthen corporate governance and promote discussion on corporate-wide strategies. Along with this transition, the Board’s authority has been partially delegated to the executive side.
- Moreover, based on the issues identified at the FY2023 effectiveness assessment, in FY2024, the Board followed up on and monitored the results of its effectiveness assessment at its own meetings, as well as at the top management meetings attended by all Board members, and on other occasions.

Improvements from last time



Future efforts

We have changed our institutional design to a company with an Audit & Supervisory Committee and partially delegated the Board’s authority through revision of the Articles of Incorporation. By effectively using this structure, we will tirelessly drive our efforts to enhance the Board of Directors’ functions.

Compensation for Directors

Compensation system

Compensation for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) consists of base compensation, performance-linked compensation as a short-term incentive, and stock compensation as a medium- to long-term incentive, to enable them to demonstrate management supervisory functions at a high level. In order to ensure competitiveness, the appropriateness of the level and composition of compensation for Directors is examined each year by comparing with other companies of similar size in terms of sales and market capitalization, as disclosed in the findings of a compensation survey in which major companies in Japan participate.

If the Board of Directors resolves a correction to the financial results post-announcement due to material accounting error or fraud, the Compensation Committee shall deliberate on adjustments to performance-linked compensation and restrict its payment, or even demand pay back of compensation, when deemed necessary (clawback provision).

Compensation for Directors

(excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)

(1) Base compensation

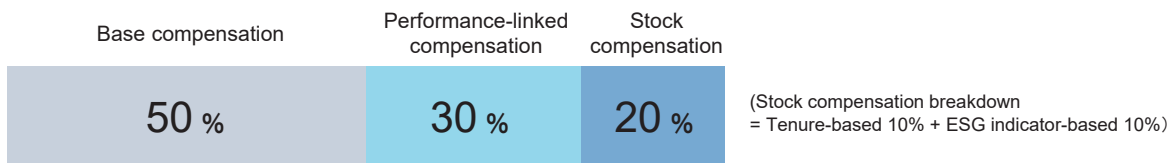
The base compensation for the President is set, taking into consideration the Company's performance, corporate value, and other factors comprehensively. Base compensation for Directors is calculated depending upon titles, based on the base compensation for the President and by applying a ratio for each title according to responsibilities.

Composition of ESG Indicators

ESG	Indicator	KPI
E	GHG reduction	Formulation of a GHG reduction plan up to FY2030 and achievement of annual targets
	Environmental initiatives	CDP climate change score
S	DE&I	Percentage of female managers
	Promotion of job satisfaction	Engagement score
G	Governance	Percentage of addressed issues identified at the Board Effectiveness Assessment
	Compliance	Presence of serious compliance violations

Composition of compensation

(excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)



* Composition of compensation when consolidated ordinary income is ¥40 billion and all KPIs are achieved for ROIC and ESG.

The percentage of base compensation, the percentage of performance-linked compensation and the percentage of stock compensation vary because performance-linked compensation varies according to the Company's performance.

(2) Performance-linked compensation

Regarding performance-linked compensation,, the amount of performance-linked compensation is calculated using consolidated ordinary income and ROIC, which the Company considers as key indicators for evaluating operating results, as the performance indicators. The benchmark is set at ¥40 billion, which is 130% of ¥30 billion, the average past consolidated ordinary income excluding the impact of the impairment from the Caserones Copper Mine. The Compensation Committee also sets ¥60 billion, which is the largest recorded profit, as a target, and sets an upper limit of ¥100 billion in the event that the target is exceeded, to ensure that performance-linked compensation serves as an appropriate incentive.

(3) Stock compensation

The Company has introduced a restricted stock compensation plan (tenure-based restricted stock compensation) and ESG indicator-based restricted stock compensation for Directors to serve as an incentive for Directors to aim for continuous growth in corporate value and further enhance value-sharing with shareholders. In both cases, continued service is a condition for lifting the transfer restrictions.

The total amount of compensation for granting restricted stock shall be within ¥50 million per year as tenure-based stock compensation and within ¥50 million per year as ESG indicator-based stock compensation, totaling within ¥100 million per year. The total annual number of the Company's common shares to be issued or disposed of by this shall be 16,650 shares or less per year as tenure-based stock compensation and 16,650 shares or less per year as ESG indicator-based stock compensation, totaling a maximum of 33,300 shares per year.

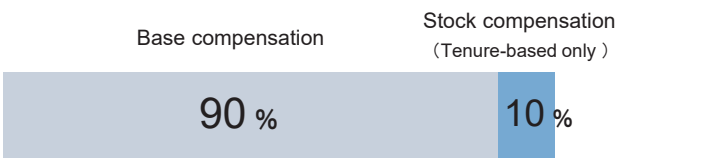
Compensation for Outside Directors and Directors who are Audit & Supervisory Committee Members

The compensation for Outside Directors and Directors who are Audit & Supervisory Committee Members consists only of base compensation and non-performance-linked stock compensation, considering their roles and independence.

The compensation for Directors who are Audit & Supervisory Committee Members is determined through discussions by the Audit & Supervisory Committee.

Composition of compensation

(Outside Directors and Directors who are Audit & Supervisory Committee Members)



Timing of payment of compensation

Base compensation and performance-linked compensation are paid monthly in cash. The stock compensation system is designed so that the period during which transfer of the allocated shares is restricted expires on the date of retirement and, even after retirement, sale of the shares is not permitted for a period of one year to prevent insider trading. Moreover, if an eligible Director retires without just cause, the Company shall automatically acquire the allocated shares at no cost irrespective of the elapsing of the period.

Total amount of compensation (FY2024)

Classification	Total compensation (millions of Yen)	Total compensation by type (millions of Yen)			Number
		Base Compensation	Performance-linked Compensation	Stock Compensation	
Directors (excluding Directors who are Audit & Supervisory Committee Members) (Outside Directors)	334 (46)	225 (46)	58 (—)	49 (—)	10 (3)
Directors who are Audit & Supervisory Committee Members (Outside Directors)	79 (37)	79 (37)	— (—)	— (—)	4 (3)
Corporate Auditors (Outside Corporate Auditors)	18 (6)	18 (6)	— (—)	— (—)	4 (2)
Total (Outside Directors and Outside Corporate Auditors)	433 (89)	324 (89)	58 (—)	49 (—)	18 (8)

Notes: 1. The Company's 99th Annual General Meeting of Shareholders held on June 27, 2024, shareholders resolved to set the limit of compensation for Directors at ¥720 million per year (¥100 million per year for Outside Directors). Shareholders also resolved that when allocating such stock, the Company shall conclude a contract for allocation of restricted stock with the eligible Directors. The number of eligible Directors under this resolution was six (two of whom were Outside Directors).

2. At the 99th Annual General Meeting of Shareholders on June 27, 2024, shareholders resolved to set the limit of compensation for Directors who are Audit & Supervisory Committee Members at ¥180 million per year. The number of eligible Directors who are Audit & Supervisory Committee Members under this resolution was four (three of whom were Outside Directors).

3. At the 96th Annual General Meeting of Shareholders on June 29, 2021, shareholders resolved to set the limit of compensation for Directors who are Corporate Auditors at ¥180 million per year. The number of eligible Corporate Auditors under this resolution was four (two of whom were Outside Directors).

4. The above table includes four Directors (including one Outside Director) and four Corporate Auditors (including two Outside Directors) who retired at the conclusion of the 99th Annual General Meeting of Shareholders held on June 27, 2024. The Company transitioned from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee on June 27, 2024.

Total compensation and types of compensation for President (FY2024)

Total compensation (millions of Yen)	Total compensation by type (millions of Yen)		
	Base Compensation	Performance-linked Compensation	Stock Compensation
109	62	28	18

Revision of Directors' Compensation System for FY2025

The Compensation Committee has been reviewing performance-linked compensation KPIs that reflect business strategies since FY2023, to improve sustainable corporate value. Starting in FY2025, the Company has added ROIC as a new metric for performance-linked compensation, reflecting the interests of shareholders and enabling objective verification, as part of its efforts to foster a corporate culture of business management with awareness of the cost of capital and capital efficiency. As a result, the amounts of the Company's performance-linked compensation is determined based on consolidated ordinary income and ROIC performance metrics, which are important metrics for evaluating business performance. Furthermore, to aim for further profit growth, we have raised the cap on performance-linked compensation linked to consolidated ordinary income from ¥80 billion to ¥100 billion.

In addition, in line with the Company's transition to a company with an Audit & Supervisory Committee, as the transfer of authority from Directors to the executive side progresses, the Company has abolished the addition or deduction of performance-based bonuses for business-responsible Directors based on the performance of their respective departments, with the aim of further committing to the enhancement of corporate value and social value from a company-wide perspective.

Furthermore, the Company has decided to add tenure-based restricted stock compensation for Outside Directors and Directors who are Audit & Supervisory Committee Members, with the aim of providing incentives to promote the sustainable improvement of corporate value and further advancement of sharing value with shareholders.

Audit & Supervisory Committee

Overview of the Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of all Directors who are Audit & Supervisory Committee Members. The Committee holds regular meetings prior to monthly Board of Directors’ meetings, and extraordinary meetings as necessary. The Committee determines the annual audit plan, and audits the Directors’ business execution in accordance with the plan. In addition to receiving reports on the accounting audit plan and audit results from the Financial Auditors, the Committee exchange opinions with them on a regular basis to maintain close cooperation.

In FY2024, the Audit & Supervisory Committee held 12 meetings, with all Directors who are Audit & Supervisory Committee Members attending.

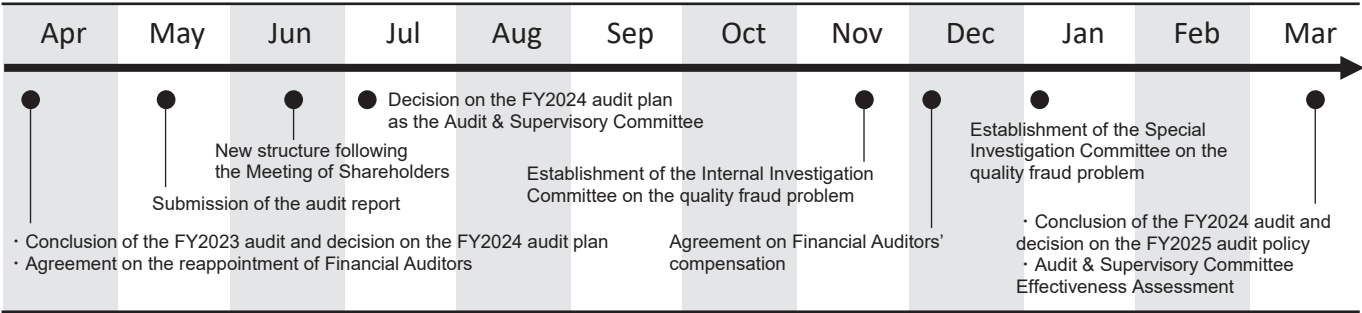
In particular, regarding the quality fraud problem at Mitsui Kinzoku Perlite Co., Ltd., the Audit & Supervisory Committee decided on the establishment of the Internal Investigation Committee. The Audit & Supervisory Committee played a key role in the Internal Investigation Committee by having two of its members involved and leading its systematic transition to the Special Investigation Committee, where an Outside Director who is also an Audit & Supervisory Committee Member served as Chair.

Improvement of environment for the Audit & Supervisory Committee’s audits
(e.g. Meeting with Senior Management)

In addition to the monthly Committee meetings, the Audit & Supervisory Committee also meets with Representative Directors, Executive Directors, and the heads of departments. These meetings are also attended by Outside Directors who are not Audit & Supervisory Committee Members to ensure that all Non-Executive Directors gain a timely understanding of management policies and share information.

Annual agenda of the Audit & Supervisory Committee

The Audit & Supervisory Committee holds prior discussions and exchanges opinions on the monthly agenda items for the Board of Directors, aiming to enhance the effectiveness of audits. This process helps deepen the understanding of each proposal and organize the matters that need to be confirmed by the Board of Directors. In FY2024, the Audit & Supervisory Committee has deliberated on the following matters:

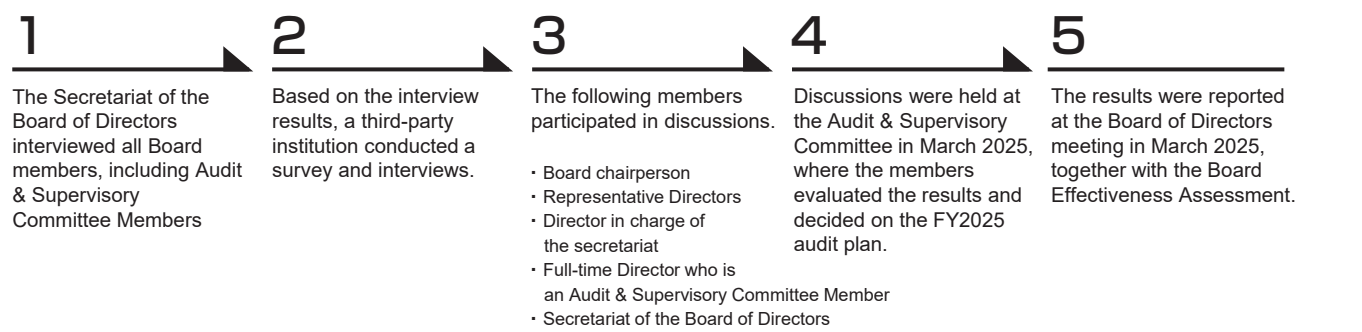


* The above items were undertaken by the Board of Corporate Auditors from April 1 to June 26, 2024, prior to the transition to a company with an Audit & Supervisory Committee.

Audit & Supervisory Committee Effectiveness Assessment

We conduct the Audit & Supervisory Committee Effectiveness Assessment every year to ensure the continuous enhancement of the committee’s function.

Assessment process



Assessment result

- In the surveys and interviews, the majority of the responses indicated that there were no major problems, including free and constructive discussion and exchange of opinion, reports from and information sharing with a full-time Director who is an Audit & Supervisory Committee Member and the Internal Audit Dept., and collaboration with Financial Auditors.
- At the same time, it was suggested that enhancing opportunities to meet with the executive side would further improve the effectiveness of the Audit & Supervisory Committee.

Future efforts

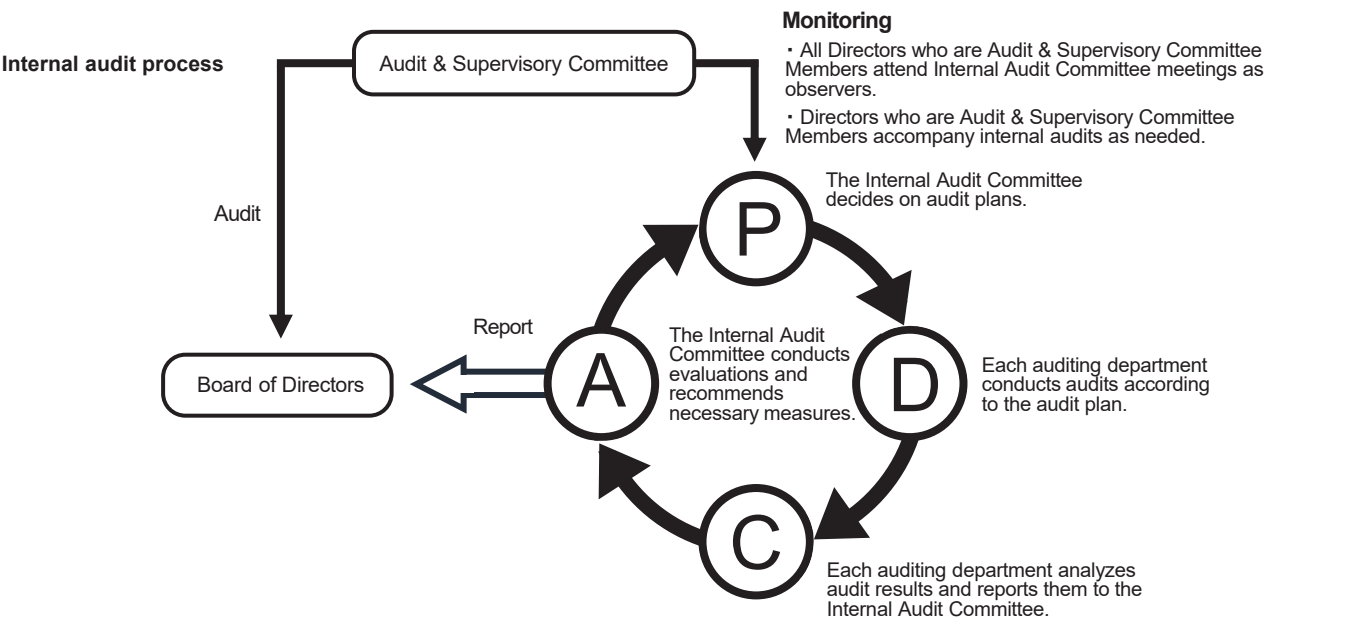
Based on the discussions by the Audit & Supervisory Committee, we have determined that the committee’s effectiveness is ensured. We will continue to improve the committee’s effectiveness by incorporating the results of the effectiveness assessment into the FY2025 audit plan and through other measures.

Internal Audit Committee and Internal Audit Dept.

Internal Audit Committee

Mitsui Kinzoku organizes an Internal Audit Committee chaired by the Representative Director in charge of the Internal Audit Dept., and comprised of the head of the Internal Audit Dept., head of the Corporate Unit, General Managers of each sector’s Administration Department, and others. The Committee approves the policy and plan for internal audits conducted by the Internal Audit Dept. and evaluates the results. The results of audits approved and evaluated by the Internal Audit Committee are reported to the Board of Directors and the Audit & Supervisory Committee without delay through the Internal Audit Dept. and to Financial Auditors as appropriate. In FY2024, the Internal Audit Committee held four meetings.

In principle, all Directors who are Audit & Supervisory Committee Members attend Internal Audit Committee meetings as observers to monitor the activities of the Internal Audit Committee as the Audit & Supervisory Committee.



Internal Audit Dept. and internal audits

The Internal Audit Dept., positioned directly under the Director in charge of the Internal Audit Dept., functions as a body independent from other business execution departments to conduct internal audits on the Company’s overall business from an independent perspective. In addition to audits approved and evaluated by the Internal Audit Committee, we have also established a system that allows the Audit & Supervisory Committee to directly instruct the Internal Audit Dept. Through this system, the Internal Audit Dept. may also conduct internal audits as an independent body without going through the Internal Audit Committee.

Internal audits are conducted by members of the Internal Audit Dept. and internal audit staff (assigned by Internal Audit Committee Members), who visit each business division and site of the Company as well as its affiliates in Japan and overseas. They review a range of issues chiefly related to the situation regarding legal compliance, establishment status of internal control systems, and appropriateness of accounting processes.

Internal control system

A summary of the decisions made at the meetings of the Board of Directors, regarding the business structure for the appropriate business operation of Mitsui Kinzoku Group in compliance with laws and regulations and the corporate ethics, is available on our corporate website.

<https://www.mitsui-kinzoku.com/en/toushi/management/governance/>

* The Corporate Governance Guidelines, which outline the fundamental approach to corporate governance, can also be accessed through the above address.



SHIKI Kazuya
Director, Audit & Supervisory
Committee Member

INOUE Hiroshi
Outside Director, Audit &
Supervisory Committee
Member

ISHIDA Toru
Outside Director, Audit &
Supervisory Committee
Member

TOIDA Kazuhiko
Outside Director, the Chair
of the Board of Directors

Roundtable Discussion

with the Chair of the Board of Directors and Outside Directors

In June 2024, Mitsui Kinzoku transitioned to a company with an Audit & Supervisory Committee. How has the company's governance changed due to this shift in institutional design? The four Directors responsible for governance met to discuss this matter.

Shiki:

Under the company with a Board of Corporate Auditors structure that we previously adopted, we had a management-oriented Board of Directors that focused on its decision-making functions. However, even within that structure, I think authority was being delegated to executive officers and governance reforms were being pursued, including improving the efficiency of discussions at Board of Directors meetings. Following the transition to a company with an Audit & Supervisory Committee made in June last year, a significant portion of decision-making related to key business execution has been delegated to the President and other executive officers, making it possible to narrow down the agenda items at Board of Directors meetings. I therefore feel the Board of Directors' role and the nature of the matters it handles has changed. What do all of you think? Please feel free to speak honestly.

Toida:

The transition to a company with an Audit & Supervisory Committee has been a key step in redefining the role of the Board of Directors. This transition strengthened the Board's role in monitoring decisions regarding the primary direction of the company, while delegating specific matters to executive officers, which I believe has enabled more accelerated and efficient decision-making.

Shiki:

In terms of the changes in the nature of agenda items, compared to before the transition, there is less discussion of specific issues relating to business sales, HR, and organizational changes. On the other hand, there are now frequent work status reports, effectiveness assessment of the Board of Directors and human-capital-related reports. There are also more reports on the use of intellectual property and intangible assets, so I think the Board is now discussing themes it did not previously.

Toida:

There has also been a big change in how Board of Directors meetings are run, which I handle as the Chair. When we were a company with a Board of Corporate Auditors, it was sometimes somewhat difficult to deal with the Auditors when they expressed opinions, since they did not have voting rights on the Board of Directors.

With the transition to the new structure, they have become Directors who are members of the Audit & Supervisory Committee, meaning that their opinions directly influence the decision-making of the Board of Directors, which enables discussions to progress more smoothly.

Ishida:

When I attended Board of Directors meetings as an auditor, my role focused on supervising business execution, but as a director, I am required to contribute directly to decision-making. This has made me more aware that I can and should actively express my opinions on how to improve corporate value. Due to the recent transition, the composition of the Board of Directors has changed as well. Currently, five of the ten people on the Board are independent Outside Directors, and the role of Chair is also filled by an Outside Director, Mr. Toida. I feel that this qualitative change in the governance structure is very meaningful in terms of increasing the company's transparency and efficiency.

Inoue:

With the transition to the Audit & Supervisory Committee, the style has changed, but honestly, I feel that in practical terms, some areas have not changed much because everyone has always had a strong sense of monitoring and has been actively speaking up ever since we were auditors. Like Director Ishida said, as directors we now have the responsibility to participate in the final vote, which is a major difference. I must be conscious of the fact that I play an important role in management, but as an Audit & Supervisory Committee Member, I must also maintain an independent point of view. I sometimes feel that it is difficult to strike the right balance between these goals, so I will continue seeking a path forward through trial and error.

Shiki:

Regarding the importance of having voting rights as an Audit & Supervisory Committee Member, if the Outside Directors, who represent half of the Board, oppose something, it is possible to overturn a decision of the Board. This has created a new sense of tension at Board meetings.

Could the Board of Directors have encouraged risk-taking by Executive Officers when deciding about the business sale?

Shiki:

In May last year, the Board of Directors resolved to sell Mitsui Kinzoku ACT Corporation, a consolidated subsidiary in the parts production business, which had been one of the company’s mainstay businesses for many years. I would like to hear your view of the Board’s involvement in making this decision.

Toida:

My perception of the sale of Mitsui Kinzoku ACT is that the Board of Directors could have encouraged risk-taking by the executive officers. I regret that there were not more discussion about the future business management strategy and the business portfolio, which are essential to such a sale.

Ishida:

Given that the business environment required Mitsui Kinzoku ACT to transform into a systems manufacturer, I felt that the policy of finding a new owner who could provide the optimal management resources was very appropriate, and I believe we supported the decision made by the executive officers. While Mitsui Kinzoku ACT has been sold, it is still too soon to say whether any specific buy-side deals are in the works, but I think that considerable progress has been made with respect to the business portfolio review. The seeds of new businesses such as next-generation semiconductor device materials, including all-solid-state batteries and HRDP, are developing, and I believe discussions about these are progressing both inside and outside the Board of Directors.

Inoue:

I think that the executive officers were responsible for identifying the appropriate timing to sell the business, while the Board of Directors was able to provide proper oversight to ensure that the sale reflected the appropriate value. As Director Ishida said, we will closely monitor whether the cash obtained from this business sale is being used properly in the 25-27 MTP, and the Board of Directors will encourage the executive officers to take action as needed.

Shiki:

Chair Toida has previously spoken about the importance of portfolio management, and we have made progress in developing the portfolio, including dynamic management using ROIC. It has been pointed out that there is a lack of activity from a buy-side perspective, so I think the question of what kinds of businesses we should acquire is an important issue for the future.

Inoue:

I feel that it is necessary to develop new future-oriented businesses. With the elimination of the Mobility Sector, we must focus on what to concentrate on going forward. If the resources we can invest are widely dispersed, they may be less effective, so we should find the right balance for our initiatives. Last year, we formulated our new medium-term management plan, and while the discussions were inevitably based in part on the current situation, I feel that this year and next year are a good time for the Board of Directors to work with the executive officers to clarify which activities we will pursue to create businesses.

What was the response to the quality non-compliance issues that were discovered?

Shiki:

As you are aware, a key issue for the Audit & Supervisory Committee is to strengthen internal control, governance, and compliance. Unfortunately, instances of quality non-compliance were discovered at Mitsui Kinzoku Perlite Co., LTD. last year. A report by the Special Investigative Committee thoroughly explored why these quality problems occurred. In terms of organizational factors, it was reported that Perlite’s inspection department lacked independence; the quality assurance department was weak; inspection-related systems, programs, and functions were inadequate; and communication between Perlite and Mitsui Kinzoku’s business oversight departments and Quality Assurance Department was insufficient.

In terms of people-related factors, the company’s officers and employees lacked an awareness of quality compliance, while management lacked a sense of responsibility; in terms of environmental factors, the organizational culture prioritized deadlines and sales. Other factors included weak auditing functions and issues with how standards for Perlite products were determined and managed. I cannot shake the feeling that, ultimately, the underlying cause was a lack of thoroughness in governance. I would like to hear the opinion of Director Inoue, who chaired the Special Investigative Committee, regarding the series of measures taken in response to this case.

Inoue:

In terms of the process leading to the establishment of the Special Investigative Committee, first, whistle-blowing reports were received and handled appropriately. At this stage, Mitsui Kinzoku’s Quality Assurance Department also became involved, and as a result of conducting a preliminary investigation, the Audit & Supervisory Committee decided to set up the Internal Investigation Committee to address this important matter. I think that was a good move. However, following an investigation that lasted around one month, the scope of the case became clear, and the committee proposed to the Board of Directors that it form the Special Investigative Committee and outsource the investigation. That was also a very important decision in terms of public disclosure. At that stage, we were not yet fully able to express our opinion, but as the investigation progressed, we came to believe that if we did not disclose the information, we might become the kind of company that hides information in the future, so we made a firm request that this matter be disclosed.

Toida:

In this case, I think the steps that needed to be taken up to making an external announcement were clear. Mr. Inoue’s experience helped us to decide on the course of action, which I feel was the right move. As the roles of the Board members became clear, my sense is that the pace changed. Perhaps this could also be viewed as a result of establishing the Audit & Supervisory Committee.



TOIDA Kazuhiko

Joined Nissan Motor Co., Ltd. in 1975, became Managing Director in 2001, was appointed as Representative Director and President of FALTEC Co., Ltd. in 2010, and then became an Outside Director of Mitsui Kinzoku in June 2020. He was appointed as the company’s Chair of the Board of Directors in June 2022.

Ishida:

I think this case was handled appropriately, with the Special Investigative Committee playing a central role. On the other hand, it has become clear that improving the effectiveness of our internal control systems, including those at group companies, is a key issue for the future. There is no denying the shortage of human resources at our group companies, and it is very important to determine how we will ensure governance across the entire Group. With the transition to a company with an Audit & Supervisory Committee, we must strengthen collaboration between group companies and the Internal Audit Department while maintaining audit and supervision functions, and we have begun initiatives such as having Audit & Supervisory Committee Members attend internal audits. Through enhanced collaboration between the Audit & Supervisory Committee and the Internal Audit Department, I believe we need to properly create a new system whose effects will include recurrence prevention of quality non-compliance.

Shiki:

We will fully meet our auditing and supervisory responsibilities with regard to initiatives such as supporting thorough measures to prevent recurrence of the problems that occurred at Mitsui Kinzoku Perlite; fostering a group-wide compliance- and quality-focused culture; enhancing collaboration and support between Mitsui Kinzoku and its affiliates, individual quality assurance departments, and related departments; revising the organizational structure; and improving the effectiveness of the whistle-blowing system.

What kind of initiatives have the Nomination Review Committee and Compensation Committee implemented to strengthen governance?

Shiki:

The transition to a company with an Audit & Supervisory Committee is part of an overall move toward strengthening our governance, and the Nomination Review Committee and the Compensation Committee are also contributing by pursuing various initiatives. As Chair of the Committee, what can you tell us about this, Director Ishida?

Ishida:

Unlike at a company with a Nominating Committee, etc., the Board of Directors has the authority to make the final decision rather than the Nomination Review Committee, but as an advisory committee to the Board, the Committee nevertheless plays an important role in electing and dismissing directors. The Committee’s judgments are therefore very significant. Transparent, fair discussions that take into account shareholders’ perspectives are important. Following the discussions held last year, it was decided to change from an employment-based executive officer system to a delegation-based system. This was done because the transition to a company with an Audit & Supervisory Committee necessitated promoting delegation of authority to executive officers. Other objectives were to conduct a balanced evaluation of executive officers and to encourage them to think of themselves as future director candidates. I think this change to the system is an example of how we are revising our systems in conjunction with the transition to a company with an Audit & Supervisory Committee.



ISHIDA Toru

Joined the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry) in 1975. After holding positions such as Director-General of the Trade and Economic Cooperation Bureau, Commissioner of the Agency for Natural Resources and Energy, and President of the Japan Chamber of Commerce and Industry and the Tokyo Chamber of Commerce and Industry, he became an Outside Auditor at Mitsui Kinzoku in 2018, and then was appointed as an Outside Director and Audit & Supervisory Committee Member in June 2024.

Shiki:

Director Inoue, what can you tell us as Chair of the Compensation Committee?

Inoue:

Since becoming a company with an Audit & Supervisory Committee, notable achievements include the introduction of ROIC in the short-term performance evaluations of directors’ compensation and the granting of stock compensation to non-executive directors. Though the Compensation Committee and the Nomination Review Committee are voluntary advisory committees, they are highly effective and have pursued flexible system design in collaboration with the executive officers. Concrete system design was carried out through planned discussions; as an example, with regard to introducing performance indicators, the view was expressed that an efficiency indicator was needed alongside ordinary income, and we incorporated this idea. The granting of stock compensation was also deemed to be an idea that would serve as an incentive to promote the company’s growth. For the institutional design of a company with an Audit & Supervisory Committee to function properly, it is important to strengthen the company’s governance. To this end, the Compensation Committee is essential, so going forward, the Committee intends to continue to carry out comprehensive activities.

Toida:

While the Nomination Review Committee and the Compensation Committee are not decision-making committees, they function effectively as influential advisory committees, and I think our company is truly moving in the right direction. There is also the possibility of becoming a company with a Nomination Committee, etc., but I feel that if we rush forward too quickly, we may end up spinning in circles. I would like to note that this is just my personal opinion.

Ishida:

Becoming a company with a Nomination Committee, etc., would mean shifting completely to a monitoring-based system. If management results are poor, we have the authority to change the senior leadership, but our company aims to adopt a hybrid approach rather than an entirely monitoring-based approach, with the Board of Directors discussing important management policies and the business portfolio while the executive officers take action. I think such a balance suits the company. We have also prepared a CEO succession plan, which is important for developing talented human resources.

Inoue:

The institutional design has only just changed, so we must operate the business using the current system for a number of years and identify any issues. Since there is also a push to revise the laws concerning companies with committees, I think we should respond flexibly to these matters and gradually consider the optimal approach. I too feel the system is working well at present.



INOUE Hiroshi

Appointed as a public prosecutor in 1985. After holding positions such as Director of the Supervisory Office for the Supreme Public Prosecutors Office, Superintending Prosecutor for the Sapporo High District Public Prosecutors Office, and Superintending Prosecutor for the Fukuoka High District Public Prosecutors Office, he became an Outside Auditor at Mitsui Kinzoku in 2021, and then was appointed as an Outside Director and Audit & Supervisory Committee Member in June 2024.



SHIKI Kazuya

Joined Mitsui Kinzoku in 1988. After serving as head of the Legal Department and a Executive Officer, he was appointed as a Director and Audit & Supervisory Committee Member of Mitsui Kinzoku in June 2024. He is now the Chair of the Audit & Supervisory Committee.

Shiki:

Finally, is there anything else you think we should mention?

Inoue:

For me, in light of the recent quality non-compliance issues, the question is how the Audit & Supervisory Committee should undertake operational auditing. I would like the Committee and the Internal Audit Department to explore ways of collaborating with regard to their auditing functions as well as strengthen their collaboration with the auditors at each group company.

Ishida:

It is important for the Audit & Supervisory Committee to steadily improve the effectiveness of its auditing and supervision as a consultative body. Having the Committee members attend Board of Directors meetings and fully express their opinions is part of that, but I hope that the Chair will also create more opportunities to hold internal discussions and present information, hold regular meetings with senior management, and so forth.

Toida:

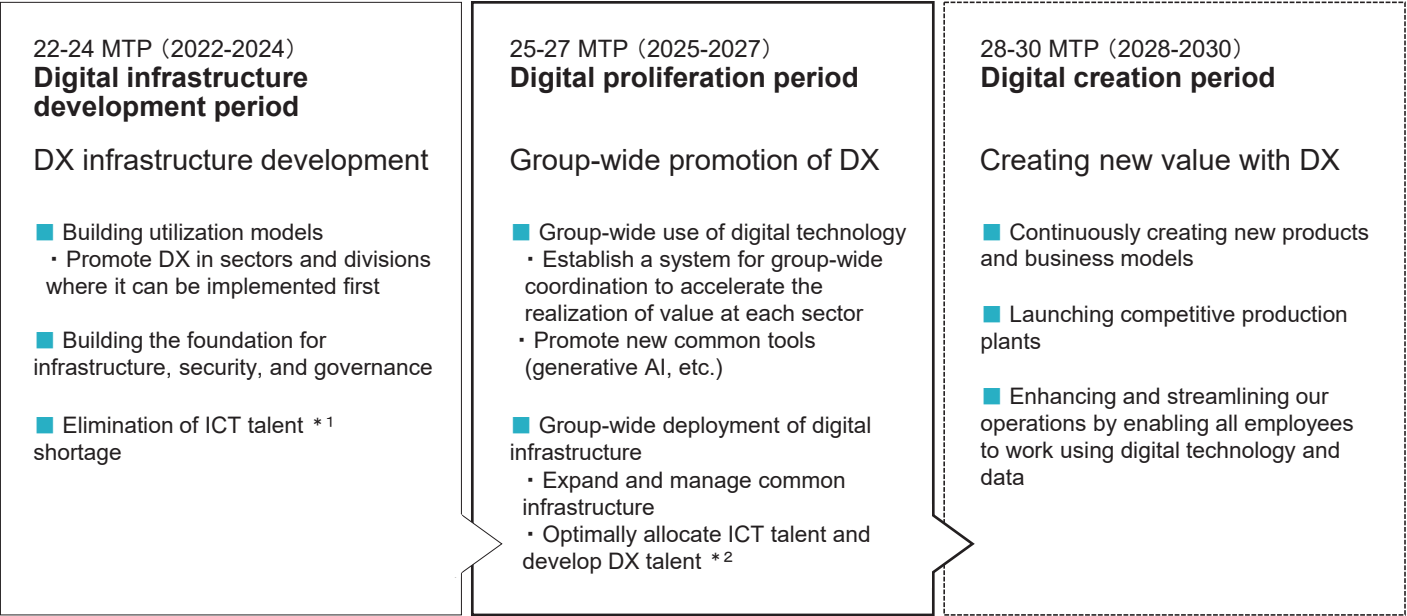
I am repeating what I said earlier, but because of the transition to a company with an Audit & Supervisory Committee, managing the agenda for Board of Directors meetings has become much smoother. Let’s keep using our time efficiently and thoroughly discussing management policies and strategies while keeping up a fast pace.

Promotion of DX

Mitsui Kinzoku Group is advancing digital transformation (DX) to support ambidexterity and integrated thinking-based management. By building digital infrastructure and utilizing digital technologies, we aim to further enhance corporate value.

Basic DX Strategy Roadmap

Mitsui Kinzoku Group has positioned its 22-24 MTP as a phase to develop digital infrastructure and has been building its DX infrastructure according to the plan. The Group sets the 25-27 MTP as a digital proliferation period. It will implement the digitalization models developed during the 22-24 MTP across the entire organization, while also introducing new tools and focusing on developing DX talent.

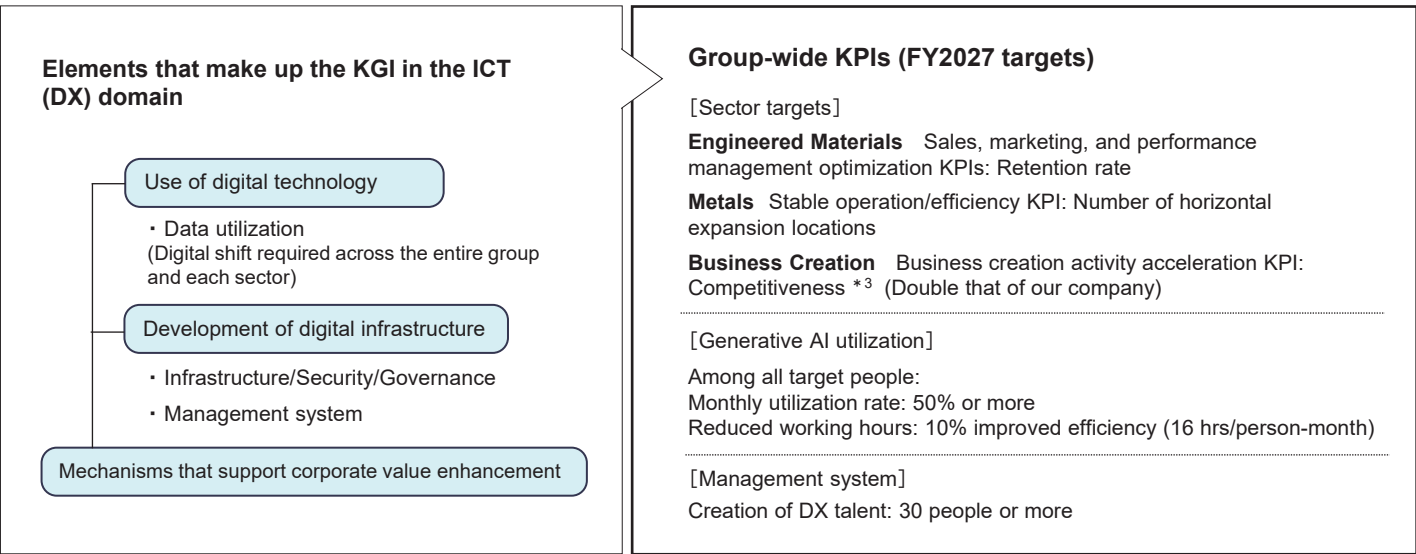


* 1 ICT talent = Individuals who have insight on digital and IT technologies and are responsible for introducing and implementing them in business operations. Digital talent.

* 2 DX talent = Individuals who utilize digital technologies and data to implement structural transformation in business and operations.

DX Groupwide Targets and KPIs

To support this roadmap, we need to strengthen human resources that lead business reforms, by developing business environment that encourages expanding the AI utilization and by developing training programs (DX talent). By promoting this groupwide initiative, we will enhance activities in individual business sectors.



* 3 Competitiveness: Performance and development period relative to the targets

Development of digital infrastructure and use of digital technology

Security and Governance

To support global business expansion and further accelerate DX, we are working on strengthening security and ICT governance. In network management, we have adopted the Secure Access Service Edge (SASE) based on the zero-trust approach. We have completed the implementation at 44 domestic sites by FY2024 and plan to extend it to all sites (including overseas) by FY2027.

We have been shifting the management of ICT rules from “compliance by human efforts” to “system-based control.” In FY2024, we introduced highly effective measures, including the mandatory use of passwords for external storage media and the automatic exclusion of encrypted attachments. In and after FY2025, we will further enhance the security infrastructure by strengthening ID management and asset management.

Generative AI utilization

In 2023, we began utilizing generative AI for document creation and information retrieval in a secure, internal, dedicated environment, aiming to enhance the efficiency of daily operations to increase productivity. In 2025, we plan to upgrade to an enhanced version featuring AI agent capabilities. This will further accelerate our efforts to automate repetitive tasks and redirect the time saved by rationalization toward more creative and strategic work.

Additionally, we are revising internal guidelines and enhancing training programs to flexibly introduce new technologies while addressing information leakage risks, thus creating a safe and effective user environment.

Development of digital talent/DX talent

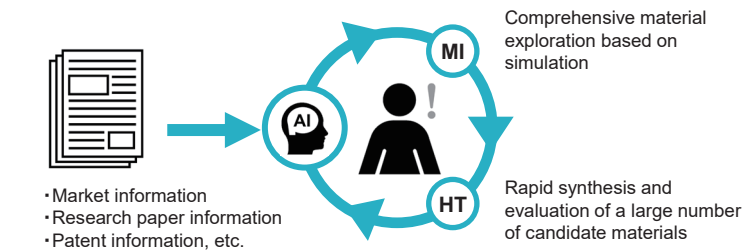
We have been conducting ICT training under the slogan “Total Digital Talent Development” to train all Mitsui Kinzoku Group employees as digital talent. Three courses are available online according to the target audience and purpose of use, and approximately 2,800 employees have participated in the courses so far.

In the 25-27 MTP, in addition to developing digital talent, we will also focus on developing DX talent who will lead business innovation through digitalization.

Examples of DX Introduced by Sectors

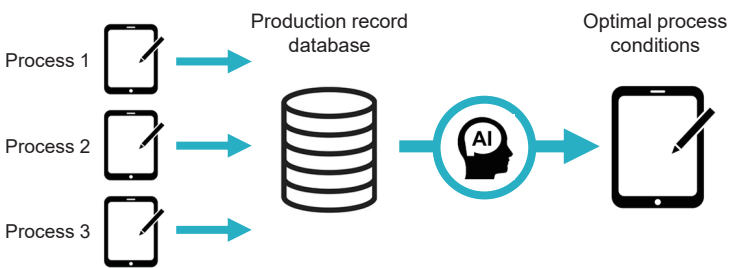
Business Creation Sector Exploration

The Business Creation Sector strives to develop new projects that will evolve into future core businesses. By combining cutting-edge technologies, such as generative AI, Materials Informatics (MI), and High-Throughput Testing (HT), with human expertise, the sector will enhance its competitiveness in materials development.



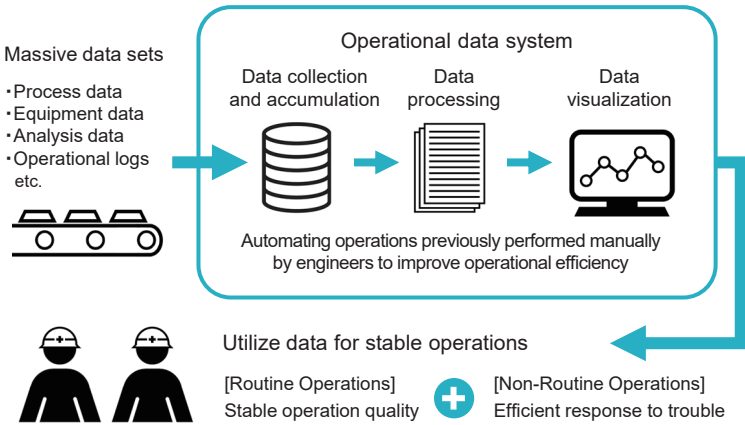
Engineered Materials Sector Exploitation

In the Ceramics Division, we digitized handwritten manufacturing records to improve the efficiency of progress management and traceability. The Division introduced an application to optimize process conditions through data analysis technology, achieving improved yield. Through these DX initiatives, awareness of data utilization has increased, driving the advancement of data-driven plant operations and automation.



Metals Sector Exploitation

Starting from Hachinohe Smelting Co., Ltd., we have begun digitizing initiatives to share and utilize equipment management and operational data. In May 2024, the operational data system started, achieving centralized management and visualization of data. In the future, we will promote deployment to other sites and work on stabilizing operations using the data infrastructure.



Risk management

Mitsui Kinzoku Group is strengthening its response to risks related to business that could threaten the continuation of its operations and corporate survival. In order to identify risks and eliminate or minimize their impact, we are working to improve the Group's risk management and operate it effectively.

Risk management system

Mitsui Kinzoku Group has built its risk management system based on its Risk Management Rules. We have appointed the Representative Director, Executive Vice President in charge of the General Affairs Department* 1 as the person with the highest responsibility for risk management. We have also designated a department in charge of risk and crisis management at the Head Office to serve as the Secretariat and identified departments in charge of each risk category, under which relevant units and sites are positioned.

In FY2024, we created a risk map (Figure 1) for each business sector against the risk items defined in the Risk Management Rules (Table 1) and conducted a risk assessment. Based on the results, we formulated measures to reduce risks, incorporated them in the next Mid-Term Plan, and will check on their progress.

These results were compiled into a risk management report, which was then submitted to the Board of Directors through the Director in charge of the General Affairs Department.

* 1 As the person with the highest responsibility for risk management, a Director who is in a position independent of the Directors who are Audit & Supervisory Committee Members has been appointed.

[Table 1]
Risk items defined in the Risk Management Rules

Items	Individual items
Market risks	Metal market fluctuations Exchange rate fluctuations Liquidity risk
Country risks	
Financial risks	Credit risk Impairment risk
(The following lists the risks associated with operations)	
Risks due to external factors	Large-scale infectious disease epidemics Large-scale natural disasters
Risks associated with our industry	Market conditions Competitive advantages Resource development Partnerships with third parties
Environment	GHG emissions Energy management Water management Waste and hazardous materials Impacts on biodiversity
Social	Health and safety Human rights Fair business practices
Governance	Governance Compliance ICT Unjust information disclosure, reputation, and crisis communication
Risks related to non-financial capital	Human capital Quality assurance Intellectual property Social and relationship capital

Emergency response

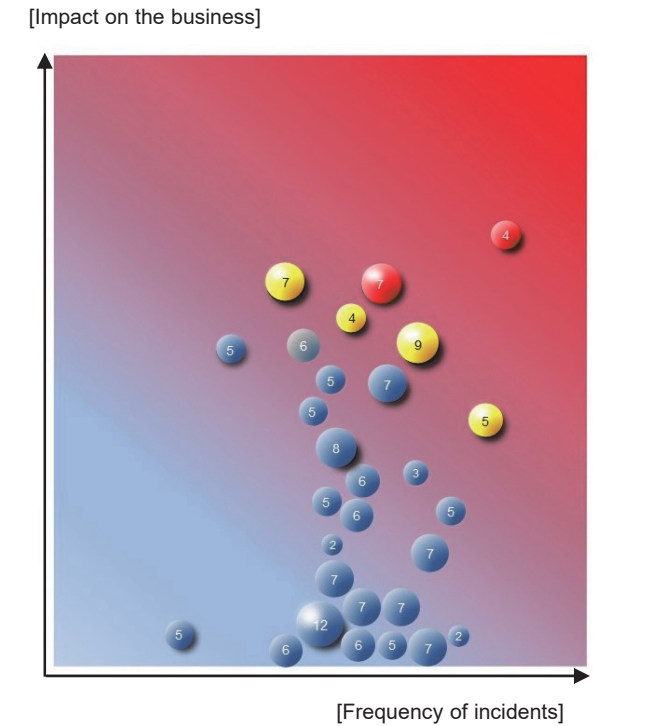
Mitsui Kinzoku Group has set out its Emergency Response Basic Policy. In the event of an emergency, we will place the highest priority on saving lives and protecting assets, while also aiming for early recovery and continuity of the business and working to prevent secondary disasters.

Moreover, we have built a system for possible emergencies and conduct business continuity management (BCM), under which we implement the PDCA cycle each fiscal year. Each sector creates business continuity manuals, including an incident management plan (IMP) for incident response and business continuity plan (BCP) for supply continuity and resumption of production.

We also conduct business continuity simulation exercises, assuming the responses to be taken for a few days immediately after an emergency, to enhance the effectiveness of the plan. We aim to roll out the plan, at first prioritizing major sites in Japan and overseas with higher risks of a large-scale disaster.

Risk map concept (image of business sector assessment results)

We conduct risk assessments by creating a risk map for each business sector with two axes: impact and frequency.



[Risk management]
https://www.mitsui-kinzoku.com/en/csr/governance/risk_management/

Compliance

We understand that compliance is not limited to observing laws and regulations, but also includes observing social norms, corporate ethics, common sense and morals, and other matters expected by society even if they are not explicitly stated.

Mitsui Kinzoku Group identifies the Senior General Manager of the Corporate Planning & Control Sector as the person with the highest responsibility for compliance. The Legal Dept., the division in charge of compliance, plays a leading role and works with other relevant departments in enhancing compliance among officers and employees.

Revision of the Code of Conduct: from standards to norms

Mitsui Kinzoku Group established its Code of Conduct (Revised 3rd edition as of July 2016) as a set of values and a code of conduct to be shared by all officers and employees. Recognizing internal and external changes over time, including establishment of the Purpose and Values, and increasing expectations from stakeholders, we established a revised Code of Conduct with an updated Japanese title, Koudou Kihan (Kihan means “norms”), from the previous title, Koudou Kijun (Kijun means “standards”), as of April 1, 2025.

Along with the new Code of Conduct, we also revamped the Compliance Guidebook to explain the key actions.



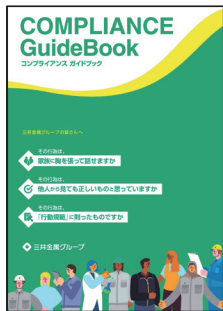
2016–2024

We created the Compliance Guidebook in 2016 and rolled it out in 12 countries and regions by 2024.

(China, Taiwan, Thailand, India, Malaysia, Vietnam, Indonesia, Morocco, France, Peru, Mexico)

Global rollout of Compliance Guidebook

We are gradually rolling out the Compliance Guidebook to overseas sites. In this process, we collaborate with local staff to discuss its content to incorporate potential risks unique to each area due to local business practices and cultural backgrounds, and to translate the document into the local language. Based on the assessment of compliance-related risks in each country and region in which we operate, and considering the possible impacts of such risks on our business activities, we started the rollout in Asia as a priority and are expanding it to other regions. The rollout, which started in 2016, has now advanced to 12 countries and regions. In 2025, we will start global roll out of the new Guidebook.



2025–

In 2025, we revamped the Guidebook and will continue to roll it out globally.

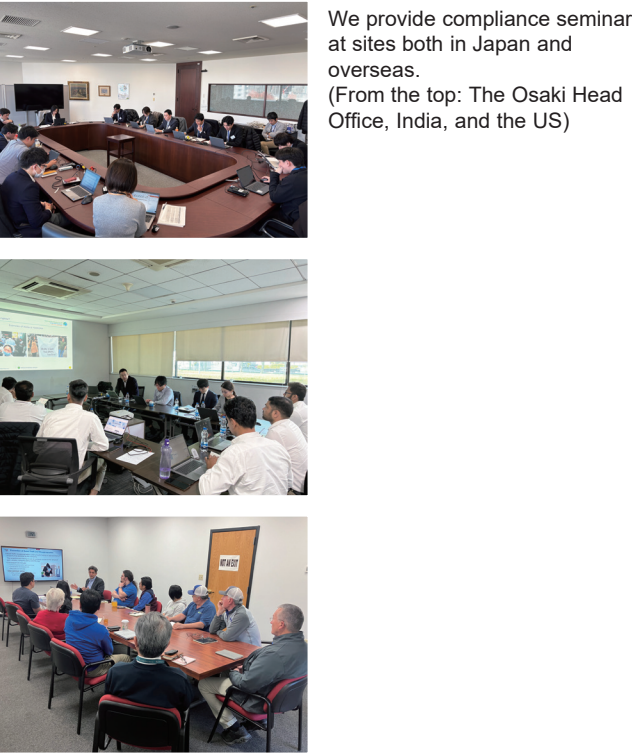
Compliance training

We regularly conduct training sessions to explain overall compliance, aiming to promote the Code of Conduct across the Group. We provide the training to all ranks at our sites both in Japan and overseas, as well as at executive management training for the directors and auditors of all affiliates. In addition to training on individual compliance issues such as safety and quality, we also provide theme-based seminars as needed, with the topics selected primarily by the Legal dept. in consideration of compliance risks specific to each site and local social conditions.

In FY2024, we conducted training on the following themes.

- Honest business activities:** Antimonopoly Act, Subcontract Act, commercial bribery
- Utilization and diversity of human resources:** Harassment
- Information security and management:** Trade secret management
- Other compliance issues:** Conflict of interest, proper accounting, Foreign Exchange Act (security export control)

We effectively use different formats for compliance training, including face-to-face training at each site and on-demand MLP-based training, offering a convenient mechanism to trainees. In FY2024, a total of 2,889 people attended compliance training programs.

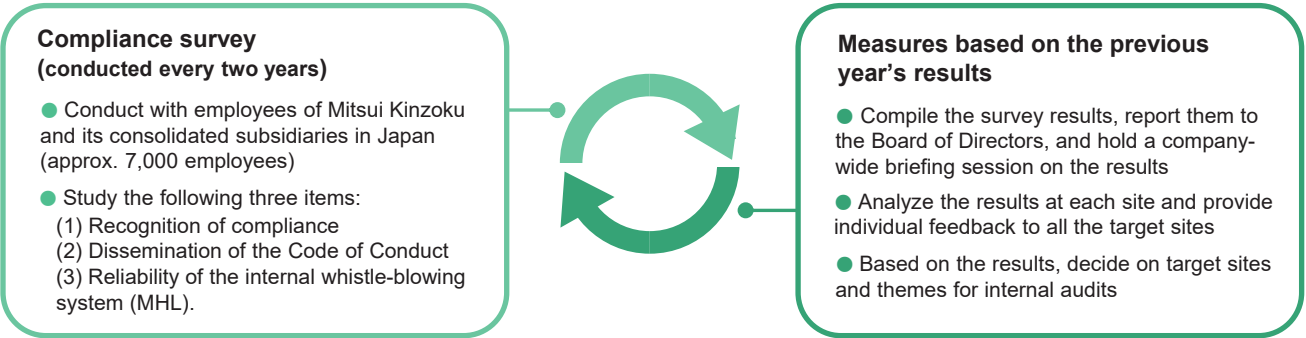


We provide compliance seminars at sites both in Japan and overseas.
(From the top: The Osaki Head Office, India, and the US)

Compliance survey

To assess the level of employees’ understanding of the Code of Conduct and the effects of compliance initiatives, we have conducted a compliance survey every two years since FY2017 for employees of Mitsui Kinzoku and its consolidated subsidiaries in Japan. The latest survey was conducted in FY2023, and the next survey is scheduled within FY2025.

In FY2024, we did not conduct the survey itself but followed up on the FY2023 survey, such as analyzing its results and providing feedback.



Mitsui Kinzoku Hotline (MHL: internal and external whistle-blowing)

We established the Mitsui Kinzoku Hotline (MHL) as a whistle-blowing contact point for both internal and external stakeholders. The system covers concerns about violations of laws/regulations and internal rules related to unfair competition, bribery/corruption, and occupational health and safety, as well as social and environmental risks, including but not limited to human rights, in our business activities and workplaces.

In addition to the internal and third-party (outside counsel) contact points for all Group officers and employees, we also set up a Chinese language hotline at the Chinese office of a Japanese law firm for our sites in China. We disseminate information on the contact points to officers and employees through compliance training and the Compliance Guidebook.

Measures to increase MHL’s user convenience

FY2020
We made the whistle-blowing system a multi-line system by setting up two contact points, one for executive divisions and the other for non-executive divisions, while also building a system that allows immediate information sharing with Corporate Auditors (currently the Audit & Supervisory Committee) when receiving a report.

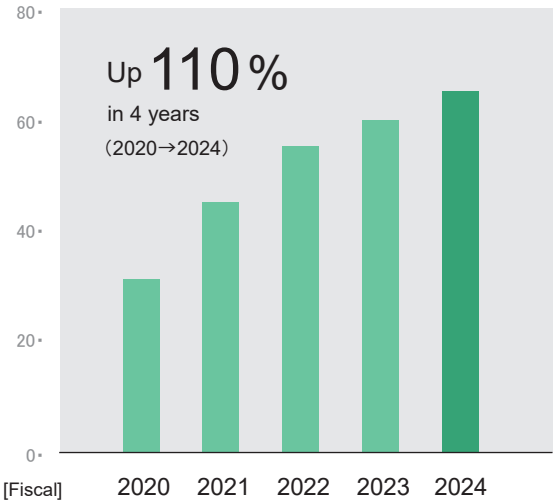
FY2023
We outsourced a multilingual contact point staffed by female professional operators, making it easier for women and native speakers of foreign languages to report incidents.

Contact point for external stakeholders

We have set up “Compliance Consultation Desk” specialized for compliance and “Environmental and Social Risks Consultation Desk” on our corporate website for external stakeholders to report concerns at any time.

[Internal and external whistle-blowing system]
<https://www.mitsui-kinzoku.com/en/csr/governance/compliance/>

The number of reports to the Mitsui Kinzoku Hotline(MHL)



Prevention of bribery/corruption

At each site within Japan and overseas, we ask suppliers to ban bribery/corruption through various measures, such as signing business contracts and obtaining signed agreement forms with provisions on compliance with the Group’s Code of Conduct and procurement policy (Supply Chain Management P.42). At overseas sites, we are also promoting the conclusion of an anti-bribery/corruption agreement requiring suppliers to take more rigorous countermeasures.

We have received no legal action for anti-competitive practices or bribery/corruption in FY2024. We have also identified no cases where an employee has been subject to disciplinary action, including termination of employment, for engaging in anti-competitive practices or bribery/corruption of public officials.

In FY2024, Mitsui Kinzoku made no monetary or other forms of donation defined by the Political Funds Control Act to individual politicians, political parties, or political groups.

Conclusion of anti-bribery/corruption agreements: progress by country and region

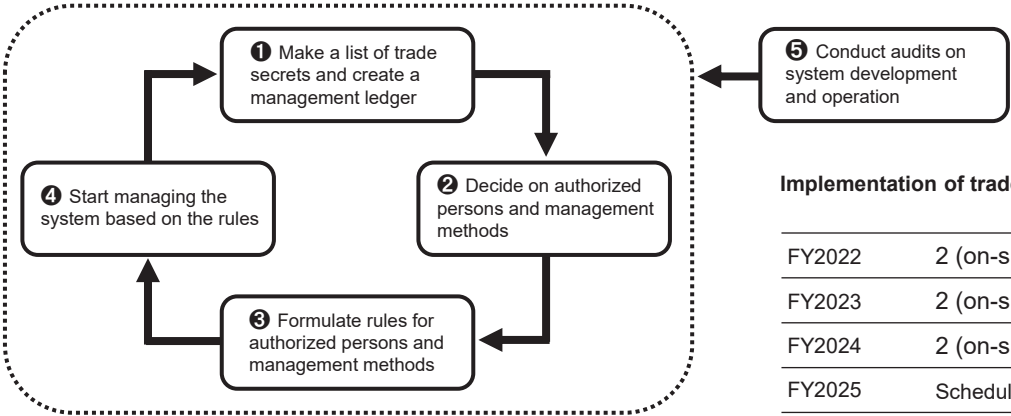
Country /region	CPI rank*	No. of suppliers (End of FY2022)	No. of suppliers (End of FY2024)	Increase
Hong Kong	17	0	3	3
Taiwan	25	143	247	104
Malaysia	57	36	38	2
China	76	353	541	188
Vietnam	88	51	66	15
India	96	0	110	110
Indonesia	99	101	212	111
Morocco	99	0	72	72
Thailand	107	297	365	68
Peru	127	0	30	30
Mexico	140	0	55	55
Total		981	1,739	664

* Corruption Perceptions Index (CPI) rank
Based on the Corruption Perceptions Index (2024) by Transparency International

Trade secret management

Mitsui Kinzoku Group established Regulation for Information Management, Detailed Regulation for Trade Secret Management, and other related regulations in 2017. We established and are operating a trade secret management system at each site to protect our customer information, technical information, and business know-how. We also conduct audits to monitor system operations.

Trade secret management system: development process



Export control (security export control)

Mitsui Kinzoku established the Regulation for Product Export Control, which is an internal regulation based on the Foreign Exchange and Foreign Trade Act (Foreign Exchange Act), and registered the Regulation with the Ministry of Economy, Trade and Industry (METI) as its export control compliance program (CP). We have since formed the Export Screening Committee, chaired by the Representative Director. Reporting to the Committee, the persons in charge of sales, technology/engineering, and administration are assigned at each business division to implement the acceptance/rejection assessments and user check programs. Every year, the secretariat (Legal Dept.) audits the compliance status, and the results are reported to the METI.

Also, by leveraging the public-private dialogue framework by METI, we are making focused efforts to prevent international leakage of our key technologies that require stronger management from a security perspective.

Quality Assurance

We have expanded our business domain and promoted globalization as we grew our customer base in industries such as communication, electronics, and automobiles. Throughout this process, we have considered opinions from customers as an asset and strived constantly to offer optimal-quality products and services. However, in 2024, we discovered improper quality control at one of our subsidiaries. To ensure not to repeat the same practice ever again, we have been making tireless efforts to prevent a recurrence.

Striving to prevent the recurrence of misconduct

In October 2024, we discovered through an internal report that Mitsui Kinzoku Perlite Co., Ltd., a member of Mitsui Kinzoku Group, had engaged in falsification of inspection results and improper data processing. We established the Internal Investigation Committee as well as the Special Investigation Committee comprised of outside members (chaired by INOUE Hiroshi, Outside Director and Audit & Supervisory Committee Member of Mitsui Kinzoku). The results of the investigation were made available to the public in April 2025.

The content of the investigation report goes beyond the issues of one subsidiary; it raises issues for the entire Mitsui Kinzoku Group as well. Taking the content of the results seriously, we formulated company-wide recurrence prevention measures and are currently implementing them while providing support to Mitsui Kinzoku Perlite.

Based on discussions from the viewpoints of governance, management, and process, we have developed preventive measures based on the following pillars: (1) reinforcing the quality assurance system, (2) establishing quality assurance rules, (3) ensuring awareness of quality assurance, and (4) taking measures to reduce the risks of misconduct. More specifically, these measures include revising the organizational system and quality audits, strengthening collaboration with and support for different quality assurance and other relevant divisions, and improving the effectiveness of the internal whistle-blowing system.

In April, the President sent a message to all Group sites, stressing that we must focus on quality rather than immediate due dates and profit. To achieve this, we are striving to complete the preventive measures and to achieve each quality assurance target set forth in the 2025-2027 New Medium Term Business Plan.



KAWAHARA Makoto
Senior Executive Officer,
Senior General Manager
of Technology Sector

Basic approach

We, Mitsui Kinzoku Group revised our “Fundamental Quality Policy” in April 2022 as the standard guiding our quality initiatives across all business sectors and domestic and international locations. We are committed to pursuing the creation of safe, high-quality products that satisfy our customers.

Mitsui Kinzoku Group, with its roots in resource development and the smelting business, has expanded its business domain in products and services and also promoted globalization. The business areas currently covered by the Group range from non-ferrous metals to various functional materials for the electronics and other industries, assembly and processing of materials, and the provision of technical services in the engineering business. Through this journey, we have become increasingly aware that our responsibility is also growing with regard to ensuring safety, security, and quality of the products and services we offer.

In particular, we are seeing growing expectations for quality compliance year after year. In response, we have been promoting various measures, including development of systems for education and quality assurance, facilitation of data digitization and systematization, inspections and audits based on the QAGL*, and human resource development to support quality assurance.

* QAGL= Mitsui Kinzoku Group Quality Assurance Guidelines

Fundamental Quality Policy

At the Mitsui Kinzoku Group, each employee will understand and practice the Fundamental Quality Policy so that our products and services will satisfy all our customers.

- 1 We consider opinions from markets and customers as an asset, which enables us to anticipate future needs and promote efforts for optimal quality and customer satisfaction.
- 2 We endeavor to invent, develop and provide innovative products and services by leveraging our Material Intelligence, while aiming to contribute to society.
- 3 Viewing the quality of work as essential to good product quality, we pursue quality improvements through enhancing teamwork and speed at work.
- 4 We will ensure compliance with rules and standards related to our products and services.
- 5 We will give first priority to ensuring safety and security for all our business processes, including those related to supply chains, and disclose accurate information, as appropriate, related to quality and safety.

(Revised in April 2022)

Strengthening the Quality Assurance System

To further strengthen the quality assurance system across the entire group, we established the Quality Assurance Department as a headquarters function of Mitsui Kinzoku in 2018. The main roles of the Quality Assurance Department include planning and promotion of activities related to quality assurance at each business unit and Group company, quality assurance effectiveness audits, human resource development in quality assurance, and dissemination of internal and external information on quality assurance within the Group. Also, the Quality Assurance Department for each business line has become independent in order to strengthen quality assurance functions. Moreover, the Quality Assurance Committee, consisting of the Quality Assurance Department at the Head Office and the Technical Department of each business division, meets monthly to promote planning and implementation of measures to reinforce the quality assurance system relevant to the entire Group. Additionally, the heads of quality assurance departments in businesses and companies gather twice a year to hold meetings, aiming to strengthen collaboration among the Quality Assurance Departments.

Quality Management System

At Mitsui Kinzoku Group, each business unit builds and operates its own quality management system to ensure optimal quality assurance. Manufacturing sites that have determined external certification is necessary for quality management have obtained international certification standards such as ISO 9001 and IATF 16949.

(Information on the number of certified sites is available on P.134.)

Reinforcement of the quality compliance system

We have advanced the establishment of our quality compliance framework in accordance with the QAGL. The core elements of this guideline are strengthening the management system, enhancing the reliability of test and inspection data, improving the consistency between the quality we guarantee and our technical capabilities, and implementing self-inspections of quality compliance within business lines and internal quality compliance audits.

To date, we have conducted self-inspections on conformity to the QAGL and quality compliance audits by internal third parties at domestic and overseas sites.

We are also promoting efforts to digitize and systematize inspection data to prevent data fabrication and falsification. Systematization is expected to be completed at most domestic sites by the end of FY2025. Meanwhile, regarding the Quality Compliance Incident Judgment Criteria used for self-inspections and quality audits in accordance with the QAGL, we will break down the criteria and revise the communication flow when quality compliance violations are discovered. As for quality compliance audits, we will set priorities and narrow down the main points of the audits based on risk-based assessment*. Through these initiatives, we strive to reinforce our compliance system.

* Risk-based assessment = assessing the risk magnitude from each indicator

Promotion of quality assurance education and awareness-raising of quality compliance

Aiming to enhance its overall quality assurance and recurrence prevention capabilities, Mitsui Kinzoku Group promotes raising awareness by systematically developing education on the QAGL and quality compliance and incorporating it in employee education at various levels.

To implement useful thinking and management techniques that contribute to quality improvement and enhancement, we conduct quality management training through both classroom sessions and web-based learning (MLP*). We provide training for all employees across all levels, ranging from foundational education for new hires to specialized training in statistics, industrial engineering, process thinking, and more.

In addition, we also facilitate small group activities (GK*) at both domestic and overseas sites, with the aims of developing human resources, revitalizing the workplace, and improving work.

During quality assurance month, each Group company organizes various activities to promote quality assurance, such as group education on quality compliance, a call for slogans, awareness surveys, and other activities unique to each site. To raise awareness of quality compliance, we are also planning corporate-wide educational activities such as Quality Day and Quality Chant.

* MLP= Mitsui-Kinzoku Learning Platform

* At Mitsui Kinzoku, QC circle activities are referred to as “Group Katsudo (GK).”

Provision of product safety information and development of an ecodesign system

We have primarily communicated product safety information to our customers through specifications, technical documentation, SDS (Safety Data Sheets), and similar materials.

We started developing the Product Information Provision Guidelines in FY2023, striving to facilitate the provision of appropriate information on our products and services to customers and society. We completed the Guidelines in FY2024 and started implementing them in FY2025.

Through the Guidelines, we are taking steps to build a system capable of providing appropriate information on our products when requested by customers and consumers. So far, we have simply provided data sheets and other documents. In addition to such information, we endeavor to examine products more broadly using a check sheet based on the Guidelines, covering social issues such as respect for human rights and health & safety and environmental issues, to ensure that the products have no associated risks. Our goal is to always be ready to provide these results as part of our product information.

As an initiative in our upstream process, we are also developing guidelines for creating environmentally friendly products, scheduled to be launched in FY2026.

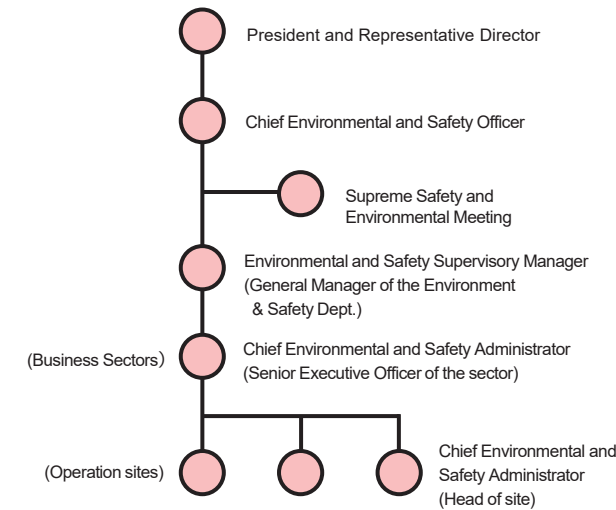
Occupational health and safety

Mitsui Kinzoku Group holds that ensuring occupational health and safety in business operations is essential for implementing integrated thinking management based on its Purpose. We provide a safe worksite environment not only for our employees but also for cooperative companies, contractors, and visitors to plants.

Policy and management system

Mitsui Kinzoku Group is committed to creating a safe and comfortable work environment. This is based on our Basic Policy on Health and Safety, in which it states that “ensuring the health and safety of all people working for Mitsui Kinzoku Group is the most important element for conducting business activities.” We also believe that the development of a corporate culture that places health and safety first will lead to increasing productivity and reducing operational and business risks, and even to strengthening our relationship of trust with employees and solidifying our business foundation in the medium to long term. The Basic Policy on Health and Safety, along with KPIs and initiatives, covers all employees working in the Group, including those of cooperative companies and contractors.

Environmental and Safety Management System



Health and safety management system

All major sites of Mitsui Kinzoku Group manage occupational health and safety in accordance with ISO 45001. For small-sized sites, we developed an internal certification system. At each site we work to realize an upward spiral motion by going through the PDCA cycle in accordance with the management system. Improvements to the issues identified by the review are incorporated into measures such as risk assessments and health and safety training.

Safety audit

We implement periodic internal safety audits to confirm the operational situation of the management system at each site. The internal safety auditing body checks for compliance with laws and regulations as well as the Mitsui Kinzoku Group's voluntary standards. We also point out hazardous places and follow up on corrective actions to promote ongoing safety improvements.

Health and safety training

Mitsui Kinzoku Group conducts health and safety training for employees regularly to increase their level of awareness of health and safety, ensure thorough compliance with health and safety regulations, and cultivate a corporate culture that places health and safety first.

We provide training materials in multiple languages and make them available on our corporate intranet for employees to review or reference at any time.

Since 2023, we have introduced Virtual Reality (VR) experiential training. We aim to raise our employees' risk sensitivity by enabling them to realistically experience the shaking, tilting, tipping, and impact caused by disasters through VR. In FY2024, we provided VR experiential training at 17 locations.

Health and safety training provided in FY2024

Purposes	Major training programs
Expand knowledge on health and safety across the Group (Knowledge required for each position, key initiatives in the year, good practices, and latest trends)	• New employee training • Job-rank-based safety training • Laws and regulations lecture • Lecture by an external expert • Group study session for safety and environmental experts
Promote compliance with safety rules and improve risk perception at manufacturing sites	• “<i>Kiken Yochi</i>” activity (hazard prediction) • Experiential risk training, VR training • Risk assessment training • Safety communication activity • PPE training • Emergency training (fire/earthquake)
* Employees of cooperative companies and contractors are also subject to these trainings.	



We are promoting intensive warm-up stretching prior to operations at the manufacturing sites, with the aim of preventing injuries and accidents as well as improving employees' health. (Morning radio exercises at Mitsui Kushikino Mine)

Accident prevention initiatives

We strive to promote safety awareness and prevent accidents to create safe work environments for all. To achieve this, we enhance safety education, revise work manuals, foster frontline communication, and implement other targeted measures for employees from various backgrounds, including new, senior, and foreign national employees.

To prevent accidents caused by human error, we have expanded the scope of the lockout system from electricity to other risk factors, such as residual energy and liquid chemicals, while also providing ongoing specialized training. In FY2024, no safety incidents occurred due to non implementation of lockout.

Safety performance in 2024

In 2024, the total number of accidents in the Group was 46, including those at cooperative companies and contractors, an improvement from the previous year, and we achieved zero fatalities.

There were 36 accidents in Japan, accounting for 78% of the total number of accidents in the Group, with the two most common types being caught in or entangled by machinery and falling or crashing. In terms of the number of workers, 60% were employees of Mitsui Kinzoku Group, while 40% were employees of cooperative companies or contractors.

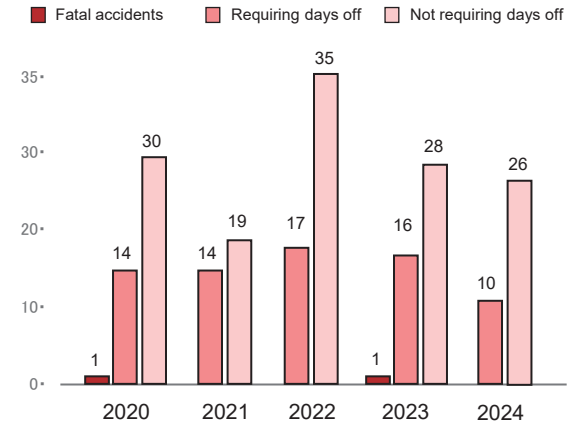
We will continue to scrutinize and analyze the causes of the accidents and take measures to prevent recurrence.

* More information on occupational health and safety is available on our website.

<https://www.mitsui-kinzoku.com/en/csr/society/occupational/>

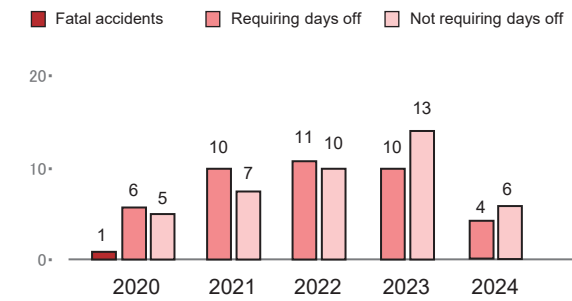
Trends in the number of accidents in sites in Japan

※ Including accidents that occurred in cooperative companies and contractors



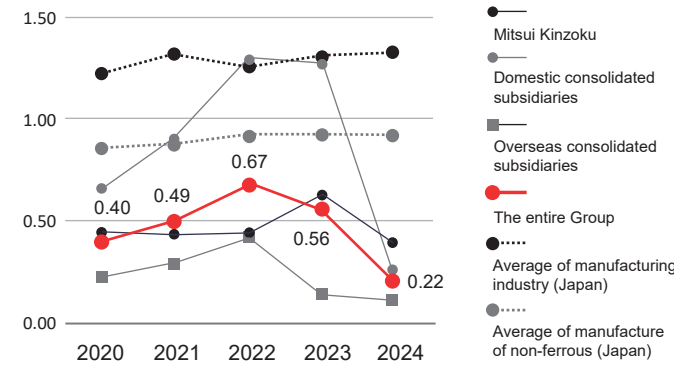
Trends in the number of accidents in overseas sites

※ Including accidents that occurred in cooperative companies and contractors



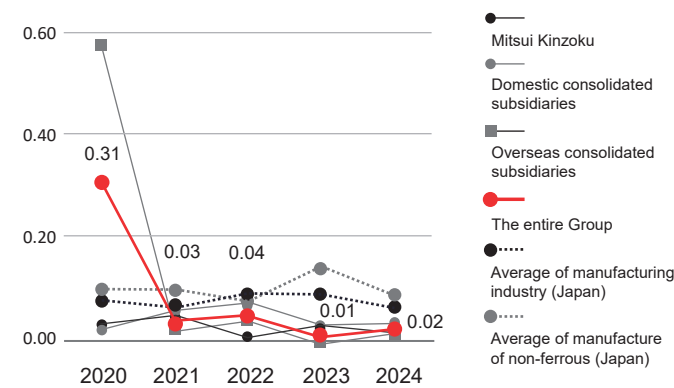
Frequency rate of accidents

※ Not including accidents that occurred in cooperative companies and contractors



Severity rate of accidents

※ Not including accidents that occurred in cooperative companies and contractors



The values shown in the graph are for the entire Mitsui Kinzoku Group as a whole.

Initiatives for environmental issues

Mitsui Kinzoku Group recognizes that its business activities both significantly depend on and impact the global environment. In line with this recognition, we are committed to minimizing negative environmental impacts in accordance with our Basic Environmental Policy. To achieve carbon neutrality and contribute to a circular economy, we are embracing new challenges while implementing continuous, site-specific improvements across our operations - aiming to reduce risks and create new business opportunities.

Environmental management

Mitsui Kinzoku Group has established the Supreme Safety and Environmental Meeting as a place to deliberate and determine the most important matters related to safety and the environment. At this Meeting, guidelines and action plans are determined by the Chief Environmental and Safety Officer as chairman and business line heads as members. The decisions made are then spread to each site by the Environmental and Safety Supervisory Manager (General manager of the Environment & Safety Dept.) under the direction of the Chief Environmental and Safety Officer. Each site that operates under ISO 14001 has a chief person that serves as the person responsible for managing environment and safety, and who makes sure that the required actions are being reliably executed. The Chief Environmental and Safety Officer reports to the Board of Directors on important environmental and safety issues, including the operation of the management system, and receives guidance and supervision from the Board of Directors.

The Basic Environmental Policy and the Environmental Action Plan

In 2001, Mitsui Kinzoku Group established the Basic Environmental Policy* and the Environmental Action Plan. In response to the Paris Agreement as well as the expansion of ESG investment, we revised the basic policy and the action plan in 2018, in order to strengthen our Group's efforts to address environmental issues. In the action plan, we have assessed the negative impacts of our business activities on stakeholders in our value chains and set targets for activities with significant impacts, on which we will focus our efforts to reduce their environmental footprint. We are incorporating the targets set in the Environmental Action Plan into the plans of each of our sites, and promoting activities to achieve them.

The Purpose and the Vision for 2030

In 2022, Mitsui Kinzoku Group established its Group's Purpose: We promote the well-being of the world through a spirit of exploration and diverse technologies. We aim to make life easier and greener to help address environmental and social issues around the world and build a sustainable society. Our Group's Vision for 2030, which was set based on the Philosophy and the Purpose, promotes manufacturing with low environmental impact and the construction of recycling-based services. The 22-24 and 25-27 MTP, which we developed for the Vision for 2030, makes clear that each business will be evaluated from the perspective of improving our environmental and social value, including environmental impacts, and that sustainability will be considered when making business decisions.

* The Basic Environmental Policy is available on our website.
<https://www.mitsui-kinzoku.com/en/csr/environment/environmental-policy>

Response to climate change and support for the TCFD* recommendations

Mitsui Kinzoku Group considers climate change as an important change in our external environment which would affect the continuity of our business. We recognize that climate change and the social and economic changes surrounding it pose risks to our business. However, we also recognize that an appropriate response can lead to enhanced competitiveness and new business opportunities. In FY2020, we started to analyze the medium- and long-term risks and opportunities posed by climate change based on the TCFD recommendations and to incorporate the results of this analysis into our business strategies. In March 2022, we also announced our support for the TCFD recommendations.

* Task Force on Climate-related Financial Disclosures
Disclosure items recommended by the TCFD are indicated with TCFD.

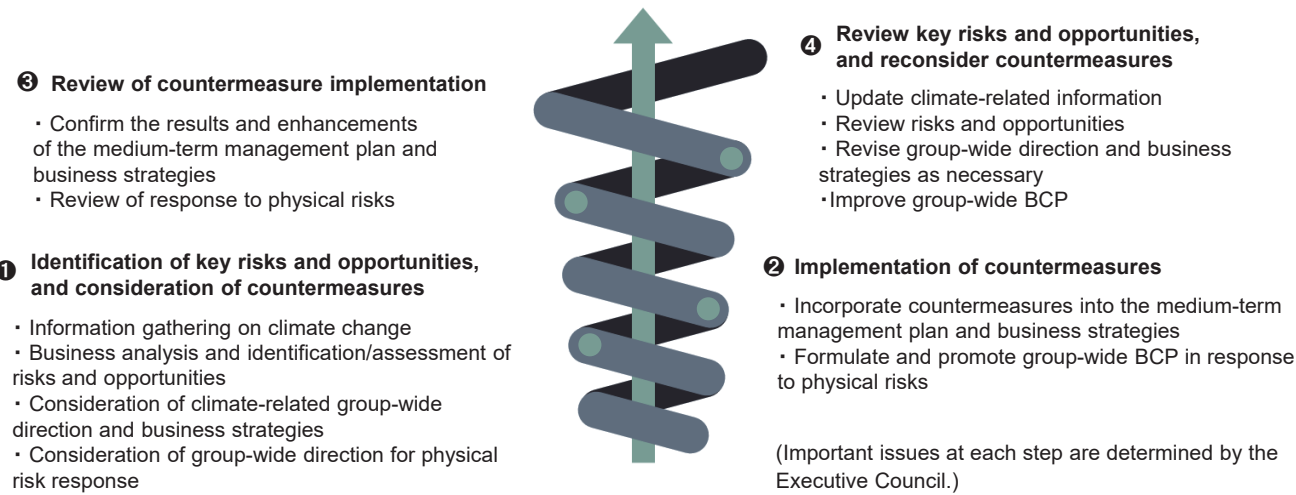
Governance TCFD

Mitsui Kinzoku Group's basic policy and important issues to address climate change are discussed by the CSR Committee, which is chaired by the President, and then deliberated and decided by the Executive Council. The Executive Council is comprised of Representative Directors and Executive Directors, deliberating from a management perspective. Decisions are reported to the Board of Directors for monitoring and oversight. In FY2023, we introduced ESG index-based restricted stock compensation for Directors (excluding outside directors), which incorporates our efforts to reduce GHG emissions as one of the ESG indicators.

Risk management TCFD

Mitsui Kinzoku Group has multiple businesses with different business models. The Climate Action Team identifies and assesses risks and opportunities related to climate change in collaboration with each business unit, including scenario analysis, based on the findings of internal and external surveys and in accordance with the framework of the TCFD recommendations. The results of the scenario analysis are reported to top management at the Executive Council. Each business unit is responsible for promoting countermeasures based on the results, while the Climate Action Team is tasked with monitoring the progress of the countermeasures. In line with the achievements, the team evaluates and identifies risks and opportunities afresh for the next cycle, in cooperation with the business units. By constantly implementing this risk management cycle, we formulate and promote business strategies with a view to addressing climate change.

Risk Management Process / Integration of scenario analysis and business strategy



Strategy / Scenario analysis TCFD

Mitsui Kinzoku Group operates many businesses globally and recognizes that climate-related risks and opportunities differ among businesses. Therefore, we conduct scenario analysis starting with businesses that are relatively likely to be affected by climate change. During the 22-24 MTP period, we completed scenario analyses for our core businesses: Metals, Engineered materials and Mobility. In the scenario analyses, we considered plans to minimize revenue declines caused by risks and to seize opportunities through the creation of new products and businesses. Many of these plans are to be addressed from a long-term perspective, and we have also incorporated some of them into the 25-27 MTP, following on the 22-24 MTP, to secure a resilient business. The business environment continues to evolve across the value chain, even during the scenario analysis period, necessitating ongoing updates and refinements to our assessments. Therefore, in the 25-27 MTP, we will ensure the timely and prompt implementation of scenario analysis to quickly capture changes in the business environment.

Scenario definition

Assumed period		2030s
Scenario definition	4°C scenario	2.7-4.0 °C higher than pre-Industrial Revolution levels by the end of 21st century. * Uses data mainly from the STEPS (Stated Policies Scenario) of the IEA (International Energy Agency).
	1.5°C scenario	0.3-1.7°C higher than pre-Industrial Revolution levels by the end of 21st century. * Uses data mainly from the NZE (Net Zero Emissions by 2050 Scenario) of the IEA.

Metrics and targets TCFD

Medium- and long-term CO2 emissions reduction targets

Given our involvement in energy-intensive industries such as non-ferrous metal smelting and electrolytic copper foil manufacturing, we recognize the significant impact of our business activities on climate change, particularly in terms of energy consumption and GHG emissions. In 2022, we revised our medium-term and long-term CO2 emissions reduction targets for energy-derived CO2 emissions in Scope 1 and 2. To achieve these targets, we promote energy-saving activities, increase renewable energy use, as well as create environmental contribution products and develop innovative technologies actively. During the 22-24 MTP period, we established an implementation framework to support the achievement of our reduction targets. In the 25-27 MTP, we will further enhance our strategies to address key issues, including the expansion of Scope 3 initiatives and compliance with new GHG emissions reduction schemes such as GX-ETS.

Medium-term CO2 emissions reduction target

Reducing CO2 emissions by 38% globally by FY2030 (compared to the FY2013 level)

Long-term CO2 emissions reduction target

Achieving carbon neutrality (net zero emissions) by FY2050

Summary of scenario analysis results

In FY2024, we conducted scenario analyses for six group companies under the jurisdiction of the head office, following the completion of assessments for our three core business sectors.

Impact estimation items	Risks	Opportunities	4℃	1.5℃	Countermeasures
Sales	—	•Shift toward high value-added products, particularly in automotive applications •Increase in unit sales prices driven by growing demand for non-ferrous metals overall	Profit ▲▲	▲▲	•Stable fulfillment of customer quality requirements •Accelerating development of products to meet growing demand for BEVs and storage batteries, and establishing production systems
Carbon prices	•Significant rise in carbon prices driven by the introduction of carbon taxes and emissions trading schemes	—		▼	•Enhancing energy efficiency through equipment upgrades, fuel switching, and adoption of renewable energy •Proposing products that help reduce customers' CO2 emissions
Energy prices	—	—			—
Raw material prices	•Rising copper prices driven by global economic growth •Surging copper prices fueled by increasing demand for renewable energy	—	▼▼	▼▼▼	•Expanding scrap collection from customers •Minimizing raw material loss by improving product yield

* Financial impact (4℃/1.5℃)

No indication ± 100million – ▲▼ ± 1 billion – ▲▼ ± 10 billion yen
± less than 100 million yen ▲▼ less than 1 billion yen ▲▼ less than 10 billion yen ▲▼ or more

* Six group companies: Mitsui Kinzoku Perlite Co., LTD., MITSUI KINZOKU TRADING CO., LTD., Mitsui Kinzoku Instrumentation & Instruments Co., Ltd., MITSUI SUMITOMO METAL MINING BRASS & COPPER CO.,LTD., MITSUI KINZOKU YOURSOFT Inc., MESCO, Inc..

- * The following sources were primarily referenced in developing the scenario assumptions and conducting the impact evaluation:
- International Energy Agency (IEA), *World Energy Outlook (2022, 2023, 2024)*
 - International Monetary Fund (IMF), *World Economic Outlook (2021)*
 - Ministry of Education, Culture, Sports, Science and Technology (MEXT) / Japan Meteorological Agency (JMA), *Climate Change in Japan 2020*
 - Ministry of Economy, Trade and Industry (METI), *Strategic Policy Committee, Advisory Committee for Natural Resources and Energy*
 - Ministry of the Environment (MOE), *Subcommittee on Carbon Pricing Promotion*

Implementing the Carbon Neutral Road Map

Mitsui Kinzoku Group has formulated a Carbon Neutral Road Map (CNRM) to achieve its medium- and long-term CO2 emissions reduction targets. In order to achieve carbon neutrality by 2050, it is necessary for management to make climate-related investments that take into account social and technological trends, as well as the company's situation. We consider the CNRM as an important mechanism to support flexible and timely decision-making on these investments.

In FY2024, we introduced a cloud-based information sharing system in accordance with the CNRM, designed to enable more timely information collaboration with each site to reflect the realities of the frontline promptly and accurately. We plan to start its full operation by the end of FY2025, aiming to increase its effectiveness and achieve speedy decision making.

To develop investment programs eligible for the CNRM, the Executive Council deliberates investment plans as necessary to make decisions. Such deliberations are based on activity details and implementation plans submitted by business divisions and subsidiaries with the support of the business sectors. Implementation results are also monitored to develop further CO2 emission reduction programs.

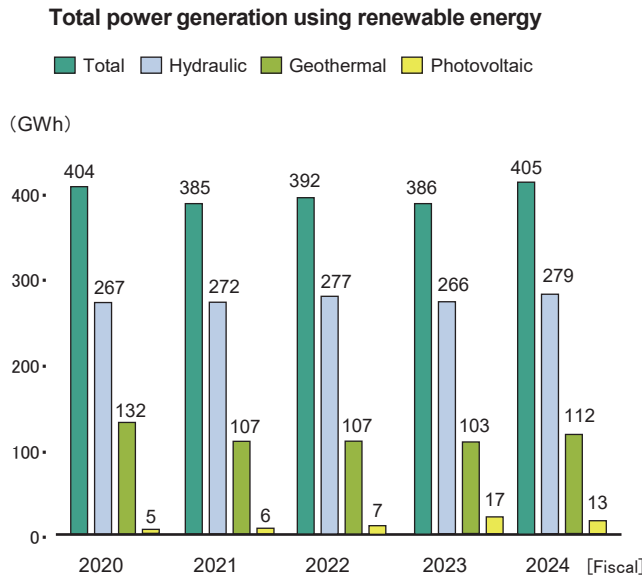
In FY2025, we plan to allocate 240 million yen to Scope 1 reduction efforts and 290 million yen to Scope 2.

Increasing the use of renewable energy

In order to increase the ratio of renewable energy, we are expanding the introduction of new renewable energy generation facilities as well as operating existing hydroelectric, solar, and other power generation facilities stably. We also purchase electricity from renewable energy sources.

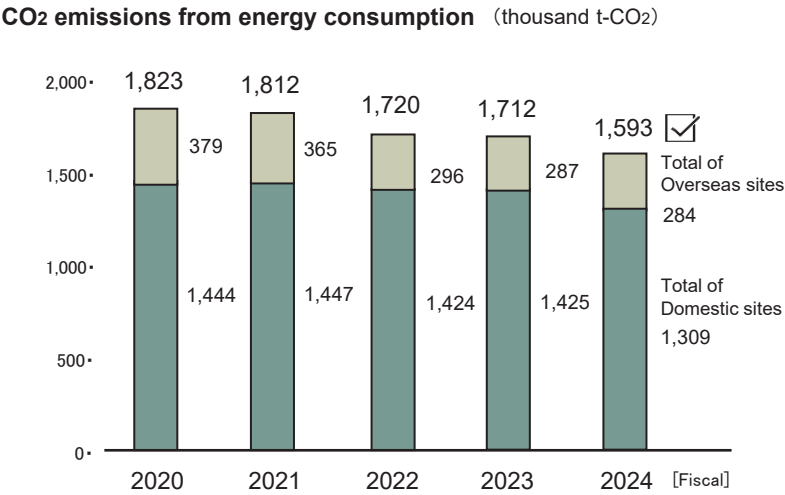
KAMIOKA MINING & SMELTING Co., Ltd., along with the Huanzala and Palca Mines, operates on-site hydroelectric power plants. Okuaizu Geothermal Co., Ltd. supplies steam for geothermal power generation to an electric power company. In addition, solar power generation facilities have been installed at multiple sites. In FY2025, we plan to install new equipment at our copper foil plant in Malaysia, with an expected annual power generation capacity of 2.4 GWh.

Regarding renewable energy procurement, we continuously utilize electricity derived from renewable sources at our Ageo copper foil operation, R&D Center, and Head Office. In addition, Mitsui Kinzoku Die-Casting Technology Co., Ltd. plans to introduce an additional 3.7 GWh of renewable electricity by FY2025.



CO2 emissions results

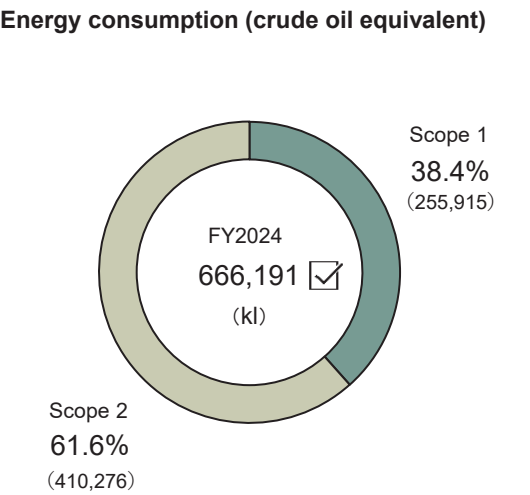
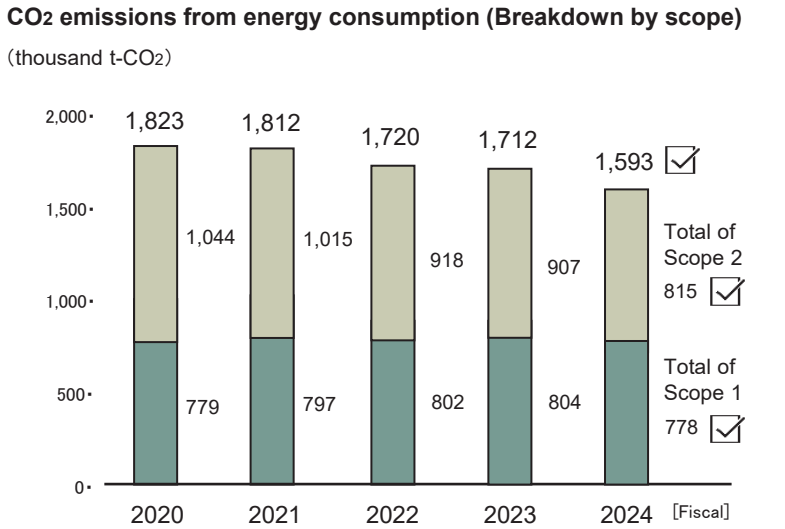
In FY2024, emissions at domestic sites decreased by 8.1% year-on-year, primarily due to progress in initiatives within the Metals Sector, which accounts for a particularly high share of total emissions. On a global scale, emissions declined by 6.9% compared to the previous year, equivalent to a reduction of approximately 119 thousand t-CO2.



* Figures for CO2 emissions from energy consumption were calculated using emission factors derived in a manner conforming to the Act on Promotion of Global Warming Countermeasures. CO2 emissions from purchased electricity in Japan were calculated using the latest basic emission factors of electric power suppliers. For overseas emission factors, we used emission factors provided by power suppliers or specific locations. Where these were not available, we used the country-specific emission factors from "CO2 Emission Factors from Electricity" most recently published by the IEA. (For fiscal years 2021 through 2023, the IEA's 2021 "CO2 Emission Factors from Electricity" were used, for fiscal years prior to 2020, the GHG Protocol's "Electricity Emission Factors" were used.)

* Emissions from using waste as fuel are not included.

* We have received an independent practitioner's assurance for the figures for FY2024 in this information to which ☒ is attached.



Water conservation

Water is an important resource of the Earth, deeply connected to the abundance of land, sea and biodiversity. Water is essential to Mitsui Kinzoku Group's manufacturing processes. We are committed to the proper use of water in all aspects of our business operations, in dialogue with local communities to conserve water resources.

Improve water efficiency

At our manufacturing sites, we monitor water use, wastewater discharge, and reuse/recycling volumes to ensure efficient water use.

Our nonferrous smelting and refining operation, which is a mainstay business of Mitsui Kinzoku Group, makes extensive use of water for cooling refining facilities and for cleaning raw materials, products, and equipment. This business accounts for more than 90% of the Group's total water withdrawal. In using water, we strive to improve water use efficiency and conserve water resources, taking local conditions into account.

Miike Smelting Co., Ltd. uses some of the wastewater discharged and treated by other Mitsui Kinzoku Group plants adjacent to the smelter, as well as rainwater. Kamioka Mining & Smelting Co., Ltd. uses freshwater with relatively high turbidity, such as mine water from the mining area after treatment. The smelting sites located on the waterfront use seawater in the cooling process.

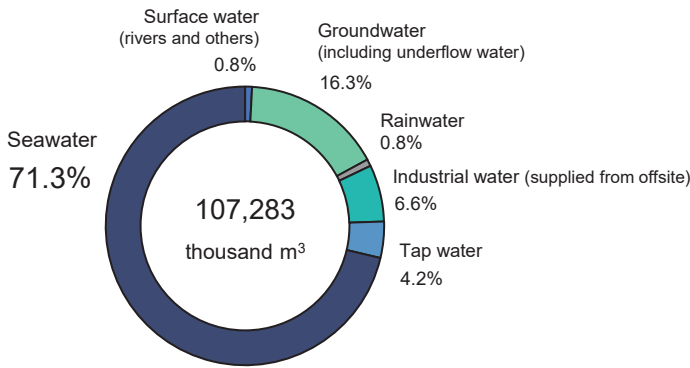
We are also promoting the reuse and recycling of water both between processes and within processes by identifying the requirements of each of the refining processes in terms of water quality and quantity. For example, water that has been used in a process which requires high purity is reused in other processes that require only relatively low purity, and water used once is treated and circulated for reuse in the same process.

Reduction of water pollutants

Each manufacturing site monitors the status of its wastewater, including BOD and COD, which indicate the amount of organic matter in the wastewater, under stricter voluntary standards to ensure compliance with laws, regulations and ordinances. At our smelting sites, we manage wastewater with regard to the concentration of heavy metals and other pollutants, not only according to laws and regulations, but also in compliance with even stricter agreements with authorities and local community groups.

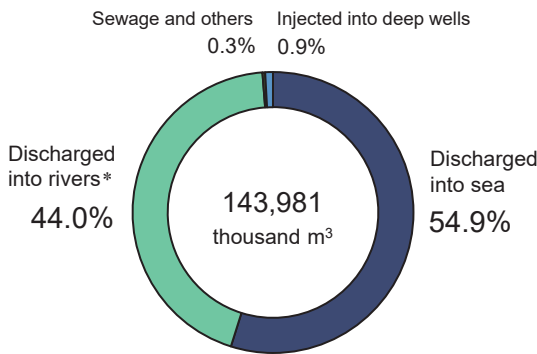
We have several wastewater monitoring stations along the wastewater routes, including wastewater treatment units, confluence points, and discharge outlets, which are constantly monitored by our ICT system for any anomalies. Mitsui Kinzoku Group also collects and manages the monitoring results from each site on a group-wide basis as well as shares emission reduction efforts and technologies.

Breakdown of water withdrawal (FY2024)



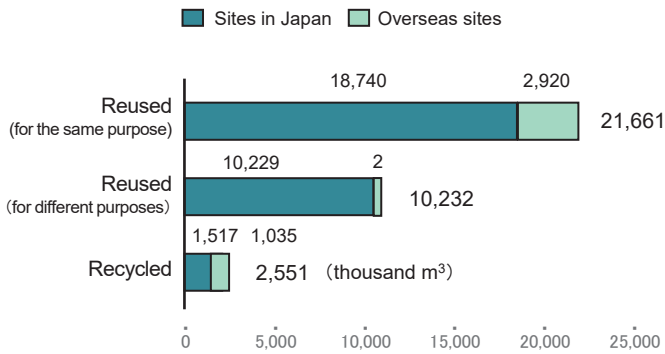
* Revised the classification of water withdrawal.

Breakdown of wastewater (FY2024)

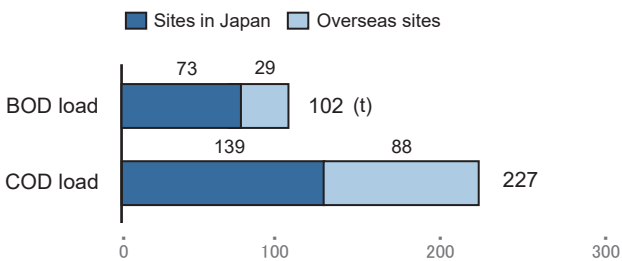


* The Group's wastewater includes water used in manufacturing processes, as well as mine effluent from mining areas and on-site precipitation. The volume of mine effluent and on-site precipitation varies with changes in precipitation and other factors. Water from these sources that is not used for manufacturing is treated according to discharge standards and released into the sea, rivers, and other bodies of water under the control of each site.

Amount of circulated water usage (FY2024)



Emissions to the water (FY2024)



Assessment and response to water risk situations

We use World Resources Institute (WRI)'s AQUEDUCT Water Risk Atlas* to assess water risks at our manufacturing sites in Japan and overseas, mainly in terms of water stress and flood hazards. In WRI's assessment, 10 sites in Morocco, Mexico, India and China are located in areas where water stress is rated Extremely High (>80%), while 5 sites in Indonesia, Thailand and China are rated High (40-80%). These sites, which mainly manufacture automotive components, had a freshwater withdrawal of 160 thousand m³ in FY2024, or 0.5% of the Group's total. At each site, we are working to improve water efficiency by reducing water intake and introducing water recycling facilities.

At smelting sites, we are enhancing reservoirs and increasing wastewater treatment capacity to prevent the leakage of wastewater containing heavy metals and other pollutants during heavy rainfall or flooding. An automatic shut-off system for wastewater has also been installed for emergencies such as leaks.

We will continue to monitor the situation, conserve water resources, and minimize the impact on our operations and neighboring areas.

* Used the Baseline Water Stress data from the AQUEDUCT Water Risk Atlas 4.0.

Biodiversity conservation

Mitsui Kinzoku Group's business activities are both dependent on and influential to natural capital, including biodiversity. We benefit from ecosystem services such as water resources, energy, and soil in ore mining as well as in metal smelting and processing. However, wastewater, gas emissions, and land modification may also affect local ecosystems. In accordance with our Basic Environmental Policy, Mitsui Kinzoku Group strives to accurately assess the impact of its business activities on ecosystems and to minimize environmental impact through operational improvements and the adoption of new technologies. We are also fostering collaboration with local stakeholders in light of the natural environments in which we operate. Moving forward, we will build and promote strategies with a comprehensive understanding of environmental issues, such as biodiversity protection, climate action, and resource recycling, aiming to achieve the Vision for 2030 and to help build a nature-positive world.

Preliminary study for TNFD disclosure

In FY2024, we conducted a preliminary study to prepare for disclosure in line with the TNFD*¹ recommendations. In this study, we applied the LEAP approach*² recommended by the TNFD to analyze three key sites with strong interconnections to the natural environment. Using ENCORE*³, we evaluated our dependence and impact on natural capital at the industrial sector level, and also assessed site-specific relationships with natural capital using the WWF Risk Filter and IBAT*⁴. Based on the results of the study, we concluded that operational management at the three sites has been appropriate, with no significant impact on local ecosystems. Beginning in FY2025, we will initiate disclosures in alignment with the TNFD recommendations, grounded in a more comprehensive evaluation of our relationship with natural capital across the entire value chain.

Overview of preliminary study results

Metal smelting plant in Japan

<Identified dependencies>

- Due to the characteristics of recycling-based smelting, the process has limited dependence on ecosystem services in the surrounding area.

<Identified impacts>

- GHG emissions
- Amount of landfill waste *⁵

Engineered materials plant in Japan

<Identified dependencies>

- Groundwater withdrawal volume

<Identified impacts>

- Amount of landfill waste *⁵

Overseas ore mining site

<Identified dependencies>

- The process has limited dependence on ecosystem services in the surrounding area.

<Identified impacts>

- Efforts to reduce the environmental footprint of mining operations have resulted in a relatively low overall impact.

*1 Taskforce on Nature-related Financial Disclosures

*2 An approach consisting of four phases: Locate, Evaluate, Assess, and Prepare.

*3 Exploring Natural Capital Opportunities, Risks and Exposures

*4 Integrated Biodiversity Assessment Tool

*5 Potential impacts in areas surrounding the landfill disposal sites.

Toward a circular economy

Along with global economic growth, demand for resources and energy is expanding. As a result, the amount of waste is increasing and environmental problems are becoming more serious. Accordingly, there is a growing need to shift from the conventional linear economy based on mass-production, mass-consumption, mass-disposal to a circular economy over the medium to long term. Mitsui Kinzoku Group is committed to effective use of resources, reduction of waste and environmental pollutants, as well as introduction of environmental contribution products to meet the demands of society and achieve sustainable growth.

Resource recycling

Mitsui Kinzoku Group strives to manufacture products by recycling waste and other recycled raw materials in order to make effective use of resources. In the nonferrous smelting business, we have been recovering zinc, lead, and other metals from waste, and supplying nonferrous metal products as essential raw materials for industry. This represents our effort to contribute to resource recycling while promoting our business development.

Mitsui Kinzoku Group has established its own recycling network that organically links its seven smelters in Japan for synergy effects. Toward the transition to a circular economy, we are now working to build a more advanced recycling network to expand the use of recycled raw materials and improve processing ability for difficult-to-refine raw materials. To this end, we are advancing separation and purification technologies according to materials, as well as improving technologies in our manufacturing processes.

Waste reduction

Each manufacturing site of the Group strives to reduce waste through minimization and efficiency of resources used. In FY2024, we revised our group-wide waste reduction targets to further advance our waste reduction initiatives.

Total Waste Emissions Reduction Target by FY2030

Reduce total waste emissions globally by 50% by FY2030, compared to the FY2013 level

Total Waste Emissions Reduction Target by FY2027 (25-27 MTP period)

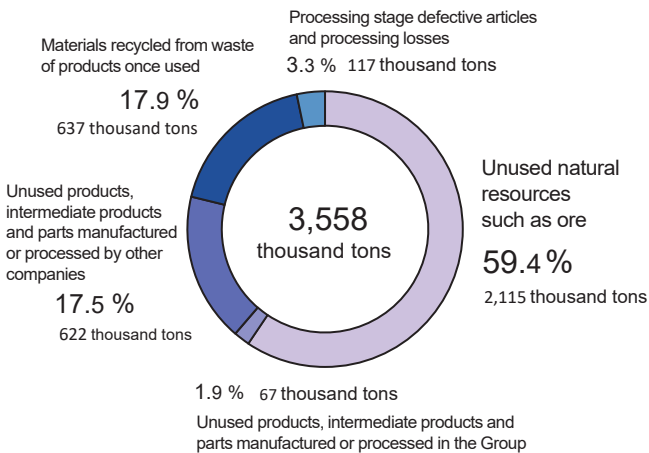
Reduce total waste emissions globally by 20% by FY2027, compared to the FY2013 level

* Excludes tailings and waste materials utilized through recycling or thermal recovery.

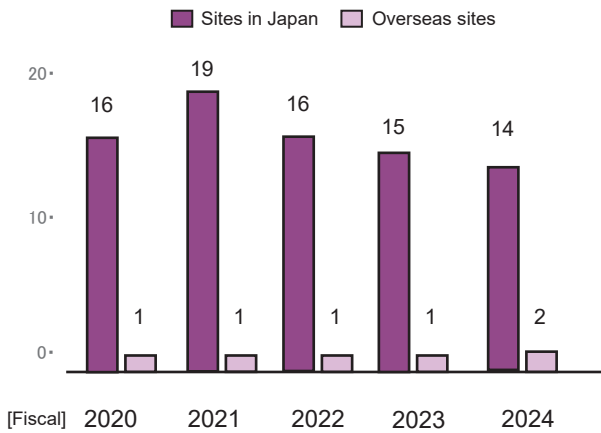
* Coverage of the global consolidation.

We work to reduce the final disposal volume by improving the recovery rate of valuable resources, promoting the 3Rs of packaging materials, and improving the yield rate of manufacturing processes. Site-level analysis indicates that waste generation tends to be relatively high at smelting facilities. In particular, sludge produced during manufacturing and post-drainage processes accounts for more than half of the total waste, making it a key target for reduction. To address this, we are not only revising operational processes but also expanding the use of sludge as a recycled material in metal smelting.

Breakdown of usage by type of raw material (FY2024)



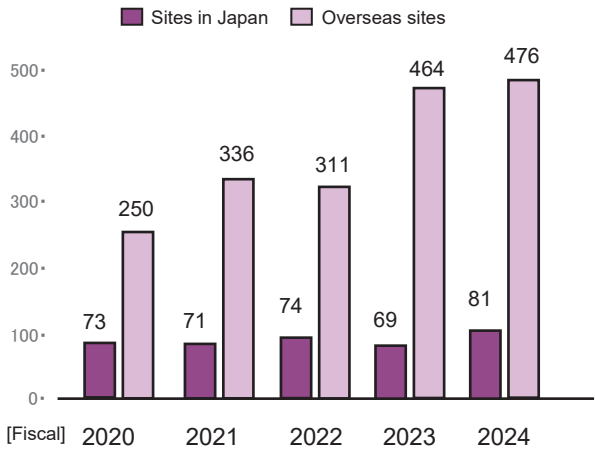
Amount of waste generation (thousand tons)



* Excludes tailings and waste materials effectively utilized through recycling or thermal recovery.

* Revised the values for FY2023 disclosed last year.

Amount of tailings waste generation (thousand tons)



* Revised the values for FY2023 disclosed last year.

Plastic recycling

Mitsui Kinzoku Group is committed to proper disposal of plastic waste and resource recycle. Plastic waste generated at domestic sites represents approximately 95% of the group's total, positioning it as the primary focus of reduction efforts. In FY2024, drawing on the results of past efforts, we updated our targets for plastic waste reduction and for improving the utilization rate within our domestic group.

Plastic waste reduction targets

	Baseline year FY2023	Reporting year FY2024	Target year FY2027
Emissions (tons)	2,009	2,000	1,945
Utilization rate (A+B)	69%	72%	82%
Recycling rate (A)	36%	36%	44%
Thermal recovery rate (B)	33%	36%	38%

* Covers the scope of domestic consolidation, including Mitsui Kinzoku and domestic consolidated subsidiaries.

* Revised the values for FY2023 disclosed last year.

In manufacturing processes that use plastic materials, we are reducing both usage and emissions by improving yield rates. We are also working to switch to other materials such as metals and paper. In packaging materials, we are promoting the 3Rs and shifting to other materials.

In addition, we are introducing new equipment to convert waste that was previously disposed of into valuable materials that can be reused and recycled. Moreover, we are pursuing ICT-enabled approaches for visualizing waste data and increasing work efficiency as well as considering adopting new reduction measures. In the Ageo area (Ageo City, Saitama Prefecture) and Miike area, we have also started reduction activities through collaboration among sites.

Reduction of chemical substance emissions

Each manufacturing site of the Group files the release and the transfer amount of chemical substances to the government under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register [PRTR]). The management of hazardous chemical substances contained in products has become an essential requirement. We also respond to the guidelines for chemical substances contained in products, such as the RoHS Directive and the REACH regulations required by customers.

We aim to reduce the emission amount of environmental pollutants in accordance with the Environmental Action Plan, including our overseas sites. We continuously strive to collect and replace chemical substances that may cause environmental pollution. Thus we focus on reducing and removing use of such chemical substances from our products.

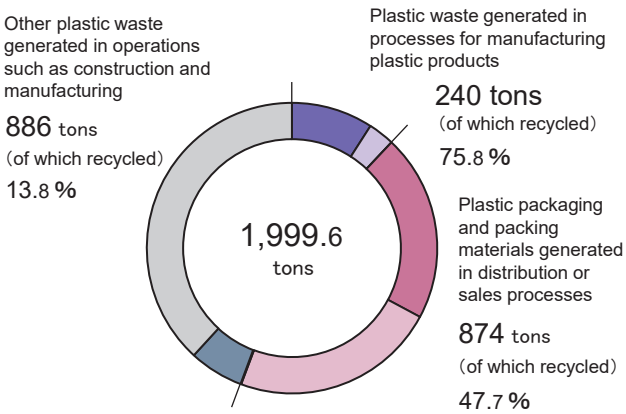
Prevent air pollution

Mitsui Kinzoku Group monitors sulfur oxides (SOx), nitrogen oxides (NOx), and soot and dust emissions into the atmosphere at each manufacturing site and facility according to stricter voluntary standards in accordance with laws and regulations.

SOx is generated during the combustion of sulfur-containing fossil fuels such as oil and coal, and NOx from combustion equipment such as boilers and incinerators. We also collect and manage these monitoring results from each site across the Group and share emission reduction efforts and technologies.

Amount of plastic waste generated (FY2024) *

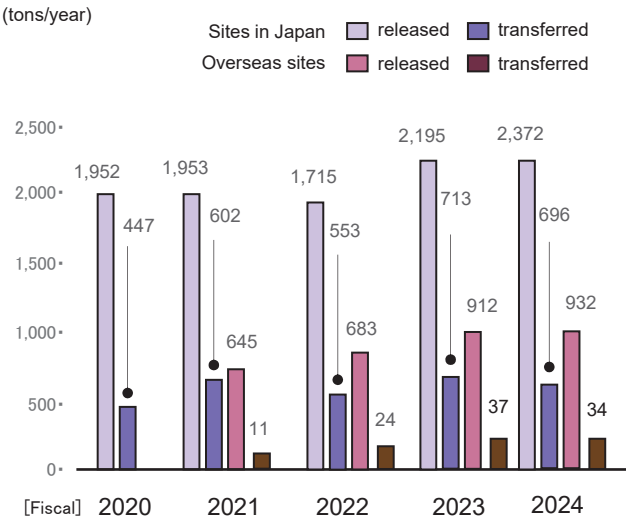
Breakdown and percentage of recycling



Recycled portion in each category

* Covers the scope of domestic consolidation.

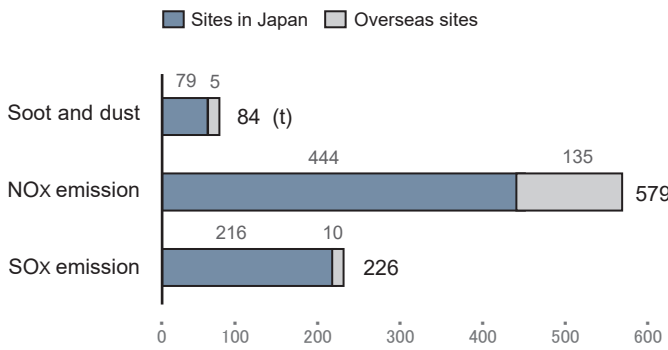
Volume of chemical substances released and transferred



* Added the amounts of overseas sites from FY2021.

* Revised the values for FY2023 disclosed last year.

Emissions to the atmosphere (FY2024)



Mitsui Kinzoku Group Sustainability Initiatives

We have compiled the progress of initiatives based on our materiality up to FY2024.

CSV standards (opportunities):
Environmental and social standards of products

The environmental contribution products system

Commitment (FY2024)
Ensure voluntary applications for the system from business units each fiscal year

Targets (KPIs)
Make the system work in full-scale

Self assessment ☐

Related SDGs G9, G11, G12, G13

Plans for FY2024
1. Deploy and operate LCA at Business Creation Sector
2. Roll out LCA to Metals Sector and Mobility Sector
3. Evaluate and certify several environmental contribution products

Performance in FY2024
1. Conducted as planned
2. Metals Sector: Conducted as planned; Mobility Sector: Reviewed the plan due to business restructuring
3. Conducted as planned

ESG risk management frameworks

The environmental and safety management systems

Commitment (FY2024)
Continuously improve the management systems in accordance with ISO standards

Targets (KPIs)
1. Continuously operate and update the ISO management system at major manufacturing sites
2. Operate and improve the internal management system in accordance with ISO at small and non-manufacturing sites

Self assessment 1. ☐ 2. ☐

Related SDGs G8, G9

Plans for FY2024
1. Continue monitoring and improving the management systems at major manufacturing sites
2. Continue implementing measures to address important issues related to environmental protection and occupational health and safety at small and non-manufacturing sites

Performance in FY2024
1. Conducted as planned
2. Conducted as planned

Human rights due diligence

Commitment (FY2024)
Conduct human rights DD based on the human rights policy, identify risks, and implement effective measures

Targets (KPIs)
1. Complete human rights DD for 85% of 57 manufacturing & development sites and affiliated companies which are closely related to those sites
2. Review survey results and improve the survey items

Self assessment 1. (84.2%) 2. ☐

Related SDGs
G1, G4, G5, G8, G10, G11, G16

Plans for FY2024
1. Conduct DD at four affiliates overseas

Performance in FY2024
1. Conduct DD at three affiliates overseas

Supply chain management

Commitment (FY2024)
Effectively implement supplier DD to reduce critical risks in the supply chain

Targets (KPIs)
1. Achieve the 100% annual SAQ implementation rate for the target suppliers
2. Achieve the 100% engagement rate for corrective actions with C-ranked suppliers

Self assessment 1. (94.9%) 2. ☐

Related SDGs G8, G12

Plans for FY2024
1. Implement SAQ for suppliers that have not yet responded to SAQ
2. Corrective actions for C-ranked suppliers
3. Review the Procurement Guidelines and SAQ
4. Consider Commitment, Targets(KPIs) and Plans, based on the Purpose

Performance in FY2024
1. Conducted for 94.9% of the target suppliers
2. Conducted as planned
3. Conducted as planned. Also conducted training on the Procurement Guidelines
4. Conducted as planned

[Assessment standards]

△ : Partially unachieved
○ : Achieved

Mining business management

Commitment (FY2024)
Reduce ESG risks specific to the mining business through appropriately managing materiality items

Targets (KPIs)
1. Implement the Sustainability Action Plan for Mining Business at mining sites (including closed mines)
2. Survey the operating mines with a capital ratio of >50% about human rights and environmental risk of mining business

Self assessment 1. ☐ 2. ☐

Related SDGs
G3, G4, G6, G7, G8, G9, G12, G13, G15, G16

Plans for FY2024
1. Check the progress of FY24 initiatives and follow up on them. Verify the plan for FY25 (all business sites)
2. Review FY23 survey results and consider corrective actions (Akeshi, Santa Luisa)

Performance in FY2024
1. Conducted as planned
2. Conducted as planned

Materiality: ESG risk (Environment)

04 GHG emissions

Commitment (FY2024)
Remain on track to achieve a 38% reduction in GHG emissions by FY30

Targets (KPIs)
1. Scope1,2: Follow reduction targets
2. Scope3: Reduce emissions in the priority categories
3. Develop and implement climate change strategies
4. Initiate forest offsetting activities

Self assessment 1. ☐ 2. 3. ☐ 4. ☐

Related SDGs G13

Plans for FY2024
1.(1) Continue and update TCFD scenario analysis internally
(2) Continue disclosing TCFD-related information externally
(3) Manage progress for GHG reduction targets of each sector and disclose information externally (firmly establish CNRM operations)
2.(1) Firmly establish the GHG emissions calculation mechanism globally

(2) Set GHG reduction targets in reference to SBTi standards and based on GHG emissions results
3. Implement the CN transition strategy and disclose progress
4. Implement programs for all employees

Performance in FY2024
1.(1) Conducted on the Group companies managed by the Head Office following the analyses of each business sector
(2) Conducted as planned
(3) Conducted as planned
2.(1) Slightly behind the plan
(2) Slightly behind the plan
3. Disclosed as planned
4. Conducted as planned

05 Energy management

Commitment (FY2024)
1. Investigate the potential for utilizing renewable energy and promote its introduction
2. Implement reduction goals set to replace those based on energy consumption

Targets (KPIs)
1. 100% survey of new utilization of renewable energy
2. Implement initiatives to achieve new reduction goals

Self assessment 1. 2. ☐

Related SDGs G7, G9

Plans for FY2024
1.(1) Install renewable energy equipment
(2) Consider a portfolio to procure environmental value
2.(1) Share examples of effective energy-saving measures internally
(2) Consider fuel conversion

Performance in FY2024
1.(1) Continued discussions on the introduction of on-site PPA and in-house generation
(2) Discussed procurement routes, mainly for non-fossil certificates
2. Conducted as planned

06 Water management

Commitment (FY2024)
1. Assess water stress at each site, optimize water withdrawn, and minimize consumption
2. Ensure safe treatment of wastewater

Targets (KPIs)
1. Reduce water consumption according to the result of the water stress assessment
2. Zero discharge of untreated wastewater into public waters (excluding clean spring water, unpolluted storm water, and discharge to sewerage system)

Self assessment 1. ☐ 2. ☐

Related SDGs G6

Plans for FY2024
1. Continue to implement the 3R water plan at sites with high water stress and identify reduction effects using the environmental survey sheet for quantitative evaluations. Install meters for use according to the plan and continue quantitative monitoring of 3R
2. Continue to thoroughly manage operations and facilities related to the quality control of discharged water to prevent incidents

Performance in FY2024
1. Continued quantitative evaluation on reduction by implementing the 3R plan, examined the installation of meters for different purposes
2. Conducted as planned

07 Waste and hazardous materials

Commitment (FY2024)
1. Strive to reduce using hazardous chemical substances and treat them appropriately, and minimize their release into the environment
2. Play a role in a resource-cycling society by using recycled materials and reducing waste at each business unit

Targets (KPIs)
1. Hazardous chemical substances
Identify the amount of emissions and transfers at each major site and set reduction targets
2. Promote recycling and waste reduction
(1) Identify the final disposal volume of waste (not utilized in 3R and thermal recycle) at major sites, and set reduction targets
(2) Identify the ratio of recycled materials and set targets, or optimize the ratio at each site
(3) Select well-reputed waste disposal companies, and confirm they treat properly

Self assessment 1. ☐ 2. ☐

Related SDGs G12

Plans for FY2024
1. Continue to set reduction targets for substances to manage with priority and oversee progress for specific reduction measures at each site
2.(1) Continue to share the Group's good practices on the effective use of waste and expand effective use
(2) Continue to aggregate/disclose the ratio of recycled materials using the environmental survey sheet
(3) Select well-reputed waste disposal companies in each area. Continue to make an on-site inspection to selected companies to confirm legal compliance, appropriateness of processing procedures
(4) Continue to implement Group's plastic-related initiatives, and start considering plastic-related policies and targets for after the 25-27 MTP

Performance in FY2024
1. Conducted as planned
2. Conducted as planned

08 Impacts on biodiversity

Commitment (FY2024)
1. Identify impacts of our business activities on biodiversity and prevent environmental damage
2. Effort to restore the ecosystem where we have directly developed

Targets (KPIs)
1. Evaluate the impacts on ecosystems at sites and implement countermeasures
2. Restoration by planting trees on the land we have directly developed

Self assessment 1. ☐ 2. ☐

Related SDGs G14, G15

Plans for FY2024
1. At each site, identify impacts of business activities on local ecosystems and implement measures to reduce the impacts
2. Plan and manage the progress of planting or other restoration on developed land. Use products conducive to biodiversity conservation
3. Hold in-house training sessions to promote understanding of the TNFD, and grasp the overall picture of the impact and dependence of business activities on biodiversity in preparation for TNFD disclosure

Performance in FY2024
1. Conducted as planned
2. Conducted as planned
3. Conducted training sessions as planned and will continue to grasp the overall picture in FY25

Materiality: ESG risks (Social)

09 Health and safety

Commitment (FY2024)
1. Maintain a safe, hygienic, and healthy work environment where all employees can work worry free
2. Eliminate serious accidents

Targets (KPIs)
1. Safe, hygienic, and healthy workplace
(1) Reduce the number of accidents resulting in no lost time or more <30
(2) Reduce the number of occupational accidents/diseases <10, especially for new employees (<1 years of employment), senior employees (>60 years old) and foreign-national employees
2. Eliminate serious accidents
(1) Reduce to zero: the number of serious accidents (fatal accidents)
(2) Reduce to zero: the number of accidents that cause irreversible physical sequelae
(3) Hazard simulation training

Self assessment 1. 2.

Related SDGs G8

Plans for FY2024
1. (1) Roll out good examples related to wearable devices
(2) New employees: Continue preferential treatment in hazard awareness training,

while taking into account actual working conditions; regularly conduct interviews by forepersons; continue dialogue with the head of the sector

Senior employees: Make improvements from the perspective of senior employees based on the results of a workplace survey at a model workplace

Foreign-national employees: Promote installing graphic warning signs; promote creating training materials and work manuals in the languages used at sites, taking into account the actual working conditions

2. (1) Expand the sources of hazards covered by the lockout system and strengthen the lockout system; address hazards from residual energy (gas pressure, hydraulic pressure, water pressure, etc.) and liquid chemicals (valves, pumps, etc.); roll out good examples of the lockout system at each site; check operation status with ISO45001 internal audits and safety audits (2) Improve the intrinsic safety of equipment and conduct thorough preventive maintenance; enhance the Mitsui Kinzoku Safety Standards (3) Enhance hazard awareness training; conduct on-demand VR hazard awareness training; support hazard awareness training at each site

Performance in FY2024
1. Conducted as planned
2. Conducted as planned

10 Human rights

Commitment (FY2024)
Implement the Group's mitigation measures for human rights risks identified in human rights DD

Targets (KPIs)
1. Based on the results of human rights DD, identify priority theme and formulate policies/procedures
2. Design a human rights training program that includes the policies/procedures, and deploy it within the Group

Self assessment 1. ○ 2. ○

Related SDGs G1, G4, G5, G8, G10, G11, G16

Plans for FY2024
1. Consider detailed rules on respect for the human rights of foreign-national employees and implement corrective measures
2. Implement human rights training programs

Performance in FY2024
1. Conducted as planned
2. Conducted as planned

11 Fair business practices

Commitment (FY2024)
Establish a global anti-bribery system and a PDCA cycle for fair business practices

Targets (KPIs)
All Group employees are aware of the prohibition of bribery and fair business practices

Self assessment △

Related SDGs G16

Plans for FY2024
1. Roll out initiatives to overseas sites in regions other than Asia (US, UK)
2.(1) Continue providing MLP-based training on the Antimonopoly Act and Subcontract Act (2) Enhance applying rules for application/reporting for meeting with competitors

Performance in FY2024
1. Started the roll out in the US and postponed it in the UK
2.(1) Conducted as planned
(2) Continued existing operations

Materiality: ESG risks (Governance)

12 Governance

(including Compliance and ICT Governance)

Commitment (FY2024)
1. Enhance corporate governance (1) Establish a system that the Board of Directors effectively supervises the initiatives for medium- and long-term issues by the execution (2) Regular risk assessment to enhance the risk management function
2. Compliance system (1) Establish compliance awareness system at all sites (2) Operate the whistle-blowing system for internal and external stakeholders
3. ICT Governance
Establish an information management system in all sectors
4. Information disclosure and transparency
Establish a management system for information disclosure

Targets (KPIs)
1. (1) Share information on the status of initiatives for the medium- and long-term issues with Directors, and ensure timely and appropriate discussions of issues at the Board of Directors (2) Establish a risk management system to identify risks, formulate countermeasures and evaluate them on an annual basis
2. Ensure that all Group employees are aware of compliance
3. Minimize the risk of information leaks due to management weakness
4. Establish disclosure standards and a prompt and fair information disclosure system

Self assessment 1. ○ 2. △ 3. ○ 4. ○

Related SDGs G16

Plans for FY2024
1. (1) Strengthen responses to individual items of the revised CG Code, improve operation based on the evaluation of the effectiveness of the Board of Directors, establish and implement the governance system as a company with an Audit & Supervisory committee (2) Develop and implement a plan for risk reduction activities, conduct a risk survey of all sites for the 25-27 MTP, create a risk map based on the identified risks and strengthen management
2. (1) Consider and implement compliance promotion measures in Europe and the Americas (2) Revise the Code of Conduct (reflect the Purpose and Vision, and add descriptions of sustainability, etc.)
3. (1) Continue reviewing ICT-related rules (2) Enhance the information management system in tandem with production technology enhancements (3) Establish an information management system at sites in Japan where no such system has been established, and implement audits at sites with such systems in place (4) Conduct risk assessments of systems at each site (5) Build a system-based control mechanism regarding detailed rules for ICT use
4. Check the effectiveness of the information aggregation system

Performance in FY2024
1.(1) Built a follow-up system for Board Effectiveness Assessment and partially addressed some issues while continuing to improve others (2) Conducted as planned
2.(1) Postponed due to prioritizing revision of the Code of Conduct and creation of the new Compliance Guidebook (2) Conducted as planned
3. Conducted as planned
4. Conducted as planned

Initiatives supporting the progress of materiality (Capital for value creation)
Human capital

Diversity

Commitment (FY2024)
Realize a corporate Group in which diverse human resources demonstrate their abilities

Targets (KPIs)
1. Change the human resources system so that diverse human resources demonstrate their abilities, regardless of age, gender, or other personal attributes
2. Create a workplace in which diverse human resources can continue to work
- Percentage of sites with maintained/improved *Ikiiki* active engagement (engagement indicator) >20%
- Percentage of sites with maintained/improved respect for diversity (engagement indicator) >30%
- Percentage of women in the total number of new hires >20%
- Percentage of women in the total number of regular employees >26% *
- Percentage of women in managerial positions >5%

- Percentage of women in leadership positions >12%
- Rate of parental leave taken by male employees >30%
- Obtain certifications for *Eruboshi*, *Kurumin*, and *Nadeshiko* *
3. Establish an internal dissemination system; share information on a regular basis and introduce the systematic diversity training plan

Self assessment 1. △ 2. ○ The two KPIs with * △ (Percentage of women in the total number of regular employees 25%, *Kurumin* not obtained) 3. ○

Related SDGs G4, G5, G8

Plans for FY2024
1. Review the implementation status of the systems during the 22-24 MTP and improve the systems
2. Provide harassment training and training for persons responsible for administrative and personnel affairs at each site
3. Launch the employee engagement assessment program for each division/sector, initiate rollout to overseas sites, roll out best practices and support employee engagement efforts
4. Enhance the content of diversity management training, increase the attendance rate of targeted employees to 70%
5. - Increase PR activities for mid-career recruitment, obtain *Kurumin* and *Nadeshiko* certifications
- Expand the project "Creation of a workplace where it is easy for anyone to take leave" to other sites
- Hold female employee exchange meetings
- Conduct training for female employees and their superiors, hold briefing sessions for managers on taking parental leave by male employees
- Introduce new support programs such as childcare and nursing care support

Performance in FY2024
1. Conducted as planned
2. Conducted as planned
3. Conducted as planned
4. Enhanced content, participation rate not achieved
5. *Kurumin* not obtained, conducted others as planned

Health management

Commitment (FY2024)
Support realizing a workplace and physical and mental health for all employees to work at the forefront as they age

Targets (KPIs)
1. Preventive measures for mental and physical health risks
- Maintain and raise health literacy
- Reduce the ratio of high-stress employees to the average ratio reported by the research company by the end of FY24
2. Measures for high-risk/high-stress employees
- Raise and maintain the Group's specific health guidance implementation rate to 35% or more by the end of FY24
- Introduce a system to support the balancing of treatment and work

Self assessment 1. △ 2. △

Related SDGs G3, G8

Plans for FY2024
1. - Internally and externally disseminate the health management commitment
- Provide feedback on results to each workplace, and continue selecting priority workplaces, conducting interviews, checking their improvement progress, and providing support at selected workplaces
- Continue implementing group-wide training and events
2. - Maintain the Group's specific health guidance implementation rate at 35% or more during the 22-24 MTP
- Consider systems to support employees in balancing medical treatment and work
- Operate EAPs for mental health support and analyze use status
- Implement initiatives to encourage lifestyle behavior modification

Performance in FY2024
1. Conducted as planned
2. Tthe Group's specific health guidance implementation rate was 27%, conducted others as planned

Human resources development

Commitment (FY2024)
Develop employees who have their own will for value creation
1. Support self-motivated career development and capacity development and implement development measures for value creation
2. Provide employees with global and equal learning opportunities

Targets (KPIs)
1. Training measures for value creation
- Implement the new performance-based human resources system (the new HR system) and execute succession plans with greater HRBP functions
- Build systems for employees' self-motivated career development
- Adopt ICT tools to provide employees with more convenience and equitable learning opportunities
- Provide learning formats and contents that support self-motivated career development
- Provide contents that incorporate sustainability
- Implement group-wide ICT training
2. Continue to open each training program to group-wide employees of affiliates and national staff and enhance the contents

Self assessment 1. ○ 2. △

Related SDGs G4, G8

Plans for FY2024
1. - Execute succession plans
- Properly operate and improve the performance-based HR system
- Implement systems for self-motivated career development
- Conduct career training
- Promote and expand usage of one-on-one meetings across the Group

- Consider developing career consulting systems
- Review and improve the HR development systems
- Conduct training on the Purpose, integrated thinking-based management, and SDGs
- Continue ICT training
- Conduct management training for senior management
2. Clarify issues concerning national staff training

Performance in FY2024
1. Conducted as planned
2. Scheduled to be conducted in FY25

Intellectual capital

Intellectual property

Commitment (FY2024)
1. Build a system for IP activities and IP governance for long-term value creation
2. Acquire IP and protect technologies to support business and new initiatives related to the environment and energy
3. Develop human resources through IP education that matches the type of job and rank

Targets (KPIs)
1. - Reorganize and build systems for governance (respond to the revised CG Code)
- Maintain the number of IP specialists assigned to each sector
- Share internal IP information
- Regularly disclose information externally (once a year) through the Integrated Report and the corporate website
2. - Practice IPL to support creation of new business opportunities (value) related to material cycle and CASE
- The number of patent applications from each sector should be equal to or greater than that of the previous year; increase the number of departments that use time stamps
3. Continue group-wide IP education and enhance initiatives to employ and develop IP specialists

Self assessment 1. ○ 2. ○ 3. ○

Related SDGs G4, G9

Plans for FY2024
1. - Ensure the stable operation of restructured IP-related organizations
- Strengthen the IP governance system and disseminate information on its operational situation
- Improve the level of IP information for external stakeholders
- Introduce the next software for IP operation and stabilize it
2. - Continue and expand survey and analysis of technical issues group-wide
- Further strengthen IPL activities
- Consider DX of IP operations and improve operational efficiency through continuous trials
3. - Provide practical and pragmatic training programs for R&D and engineering staff
- Build education systems for IP specialists and dispatch such specialists to external institutions

Performance in FY2024
1. Conducted as planned
2. Continue surveys and analyses on group-wide technical issues in FY25, conducted others as planned
3. Conducted as planned

Quality assurance

Commitment (FY2024)
Contribute to society and customers by optimizing the quality of products and services
1. Maintain a compliance system in line with the QAGL
2. Provide customers and society with information on product functions, costs, health and safety, and sustainability (e.g. environmental and social impacts)
3. Start design and development considering function, cost, health and safety, and sustainability
4. Disclose the status of initiatives annually

Targets (KPIs)
1. Establish and operate a system for evaluation using the QAGL check sheet at target sites in Japan and overseas: 100%
2. All business units conduct evaluations using the "Information Provision Check Sheet" and implement guidelines: 100%
3. Evaluate all products and services using the Product and Service Design and Development Check Sheet: 100%
4. Disclose the initiatives through the Integrated Report and the corporate website (once a year)

Self assessment 1. ▲ 2. ○ 3. ▲ 4. ○

Related SDGs G3, G6, G8, G9, G12

Plans for FY2024
1.
- Establish systems and confirm operations through audits at sites in Japan and overseas
- Establish self-inspection systems at overseas sites
2.
- Operate and review information provision GL/CS
- Complete research on relevant laws and regulations in each country, confirm the situation globally
3.
- Establish product design/development GL/CS
- Continue participating in operating the environmental contribution products certification system
4.
- Continue to disclose information on the initiatives undertaken and consider disclosing information by other means

Performance in FY2024
1. Conducted as planned
2. Conducted as planned
3.
- Created draft product design/development GL
- Conducted as planned
4. Conducted as planned

Social and relationship capital
Community engagement

Commitment (FY2024)
1. Continue current social activities and brush them up through engagement
2. Promote volunteer activities by employees
3. Contribute to sustainable consumption

Targets (KPIs)
1. Initiate engagement
2. Provide a platform for volunteer activities
3.
- Use locally produced foods at cafeterias and in-house stores at the sites
- Implement measures to reduce food loss in the cafeterias and the in-house stores
- Switch office supplies to green procurement

Self assessment 1. ○ 2. ▲ 3. ▲

Related SDGs G12, G13, G17

Plans for FY2024
1. Held discussions with each site about social contribution activities based on the actual status survey results
2. Conduct coordination with areas where corporate afforestation activities can be implemented
3.
- Survey food loss situation in company cafeterias and dormitories, and where food waste is disposed of
- Continue to manage the purchasing of green/ethical products

Performance in FY2024
1. Conducted at some sites
2. Conducted as planned
3. Conducted as planned

Third party opinion

Comment from an outside expert

The Integrated Report 2025 by Mitsui Kinzoku demonstrates excellence in the overall quality of its contents by comprehensively presenting both the Company’s management policy for sustainable growth and its social responsibility (so called “double materiality”). The report positions both financial outcomes and the creation of non-financial value as the cores of management, and translates them into the Company’s strategies in such a way that the two complement each other. This method accurately embodies the true spirit of an integrated report. In particular, the following three points deserve special attention.

First, consistency between the medium- to long-term vision and business strategies is extremely important, and this report clearly highlights this point. It organically links solutions to social issues and business growth, with detailed key domains such as climate action, development of a recycling-oriented society, and value creation in the healthcare field. The report describes these domains while integrating them with the Company’s research and development strategies and capital investment policies, thereby clearly presenting the long-term direction of corporate value creation.

Second, I have recognized the clear disclosure of quantitative KPIs and visualization of progress. The report presents key financial and non-financial KPIs with concrete numbers, including sales, ROIC, CO2 reduction, and the ratio of recycled materials, making it easy to see progress from the previous year and compare with future goals. This transparency functions as a foundation for objective outcome evaluation by various stakeholders such as investors, business partners, and local communities.



Third, the report mentions human capital management and respect for human rights in a detailed and practical manner. In addition to the global human resource strategy, promotion of diversity, and measures for employee engagement, the report also provides a clear policy to ensure respect for human rights throughout the supply chain. The report effectively enhances the Company’s social credibility by disclosing its practical initiatives, such as human rights due diligence and supplier due diligence, in line with international standards.

Meanwhile, the report could be improved with more detailed descriptions on risks and issues associated with the transformation of the business portfolio. For example, regarding such topics as short-term pressure on profitability due to the shift to the decarbonization business and the recycling business, changes in the regulatory environment, and risks associated with material procurement, investors and partners would be able to assess the future more precisely if the report could present impact analyses with multiple scenarios as well as concrete measures.

Overall, this report successfully exhibits Mitsui Kinzoku’s well-established integrated thinking-based management, transparent information disclosure, and strong commitment to sustainable value creation. I look forward to seeing the Company make further progress and fully demonstrate its abilities.

Kazuo Tase

CEO/Representative Director
SDG Partners, Inc.

11-Year Summary of Selected Financial Data

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31

Millions of yen

		2015	2016	2017	2018
Consolidated Financial Highlights					
Net sales		473,274	450,553	436,330	519,215
Operating income		31,835	11,137	38,461	49,529
Ordinary income		21,096	(11,284)	31,047	11,239
Profit attributable to owners of parent		17,237	(20,926)	18,674	(708)
Capital expenditures		28,906	28,446	37,718	40,509
Depreciation		25,146	25,066	24,414	26,634
Research and Development expenditures		6,265	6,575	7,163	8,015
Cash flows from operating activities		37,245	50,397	24,218	52,436
Cash flows from investing activities		(26,418)	(26,395)	(38,300)	(40,376)
Free cash flows		10,827	24,002	(14,082)	12,060
Total assets		538,646	484,800	518,981	518,705
Net assets		207,106	179,566	184,421	178,652
Shareholders' equity		170,994	146,469	161,713	157,271
Interest-bearing debt		210,390	191,733	207,421	208,418
Per share of common stock					
EPS(Earnings per share)※1	Yen	301.81	(366.41)	326.98	(12.40)
BPS(Net assets per share)※1	Yen	3,449.10	2,968.55	3,046.41	2,945.20
Cash dividends per share ※1	Yen	60	60	70	70
Dividend payout ratio	%	19.9	-	21.4	-
DOE(Dividend on equity ratio)※2	%	2.0	2.3	2.5	2.5
Financial Ratios					
ROE(Return on equity)	%	9.6	(11.4)	10.9	(0.4)
ROA(Return on assets)	%	4.0	(2.2)	6.2	2.2
Net D/E ratio		0.98	1.03	1.10	1.11
Equity ratio	%	36.6	35.0	33.5	32.4

	2019	2020	2021	2022	2023	2024	2025
	497,701	473,109	522,936	633,346	651,965	646,697	712,344
	18,222	13,037	51,124	60,737	12,528	31,694	74,743
	17,755	9,318	51,265	65,990	19,886	44,513	76,410
	4,691	1,566	44,771	52,088	8,511	25,989	64,662
	36,119	33,999	28,176	27,457	32,515	32,039	31,368
	27,964	28,970	33,882	33,168	33,647	34,387	33,191
	9,523	10,125	10,571	10,939	12,365	13,354	14,919
	40,696	36,107	27,565	60,672	43,009	75,343	76,697
	(44,843)	(34,833)	(16,324)	(25,538)	(31,641)	(34,914)	(20,873)
	(4,147)	1,274	11,241	35,134	11,368	40,428	55,823
	523,315	537,119	595,107	637,878	631,894	640,631	657,944
	179,673	173,255	210,560	250,048	261,406	286,018	340,856
	159,207	157,296	197,874	241,075	243,360	256,164	311,921
	216,878	233,070	247,930	225,100	219,249	200,720	166,061
	82.15	27.43	784.01	912.00	148.99	454.71	1,130.95
	2,977.84	2,884.68	3,484.21	4,196.37	4,434.42	4,872.30	5,798.07
	70	70	85	110	140	140	180 ※3
	85.2	255.2	10.8	12.1	94.0	30.8	15.9
	2.5	2.5	2.5	2.6	3.3	3.1	3.0 ※4
	2.8	0.9	24.6	23.8	3.5	9.8	21.2
	3.4	1.8	9.1	10.7	3.1	7.0	11.8
	1.15	1.22	1.09	0.82	0.76	0.60	0.37
	32.5	30.7	33.4	37.6	40.1	43.5	50.4

※1 The company conducted a share consolidation to change its share unit from 10 shares to 1 share on October 1, 2017. Past figures have been calculated assuming the share consolidation took place in 2015.

※2 In calculating the DOE (Dividend on Shareholders' Equity), we use the shareholders' equity at the end of the term.

※3 Including a commemorative dividend for the 150th Anniversary of Founding.

※4 Excluding a commemorative dividend.

Consolidated Balance Sheets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

Millions of yen		
	2024	2025
Assets		
Current assets:		
Cash and deposits (Note 6)	¥ 32,483	¥ 44,469
Notes and accounts receivable, and contract assets (Notes 3 and 19) :		
Trade	106,259	106,674
Unconsolidated subsidiaries and affiliates	11,662	16,037
Inventories (Note 4)	165,232	179,297
Derivatives (Notes 19 and 20)	1,033	483
Other current assets	30,702	26,772
Less: Allowance for doubtful accounts	(2,777)	(2,845)
Total current assets	344,597	370,889
Property, plant and equipment (Note 9):		
Land	32,087	32,391
Buildings and structures	218,897	219,162
Machinery and equipment	533,641	541,294
Leased assets	6,300	6,196
Construction in progress	11,290	9,978
Others	66,678	67,404
	868,896	876,428
Less: Accumulated depreciation	(669,887)	(685,273)
Total property, plant and equipment	199,008	191,155
Investments and other assets:		
Investment securities (Notes 5 and 19):		
Unconsolidated subsidiaries and affiliates	53,759	59,234
Others	12,675	4,985
Loans receivable:		
Others	398	392
Deferred tax assets (Note 18)	5,857	6,891
Asset for retirement benefits (Note 21)	12,565	12,738
Others	11,861	11,950
Less: Allowance for doubtful accounts	(91)	(294)
Total investmtns and other assets	97,025	95,899
Total assets	¥ 640,631	¥ 657,944
Liabilities and Net Assets		
Current liabilities:		
Notes and accounts payable (Note 19):		
Trade	46,575	44,241
Unconsolidated subsidiaries and affiliates	4,219	4,172
Others	19,319	18,337
Short-term borrowings and commercial papers (Notes 7 and 19)	59,435	49,446

Millions of yen		
	2024	2025
Current portion of long-term debt (Notes 7 and 19)	¥ 39,837	¥ 33,264
Current portion of lease liabilities	698	645
Accrued income taxes	4,083	8,812
Accrued expenses	11,876	11,696
Provision for product warranties	747	697
Provision for loss on construction contracts	77	102
Provision for improvement of business structure	0	—
Provision for loss on disposal of inventories	730	680
Other provisions	—	23
Derivative liabilities (Notes 19 and 20)	3,217	842
Other current liabilities (Note 8)	13,674	16,506
Total current liabilities	204,495	189,472
Long-term liabilities:		
Long-term debt (Notes 7 and 19)	101,447	83,349
Lease liabilities	1,606	1,431
Directors' and corporate auditors' retirement benefits	297	218
Deferred tax liabilities (Note 18)	12,941	9,942
Provision for environmental countermeasures	1,096	616
Provision for preventing environmental pollution in mineral, mining, and other operations	841	822
Asset retirement obligations (Note 26)	3,971	4,227
Liability for retirement benefits (Note 21)	27,173	26,039
Other long-term liabilities	741	967
Total long-term liabilities	150,117	127,615
Total liabilities	354,613	317,087
Commitments and contingent liabilities (Note 10)		
Net Assets (Note 11):		
Shareholders' equity:		
Common stock:		
Authorized - 190,000 thousand shares in 2024 and in 2025		
Issued - 57,356 thousand shares in 2024 and 57,381 thousand shares in 2025	42,223	42,289
Capital surplus	17,503	17,683
Retained earnings	197,068	252,582
Less: Treasury stock		
192 thousand shares in 2024 and 199 thousand shares in 2025	(630)	(634)
Total shareholders' equity	256,164	311,921
Accumulated other comprehensive income:		
Net unrealized gains on securities, net of tax	6,227	1,110
Deferred gains (losses) on hedges, net of tax	(4,163)	(1,167)
Foreign currency translation adjustments	19,916	19,220
Accumulated adjustments for retirement benefit (Note 21)	377	461
Total accumulated other comprehensive income	22,357	19,624
Non-controlling interests in consolidated subsidiaries	7,495	9,310
Total net assets	286,018	340,856
Total liabilities and net assets	¥ 640,631	¥ 657,944

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

Millions of yen

	2024	2025
Net sales (Notes 16 and 17)	¥ 646,697	¥ 712,344
Cost of sales (Notes 4 and 13)	551,299	562,106
Gross profit	95,397	150,237
Selling, general and administrative expenses (Notes 12 and 13)	63,703	75,494
Operating income	31,694	74,743
Non-operating income (expenses):		
Interest and dividend income	7,778	1,294
Interest expense	(2,526)	(2,615)
Foreign exchange gains (losses)	2,977	(2,414)
Investment gains on equity method	3,239	4,617
Real estate rent	658	544
Other, net	691	240
	12,819	1,666
Ordinary income (Note 17)	44,513	76,410
Extraordinary income (losses):		
Gain on sale of property, plant and equipment (Note 14)	37	28
Loss on sale and disposal of property, plant and equipment (Note 14)	(2,366)	(2,915)
Loss on valuation of shares of subsidiaries and associates (Note 23)	(987)	—
Gain on sale of investment securities	1,255	9,380
Gain on liquidation of shares of subsidiaries and associates	2	2,179
Loss on impairment of fixed assets (Note 24)	(23)	(2,817)
Provision of allowance for doubtful accounts (Note 23)	(2,595)	(328)
Others, net (Notes 14)	(1,291)	(1,169)
	(5,967)	4,357
Profit before income taxes	38,545	80,768
Income taxes (Note 18):		
Current	7,601	15,195
Deferred	4,080	(1,932)
	11,681	13,262
Profit	26,864	67,505
Profit (loss) attributable to non-controlling interests	875	2,843
Profit attributable to owners of parent	¥ 25,989	¥ 64,662
Amounts per share of common stock:	Yen	Yen
Basic earnings per share (Note 22)	¥ 454.71	¥ 1,130.95
Cash dividends applicable to the year	140.00	180.00

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

Millions of yen

	2024	2025
Profit	¥ 26,864	¥ 67,505
Other comprehensive income:		
Net unrealized gains (losses) on securities, net of tax	2,733	(5,050)
Deferred gains on hedges, net of tax	546	1,709
Foreign currency translation adjustments	9,649	(768)
Remeasurements of defined benefit plans, net of tax	304	73
Share of other comprehensive income (loss)		
of entities accounted for using equity method	(416)	1,204
Total other comprehensive income (Note 27)	12,816	(2,830)
Comprehensive income	¥ 39,680	¥ 64,675
(Breakdown)		
Comprehensive income attributable to owners of parent	¥ 38,336	¥ 61,929
Comprehensive income attributable to non-controlling interests	1,344	2,746

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

Millions of yen						
	Number of shares of common stock issued (Thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
2024						
Balance at April 1, 2023	57,329	¥42,178	¥18,729	¥183,080	¥(628)	¥243,360
Cash dividends paid				(12,000)		(12,000)
Profit attributable to owners of parent				25,989		25,989
Acquisition of treasury stock					(2)	(2)
Share-based payments with transfer restrictions		44	44			89
Changes in capital surplus due to transactions						
with non-controlling shareholders			(1,270)			(1,270)
Net changes of items other than shareholders' equity						
Balance at March 31, 2024	57,356	¥42,223	¥17,503	¥197,068	¥(630)	¥256,164

	Net unrealized gains on securities, net of tax	Deferred gains(losses) on hedges, net of tax	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income	Non-controlling interests in consolidated subsidiaries	Total net assets (Note 11)
Balance at April 1, 2023	¥3,362	¥(4,098)	¥10,682	¥64	¥10,010	¥8,035	¥261,406
Cash dividends paid							(12,000)
Profit attributable to owners of parent							25,989
Acquisition of treasury stock							(2)
Share-based payments with transfer restrictions							89
Changes in capital surplus due to transactions							
with non-controlling shareholders							(1,270)
Net changes of items other than shareholders' equity	2,865	(64)	9,233	312	12,347	(539)	11,807
Balance at March 31, 2024	¥6,227	¥(4,163)	¥19,916	¥377	¥22,357	¥7,495	¥286,018

See accompanying notes to consolidated financial statements.

Millions of yen						
	Number of shares of common stock issued (Thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
2025						
Balance at April 1, 2024	57,356	¥42,223	¥17,503	¥197,068	¥(630)	¥256,164
Cash dividends paid				(9,147)		(9,147)
Profit attributable to owners of parent				64,662		64,662
Acquisition of treasury stock					(3)	(3)
Share-based payments with transfer restrictions		66	66			132
Changes in capital surplus due to transactions						
with non-controlling shareholders			113			113
Net changes of items other than shareholders' equity						
Balance at March 31, 2025	57,381	¥42,289	¥17,683	¥252,582	¥(634)	¥311,921

	Net unrealized gains on securities, net of tax	Deferred gains(losses) on hedges, net of tax	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income	Non-controlling interests in consolidated subsidiaries	Total net assets (Note 11)
Balance at April 1, 2024	¥6,227	¥(4,163)	¥19,916	¥377	¥22,357	¥7,495	¥286,018
Cash dividends paid							(9,147)
Profit attributable to owners of parent							64,662
Acquisition of treasury stock							(3)
Share-based payments with transfer restrictions							132
Changes in capital surplus due to transactions							
with non-controlling shareholders							113
Net changes of items other than shareholders' equity	(5,116)	2,995	(695)	83	(2,733)	1,814	(918)
Balance at March 31, 2025	¥1,110	¥(1,167)	¥19,220	¥461	¥19,624	¥9,310	¥340,856

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

Millions of yen

	2024	2025
Cash flows from operating activities:		
Profit before income taxes	¥ 38,545	¥ 80,768
Depreciation and amortization	34,387	33,191
Loss on impairment of fixed assets (Note 24)	23	2,817
Gain and loss on sale of investment securities	(1,238)	(9,380)
Gain on sales of shares of subsidiaries and associates (Note 27)	(2)	(2,179)
Loss on sale of property, plant and equipment, net (Note 14)	79	103
Loss on disposal of property, plant and equipment (Note 14)	2,249	2,783
Increase (decrease) in allowance for doubtful accounts (Note 23)	2,611	271
Increase (decrease) in liability for retirement benefits	(1,290)	(954)
Interest and dividend income	(7,778)	(1,294)
Interest expense	2,526	2,615
Foreign exchange gains	(849)	(156)
Investment gains on equity method	(3,239)	(4,617)
Loss on valuation of shares of subsidiaries and associates (Note 23)	987	—
Increase (decrease) in notes and accounts receivables and contract assets	(1,535)	(6,684)
Increase (decrease) in inventories	15,983	(16,170)
Decrease in notes and accounts payable	(11,282)	(1,192)
Other, net	3,597	4,577
Subtotal	73,775	84,498
Interest and dividend received	8,584	2,012
Interest paid	(2,522)	(2,592)
Income taxes paid	(9,858)	(11,366)
Income taxes refund	5,018	3,602
Other, net	344	544
Net cash provided by operating activities	75,343	76,697
Cash flows from investing activities:		
Purchases of investment securities	(561)	(853)
Proceeds from sale of investment securities	1,707	9,860
Acquisition of property, plant and equipment and other assets	(31,604)	(31,392)
Proceeds from sale of property, plant and equipment	290	290
Payments for retirement of property, plant and equipment and other assets	(1,840)	(2,011)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	4,302
Increase in short-term loans receivable, net	(2,284)	(654)
Other, net	(621)	(415)
Net cash used in investing activities	(34,914)	(20,873)

Millions of yen

	2024	2025
Cash flows from financing activities:		
Net change in short-term borrowings and commercial papers	(7,294)	(8,079)
Proceeds from long-term debt	4,160	5,200
Repayment of long-term debt	(17,525)	(29,878)
Repayment of lease liabilities	(706)	(853)
Issuance of straight bonds	10,000	10,000
Redemption of straight bonds	(10,000)	(10,000)
Cash dividends paid	(12,000)	(9,147)
Dividends paid to non-controlling interests	(485)	(497)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,616)	(320)
Other, net	(88)	(57)
Net cash provided by (used in) financing activities	(36,557)	(43,634)
Effect of exchange rate changes on cash and cash equivalents	1,792	(205)
Net increase (decrease) in cash and cash equivalents	5,662	11,982
Cash and cash equivalents at beginning of year	26,816	32,479
Increase in cash and cash equivalents due to merger with non-consolidated subsidiaries	—	3
Cash and cash equivalents at end of year (Note 6)	¥ 32,479	¥44,465

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Mitsui Mining and Smelting Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2024 and 2025

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or accounting principles generally accepted in the U.S., with adjustments for the specified four items as applicable.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions) from the consolidated financial statements of Mitsui Mining and Smelting Company, Limited (“the Company”) prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory consolidated financial statements prepared in Japanese, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

Amounts less than one million Japanese yen have been rounded down in the presentation of the accompanying consolidated financial statements. As a result, the totals in Japanese yen shown herein do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its 50 significant subsidiaries (the “Companies”). One subsidiary was excluded from the scope of consolidation from the fiscal year ended March 31, 2025 due to the transfer of all its shares. All significant intercompany transactions, accounts and unrealized profits among the Companies have been eliminated in consolidation. Investments in the 7 significant affiliates which the Company and its subsidiaries are able to have influence on their financial and operating decision-making in material extent, are accounted for by the equity method after the elimination of unrealized intercompany profits. Investments in the remaining unconsolidated subsidiaries and affiliates are not accounted for by the equity method because of their immaterial effect on the consolidated financial statements. Such investments, therefore, are carried at cost, adjusted for any substantial and non-recoverable decline in value, and income from such unconsolidated subsidiaries and affiliates is recognized only when the Companies receive dividends

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time when the Company acquired control of the respective subsidiaries.

The consolidation difference between acquisition cost and net assets at the date of acquisition is shown as goodwill and amortized mainly in five years. Negative goodwill is recognized as profit on the acquisition date.

(b) Foreign currency translation

Revenues and expense in foreign currencies are translated at the foreign exchange rates prevailing when transactions are made. Monetary claims and liabilities denominated in foreign currencies are generally translated into each reporting currency at the foreign exchange rates prevailing at the balance sheet dates and the resulting translation gains or losses are included in earnings.

All assets and liabilities of consolidated foreign subsidiaries are translated into Japanese yen at the foreign exchange rates prevailing at their balance sheet dates and revenues and expenses of consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rates prevailing during the year. The resulting translation adjustments are shown as “Foreign currency translation adjustments,” in a component of net assets.

(c) Cash and cash equivalents

In the accompanying consolidated statements of cash flows, cash and cash equivalents include cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition which have high liquidity and negligible risk of price fluctuation.

(d) Marketable securities, investment securities and investments in unconsolidated subsidiaries and affiliates other than those accounted for by the equity method

Securities owned by the Companies are classified into:(1) securities intended to be held to maturity (hereafter, “held-to-maturity securities”), (2) equity securities issued by subsidiaries and affiliated companies, or (3) all other securities that are not classified as trading securities or in any of the above categories (hereafter, “available-for-sale securities”).

Held-to-maturity securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are mainly stated at average cost. Available-for-sale securities with fair market values are stated at fair market values, and the corresponding unrealized holding gains or losses, net of applicable income taxes, are reported as a component of net assets. Realized gains and losses on sale of such securities are computed using average cost or moving-average cost. Other available-for-sale securities with no available fair market value are mainly stated at average cost.

(e) Derivative transactions and hedge accounting

The Companies generally state derivative financial instruments at their fair value and recognize changes in the fair value as gains or losses unless they are used for hedging purposes and qualified for hedge accounting.

If derivative financial instruments are used as hedges and meet certain hedging criteria, gains or losses resulting from changes in their fair value are generally deferred as a component of other comprehensive income in the consolidated statement of comprehensive income, and charged to income when the related gains or losses on the hedged items are recognized.

All derivative contracts are based on actual demand and not for trading in the short term or for speculation.

For currency swap contracts, interest rate swap contracts, metal forward contracts and fuel forward contracts, the Companies evaluate hedge effectiveness by comparing the cumulative changes in cash flows or the changes in fair value of the hedged items with the corresponding changes in the hedging derivative instruments.

The evaluation of effectiveness is skipped for currency forward contracts that are believed to have high hedge effectiveness, such as in cases where hedging instruments and hedged items share the same important characteristics.

(f) Inventories

Inventories are stated primarily at lower of cost or net selling value based on the following methods:

The Company:

Metals Sector, Mobility Sector

Subsidiaries:

Kamioka Mining & Smelting Co., Ltd. (except for the metal powders factory), Hachinohe Smelting Co., Ltd. and others

: First-in, first-out method

The Company:

Copper Foil Division

Subsidiaries:

Mitsui Kinzoku ACT Corporation

: Moving average method

The Company:

Engineered Materials Sector (except for Copper Foil Division)

Subsidiaries:

The metal powders factory of Kamioka Mining & Smelting Co., Ltd., Nippon Yttrium Co., Ltd., Mitani Shindo Co., Ltd. and others

: Average method

Overseas subsidiaries

: Average method or first-in, first-out method

(g) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is generally computed by the declining-balance method based on the estimated durable years of these depreciable assets, except the straight-line method is applied to:(1) buildings, excluding building fixtures, acquired since April 1, 1998, and building fixtures and structures, which were acquired since April 1, 2016. (2) certain plant facilities of the Company and (3) property, plant and equipment of certain consolidated subsidiaries. The durable years of these assets generally range from 7 to 50 years for buildings, 3 to 60 years for structures and 2 to 20 years for machinery and equipment.

Leased assets used under finance leases and capitalized, are depreciated over the lease terms of respective assets by the straight-line method.

(h) Allowance for doubtful accounts

The Company and consolidated subsidiaries provide an allowance for doubtful accounts in an amount sufficient to cover probable losses on collection by estimating individually uncollectible amounts and applying a percentage based on historical data to the remaining accounts.

(i) Provision for product warranties

Provision for product warranties is provided to accrue estimated costs of repairing products free of charge, based on individually estimated amounts which are reliably measurable or the amounts computed by the ratio of actual repair costs which correspond to net sales.

(j) Provision for improvement of business structure

Provision for improvement of business structure is provided to accrue estimated costs of improvement of business structure by consolidating production facilities and other measures.

(k) Provision for loss on disposal of inventories

Provision for loss on disposal of inventories is provided to accrue estimated costs of disposal of inventories, such as by-products and other materials.

(l) Employees’ retirement benefits

The Companies provided employees' retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at the balance sheet date. The liabilities and expenses for employees' retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

Prior service costs are amortized by the straight-line method over periods of 1 to 5 years which are within the average remaining years of service of the employees.

Actuarial differences are amortized primarily from the year in which the actuarial differences are incurred by the straight-line method over periods of 1 to 12 years which are within the average remaining years of service of the employees.

(m) Directors’ and corporate auditors’ retirement benefits

Directors and other officers are generally entitled to receive retirement benefits based on the Companies' internal rules. Their retirement benefits are accrued at the amount required to be paid in accordance with the internal rules if the directors and other officers retired at the balance sheet date.

(n) Provision for environmental countermeasures

With enactment of the legislation about special measures concerning the proper treatment of PCB (polychlorinated biphenyl) waste, the Company and its domestic subsidiaries provide for environmental countermeasures to accrue estimated cost of disposal of PCB waste.

Furthermore, estimated cost of soil improvement and preventing environmental pollution is charged to this account.

(o) Provision for preventing environmental pollution in mineral, mining, and other operations

Provision for preventing environmental pollution in mineral, mining, and other operations is provided to accrue estimated cost of preventing the environmental pollution following the termination of use of mineral, mining, and other facilities.

(p) Research and development expenses

Research and development expenses are charged to expenses when incurred.

(q) Accounting policy for recognition of significant revenues and expenses

The Companies recognize revenue through the following five steps.

Step1: Identify contract(s) with customers.

Step2: Identify the performance obligations in the contract.

Step3: Determine the transaction price.

Step4: Allocate the transaction price to the performance obligation in the contract.

Step5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Companies mainly engage in businesses related to the four segments Engineered Materials, Metals, Mobility, and Other business thereby handling a wide range of products in those realms.

In selling such products, the Companies recognize revenue mainly upon delivery of a product because it deems that the customer generally has gained control of the product upon its delivery, thereby satisfying the performance obligation.

In domestic sales, the Companies recognize revenue either upon delivery or upon shipment of a product in cases where the normal time has elapsed from the time of product shipment until the time when control of the product has been transferred to the customer.

In export sales, the Companies recognize revenue mainly upon having transferred the burden of risk to the customer pursuant to the terms of trade stipulated under the Incoterms or other similar terms.

The Companies engage in product sales involving transactions performed with the Companies serving as an agent who arrange for the product to be provided to a customer by another party. Under those circumstances, the Companies recognize revenue as the anticipated amount of remuneration or fees it is to receive in exchange for it having arranged to have another party provide the product (or the net amount of the consideration received in exchange for the products provided by the another parties and payments to the another parties).

Engineering services and other businesses have long-term construction contracts, and it is determined that the performance obligations in such contracts are satisfied over time. Revenue is therefore recognized based on the progress towards complete satisfaction of the performance obligation. The progress is measured on the basis of the construction costs incurred by the end of each reporting period relative to the total expected construction costs.

Revenue is measured by deducting discounts, rebates, product returns, etc., from consideration promised under contracts with customers.

The Companies recognize revenue at the point in time when the performance obligation has been fully satisfied, rather than recognizing revenue over a certain period of time, in cases where a very short time has elapsed from the transaction initiation date under a contract until the anticipated point in time when a performance obligation is to be fully satisfied.

Revenue is measured by deducting discounts, rebates, product returns, etc., from consideration promised under contracts with customers.

In cases where consideration includes variable consideration such as discounts and provisional unit price, the Companies estimate the sum of variable consideration using a method that enlists mode values. When uncertainty regarding the amount of variable consideration is subsequently resolved, the Companies include in its transaction price only the portion that the revenue is highly unlikely to be reduced significantly by the time of removal of the uncertainty.

The consideration is primarily received within one year of satisfying performance obligations and does not contain a significant financing component.

(r) Income taxes

The Companies recognize tax effects of temporary differences between the financial statement basis and the tax basis of assets and liabilities. The provision for income taxes is computed based on the pretax income of each of the Companies, with certain adjustments required for consolidation and tax purposes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

(s) Earnings per share, diluted earnings per share and cash dividends per share

Earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the respective fiscal year.

Diluted earnings per share is not presented as there were no shares with dilutive effects in 2024 and 2025.

Cash dividends per share represent the historical amount applicable to the respective year.

(t) Reclassification

Certain prior year amounts have been reclassified to conform to the 2025 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

(u) Accounting of consumption tax

Consumption tax generally withheld upon sale, as well as that paid for purchases of goods or services, is recorded as a liability or an asset, and is excluded from the relevant revenue, costs or expenses.

(Significant accounting estimates)

1. Valuation of inventories

(1) Amounts recorded in the consolidated financial statements for the year ended March 31, 2025

Merchandise and finished goods	¥60,535 million
Work in progress	¥45,274 million
Raw materials and supplies	¥73,488 million

(2) Information on the nature of significant accounting estimates for identified items

Inventories are stated at the acquisition cost, however, if the net realizable value or replacement cost is lower than the acquisition costs at the end of the year, inventories are measured at the net realizable value or replacement cost, and the difference from the acquisition cost is recorded as an expense for the period. In addition, the carrying amounts of slow-moving and obsolete inventories are written down to the estimated disposal value. The net realizable values used in valuation of inventories are calculated based on the most recent actual unit selling prices and the actual selling costs, which reflect the influences of changes in quoted market prices of nonferrous metals on actual unit selling prices. Quoted market prices of nonferrous metals are determined based on listed prices on the London Metal Exchange (“LME”) and other international markets (hereinafter, these prices are referred to as the “LME or other market prices”). The LME or other market prices fluctuate under the influences of various factors such as the international supply-demand balance, global political and economic conditions, and speculative trading. Accordingly, any failure in calculating accurate net realizable values reflecting the LME or other market prices, which are used for the valuation of inventories, may have significant impact on valuation of inventories.

2. Recoverability of deferred tax assets

(1) Deferred tax assets recorded in the consolidated financial statements for the year ended March 31, 2025

Deferred tax assets	¥6,891 million
---------------------	----------------

(2) Information on the nature of significant accounting estimates for identified items

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which future deductible temporary differences, etc. can be utilized.

Deferred tax assets are recognized based on the estimated timing and amount of taxable income based on future business plans. The estimates could be affected by factors such as changes in uncertain future economic conditions. If the estimates differ from the actual timing and amount of taxable income, this could have a significant impact on the amount of deferred tax assets in the consolidated financial statements for the following fiscal year.

(Changes in accounting policy)

(Application of “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc.)

The Company has applied the “Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax,” etc. (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as “Revised Accounting Standard 2022.”) from the beginning of the current fiscal year. Amendments regarding the classification of income taxes (taxation of other comprehensive income) have been made in accordance with the transitional treatment set forth in the proviso of Article 20-3 of the Revised Accounting Standards 2022 and the transitional treatment set forth in the proviso of Article 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (Guidance on Accounting Standards No. 28 issued on October 28, 2022. Hereinafter referred to as the “Revised Application Guidelines 2022”). This has no impact on the consolidated financial statements.

In addition, effective from the beginning of the current fiscal year, the Revised Application Guidelines 2022 has been applied to the revision of the treatment in the consolidated financial statements in the case of deferral for tax purposes of gain or loss on sale of shares of subsidiaries, etc. between consolidated companies. The change in accounting policy has been retroactively applied, and the consolidated financial statements for the previous fiscal year have been retroactively applied. This has no impact on the consolidated financial statements for the previous fiscal year.

(Accounting standards and guidance not yet adopted)

Following accounting standards and guidance are those issued but not yet adopted.

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)

- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

In addition to the above, revisions of related accounting standards, implementation guidance on accounting standards, practical solutions, and transition guidance.

(1) Overview

These accounting standards and guidance set forth treatments such as recognizing all leases of lessees as assets and liabilities, in a similar manner to international accounting standards.

(2) Effective date

The accounting standards and guidance are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of application of the standards and guidance

The effects of application of these accounting standards and guidance on the consolidated financial statements are currently under evaluation.

(Changes in presentation)

(1) Consolidated statement of income

“Gain on sales of shares of subsidiaries and associates” that had been presented under “Others, net” under “Extraordinary income (losses)” in the previous fiscal year has exceeded ten percent of the total amount of extraordinary income, and has therefore been presented separately under “Extraordinary income (losses)” in the current fiscal year.

“Loss on impairment of fixed assets” that had been presented under “Others, net” under “Extraordinary income (losses)” in the previous fiscal year has exceeded ten percent of the total amount of extraordinary losses, and has therefore been presented separately under “Extraordinary income (losses)” in the current fiscal year.

To reflect these changes, Consolidated statement of income in the previous fiscal year has been reclassified.

As a result, ¥(1,312) million that was presented as “Others, net” under “Extraordinary income (losses)” in the consolidated statement of income for the year ended March 31, 2024 have been restated as “Gain on sales of shares of subsidiaries and associates” of ¥2 million, “Loss on impairment of fixed assets” of ¥(23) million and “Others, net” of ¥(1,291) million.

(2) Consolidated Statement of Cash Flows

“Gain on sales of shares of subsidiaries and associates” that had been presented under “Other, net” in the cash flow from operating activities section of the consolidated statement of cash flows in the previous fiscal year become more important, and has therefore been presented separately under “Other, net” in the current fiscal year.

As a result, ¥3,597 million that was presented as “Other, net” in the cash flow from operating activities section of the consolidated statement of cash flows in the previous fiscal year have been restated as “Gain on sales of shares of subsidiaries and associates” of ¥(2) million, “Other, net” on the subtotal in the cash flow from operating activities section of ¥3,599 million.

3. Receivables and contract assets from contracts with customers

The amounts of receivables and contract assets from contracts with customers included in notes and accounts receivable, and contract assets as of March 31, 2025 were as follows:

	Millions of yen
	2025
Receivables from contracts with customers	
Notes receivable	¥7,056
Accounts receivable	114,237
Contract assets	1,417

4. Inventories

Inventories at March 31, 2024 and 2025 consisted of the following:

	Millions of yen	
	2024	2025
Merchandise and finished goods	¥56,234	¥60,535
Work in process	42,114	45,274
Raw materials and supplies	66,883	73,488
Total	¥165,232	¥179,297

Write-downs, net of reversal of write-downs recognized during the prior fiscal year, are included in the cost of sales for the fiscal years ended March 31, 2024 and 2025 respectively as follows:

	Millions of yen	
	2024	2025
Cost of sales	¥(65)	¥(1,546)
Total	¥(65)	¥(1,546)

5. Securities

(a) Acquisition costs and book values of available-for-sale securities with fair value as of March 31, 2024 and 2025 were as follows:

	Millions of yen		
Year ended March 31, 2024	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥9,678	¥1,463	¥8,214
Subtotal	9,678	1,463	8,214
Securities whose book value does not exceed acquisition cost:			
Stocks	—	—	—
Bonds	209	240	(30)
Subtotal	209	240	(30)
Total	¥9,887	¥1,703	¥8,184

Year ended March 31, 2025	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
Stocks	¥2,038	¥977	¥¥1,060
Subtotal	2,038	977	1,060
Securities whose book value does not exceed acquisition cost:			
Stocks	—	—	—
Bonds	204	240	(35)
Subtotal	204	240	(35)
Total	¥2,242	¥1,217	¥1,025

(b) Available-for-sale securities sold for the years ended March 31, 2024 and 2025 were as follows:

		Millions of yen	
		2024	2025
Total sale amount	Stocks	¥1,707	¥9,958
Gains	Stocks	1,255	9,380
Losses	Stocks	17	—

(c) Securities written-down for the year ended March 31, 2024 and 2025 were as follows:

There were no losses on write-downs of securities for the year ended March 31, 2025.

Losses on write-downs of securities amounted to ¥987 million (¥987 million for shares of subsidiaries and affiliates) for the years ended March 31, 2024.

As for write-downs of securities, the securities without market prices whose net asset value are significantly decreased due to the deterioration of financial position of their issuing companies are written-down to the amount needed considering the recoverability of the net asset value.

6. Consolidated Statement of Cash Flows

(a) Amounts of cash and cash equivalents

Amounts of cash and cash equivalents at March 31, 2024 and 2025 were reconciled with cash and deposits as follows:

		Millions of yen	
		2024	2025
Cash and deposits		¥32,483	¥44,469
Time deposits with maturities exceeding three months from the date of deposit		(4)	(4)
Total : Cash and cash equivalents		¥32,479	¥44,465

7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings at March 31, 2024 and 2025 consisted of the following:

		Millions of yen	
		2024	2025
Short-term bank loans, generally represented by short-term notes and bank overdrafts, bore interest at annual rates ranging from 0.478% to 6.973% and from 0.565% to 8.100% at March 31, 2024 and 2025, respectively.		¥50,935	¥41,946
Commercial paper with interest at annual rate of 0.12% and 0.51% at March 31, 2024 and 2025, respectively.		8,500	7,500
		¥59,435	¥49,446

Long-term debt at March 31, 2024 and 2025 consisted of the following:

		Millions of yen	
		2024	2025
1.11 % yen unsecured straight bonds due in 2029		¥ —	¥10,000
0.86 % yen unsecured straight bonds due in 2028		10,000	10,000
0.58 % yen unsecured straight bonds due in 2027		10,000	10,000
0.43 % yen unsecured straight bonds due in 2027		10,000	10,000
0.16 % yen unsecured straight bonds due in 2026		10,000	10,000
0.22 % yen unsecured straight bonds due in 2024		10,000	—
Banks, insurance companies and other financial institutions, maturing through 2029 at interest rates ranging from 0.300% to 6.140% at March 31, 2025:			
Secured		836	722
Unsecured		90,400	65,885
Government-owned banks and government agencies, maturing through 2027 at interest rates ranging from 1.300% to 1.600% at March 31, 2025:			
Secured		48	6
Unsecured		—	—
		141,285	116,614
Less: Current portion		39,837	33,264
		¥101,447	¥83,349

The aggregate annual maturities of long-term debt at March 31, 2025 were as follows:

Year ending March 31,	Millions of yen
2026	¥33,264
2027	21,616
2028	31,733
2029	16,200
2030	13,800
Thereafter	—
Total	¥116,614

The 0.16% yen unsecured straight bonds due in 2026 were issued on March 4, 2021 by the Company.
The 0.43% yen unsecured straight bonds due in 2027 were issued on March 3, 2022 by the Company.
The 0.58% yen unsecured straight bonds due in 2027 were issued on November 29, 2022 by the Company.
The 0.86% yen unsecured straight bonds due in 2028 were issued on November 29, 2023 by the Company.
The 1.11% yen unsecured straight bonds due in 2029 were issued on November 28, 2024 by the Company.

8. Contract Liabilities

The amount of contract liabilities included in other current liabilities as of March 31, 2025 was as follows:

	Millions of yen
	2025
Contract Liabilities	¥5,380

9. Pledged Assets

Assets pledged as collateral for long-term debt at March 31, 2024 and 2025 were as follows:

	Millions of yen	
	2024	2025
Property, plant and equipment, net book value	¥7,257	¥7,423
	¥7,257	¥7,423

10. Contingent Liabilities

Contingent liabilities at March 31, 2024 and 2025 were as follows:

	Millions of yen	
	2024	2025
Notes receivable discounted	¥1,627	¥1,652
Notes and accounts receivable securitized with recourse	119	88
Loans guaranteed		
Unconsolidated subsidiaries and affiliates	37,078	29,979
Others	174	150
	¥38,999	¥31,871

11. Net Assets

Under the Japanese Companies Act, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the board of directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in-capital, which is included in capital surplus.

The Japanese Company Act provides that an amount equal to 10% of cash dividends and other cash appropriations of retained earnings must be set aside as a legal earnings reserve included in retained earnings until the total amount of capital surplus and the legal earnings reserve equals 25% of common stock.

The excess of the total amount of capital surplus and the legal earnings reserve over 25% of common stock can be transferred to retained earnings by a resolution of the shareholders, which may be available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Japanese Companies Act.

(a) Shares issued and outstanding

Changes in number of shares issued and outstanding during the year ended March 31, 2024 and 2025 were as follows:

	Shares of common stock (Thousands)	Shares of treasury stock (Thousands)
Balance at April 1, 2023	57,329	191
Increase during the year	27	0
Decrease during the year	—	—
Balance at March 31 and April 1, 2024	57,356	192
Increase during the year	24	7
Decrease during the year	—	—
Balance at March 31, 2025	57,381	199

(b) Dividends

Dividends paid for the year ended March 31, 2025 were as follows:

	Millions of yen
Approved at the shareholders' meeting held on June 27, 2024	¥4,001
Approved at the Board of Directors' meeting held on November 8, 2024	5,146
Total	¥9,147

Dividends included in the retained earnings at March 31, 2025 and to be paid in subsequent periods were as follows:

	Millions of yen
Approved at the shareholders' meeting held on June 27, 2025	¥5,146
Total	¥5,146

12. Selling, General and Administrative Expenses

Principal items of selling, general and administrative expenses for the years ended March 31, 2024 and 2025 were as follows:

	2024	2025
Freightage related expenses	¥11,789	¥11,902
Salaries	13,880	15,190
Bonus and retirement pay	2,206	3,116
Provision for bonuses	2,395	3,006
Retirement benefit expenses	(4,841)	438
Provision for directors' and corporate auditors' retirement benefits	79	75
Provision for product warranties	169	78
Depreciation expense	3,497	4,044
Research and development/Exploration expenses	12,827	14,250

13. Research and Development Expenses

Research and development expenses included in production cost and selling, general and administrative expenses amounted to ¥13,354 million and ¥14,919 million for the years ended March 31, 2024 and 2025, respectively.

14. Extraordinary profit and loss

(a) Gain on sale of property, plant and equipment

	Millions of yen	
	2024	2025
Buildings and structures	¥0	¥4
Machinery and equipment	2	22
Land	0	0
Others	34	=
Total	¥37	¥28

(b) Loss on sale of property, plant and equipment

	Millions of yen	
	2024	2025
Buildings and structures	¥11	¥0
Machinery and equipment	92	115
Land	2	3
Others	10	12
Total	¥117	¥131

(c) Loss on disposal of property, plant and equipment

	Millions of yen	
	2024	2025
Buildings and structures	¥321	¥996
Machinery and equipment	1,737	1,276
Others	189	509
Total	¥2,249	¥2,783

(d) Provisions included in other, net of extraordinary losses

	Millions of yen	
	2024	2025
Provision for Environmental expenses	¥590	¥30

15. Lease

Future lease payments under noncancellable operating leases at March 31, 2024 and 2025 were as follows:

	Millions of yen	
	2024	2025
Due within one year	¥577	¥518
Due after one year	728	269
	¥1,306	¥787

16. Net Sales

Disaggregation of revenue and relationship with each reportable segment for the year ended March 31, 2025 was summarized as follows:

Year ended March 31, 2025	Reportable segment				Millions of yen		
	Engineered Materials	Metals	Mobility	Other Businesses	Total	Adjustment	Consolidated
Major product/services							
Engineered Powders	¥34,864	¥—	¥—	¥—	¥34,864	¥—	¥34,864
Copper Foil	93,211	—	—	—	93,211	—	93,211
Zinc and Lead	—	200,080	—	—	200,080	—	200,080
Copper and Precious metals	—	75,502	—	—	75,502	—	75,502
Catalyst for exhaust-gas purification	—	—	92,709	—	92,709	—	92,709
Automobile Door Lock	—	—	95,829	—	95,829	—	95,829
Products of other businesses	—	—	—	94,177	94,177	—	94,177
Engineering services, other	—	—	—	28,912	28,912	—	28,912
Others	25,375	19,240	16,373	—	60,989	—	60,989
Subtotal	153,451	294,823	204,911	123,089	776,276	—	776,276
Adjustments	(7,104)	(47,407)	(1,277)	(29,028)	(84,817)	20,885	(63,931)
External revenue	146,347	247,416	203,633	94,061	691,458	20,885	712,344
Revenue from contracts with customers	148,056	247,378	203,633	94,058	693,127	20,885	714,013
Other revenue	(1,709)	38	—	2	(1,668)	—	(1,668)

Notes:

Other revenue includes revenue, etc. generated from derivative transactions pursuant to the "Accounting Standard for Financial Instruments".

(a) Basic information to understand Revenue from contracts with customers

It is described in Note 2. "Summary of Significant Accounting Policies (q) Accounting policy for recognition of significant revenues and expenses".

(b) Information about the relationship between satisfaction of performance obligations pursuant to contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers prevailing as of the end of the current fiscal year

(1) Outstanding balance of contract assets and contract liabilities, etc.

It is described in Note 3 "Receivables and contract assets from contracts with customers" and Note 8 "Contract Liabilities".

(2) Transaction price allocated to remaining performance obligations

Because there are no significant transactions for which an estimated contract period initially exceeds one year, the practical expedient is applied and information on remaining performance obligations has been omitted.

In addition, consideration to be received from contracts with customers does not comprise any significant amounts not included in transaction prices.

17. Segment Information

The operations of the Companies for the years ended March 31, 2024 and 2025 were summarized as follows:

(a) Overview of reportable segments

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

The Company has business sectors categorized by products and services in head office, and each business sector plans business strategies comprehensively and operates business activities domestically and internationally.

As a result, the Company reports four segments: Engineered Materials, Metals, Mobility, and Other Businesses, based on business sectors categorized by products and services.

(Changes in reportable segments)

As a result of organizational reforms that took place on April 1, 2024, one of the subsidiaries has changed its categorization of the reportable segments from the fiscal year ended March 31, 2025, changing from Other Businesses segment to Engineered Materials segment.

Segment information for the previous fiscal year has been restated to reflect the changes in reportable segments.

(b) Basis for Calculating amounts of net sales, profit or loss, assets, and other items by reported segments

Accounting procedure for reportable segments, excluding the handling treatment for converting the income, expenses and assets of overseas subsidiaries into Japanese currency, is mostly the same as procedures described in Note 2. "Summary of Significant Accounting Policies". The handling treatment for converting the income, expenses and assets of overseas subsidiaries into Japanese currency is mainly based on anticipated exchange rates at the time budgets were formulated. Profit for reportable segments is based on ordinary income. Sales for inter-segment are based on actual market prices.

(c) Information on amounts of net sales, profit or loss, assets, and other items by reported segments

Segment information as of and for the year ended March 31, 2024, which was restated in conformity with reorganization, was as follows:

Year ended March 31, 2024	Reportable segment				Millions of yen		
	Engineered Materials	Metals	Mobility	Other Businesses	Total	Adjustment	Consolidated
Sales:							
Outside customers	¥118,568	¥211,026	¥216,837	¥84,671	¥631,104	¥15,593	¥646,697
Inter-segment	5,530	35,776	1,514	28,529	71,351	(71,351)	—
Total	124,099	246,803	218,352	113,200	702,455	(55,758)	646,697
Segment profit	16,421	16,071	11,282	3,171	46,946	(2,432)	44,513
Segment assets	114,209	242,535	160,420	87,248	604,414	36,217	640,631
Depreciation expense	7,615	13,104	7,631	1,407	29,758	4,629	34,387
Amortization of goodwill and negative goodwill	—	140	—	—	140	—	140
Interest income	53	75	260	50	440	(86)	353
Interest expense	403	512	1,313	125	2,355	171	2,526
Investment gains on equity method	—	1,948	—	1,288	3,236	2	3,239
Investment for entities accounted for using the equity method	—	28,160	—	21,574	49,734	(67)	49,667
Increase in property, plant and equipment, and intangible assets	7,525	11,846	4,614	1,780	25,766	6,273	32,039

Notes :

(a) Amounts of adjustment are as follows:

- (1) Adjustments of sales to external customers are the difference mainly derived from the conversion process of sales of overseas subsidiaries to the Japanese currency.(The difference between the anticipated exchange rates at the time budgets were formulated and the average exchange rates during the year.)
Adjustment to segment profit, which amounted to ¥(2,432) million, consists mainly of ¥(3,871) million for Company-wide costs that are not allocated to any reportable segments.
Company-wide costs consists mainly of general and administrative expenses and research expenses that is not allocated to any reportable segments.
- (2) Adjustment to segment assets, which amounted to ¥36,217 million, consists of ¥(15,647) million for offset of receivables against the corporate administrative department, ¥(16,672) million for offset of inter-segment receivables, ¥75,004 million for Company-wide assets that are not allocated to any reportable segments and ¥(6,467) million for other adjustment.
Company-wide assets are mainly the ones in head office that are not allocated to any reportable segments.

(b) Segment profit is adjusted to be consistent with ordinary income shown on the consolidated statement of income.

Segment information as of and for the fiscal year ended March 31, 2025 was as follows:

Year ended March 31, 2025	Reportable segment				Millions of yen		
	Engineered Materials	Metals	Mobility	Other Businesses	Total	Adjustment	Consolidated
Sales:							
Outside customers	¥146,347	¥247,416	¥203,633	¥94,061	¥691,458	¥20,885	¥712,344
Inter-segment	7,104	47,407	1,277	29,028	84,817	(84,817)	—
Total	153,451	294,823	204,911	123,089	776,276	(63,931)	712,344
Segment profit	25,210	44,455	14,698	2,879	87,244	(10,834)	76,410
Segment assets	127,891	266,147	160,424	82,858	637,321	20,622	657,944
Depreciation expense	7,807	11,977	7,017	1,252	28,055	5,135	33,191
Amortization of goodwill and negative goodwill	—	140	—	—	140	—	140
Interest income	90	98	573	85	848	(161)	686
Interest expense	366	658	1,239	159	2,424	191	2,615
Investment gains on equity method	—	2,987	—	1,637	4,625	(7)	4,617
Investment for entities accounted for using the equity method	—	32,152	—	22,672	54,824	(124)	54,699
Increase in property, plant and equipment, and intangible assets	6,876	12,775	4,830	1,314	25,795	5,571	31,367

Notes :

(a) Amounts of adjustment are as follows:

- (1) Adjustments of sales to external customers are the difference mainly derived from the conversion process of sales of overseas subsidiaries to the Japanese currency. (The difference between the anticipated exchange rates at the time budgets were formulated and the average exchange rates during the year.)
Adjustment to segment profit, which amounted to ¥(10,834) million, consists mainly of ¥(12,598) million for Company-wide costs that are not allocated to any reportable segments.
Company-wide costs consists mainly of general and administrative expenses and research expenses that is not allocated to any reportable segments.
- (2) Adjustment to segment assets, which amounted to ¥20,622 million, consists of ¥(14,418) million for offset of receivables against the corporate administrative department, ¥(14,670) million for offset of inter-segment receivables, ¥63,678 million for Company-wide assets that are not allocated to any reportable segments and ¥(13,967) million for other adjustment.
Company-wide assets are mainly the ones in head office that are not allocated to any reportable segments.

(b) Segment profit is adjusted to be consistent with ordinary income shown on the consolidated statement of income.

【Related information】

Information by area:

Year ended March 31, 2024	Japan	China	India	Other Asian areas	North America	Other Areas	Millions of yen
							Consolidated
Sales	¥322,665	¥89,473	¥65,488	¥98,223	¥41,666	¥29,179	¥646,697
Year ended March 31, 2025	Japan	China	India	Other Asian areas	North America	Other Areas	Consolidated
Sales	¥374,897	¥103,800	¥67,866	¥91,587	¥42,458	¥31,734	¥712,344
Year ended March 31, 2024	Japan	Asia	North America	Other Areas	Consolidated		
Property, plant and equipment	¥142,280	¥43,193	¥4,293	¥9,241	¥199,008		
Year ended March 31, 2025	Japan	Asia	North America	Other Areas	Consolidated		
Property, plant and equipment	¥137,401	¥40,917	¥3,767	¥9,068	¥191,155		

【Information on loss on impairment of fixed assets by reportable segments】

Year ended March 31, 2024	Engineered Materials	Metals	Mobility	Other Businesses	Elimination · Corporate	Millions of yen
						Consolidated
Loss on impairment of fixed assets	¥—	¥—	¥—	¥23	¥—	¥23
Year ended March 31, 2025	Engineered Materials	Metals	Mobility	Other Businesses	Elimination · Corporate	Consolidated
Loss on impairment of fixed assets	¥—	¥—	¥2,817	¥—	¥—	¥2,817

【Information on amortization of goodwill and amortized balance by reportable segments】

Year ended March 31, 2024	Engineered Materials	Metals	Mobility	Other Businesses	Elimination · Corporate	Millions of yen
						Consolidated
Amortization of goodwill	¥—	¥140	¥—	¥—	¥—	¥140
Balance at end of fiscal year	—	140	—	—	—	140
Year ended March 31, 2025	Engineered Materials	Metals	Mobility	Other Businesses	Elimination · Corporate	Consolidated
Amortization of goodwill	¥—	¥140	¥—	¥—	¥—	¥140
Balance at end of fiscal year	—	—	—	—	—	—

【Information on gain on negative goodwill by reportable segments】

Year ended March 31, 2024
Not applicable.

Year ended March 31, 2025
Not applicable.

18. Income Taxes

The Company and its domestic subsidiaries are imposed some sorts of taxes in Japan on their taxable incomes, and the statutory effective tax rate in aggregate in Japan is approximately 30.5% for the years ended March 31, 2024 and 2025.

(a) Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2024 and 2025 were as follows:

	2024	2025	Millions of yen
Deferred tax assets:			
Excess bad debt expenses	¥ 915	¥ 1,109	
Excess accrued bonuses to employees	1,815	2,109	
Excess product warranties	135	147	
Liability for retirement benefits	8,151	8,041	
Provision for environmental countermeasures	324	184	
Loss on impairment of fixed assets	2,227	3,052	
Depreciation in excess of limit	966	1,286	
Enterprise taxes accrued	312	550	
Unrealized profits and losses	3,667	4,065	
Operating loss carryforward for tax purposes (b)	25,974	18,184	
Net unrealized losses on securities	10	12	
Deferred losses on hedges	822	260	
Other	8,401	8,778	
Subtotal	53,726	47,785	
Valuation allowance for operating loss carryforward for tax purposes (b)	(24,907)	(14,677)	
Valuation allowance for deductible temporary differences	(16,362)	(16,607)	
Valuation allowance-total (a)	(41,269)	(31,285)	
Total deferred tax assets	¥ 12,457	¥ 16,500	
Deferred tax liabilities:			
Net unrealized gains on securities	¥ (2,408)	¥ (252)	
Deferred gains on hedges	(195)	(141)	
Retained earnings of foreign subsidiaries	(8,812)	(9,989)	
Asset for retirement benefits	(3,727)	(3,925)	
Excess depreciation for tax purposes	(2,481)	(2,371)	
Temporary difference due to investment in subsidiaries	—	(1,446)	
Other	(1,915)	(1,423)	
Total deferred tax liabilities	(19,541)	(19,550)	
Net deferred tax assets	¥ (7,083)	¥(3,050)	

1 Valuation allowance decreased by ¥9,984 million. The main reasons for the decrease were decreases in valuation allowance of ¥7,547 million for operating loss carryforward.

2 Operating loss carryforward for tax purposes and its deferred tax assets by expiration periods.

	Millions of yen						
					2030 and		
(2024)	2025	2026	2027	2028	2029	Beyond	Total
Operating loss carryforward for tax purposes (1)	¥386	¥84	¥475	¥—	¥882	¥24,146	¥25,974
Valuation allowance	(282)	(84)	(283)	—	(859)	(23,398)	(24,907)
Net deferred tax assets	103	—	192	—	22	748	1,067

(1) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.

	Millions of yen						
					2031 and		
(2025)	2026	2027	2028	2029	2030	Beyond	Total
Operating loss carryforward for tax purposes (1)	¥74	¥105	¥—	¥516	¥465	¥17,021	¥18,184
Valuation allowance	(74)	(105)	—	(233)	(322)	(13,941)	(14,677)
Net deferred tax assets	—	—	—	283	143	3,080	3,506

(1) Carryforward tax loss shown in the above table is after multiplying the statutory tax rate.

(b) The following table summarizes the significant differences between the statutory effective tax rate and the tax rate calculated based on the Company's consolidated financial statements for the fiscal years ended March 31, 2024 and 2025.

	2024	2025
Statutory effective tax rate	— %	30.5 %
Permanent difference due to non-deductible expense	—	0.2
Permanent difference due to non-taxable income	—	(6.1)
Effect of elimination of intercompany dividends received	—	6.2
Investment losses on equity method	—	(1.7)
Retained earnings of subsidiaries	—	1.4
Temporary difference due to investment in subsidiaries	—	1.6
Valuation allowance	—	(12.8)
Tax credit	—	(2.0)
Revision to year-end deferred tax assets due to a change in tax rate	—	0.4
Difference in tax rate of subsidiaries	—	(2.1)
Others	—	0.5
Tax rate calculated based on the Companies' consolidated financial statements	— %	16.4 %

The note for the fiscal years ended March 31, 2024 is omitted because the difference between the statutory income tax rate and the Companies' actual income tax rate after adoption of tax-effect accounting is less than 5%.

(c) Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates

Following the enactment of the Act for Partial Amendment to the Income Tax Act (Act No. 13 of 2025) by the Diet on March 31, 2025, the Defense Special Corporate Tax will be imposed beginning with fiscal years starting on or after April 1, 2026.

In line with this, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities related to temporary differences, etc. that are expected to be eliminated in fiscal years starting on or after April 1, 2026, has been revised from 30.5% to 31.4%.

As a result of this change, deferred tax assets (net of deferred tax liabilities) decreased by ¥402 million, net unrealized gains on securities, net of tax decreased by ¥6 million, and accumulated adjustments for retirement benefit decreased by ¥1 million, while income taxes-deferred increased by ¥395 million as of and for the fiscal year ended March 31, 2025, respectively.

(d) Accounting for corporation tax and local corporation tax and tax effect accounting

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system from the fiscal year ended March 31, 2023. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed under Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System (PITF No.42, August 12, 2021).

19. Financial Instruments

(a) Qualitative information on financial instruments

1. Policy of financial instruments management

The Companies raise funds primarily through bank loans and the issuance of commercial paper and bonds. The Companies manage surplus funds utilizing financial assets with high degrees of safety. The Companies use derivatives to reduce risk as described below and do not enter into speculative trading.

2. Description of financial instruments and risk

Trade receivables-notes and accounts receivable are exposed to the credit risks of customers. As the Companies are expanding their business globally, certain foreign currency denominated trade receivables are exposed to foreign currency exchange rate fluctuation risk. For this risk, currency forward contracts are used on a certain portion of the amount of foreign currency denominated trade receivables less the amount of respective foreign currency denominated trade payable. Investment securities are mainly stocks issued by companies that have business relationships, and are exposed to stock market fluctuation risk.

The majority of trade payables-notes and accounts payable have payment due dates of less than one year. A portion of foreign currency denominated trade payables-notes and accounts are denominated in foreign currencies in association with the import of raw materials and others and are thus exposed to foreign currency exchange rate fluctuation risk. For this risk, currency forward contracts are used on a certain portion of the positions that are, as a general rule, the net amount of trade payables denominated in the respective foreign currencies. Short-term borrowings and commercial papers are raised mainly for operating activities while long-term debt (in principle within 5 years) is raised mainly for capital investments. Loans with floating interest are exposed to interest rate fluctuation risk, for long-term debt with floating interest, derivative transactions (interest rate swap contracts) are used for certain long-term loans in each loan agreement in order to hedge the risk of fluctuating interest rates and to make interest expenses fixed.

Regarding derivative transactions, the Companies used currency forward contracts and swaps to hedge transactions, such as future sales of commodities (mainly basic metals) and future purchases of inventories (mainly imported materials) in foreign currencies, and to hedge their foreign currency denominated assets and liabilities against foreign currency exchange risk. For those transactions, the Companies apply the deferred hedge method or the matching treatment method as hedge accounting methods except for transactions held by certain foreign subsidiaries, and for certain transactions to hedge assets and liabilities denominated in foreign currencies against foreign currency exchange risk.

The Companies also entered into interest rate swap contracts to hedge their loans payable against interest rate fluctuation risk. For those transactions, the Companies apply the deferred hedge method or the exceptional accrual method for interest rate swaps as hedge accounting methods except for transactions held by certain foreign subsidiaries.

Further, the Companies utilized metal forward contracts and fuel forward contracts to reduce the Companies' exposure to fluctuations in material prices. For those transactions, the Companies apply the deferred hedge method as hedge accounting methods except for transactions held by certain foreign subsidiaries. With regard to hedging instruments, hedged items, hedging policies and evaluation of hedge effectiveness, please refer to Note 2 "Summary of Significant Accounting Policies - (e) Derivative transactions and hedge accounting".

Derivative transactions are exposed to market risks from fluctuations in fair value and to credit risks from breach of contract due to counter parties' insolvency or other reasons. Market risks of the Companies' currency forward and swap contracts, interest rate swap contracts and metal forward contracts refer to the risks from fluctuations in exchange rates, interest rates and metal prices.

3. Description of risk management system for financial instruments

Management system for credit risk

With regard to the credit risk for trade receivables-notes and accounts receivable, due dates and balances are managed for each customer and the credit status of major customers is kept track of on a semiannual basis.

In order to mitigate credit risk for derivative transactions, the Companies conduct business only with highly rated financial institutions and trading companies.

Management system for market risk

For foreign currency exchange rate risk from foreign currency denominated trade receivables, currency forward contracts are used on a certain portion of the positions that are, as a general rule, the net amount of foreign currency denominated trade receivables. For foreign currency exchange rate risk from foreign currency denominated trade payables, currency forward contracts are used on a certain portion of the positions that are, as a general rule, the net amount of foreign currency denominated trade payables. Moreover, the Companies also entered into interest rate swaps to hedge their loans payable against interest rate risk.

For stock market fluctuation risk of investment securities, the Companies keep track of the market prices and investees' (business partners) financial condition and review continuously the possession situation of stocks in view of the relationship with business partners.

Derivative transactions entered into by the Companies are implemented and controlled based on the Company's internal policies.

Management system for liquidity risk of financing

The Company's Finance & Accounting Department manages the risk through the preparation of the Companies' financial plans with group financing.

4. Supplementary explanation regarding fair value of financial instruments

The fair value of financial instruments is measured based on the market price, if available, or reasonably estimated value if a market price is not available. As reasonably estimated value is estimated based on certain assumptions, it might differ if different assumptions are used.

In addition, the contract amount of the derivative transactions described below in Note 20 "Derivative Transactions" does not represent the market risk of the derivative transactions.

(b) Fair value of financial instruments

The carrying amounts of book value, fair value, and differences as of March 31, 2024 and 2025 were as follows.

Millions of yen			
Year ended March 31, 2024	Book value	Fair value	Difference
Assets:			
(a) Investment securities	¥ 17,011	¥ 16,236	¥ (775)
Total	¥ 17,011	¥ 16,236	¥ (775)
Liabilities:			
(a) Current portion of bonds payable	10,000	9,982	(17)
(b) Bonds payable	40,000	39,811	(188)
(c) Current portion of long-term borrowings Notes 3	29,837	29,875	37
(d) Long-term borrowings	61,447	61,145	(302)
Total	¥ 141,285	¥ 140,814	¥ (470)
Derivative transactions	¥ (2,184)	¥ (2,184)	¥ —

Millions of yen			
Year ended March 31, 2025	Book value	Fair value	Difference
Assets:			
(a) Investment securities	¥ 9,540	¥ 8,337	¥ (1,203)
Total	¥ 9,540	¥ 8,337	¥ (1,203)
Liabilities:			
(a) Current portion of bonds payable	10,000	9,924	(75)
(b) Bonds payable	40,000	39,243	(756)
(c) Current portion of long-term borrowings Notes 3	23,264	24,730	1,466
(d) Long-term borrowings	43,349	41,191	(2,158)
Total	¥ 116,614	¥ 115,090	¥ (1,523)
Derivative transactions	¥ (359)	¥ (359)	¥ —

Notes:

1. Cash and deposits, Notes and accounts receivable, Notes and accounts payable, and Short-term borrowings and commercial papers are not included in the table above. This is because their carrying amounts are reasonably considered as fair values, as they are expected to be settled shortly.

2. Equity securities without market prices, and investments in partnerships and other similar entities recorded at the net amount equivalent to the equity interest are not included in "(a) Investment securities".

The carrying amounts of these financial instruments as follows.

Millions of yen		
Consolidated balance sheet amount		
Classification	2024	2025
Unlisted equity securities	¥ 47,239	¥ 51,982
Investments in partnerships and others	2,183	2,697

3. "(a) Current portion of bonds payable" and "(c) Current portion of long-term borrowings" are included in Current portion of long-term debt in the consolidated balance sheet. "(b) Bonds payable" and "(d) Long-term borrowings" are included in Long-term debt in the consolidated balance sheet.

4. Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

5. The redemption schedule for money claim and held-to-maturity debt securities with maturity dates subsequent to the consolidated balance sheets date

Millions of yen

Year ended March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2029	April 1, 2029 to March 31, 2034	April 1, 2034 and thereafter
(a) Cash and deposits	¥ 32,483	¥ —	¥ —	¥ —
(b) Notes and accounts receivable	116,417	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds(domestic government and municipal bonds)	—	—	—	209
Total	¥ 148,901	¥ —	¥ —	¥ 209

Year ended March 31, 2025	April 1, 2025 to March 31, 2026	April 1, 2026 to March 31, 2030	April 1, 2030 to March 31, 2035	April 1, 2035 and thereafter
(a) Cash and deposits	¥ 44,469	¥ —	¥ —	¥ —
(b) Notes and accounts receivable	121,293	—	—	—
(c) Investment securities:				
Available-for-sale securities with maturity date				
Bonds(domestic government and municipal bonds)	—	—	—	204
Total	¥ 165,763	¥ —	¥ —	¥ 204

6. The redemption schedule for corporate bonds, long-term debt, and other interest-bearing debt with maturity dates subsequent to the consolidated balance sheets date

Please refer to Note 7 "Short-Term Borrowings and Long-Term Debt".

(c) Fair value information of financial instruments by level of inputs

The fair values of financial instruments are categorized into the following three levels, in accordance with the observability and significance of the inputs used in the fair value measurement.

Level 1 fair value:

Fair value measured by quoted prices in active markets for identical assets or liabilities

Level 2 fair value:

Fair value measured using observable inputs other than Level 1

Level 3 fair value:

Fair value measured using unobservable inputs

Fair value is categorized at the level with the lowest priority in the fair value measurement from among the levels to which the respective inputs belong, in cases involving use of multiple inputs that have a material effect on fair value measurement.

(1) Financial instruments recorded in the consolidated balance sheet at fair value

Millions of yen

Year ended March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	¥ 9,678	¥ —	¥ —	¥ 9,678
Bonds(domestic government and municipal bonds)	—	—	209	209
Derivative Transactions				
Currency-related derivatives	—	107	—	107
Commodities-related derivatives	—	925	—	925
Total Assets	¥ 9,678	¥ 1,033	¥ 209	¥ 10,921
Derivative Transactions				
Currency-related derivatives	—	(2,601)	—	(2,601)
Commodities-related derivatives	—	(616)	—	(616)
Total Liabilities	¥ —	¥ (3,217)	¥ —	¥ (3,217)

Year ended March 31, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	¥ 2,038	¥ —	¥ —	¥ 2,038
Bonds(domestic government and municipal bonds)	—	—	204	204
Derivative Transactions				
Currency-related derivatives	—	129	—	129
Commodities-related derivatives	—	353	—	353
Total Assets	¥ 2,038	¥ 483	¥ 204	¥ 2,726
Derivative Transactions				
Currency-related derivatives	—	(247)	—	(247)
Commodities-related derivatives	—	(594)	—	(594)
Total Liabilities	¥ —	¥ (842)	¥ —	¥ (842)

(2) Financial instruments other than financial instruments recorded in the consolidated balance sheet at fair value

Year ended March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	Millions of yen			
Investment securities				
Shares of subsidiaries and associates	¥ 6,348	¥ —	¥ —	¥ 6,348
Total Assets	¥ 6,348	—	—	¥ 6,348
Bonds payable	—	49,793	—	49,793
Long-Term Borrowings	—	91,021	—	91,021
Total Liabilities	¥ —	¥ 140,814	¥ —	¥ 140,814

Year ended March 31, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
	Millions of yen			
Investment securities				
Shares of subsidiaries and associates	¥ 6,094	¥ —	¥ —	¥ 6,094
Total Assets	¥ 6,094	—	—	¥ 6,094
Bonds payable	—	49,168	—	49,168
Long-Term Borrowings	—	65,922	—	65,922
Total Liabilities	¥ —	¥ 115,090	¥ —	¥ 115,090

Notes: Explanation of valuation techniques and inputs used in fair value measurement

Investment securities
Fair value of equities is categorized as Level 1 fair value measured at the market price. Fair value of bonds is categorized as Level 3 fair value, calculated by discounting the future cash flows at an interest rate on similar bonds, taking into account the debt repayment record of the issuing local government body.

Derivative Transactions
Fair value of commodity prices and forward exchange contracts is categorized as Level 2 fair value, calculated based on observable inputs such as market prices and exchange rates.

Bonds payable
Fair value of bonds payable is categorized as Level 2 fair value, calculated by discounting future cash flows using the rate quoted in secondary markets.

Long-Term Borrowings
Fair value of long-term borrowings is categorized as Level 2 fair value, calculated by discounting future cash flows at the current borrowing rate for similar debt of a comparable maturity.

20. Derivative Transactions

(a) Derivative transactions for which hedge accounting had not been applied as of March 31, 2024 and 2025 were as follows:

Currency-related derivatives				
Type	Millions of yen			
	2024	2025		
	Millions of yen			
Forward contracts:				
Selling:				
U.S. dollars:				
Contract amounts	¥1,019	¥1,311		
Due over one year	—	—		
Fair value	(41)	18		
Net unrealized gains (losses)	(41)	18		

Type				
Millions of yen				
2024				
2025				
Forward contracts:				
Selling:				
Indian rupees:				
Contract amounts	¥3,620	¥ —		
Due over one year	—	—		
Fair value	(104)	—		
Net unrealized gains (losses)	(104)	—		

(b) Derivative transactions for which hedge accounting had been applied as of March 31, 2024 and 2025 were as follows:

Currency-related derivatives				
Currency-related derivatives for which hedge accounting had been applied				
Millions of yen				
2024				
2025				
Forward contracts:				
Selling:				
Accounts receivable				
U.S. dollars:				
Contract amounts	¥20,466	¥18,698		
Due over one year	—	—		
Fair value	(2,432)	(71)		
Euros:				
Contract amounts	¥74	¥2,122		
Due over one year	—	173		
Fair value	(14)	(70)		
Thai baht:				
Contract amounts	¥ —	¥9		
Due over one year	—	—		
Fair value	—	(0)		
Buying:				
Accounts payable				
U.S. dollars:				
Contract amounts	¥7,184	¥8,961		
Due over one year	—	—		
Fair value	98	8		
Euros:				
Contract amounts	¥40	¥1		
Due over one year	—	—		
Fair value	1	0		
Canadian dollars:				
Contract amounts	¥ —	¥15		
Due over one year	—	—		
Fair value	—	(0)		
Malaysia ringgit:				
Contract amounts	¥ —	¥93		
Due over one year	—	—		
Fair value	—	(3)		
Australian dollars:				
Contract amounts	¥121	¥ —		
Due over one year	—	—		
Fair value	(0)	—		

Notes: The deferred hedge method is applied as a hedge accounting method.

Currency-related derivatives for which exceptional accrual method had been applied

Type				
Millions of yen				
2024				
2025				
Forward contracts:				
Selling:				
U.S. dollars:				
Accounts receivable				
Contract amounts	¥158	¥126		
Due over one year	—	—		
Fair value	(Note b)	(Note b)		

Notes:

- (a) The exceptional accrual method for currency-related derivatives is applied as a hedge accounting method.
- (b) For certain accounts receivable for which currency forward contracts are used to hedge the foreign currency exchange rate fluctuation risk, fair value of derivative financial instruments is included in fair value of the accounts receivable as hedged items, because those currency forwards contracts are treated in combination with the respective accounts receivable with the exceptional accrual method for currency forward contracts.

Commodities-related derivatives

		Millions of yen	
Type	Hedged items	2024	2025
Forward contracts:	Raw materials and finished goods		
Selling:			
Zinc:	Contract amounts	¥3,480	¥7,007
	Due over one year	—	—
	Fair value	411	316
Lead:	Contract amounts	¥730	¥425
	Due over one year	—	—
	Fair value	(2)	7
Copper:	Contract amounts	¥395	¥359
	Due over one year	—	—
	Fair value	47	2
Buying:			
Zinc:	Contract amounts	¥9,114	¥9,877
	Due over one year	—	—
	Fair value	(132)	(182)
Lead:	Contract amounts	¥3,912	¥3,023
	Due over one year	—	—
	Fair value	(13)	(47)
Coal:	Contract amounts	¥—	¥1,754
	Due over one year	—	—
	Fair value	—	(336)

Notes: The deferred hedge method is applied as a hedge accounting method.

21. Employees' Retirement Benefits

The Company and its consolidated domestic subsidiaries provide two retirement benefit plans for employees, an unfunded retirement plan and a funded retirement plan, under which all eligible employees are entitled to benefits based on their length of service and basic rate of pay at the time of termination.

Defined benefit plans

(a) Changes in retirement benefit obligations

	Millions of yen	
	2024	2025
Balance at the beginning of the fiscal year	¥48,704	¥46,936
Service cost	3,234	2,640
Interest cost	132	444
Actuarial gain (loss)	(4,031)	(1,818)
Benefits paid	(1,180)	(2,267)
Past service benefits	30	—
Decrease by exclusion of consolidated subsidiaries	—	(169)
Others	46	38
Balance at the end of the fiscal year	¥46,936	¥45,803

(b) Changes in plan assets

	2024	2025
Balance at the beginning of the fiscal year	¥27,942	¥32,328
Expected return on plan assets	829	1,016
Actuarial loss	2,815	(1,314)
Contributions paid by the employer	1,017	1,056
Benefits paid	(375)	(488)
Others	100	(96)
Balance at the end of the fiscal year	¥32,328	¥32,502

(c) Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits

	2024	2025
Funded retirement benefit obligations	¥20,100	¥19,989
Plan assets	(32,328)	(32,502)
	(12,227)	(12,513)
Unfunded retirement benefit obligations	26,835	25,814
Net liability for retirement benefits at the end of the fiscal year	14,608	13,300
Liability for retirement benefits	27,173	26,039
Asset for retirement benefits	(12,565)	(12,738)
Net liability for retirement benefits at the end of the fiscal year	¥14,608	¥13,300

(d) Retirement benefit costs

	2024	2025
Service cost	¥3,234	¥2,640
Interest cost	132	444
Expected return on plan assets	(829)	(1,016)
Net actuarial loss (gain) amortization	(6,349)	(646)
Past service costs amortization	(108)	57
Total retirement benefit costs for the fiscal year	¥(3,919)	¥1,479

(e) Remeasurements of defined benefit plans

	Millions of yen	
	2024	2025
Past service costs (benefits)	¥(126)	¥30
Actuarial loss	624	(13)
Total remeasurements of defined benefit plans for the fiscal year	¥498	¥16

(f) Accumulated adjustments for retirement benefit

	2024	2025
Past service costs that are yet to be recognized	¥73	¥43
Net actuarial losses that are yet to be recognized	(605)	(592)
Total balance at the end of the fiscal year	¥(531)	¥(548)

(g) Plan assets

1. Plan assets comprise:

	2024	2025
Bonds	38%	38%
Equity securities	31%	30%
General insurance funds	27%	20%
Other	4%	12%
Total	100%	100%

2. Long-term expected rate of return

Current and target asset allocations, historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(h) Actuarial assumptions

The principal actuarial assumptions at March 31, 2024 and 2025 are as follows:

	2024	2025
Discount rate	0.0%-1.2%	0.8%-2.1%
Long-term expected rate of return	Mainly 3.0 %	Mainly 3.4 %

Defined contribution plans

Contributions to defined contribution plans amounted to ¥1,158 million and ¥1,355 million for the years ended March 31, 2024 and 2025, respectively.

22. Earnings per Share of Common Stock

Earnings per share of common stock at March 31, 2024 and 2025 were as follows:

	Profit	Weighted-average shares	Profit per share
Year ended March 31, 2024	(Millions of yen)	(Thousands)	(Yen)
Profit attributable to owners of parent	¥25,989	57,155	¥454.71

	Profit	Weighted-average shares	Profit per share
Year ended March 31, 2025	(Millions of yen)	(Thousands)	(Yen)
Profit attributable to owners of parent	¥64,662	57,175	¥1,130.95

(a) Regarding diluted earnings per share, no figures for diluted earnings per share have been disclosed because no latent shares existed.

23. Loss on valuation of shares of subsidiaries and associates and Provision of allowance for doubtful accounts

Years ended March 31, 2024

Mitsui Kinzoku Die-Casting Technology America Inc., a non-consolidated subsidiary of the Company, revised its business plan responding to changes in order trends for major products. Consequently, Mitsui Kinzoku Die-Casting Technology America Inc. recognized an impairment loss on its property, plant and equipment.

Because the deterioration in the financial condition of Mitsui Kinzoku Die-Casting Technology America Inc. caused significant decrease in its net asset value, the Company recognized a loss on valuation of shares of subsidiaries and affiliates. In addition to that, the Company recognized provision of allowance for doubtful accounts on monetary receivables from Mitsui Kinzoku Die-Casting Technology America Inc.

24. Loss on impairment of fixed assets

The Company recognized impairment losses on the manufacturing facilities and the idle assets as extraordinary losses for the fiscal years ended March 31, 2024 and 2025 as follows:

Year ended March 31, 2024			
Location	Major use	Asset category	Millions of yen
Kyoto City, Kyoto Prefecture	Idle assets	Buildings and structures	¥4
		Machinery and Equipment and Transportation equipment	18
		Subtotal	23
		Total	¥23

The carrying amounts of idle assets were reduced to the recoverable amounts, which were measured at memorandum value since it is difficult to continue to use them for other operations or to sell them. The amount of the reduction was recorded as an impairment loss in an extraordinary loss.

Year ended March 31, 2025			
Location	Major use	Asset category	Millions of yen
Nirasaki City, Yamanashi Prefecture	Manufacturing facilities	Buildings and structures	¥117
		Machinery and Equipment and Transportation equipment	2,036
		Lease assets	149
		Construction in progress	52
		Intangible fixed Asset	5
		Other	455
		Subtotal	2,817
		Total	¥2,817

Grouping of assets used for business purposes is based on plant- and product-specific units based on management accounting classifications. And idle assets are grouped by individual assets. The carrying amounts of idle assets held to sale were reduced to net realizable value, which were measured at the estimated sales price.

For manufacturing facilities, the carrying amount of the asset group was reduced to its recoverable amount, as the investment amount was deemed not to be collectible due to a decline in profitability. The recoverable amount was measured by value in use. However, as no future cash flows are expected, the carrying amount was reduced to the memorandum value, and the amount of the reduction was recorded as an impairment loss under extraordinary losses.

25. Related Party Transactions

(a) Related party transactions

Year ended March 31, 2024

Type	Name of the company	Location	Capital (Millions)	Voting rights held by the Company	Description of the business relationship	Transaction detail	Transaction amount (Millions)	Account item	Ending balance (Millions)
Associate	Pan Pacific Copper Co., Ltd.	Minato-ku, Tokyo	¥5,000	32.2%	Production and selling products related to copper refining and smelting business	Mainly sales of products	¥23,783 * 1	Account Receivable	¥4,664
						Guarantees of bank loans	¥32,151 * 2		

- * 1. Sales and purchases of products and other items are determined by taking into consideration the equivalent market prices for arm’s length transactions.
- * 2. The Group guarantees for loans, etc., from financial institutions, etc.

Year ended March 31, 2025

Type	Name of the company	Location	Capital (Millions)	Voting rights held by the Company	Description of the business relationship	Transaction detail	Transaction amount (Millions)	Account item	Ending balance (Millions)
Associate	Pan Pacific Copper Co., Ltd.	Minato-ku, Tokyo	¥5,000	32.2%	Production and selling products related to copper refining and smelting business	Mainly sales of products	¥31,511 * 1	Account Receivable	¥6,215
						Guarantees of bank loans	¥26,155 * 2		

- * 1. Sales and purchases of products and other items are determined by taking into consideration the equivalent market prices for arm’s length transactions.
- * 2. The Group guarantees for loans, etc., from financial institutions, etc.

(b) Summarized financial information of significant associate

The summarized financial information of significant associate, Pan Pacific Copper Co., Ltd. for the years ended March 31, 2024 and 2025 were as follows:

Pan Pacific Copper Co., Ltd.			Millions of yen
	2024	2025	
Total current assets	¥493,868	¥505,708	
Total non-current assets	2,398	3,395	
Total current liabilities	408,515	408,978	
Total long-term liabilities	286	290	
Total net assets	87,463	99,835	
Net sales	1,152,917	1,325,159	
Profit before income taxes	9,181	13,388	
Profit	6,050	9,251	

26. Asset Retirement Obligations

Years ended March 31, 2024 and 2025

Asset retirement obligations that are recorded in the consolidated balance sheet

(a) Overview of asset retirement obligations

- Obligation to restore a closed mine to its original state required by the Mine Closure Law
- Obligation to eliminate asbestos caused by dismantling a building (business asset) under the Act on Asbestos Health Damage Relief
- Obligation to restore a vacated office or other facility to its original state based on a real estate lease agreement

(b) Basis for calculating amounts of the asset retirement obligations

(Mines)

Compania Minera Santa Luisa S.A. has recognized asset retirement obligations in accordance with International Financial Reporting Standards, by estimating closure costs based on mine closure plans under mine closure legislation and regulations in Peru. With regard to estimate of asset retirement obligations, a discount rate of 4.62~4.73% is used, and the expected period up to payment is based on number of recoverable years from launch of operations and estimated between 1 and 18 years from the next fiscal year.

In addition, during the fiscal year ended March 31, 2025, the Company revised the discount rate and that resulted in increasing of ¥325 million in the balance of asset retirement obligations.

(Asbestos)

The expected periods that removal expenses will occur at the time of dismantling the assets are estimated between in 1 to 31 years depending on each asset. The Companies estimate the amount of asset retirement obligations by using the discount rates which are between (0.13%) and 2.30%.

In the year ended March 31, 2025, the Company gained the ability to reasonably estimate future removal expenses for asbestos building materials, as it obtained new information about these removal expenses. Accordingly, the Company has derived a new estimate of these removal expenses and has recorded the expenses as asset retirement obligations. As a result, the Company additionally recognized asset retirement obligations of ¥5 million.

(Real estate lease agreements)

The companies reasonably estimate the amount of lease deposits from real estate lease agreements that they cannot expect to finally recover, and record the portion of this amount allocated to the fiscal year ended March 31, 2025 as expenses, instead of recording them as asset retirement obligations under liabilities.

The companies use periods of time between 4 and 15 years from the date of occupancy to estimate the amount of the expenses.

The companies estimate the uncollectible amount of lease deposits as ¥291 million in the fiscal year ended March 31, 2025.

(c) Changes in the total amount of these asset retirement obligations in the fiscal years ended March 31, 2024 and 2025

	Millions of yen	
	2024	2025
Balance at the beginning of the fiscal year	¥ 3,796	¥ 3,984
Adjustments due to the passage of time	143	156
Decrease from execution of asset retirement obligations	(266)	(243)
Increase from changes of estimates	(167)	331
Impact of foreign currency translation	479	5
Balance at the end of the fiscal year	¥ 3,984	¥ 4,233

27.Consolidated Statements of Comprehensive Income

Years ended March 31, 2024 and 2025

Amounts reclassified to net income in the current period that were recognized in other comprehensive income in the current or previous periods and income tax and tax effects for each component of other comprehensive income were as follows:

	Millions of yen	
	2024	2025
Net unrealized gains (losses) on securities:		
Increase (decrease) during the year	¥5,087	¥2,176
Reclassification adjustments	(1,238)	(9,380)
Subtotal, before tax	3,849	(7,203)
Tax (expense) or benefit	(1,115)	2,153
Subtotal, net of tax	2,733	(5,050)
Deferred gains (losses) on hedges:		
Increase (decrease) during the year	(3,908)	441
Reclassification adjustments	4,655	1,227
Subtotal, before tax	747	1,668
Tax (expense) or benefit	(201)	41
Subtotal, net of tax	546	1,709
Foreign currency translation adjustments:		
Increase(decrease) during the year	9,649	(768)
Reclassification adjustments	—	—
Subtotal, net of tax	9,649	(768)
Remeasurements of defined benefit plans:		
Increase(decrease) during the year	617	65
Reclassification adjustments	(118)	(48)
Subtotal, before tax	498	16
Tax (expense) or benefit	(194)	56
Subtotal, net of tax	304	73
Share of other comprehensive income of associates accounted for using equity method:		
Increase(decrease) during the year	(11,885)	(6,896)
Reclassification adjustments	11,468	8,101
Subtotal, net of tax	(416)	1,204
Total other comprehensive income	¥12,816	¥(2,830)

28. Significant Subsequent Events

(Transfer of shares of consolidated subsidiary)
The Company resolved to enter into a share transfer agreement to transfer all its shares in Mitsui Kinzoku ACT Corporation (“Mitsui Kinzoku ACT”), its consolidated subsidiary, to HI-LEX CORPORATION at a meeting of its Board of Directors held on May 13, 2025 and concluded a share transfer agreement on the same date.

1. Purpose of transfer of shares

Mitsui Kinzoku ACT is a manufacturer specializing in door-related automotive equipment, including everything from automotive door component products to electric door systems, and it carries out all processes from planning, development, and manufacturing in-house. It boasts a top-class market share globally.

Since 2022, when the 2022-2024 Medium-Term Business Plan started, the Company has been conducting the dynamic management of its business portfolio. It has concentrated its management resources on businesses that expand value, mainly engineered materials, and on businesses that foster value, such as the business creation sector, which is responsible for creating next-generation businesses, while continuing to search for best owners inside and outside the Company, mainly for businesses that rebuild value.

In the automotive industry, CASE and other technological innovations are progressing, and the industrial structure and business environment are changing dramatically. To achieve sustainable growth for Mitsui Kinzoku ACT, the Company recognizes that it needs to respond to changes and enhance the added value it provides as a system supplier.

Similar to Mitsui Kinzoku ACT, HI-LEX CORPORATION is a company that aims to become the world's leading supplier of system products dealing with automobile door-related parts. It has management resources that will help Mitsui Kinzoku ACT respond to environmental changes and achieve further growth. In terms of sales and marketing, Mitsui Kinzoku ACT and HI-LEX CORPORATION can also be expected to mutually complement their sales channels and supply capabilities. From these standpoints, the Company has concluded that it is optimal to transfer all of the shares in Mitsui Kinzoku ACT it holds to HI-LEX CORPORATION.

2. Name of transferee

HI-LEX CORPORATION

3. Schedule of the transfer

October to December 2025 (scheduled)

4. Outline of the subsidiary

(1) Name

Mitsui Kinzoku ACT Corporation

(2) Description of business

Development, manufacturing, and sales of functional parts for automobiles

5. Number of shares to be transferred, shareholding ratio after the transfer, transfer value, and gain (loss) on transfer

(1) Number of shares to be transferred

14,800,000 shares

(2) Shareholder ratio after the transfer

—%

(3) Transfer price (planned)

¥11,300 million

(4) Gain (loss) on transfer

An extraordinary loss of approximately ¥19,700 million (forecast) is scheduled to be recorded in the consolidated statement of income.



Independent auditor’s report

To the Board of Directors of MITSUI MINING & SMELTING Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of MITSUI MINING & SMELTING Co., Ltd. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As described in Note 28 Significant Subsequent Events (Transfer of shares of consolidated subsidiary), the Company resolved at the Board of Directors meeting held on May 13, 2025 to transfer all its shares of Mitsui Kinzoku ACT Corporation, a consolidated subsidiary, and concluded a share transfer agreement on the same date.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of the calculation of the net realizable values used for the valuation of inventories

The key audit matter

MITSUI MINING & SMELTING CO., LTD.
(the “Company”) recognized inventories of ¥179,297 million in the consolidated balance sheet as of March 31, 2025. This amount represented 27% of total assets in the consolidated balance sheet.

As described in Note (Significant accounting estimates), 1. Valuation of inventories to the consolidated financial statements, inventories are stated at the acquisition cost. However, if the net realizable value or the replacement cost is lower than the acquisition cost at the end of the year, inventories are measured at the net realizable value or the replacement cost, and the difference from the acquisition cost is recorded as an expense for the period.

Of these values compared with the acquisition cost in valuation of inventories, net realizable values are calculated based on the most recent actual unit selling prices and the actual selling costs, which reflect the influences of changes in

How the matter was addressed in our audit

The primary procedures we performed to assess the accuracy of the calculation of the net realizable values used for the valuation of inventories are set forth below:

In addition, we engaged the independent auditors of the consolidated subsidiaries of the Company and provided direction, supervision, and review of their work. We also evaluated whether sufficient and appropriate audit evidence had been obtained from the procedures performed.

(1) Internal control testing

Test of the design and operating effectiveness of certain of the Company’s internal controls relevant to the valuation of inventories, with a greater focus on:

- Controls to completely identify inventories to beevaluated; and
- Controls to calculate net realizable values and recognize valuation losses accurately.

quoted market prices of nonferrous metals on actual unit selling prices. Quoted market prices of nonferrous metals are determined based on listed prices on the London Metal Exchange (“LME”) and other international markets (hereinafter, these prices are referred to as the “LME or other market prices”). The LME or other market prices fluctuate under the influences of various factors such as the international supply-demand balance, global political and economic conditions, and speculative trading. Accordingly, any failure in calculating accurate net realizable values reflecting the LME or other market prices, which are used for the valuation of inventories, may have significant effect on valuation of inventories.

We, therefore, determined that our assessment of the accuracy of the calculation of the net realizable values used for the valuation of inventories was of the most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

(2) Assessment of the accuracy of the calculation of the net realizable values

Assessment of the accuracy of the calculation of the net realizable values by performing the following procedures:

- Assessment of the appropriateness of the unit of valuation of inventories determined for each of the categories such as zinc, lead, copper, and catalysts in accordance with the requirements of applicable accounting standards;
- Comparison of the LME or other market prices reflected in the most recent actual unit selling prices, which served as the basis for the calculation of the net realizable values, with the published LME or other market prices;
- Assessment as to whether the net realizable values used for the valuation of inventories were accurately calculated through recalculations; and
- Assessment as to whether valuation losses were recognized accurately and completely by comparing the net realizable values with the acquisition costs.

Other Information

The other information comprises the information included in the Integrated Report but does not include the consolidated financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report. Management is responsible for the other information. The audit and supervisory committee are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit and supervisory committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and network firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 224 million yen and 114 million yen, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroaki Sugiura
Designated Engagement Partner
Certified Public Accountant

Terukazu Nagamine
Designated Engagement Partner
Certified Public Accountant

Yoshimasa Hamada
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 25, 2025

Notes to the Reader of Independent Auditor’s Report:

This is a copy of the Independent Auditor’s Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

ESG data

Governance

Stocks held and balance sheet amount

Classification		FY2023	FY2024
Number of companies	Unlisted	25	25
	Listed	7	4
	Total	32	29
Amount recorded on the balance sheet (millions of yen)	Unlisted	1,869	1,868
	Listed	8,589	985
	Total	10,458	2,853

Employees

Breakdown of consolidated employees by employment status and employment contract type (as of the end of FY2024)

		Male	Female	Total
Open-ended workforce contract	Full-time	9,240	3,323	12,563
	Part-time	12	14	26
	Total	9,252	3,337	12,589
Fixed-term contract	Full-time	346	157	503
	Part-time	81	48	129
	Total	427	205	632
Total		9,679	3,542	13,221
Supervised workers		848	945	1,793
Total workforce		10,527	4,487	15,014

* Since the calculation method is different from the one for temporary employees stated in the annual securities report, the total number of employees is not in accord.

Breakdown of consolidated employees by employment contract (as of the end of FY2024)

	Open-ended workforce contract		Fixed-term contract		Total
	Male	Female	Male	Female	
Japan	5,470	924	331	122	6,847
North America	214	145	0	0	359
South and Central America	603	411	0	0	1,014
Asia	2,919	1,823	96	83	4,921
Europe	46	34	0	0	80
Total	9,252	3,337	427	205	13,221

Breakdown of consolidated employees by position (as of the end of FY2024)

	Under 30 years of age		30-49 years old		50 years of age or over		Total
	Male	Female	Male	Female	Male	Female	
Managerial	2	0	760	132	684	39	1,617
Non-managerial	1,792	611	4,392	2,087	2,049	673	11,604
Total	1,794	611	5,152	2,219	2,733	712	13,221

Percentage of managers holding local nationality in overseas sites (as of the end of FY2024)

North America	79.3%
South and Central America	57.7%
Asia	86.1%
Europe	100.0%
Total	84.4%

New employee hires by region (as of the end of FY2024)

		Under 30 years of age		30-49 years old		50 years of age or over		Total
		Male	Female	Male	Female	Male	Female	
Japan	New hires	145	38	189	74	124	69	639
	Total employees	786	161	2,843	485	2,249	352	6,876
	Rate of hiring	18.4%	23.6%	6.6%	15.3%	5.5%	19.6%	9.3%
North America	New hires	7	0	32	14	34	32	119
	Total employees	13	3	81	51	113	91	352
	Rate of hiring	53.8%	0.0%	39.5%	27.5%	30.1%	35.2%	33.8%
South and Central America	New hires	66	61	58	31	6	6	228
	Total employees	138	151	301	211	149	49	999
	Rate of hiring	47.8%	40.4%	19.3%	14.7%	4.0%	12.2%	22.8%
Asia	New hires	333	181	141	85	6	32	778
	Total employees	839	293	1,896	1,436	221	174	4,859
	Rate of hiring	39.7%	61.8%	7.4%	5.9%	2.7%	18.4%	16.0%
Europe	New hires	10	1	8	4	10	3	36
	Total employees	10	0	15	11	21	23	80
	Rate of hiring	100.0%	-	53.3%	36.4%	47.6%	13.0%	45.0%
Total	New hires	561	281	428	208	180	142	1,800
	Total employees	1,786	608	5,136	2,194	2,753	689	13,166
	Rate of hiring	31.4%	46.2%	8.3%	9.5%	6.5%	20.6%	13.7%

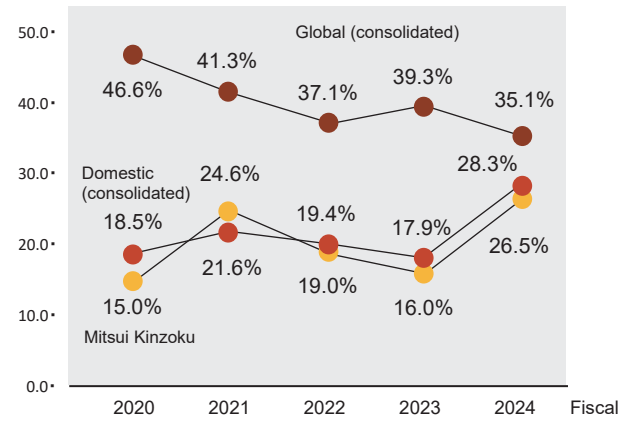
* Since the calculation method is different from the one for consolidated employees, the total number of employees is not in accord.

Employee turnover by region (as of the end of FY2024)

		Under 30 years of age		30-49 years old		50 years of age or over		Total
		Male	Female	Male	Female	Male	Female	
Japan	Departures	35	5	102	20	152	27	341
	Total employees	786	161	2,843	485	2,249	352	6,876
	Turnover rate	4.5%	3.1%	3.6%	4.1%	6.8%	7.7%	5.0%
North America	Departures	3	0	14	5	9	19	50
	Total employees	13	3	81	51	113	91	352
	Turnover rate	23.1%	0.0%	17.3%	9.8%	8.0%	20.9%	14.2%
South and Central America	Departures	47	20	37	19	14	7	144
	Total employees	138	151	301	211	149	49	999
	Turnover rate	34.1%	13.2%	12.3%	9.0%	9.4%	14.3%	14.4%
Asia	Departures	176	153	185	96	38	47	695
	Total employees	839	293	1,896	1,436	221	174	4,859
	Turnover rate	21.0%	52.2%	9.8%	6.7%	17.2%	27.0%	14.3%
Europe	Departures	12	1	10	4	10	3	40
	Total employees	10	0	15	11	21	23	80
	Turnover rate	120.0%	-	66.7%	36.4%	47.6%	13.0%	50.0%
Total	Departures	273	179	348	144	223	103	1,270
	Total employees	1,786	608	5,136	2,194	2,753	689	13,166
	Turnover rate	15.3%	29.4%	6.8%	6.6%	8.1%	14.9%	9.6%

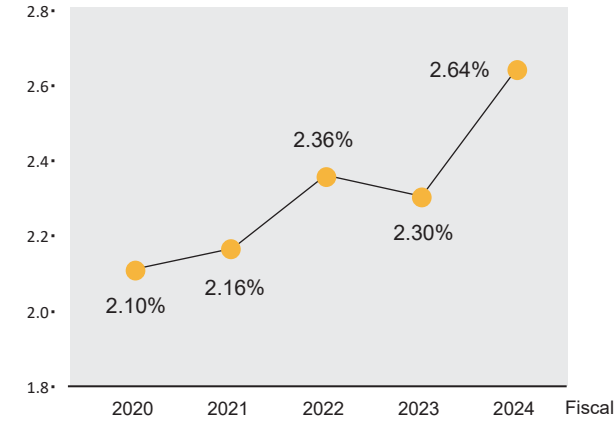
* Since the calculation method is different from the one for consolidated employees, the total number of employees is not in accord. Departures include "retirement at the age limit" and "expiration of contract period".

Proportion of women as a percentage of new hires

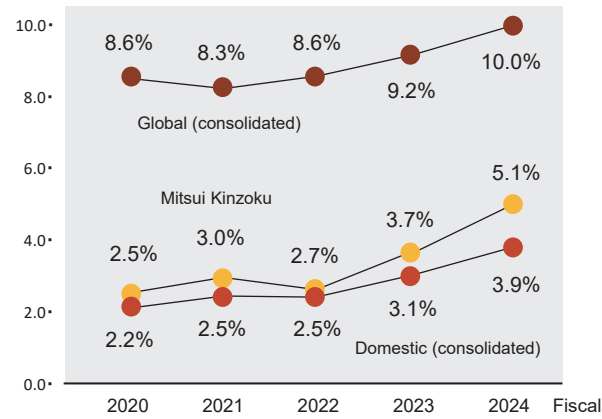


Percentage of employees with disabilities

(Mitsui Kinzoku, Non-consolidated)

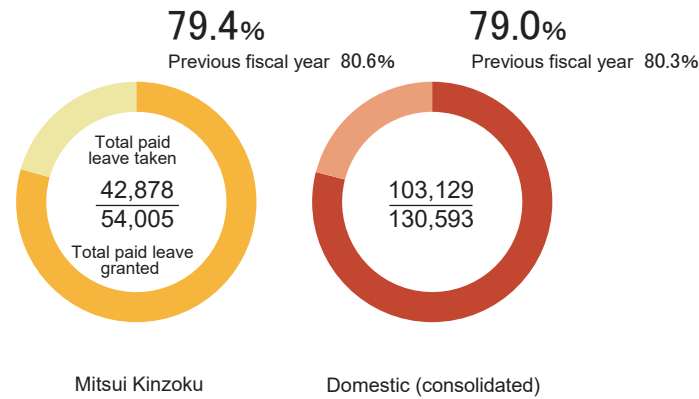


Proportion of women in management positions

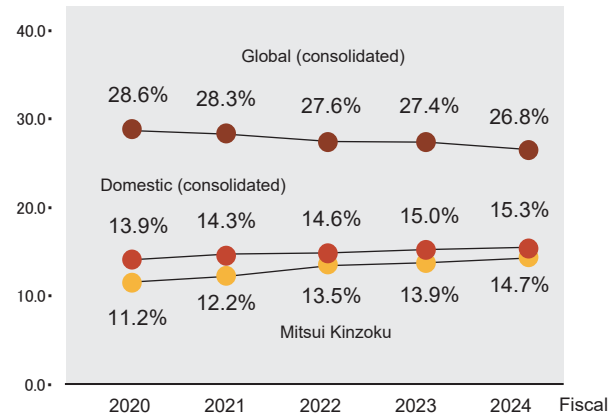


* At Mitsui Kinzoku, the target for "women in management positions" is set as those at the "section manager level" or above, and the values are calculated based on this criterion. For affiliated companies, the values are calculated based on each company's definition of management positions.

Rate of taking paid leave

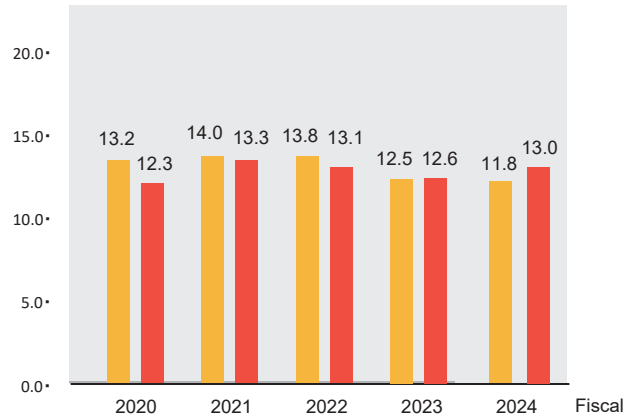


Proportion of women as a percentage of total employees



Overtime hours

[Hours/month per employee]



Parental leave

		FY2022		FY2023		FY2024	
		Employees that entitled to leave	Employees that took leave	Employees that entitled to leave	Employees that took leave	Employees that entitled to leave	Employees that took leave
Mitsui Kinzoku	Male	71	6	71	30	58	31
	Female	15	15	11	11	5	5
	Total	86	21	82	41	63	36
Domestic (consolidated)	Male	175	21	140	62	132	66
	Female	19	18	21	21	11	11
	Total	194	39	161	83	143	77

* The definition for 'employees that took leave' has changed since the FY2024 performance.
Employees that took leave: Employees that took parental leave in the relevant fiscal year among those eligible for such leave.

Return to work and retention rates after parental leave

		FY2022			FY2023			FY2024		
		Ended	Returned	Retired	Ended	Returned	Retired	Ended	Returned	Retired
Mitsui Kinzoku	Male	7	7	0	26	26	2	28	28	0
	Female	14	14	0	13	13	0	12	12	0
	Total	21	21	0	39	39	2	40	40	0
Domestic (consolidated)	Male	21	21	2	51	51	2	62	62	0
	Female	20	20	0	13	13	0	15	15	0
	Total	41	41	2	64	64	2	77	77	0

* Ended: Employees whose parental leave ended. Returned: Employees that returned to work after ended.
Retired: Employees that separated from employment in twelve months after returning.
The FY2023 performance has been updated from the data disclosed last year, incorporating the number of employees who had retired in FY2024 after returning.

Wage gap between male and female workers

FY2024	All workers	Of which, regular workers	Of which, part-time and fixed-term workers
Mitsui Kinzoku	68.2%	70.9%	53.1%
Domestic (consolidated)	66.5%	72.0%	56.8%

* Calculated based on provisions in the Act on the Promotion of Women's Active Engagement in Professional Life.

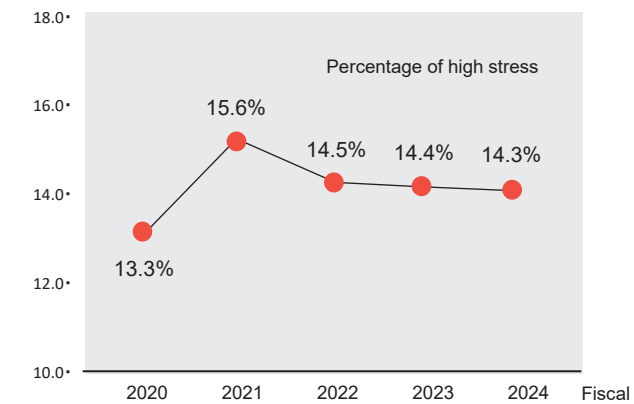
Female workers are paid less than male workers, which is attributable principally to the smaller percentage of women in management positions and to the average length of service of women being shorter than that of men (by about seven years).

Average years of employment by gender

FY2024		All workers	Of which, regular workers	Of which, part-time and fixed-term workers
Mitsui Kinzoku	Male	14.7	15.3	7.1
	Female	7.1	7.6	3.1
	Total	13.6	14.3	6.1
Domestic (consolidated)	Male	15.1	15.2	14.1
	Female	8.3	8.4	5.0
	Total	14.1	14.3	11.6

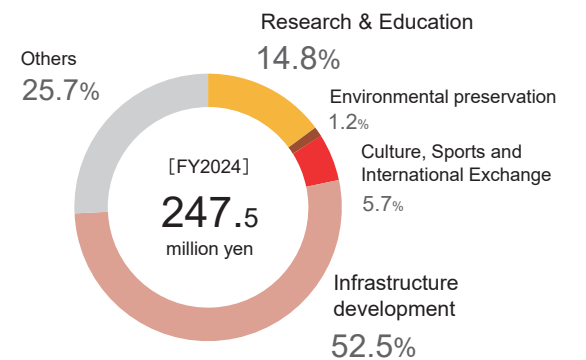
Results of stress check (Percentage of high stress)

(Target: Directly hired employees of Mitsui Kinzoku and the domestic consolidated subsidiaries, including expatriate workers)



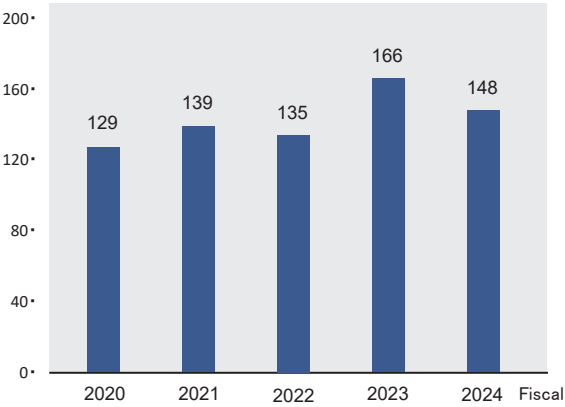
Contributing to communities

Mitsui Kinzoku Group breakdown of the amount

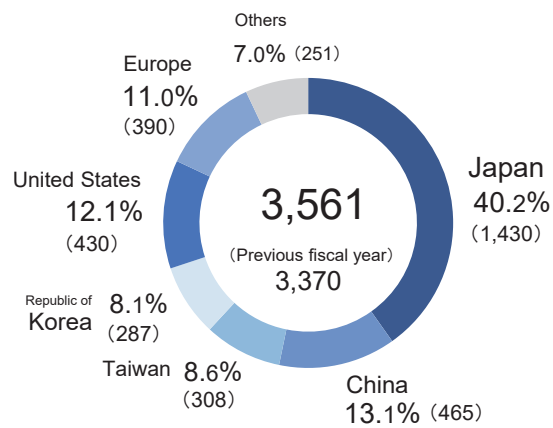


Intellectual property

Number of patent family applications

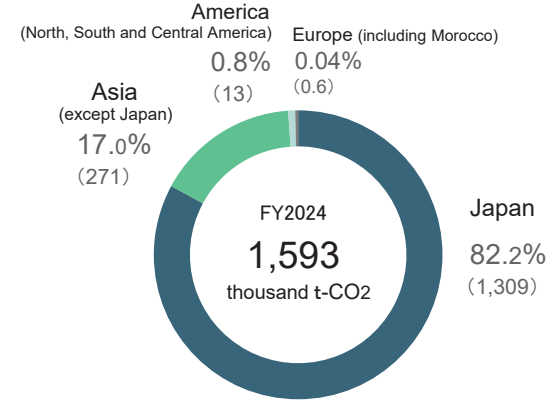


Number of patents registered globally

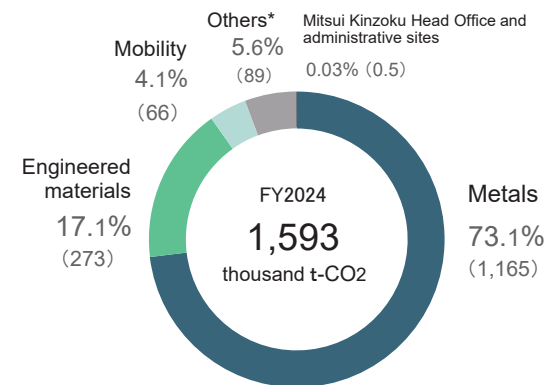


* Numbers as of the end of March 2025.

Breakdown of CO2 emissions by region



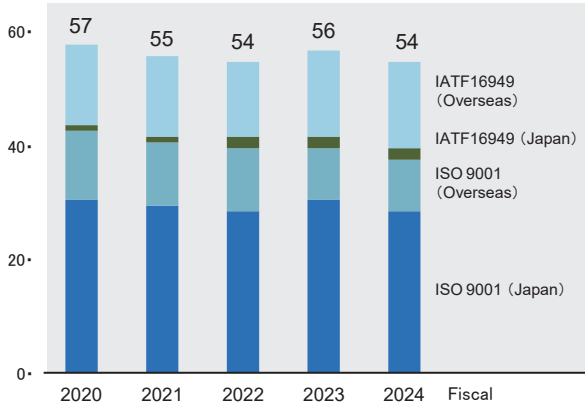
Breakdown of CO2 emissions by business unit



* Including the organizations under the Business Reconstruction Office of the Corporate Planning Department, and the Business Creation Sector.

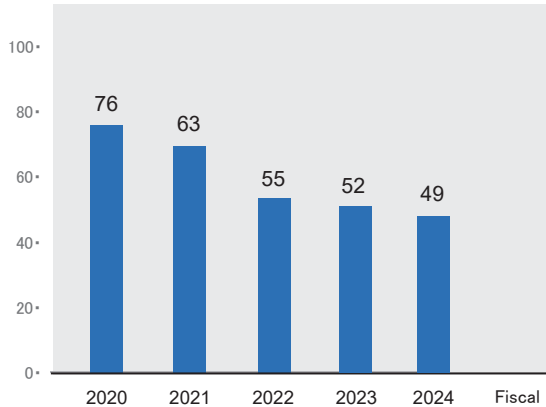
Quality assurance

Number of operating sites with certifications



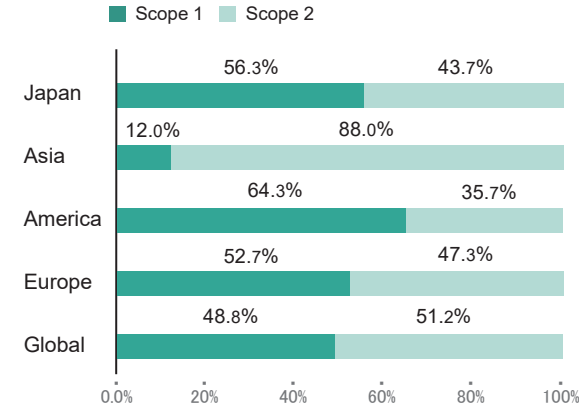
* The number of target sites decreased in FY2024 due to business transfer.

Number of claims at sites that hold QA meetings

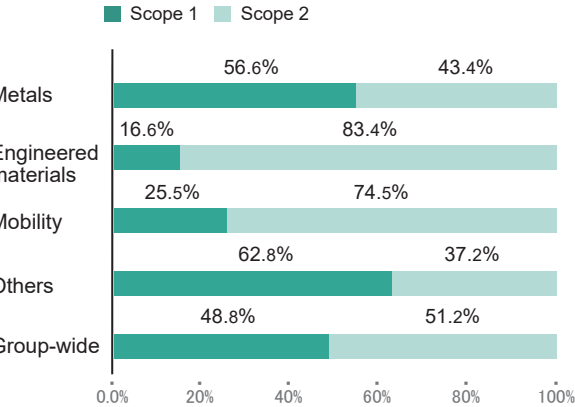


* The values expressed as relative values, with the data of FY2013 being 100.

Breakdown by scope of CO2 emissions by region

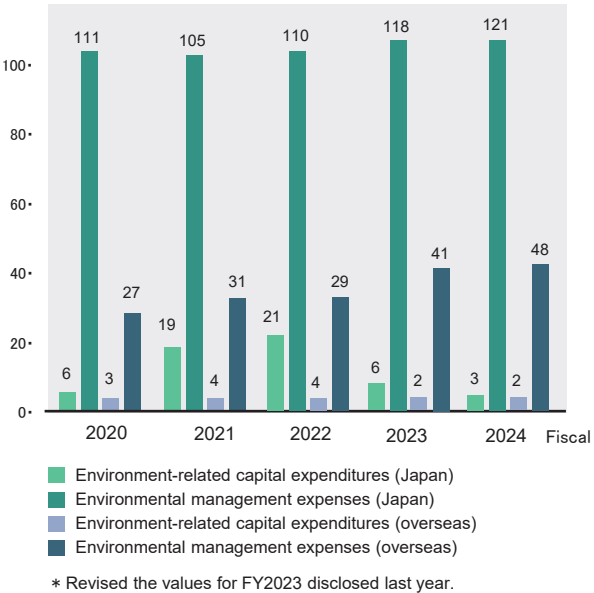


Breakdown by scope of CO2 emissions by business unit



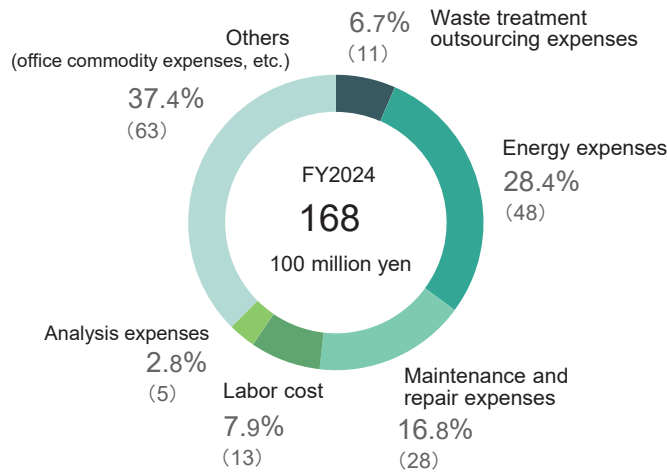
Environment

Environment-related capital expenditures and environmental management expenses (Hundred million yen)

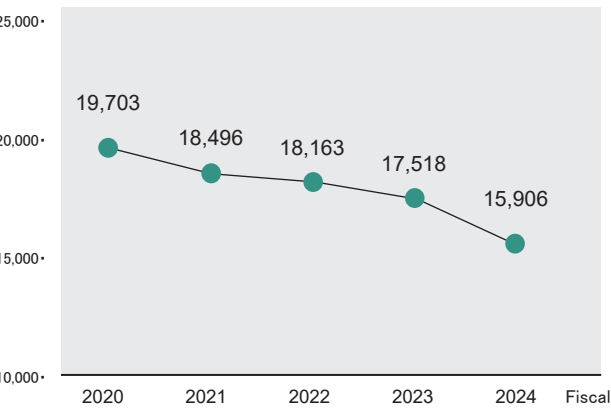


* Revised the values for FY2023 disclosed last year.

Break down of environmental management expenses

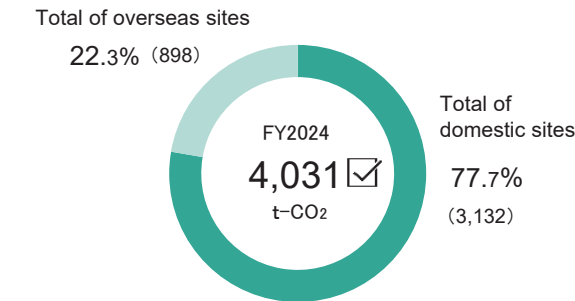


CO2 emissions in logistics (Non-consolidated, t-CO2/year)



* Up to FY2021, the scope of data calculation covered the transportations designated as Specified Consigner by the Act on the Rational Use of Energy. Data for FY2022 onwards was obtained from the calculations made for the Category 4 boundary of Scope 3.

CO2 emissions by waste treatment (Category 5 of Scope 3)



* Calculation performed in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver.2.6), using the emission factors by waste type/disposal method (excluding the waste transportation process) in the Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver.3.4) and IDEA ver.3.4.

* We have received an independent practitioner's assurance for the figures for FY2024 in this information to which ☒ is attached.

Corporate profile and Stock information

(as of March 31, 2025)

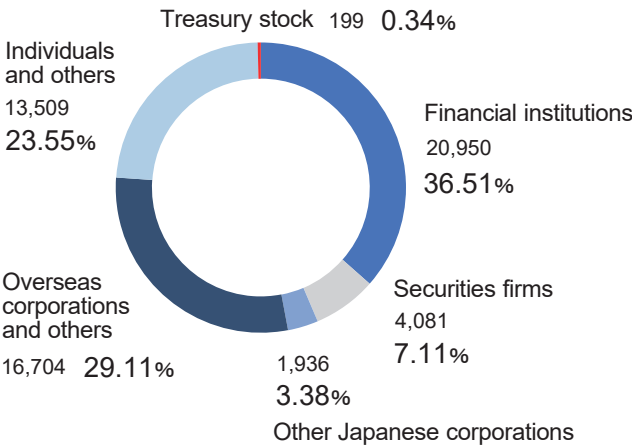
Corporate profile

Company name	MITSUI MINING & SMELTING CO., LTD.
Established	May 1, 1950
Paid-in capital	42,289 million yen
Employees	Consolidated 12,097 Non-consolidated 2,473
Subsidiaries and affiliates	Subsidiaries 50 Affiliates 7
Head office	1-11-1 Osaki, Shinagawa-ku, Tokyo 141-8584 Japan Telephone +81-3-5437-8000 Facsimile +81-3-5437-8029

Stock information

Total number of authorized shares	190,000,000 shares
Total number of outstanding shares	57,381,552 shares
Number of shareholders	38,573

Share breakdown (Thousands of shares)



Major shareholders (Top 10)

Shareholder	Number of shares held (Thousands)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Held in trust account)	10,814	18.91
Custody Bank of Japan, Ltd. (Held in trust account)	6,840	11.96
STATE STREET BANK AND TRUST COMPANY 505223	1,554	2.71
Mitsui Kinzoku Employees' Shareholding Association	1,346	2.35
The Nomura Trust and Banking Co., Ltd. (Held in investment trust account)	1,177	2.05
STATE STREET BANK AND TRUST COMPANY 505001	941	1.64
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	880	1.54
JPMorgan Securities Japan Co., Ltd.	850	1.48
Mitsui Kinzoku Business Partners' Shareholding Association	820	1.43
Goldman Sachs Securities Co., Ltd. BNYM	807	1.41

Note: Percentages of shares held are calculated based on the total number of shares issued and outstanding (excluding 199,361 shares in treasury).



(TRANSLATION)

Independent Practitioner’s Assurance Report

August 27, 2025

Mr. Takeshi Nou
President and Representative Director
MITSUI MINING & SMELTING CO., LTD .

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the CO₂ emissions and energy consumption indicated with ☑ for the year ended March 31, 2025 (the “CO₂ Related Information”) included in the “MITSUI KINZOKU Integrated Report 2025” (the “Report”) of MITSUI MINING & SMELTING CO., LTD. (the “Company”).

The Company’s Responsibility

The Company is responsible for the preparation of the CO₂ Related Information in accordance with the calculation and reporting criteria adopted by the Company (indicated with the CO₂ Related Information included in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the CO₂ Related Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (“IAASB”), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company’s methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the CO₂ Related Information is not prepared, in all material respects, in accordance with the calculation and reporting criteria adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner’s Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited