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MITSUI KINZOKU

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MITSUI KINZOKU
Integrated Report 2026

For the year ended March 31, 2026

Drive innovation
and continuously enhance
corporate value
to become a company that
everyone involved can
take Pride in.

About Mitsui Kinzoku Integrated Report 2026

This report describes how Mitsui Kinzoku Group will create economic and social value through the management in our value creation process, focusing on the Medium Term Management 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 FY2025 (April 2025 – March 2026). It also contains details of initiatives prior to that period, and initiatives that are underway for FY2026.

[**Reporting Scope**]
In principle, this report covers Mitsui Kinzoku and its consolidated subsidiaries. Where group companies outside the scope of consolidation are included, the specific scope of coverage is indicated for each relevant item.

[**Caution concerning forward-looking statements**]
In addition to past and present facts about Mitsui Kinzoku Group, 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/

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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.

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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.

Mining and Resource development

1874 Started mining business
Acquired Jabaradaira pit at the Kamioka mine

1968 Started full operation at the Huanzala mine, Peru

1989 Launched a new business of sensing equipment
Developed non-destructive inspection equipment to measure the sugar content of fruits and vegetables by applying technology used for underground resource exploration satellites

2006 Started full-scale operation at the Pallca mine in Peru

2012 Established Mitsui Kinzoku Instrumentations Technology Corporation

Measuring instruments

Copper foils

1959 Started to develop copper foil technology at Takehara refinery plant

1962 Started production of electrolytic copper foil

1968 Started production of copper foil at Ageo

1976 Established Oak-Mitsui Inc. in New York, USA

1980 Established Taiwan Copper Foil Co., Ltd. in Nantou, Taiwan

1989 Established Mitsui Copper Foil (Malaysia) SDN.BHD in Selangor, Malaysia

1991 Established Ageo plant 2

1999 Developed MicroThin™ copper foil with carrier film

2018 Increased production capacity of MicroThin™ to 3.9 million m² per month

Copper

1943

2000 Established Pan Pacific Copper Co., Ltd. jointly with Nippon Mining & Metals Co., Ltd.

2020 Established Hibi Smelting Co., Ltd.

Sputtering targets

1977 Started development of transparent conductive thin films at the Central Research Laboratory

1985 Started production of ITO target
Started mass production of PVD material at Miike rare metal plant

1989 Developed high density ITO

2000 Established Mitsui Electronic materials Co., Ltd. in Taichung, Taiwan

2005 Established the bonding factory in Pyeongtaek, South Korea

2013 Established the mass production process of IGZO, a next-generation oxide semiconductor material

Rare metals

1963 Started rare metal business
Started production of Cerium oxide abrasive for glass substrate

1966 Started production of rare earths at Nippon Yttrium Co., Ltd.

Catalysts

1970 Started to supply battery materials
Started production of electrolytic manganese dioxide(EMD) at Takehara refinery plant

1976 Started to develop exhaust gas detoxifying catalysts technology at the Central Research Laboratory

1981 Sold Catalysts to Japanese automakers

2006 Started operation at Kamioka catalyst plant

2018 Established catalyst manufacturing plant in Zhuhai, China

2016 Expanded the catalyst production capacity for automobiles at the five overseas sites

Battery materials

1972 Started production of battery-use zinc powder at Kamioka mining plant

1990 Started production of hydrogen storage alloy at Takehara refinery plant

2016 Developed solid electrolyte for next-generation lithium-ion batteries

Zinc and Lead

1913 Started zinc smelting
Launched Omuta zinc smelting plant

1943

1949 Completed Zinc electrolytic plant at Kamioka

1958 Started production of Cadmium oxide for nickel-cadmium battery at Hikoshima smelting plant

1993 Started operation at new Zinc electrolytic plant in Kamioka

1995 Started full operation of recycle-smelting of lead from waste batteries at Kamioka

Die casting

1953 Started Die-casting business
Established Showa Die-Cast Co., Ltd.

1962 Established Die-casting division

1966 Started production of latches for automobile
Started technological partnership with Wilmot Breeden of the U.K. for automotive door latch production in 1965

1987 Established GECOM Corp. in Indiana, USA

1989 Established automotive parts division

2014 Established Mitsui Kinzoku Die-Casting Technology Co., Ltd.

Automotive parts

1995

2010 Integrated automotive parts division and Ohi Seisakusho Co., Ltd., and established Mitsui Kinzoku ACT Corporation

2025 Business divestiture

Rolled copper and brass

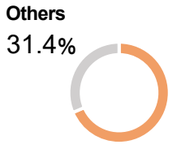
1951 Started rolled copper business
Acquired Ohji plant from Special Alloy Co., Ltd. and established Ohji Metals Co., Ltd.

1962 Established rolled copper division

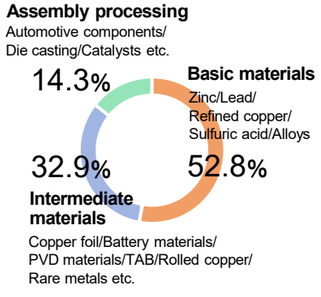
1989 Established MITSUI SIAM COMPONENTS CO., LTD. in Thailand

2010 Integrated rolled copper business with that of Sumitomo Metal Mining and established Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.

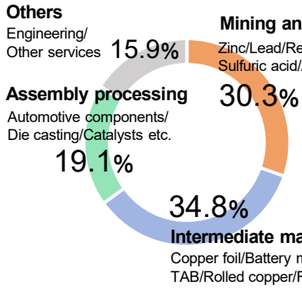
Sales breakdown in FY1960
¥29.5 billion
∗ Non-consolidated sales



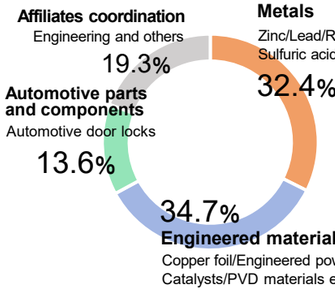
Sales breakdown in FY1990
¥269.6 billion
∗ Excludes sales of gold bullion from the financial statement values of that time.
∗ Business segments are shown in the segments at that time.



Sales breakdown in FY2000
¥423.7 billion
∗ Business segments are shown in the segments at that time.



Sales breakdown in FY2020
¥522.9 billion
∗ Business segments are shown in the segments at that time.

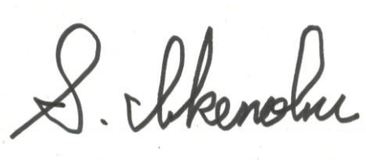




Drive innovation and continuously enhance corporate value to become a company that everyone involved can take pride in.

This is “My Purpose” as President.

President and Representative Director



Ikenobu Seiji

＜Profile＞

April 1995	Entered the Company
June 2013	General Manager of Technical Planning Group, Technology Management Division, Metals, Minerals & Environmental Engineering Sector
January 2015	General Manager of Ageo Copper Foil, Strategic Production Planning Department, Copper Foil Division, Engineered Materials Sector
April 2016	General Manager of Business Planning Group, Metals Sector
April 2020	General Manager of Business Planning Group, Metals Sector, Deputy General Manager of Copper & Precious Metals Division, Metals Sector, General Manager of Business Development Department, Metals Sector
April 2021	Executive Officer, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
April 2023	Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
June 2023	Director, Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
April 2024	Managing Director, Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector
April 2025	Representative Director, Executive Vice President, Senior General Manager of Corporate Planning & Control Sector
April 2026	President and Representative Director

I led the introduction of “My Purpose” as a way to embed our Purpose throughout the Group. I was the first to create one. To be honest, it was not particularly well received at first. However, precisely because I devoted a considerable amount of time to thinking it through in my own way, I would like to clearly convey my thoughts behind it.

To me, Mitsui Kinzoku is a company that has continuously created new value, one after another, by starting from both materials themselves and the functions sought by customers. The Company has assets that enable it to work with more than 30 elements, as well as the development and manufacturing capabilities to make effective use of those assets. I am convinced that significant potential remains not only within the core businesses that currently support the Company’s earnings, but also in areas beyond them. That is precisely why, by 2030, I want the Company to be in a state where it can truly continue creating new businesses and products, one after another.

I deliberately use the word “state” here because our goal is not merely to achieve numerical targets. What matters is building, by 2030, a state in which new businesses and products continue to emerge and an organizational foundation in which such challenges arise naturally. To achieve this, I intend to work backward from that goal and clarify what additional measures should be taken under our 2025–2027 Medium Term Management Plan (25–27 MTP) and what should be done under the subsequent 28–30 MTP.

What I am aiming for is not merely the end result of a higher market capitalization. Enhancing corporate value is, of course, important, but I see it not as the goal itself, but as the outcome of following the right process. Through that process, I want to enhance the Company’s corporate value and make Mitsui Kinzoku a company that employees and their families, local communities, shareholders, and business partners feel glad to have been involved with. I worked together with former President Nou to formulate and execute both the 22–24 MTP and the 25–27 MTP. Accordingly, the Company’s policies will not suddenly change significantly simply because the President has changed. Rather, building on the thinking developed thus far, I intend to continue pursuing Purpose-driven management consistently.

The phrase “a spirit of exploration and diverse technologies” in our Purpose embodies the concept of “ambidexterity.” No matter how difficult the circumstances, we never stop pursuing “exploration,” namely, research and development. At the same time, in our existing businesses, particularly Engineered Materials, we leverage our exceptionally strong technological and manufacturing capabilities to achieve steady growth. We clearly declare our commitment to pursuing growth through these two engines. The phrase “the well-being of the world” in our Purpose expresses our determination to sustainably enhance corporate value by pursuing both economic and social value.

The central message of the Vision established on the basis of this Purpose is to “contribute to the future with our Material Intelligence.” What we value is not short-term profit, but medium- to long-term corporate value. To achieve this, we aim to be a company that does not depend on any single product or business, but continues to create new things one after another. We also seek not merely to develop individual technologies and businesses independently, but to combine them and create synergies in which one plus one produces value equivalent to three or even five. My goal is to evolve Mitsui Kinzoku into a company where such creation occurs continuously.

Elevating the Copper Foil business to its next stage of growth

We hold briefings several times a year for investors and analysts to explain the status of our businesses and other matters, and I also speak at these briefings. Regardless of the agenda, we receive many questions about the Company’s Copper Foil business. I would therefore like to begin by discussing copper foil.

The Company’s Copper Foil business has clearly entered its next stage of growth. At its core is the well-known MicroThin™. Monthly production capacity has now expanded to 4.9 million square meters, and through further investment in our copper foil plant in Malaysia, we are considering establishing a production structure in which output is divided almost equally between Japan and Malaysia. This is not simply an expansion of capacity. It is an effort to strengthen the foundation needed to reliably supply a continuously growing market and consistently meet demand with stable quality. MicroThin™ already holds an overwhelming 97% share of the global market. Precisely for that reason, rather than becoming defensive, we must further solidify this advantage. If we allow our competitive advantage to erode even once, our presence in the market will be significantly diminished. We do not take that risk lightly. Failing to keep supply in step with growing demand would result in the greatest possible loss of opportunity.

Accordingly, rather than being bound by the MTP as originally formulated, the Company continuously discusses how to secure the necessary capacity and prepares appropriate measures, while also anticipating the possibility of stronger-than-expected demand. Although there is currently no risk of supply disruptions, we are continuing to improve capacity through measures that do not require capital investment. Should demand grow further beyond monthly production capacity of 5.6 million square meters, we are prepared to make larger investment decisions without hesitation. What matters is keeping pace with market growth and, above all, continuing to supply products of consistent quality.

In terms of pricing as well, the days when a single price revision was sufficient are over. We are shifting to a structure that enables us to continuously secure pricing commensurate with the value we provide. This represents one of the major changes in the way we operate the business.

At the same time, we are not only expanding MicroThin™, but also making a determined effort to develop the next drivers of growth. At the forefront of these efforts is VSP™. VSP™ is a strategic product that most clearly demonstrates the Company’s development and manufacturing capabilities in the high-grade and super-high-grade segments. In particular, our ability to consistently manufacture high-quality products in lengths of around 4,000 meters is a major strength. However, our goal is not merely to supply high-quality products. We aim to raise our development and manufacturing capabilities to a level at which the market recognizes that, in the super-high-grade segment, Mitsui Kinzoku is the only choice.

The key to success for VSP™ is clear: over the coming year, we must determine whether it truly has a path to success and demonstrate its competitive advantage. The key lies in the multiplier effect created by combining our development and manufacturing capabilities. Ultimately, it was the strength of this combination that enabled MicroThin™ to earn the trust of the market. The question is whether we can achieve the same with VSP™. We are already seeing encouraging signs, and we believe the likelihood of success is quite high. That is precisely why allowing repeated discussions to delay decision-making would itself pose a risk. I understand the cautious views arising from past experience. However, what we should truly be wary of now is missing a compelling product opportunity. The market may be expanding, yet we may fail to fully capture that growth because of insufficient capacity or delayed decisions. That is the outcome we must avoid above all else.

We are currently establishing a production structure for VSP™ with an annual capacity of approximately 1,200 tons. However, should market expansion or the pace of market share gains exceed our expectations, additional investment ahead of schedule would naturally come under consideration. Viewed against overall demand, our supply capacity is not yet sufficient. For the time being, we will prioritize high-grade products from the standpoint of product mix, but we do not intend to stop there.

Increasing capacity by 50% is one possible benchmark, but we are not limiting ourselves to that level. Instead, we are considering multiple options to implement the most appropriate strategy. While it is only natural that we will deepen these discussions in the course of implementing the MTP, we are already accelerating them with a sense of urgency over whether waiting for that process would truly allow us to act in time.

The investment approach for the Copper Foil business as a whole is also at a turning point. Until now, we have expanded production while keeping investment to a minimum and maintaining a strong focus on ROIC. That approach remains important. However, if demand rises further beyond our expectations, simply extending our conventional approach will not be sufficient. Our existing capacity is already close to fully utilized, and securing additional capacity beyond that has become a management priority. There is no single option. We are not ruling out M&A, and we are also considering constructing our own facilities and making large-scale investments with medium- to long-term growth in mind.

What matters is not dismissing an optimistic scenario as mere wishful thinking. Waiting until demand materializes would be too late. It is precisely by preparing now that we can fully capture the opportunities for growth.

We also see significant potential in FaradFlex®. This is an area with relatively limited competition, and the quality of our marketing efforts is steadily improving. I saw clear evidence of this progress firsthand during my visit to the United States. Going forward, we will further strengthen digital marketing and grow the business through the twin engines of product development and market development. If we determine that we can compete successfully in this area as well, we should consider expanding capacity without hesitation.

On the other hand, we do not invest in every area in the same way. In business areas other than copper foil, some markets are more intensely competitive, with numerous competitors, and require more time to establish a clear path to success. In such areas, we make investment decisions while assessing ROIC more carefully than ever. In other words, our approach to investment is not uniform: we invest boldly in areas where we can win and proceed cautiously in areas that require further evaluation. We believe that this differentiated approach will be essential to management going forward.

Our priorities for the Copper Foil business are clear. First, we firmly defend the overwhelming competitive advantage of MicroThin™ and reliably meet expanding demand. Second, we quickly determine whether VSP™ has a path to success in the super-high-grade segment and, once we conclude that it can win, invest decisively. Third, we lay the groundwork early in areas such as FaradFlex® that can become the next pillars of growth. In areas that must be defended, we ensure sufficient supply capacity and uncompromising quality. In areas where we should go on the offensive, we use our development and manufacturing capabilities to capture the market. With this determination, we will elevate the Copper Foil business to its next stage of growth.

Evolving into a high-value-added business in the era of resource circulation

Our approach to the Metals business is equally clear. As is well known, this business is highly volatile and significantly affected by market conditions and exchange rates. Precisely for that reason, however, we must not allow it to remain at the mercy of the external environment. For the Company, the Metals business must not merely ride economic and market cycles. It must support the Company's business foundation by consistently generating at least 20.0 billion yen in cash annually. We clearly position that level not as a mere aspirational target, but as a role the Metals business is expected to fulfill.

At the core of this approach is recycling-based smelting. We believe that the Company has one of the strongest competitive positions in this field in Japan. In particular, one of our major strengths is the steady progress we have made in developing the capability to process various impurities that previously could only be discarded. As resource constraints intensify and the transition to a circular economy accelerates, the ability to transform raw materials and recycled materials containing such impurities into valuable resources will determine future competitiveness. We see significant opportunities in this area.

Of course, we cannot accurately predict future exchange rates or metal prices. At times, market conditions may provide a tailwind, while at others, we may face headwinds. However, that does not mean we intend to stand by and do nothing. Precisely because the external environment is uncertain, our basic policy is to evolve the Metals business into one that can reliably capture earnings opportunities under favorable conditions and generate solid profits even under normal market conditions. To achieve this, we must ensure stable operations, further strengthen our capacity to process impurities, and reinforce the earnings base centered on recycling-based smelting. We will evolve the Metals business beyond a conventional smelting operation into a high-value-added business for the era of resource circulation.

In strengthening the value of the Metals business, it is also important to determine what materials to recover and where to differentiate ourselves. Under the current MTP, the recovery of tin, antimony, and bismuth has been identified as a material issue for the Metals business. This is not merely a matter of recovery volumes. It represents our commitment to reliably recover resources of high social importance through our technologies and operational capabilities and translate this recovery into both earnings and social value. Expanding both the range of metals we can recover and our recovery capabilities directly strengthens the competitive advantage of the Company's Metals business.

We also closely scrutinize the ROIC of this business. Precisely because earnings in the Metals business fluctuate significantly depending on market conditions, it is not enough for the business to generate profits only under favorable conditions. Even under the exchange-rate and metal-price assumptions used in the previous MTP, we aim to raise ROIC to at least 9% to 10%. If current metal prices and an exchange rate of around 155 yen to the U.S. dollar were to continue, ordinary profit would reach approximately 60.0 billion yen and ROIC would exceed 20%, making the Metals business extremely profitable. However, those figures merely reflect favorable external conditions and do not represent what we are fundamentally seeking to achieve.

The business we should truly aim to build is one that can maintain ordinary profit of 20.0 billion yen in 2030 and raise ROIC to 9% to 10%, even under the assumptions used in the previous MTP. In other words, we must establish a structure that can generate solid earnings even under normal market conditions, without depending on the external environment. To achieve this, we do not intend to pursue production volume growth alone. What matters is building an industry-leading system for securing recycled raw materials. The key to achieving both stronger earnings and greater capital efficiency lies in securing a stable supply of high-quality raw materials and developing the capability to handle difficult-to-process raw materials.

In other words, success in the Metals business depends not on how much we produce, but on which raw materials we secure, how favorably we secure them, and how much value we can extract from them. By further strengthening these capabilities, we aim to build a business structure capable of achieving double-digit ROIC even under normal market conditions. If the current external environment continues, it is also entirely possible to elevate the business to one capable of sustaining ROIC at around 20%.

We do not view the Metals business as merely one that moves in line with market conditions. Centered on recycling-based smelting, we will thoroughly strengthen stable operations, impurity-processing capabilities, raw material procurement capabilities, and capital efficiency, transforming it into a resilient business capable of navigating economic and market cycles. It must generate substantial earnings in favorable conditions and, when headwinds arise, continue to generate cash steadily while withstanding them. Evolving the Metals business to that level is both our responsibility and a key pillar of our growth strategy.

A means to enhance corporate value and achieve sustainable growth

We have significantly changed our fundamental approach to the business portfolio. Over its 150-year history, Mitsui Kinzoku has developed and sustained many businesses. At the same time, it is also true that the Company traditionally had a culture of caution toward divesting businesses it had built up. However, retaining businesses must not become an end in itself. Because management resources are finite, both cash and human resources must be concentrated in the areas with the greatest potential to enhance future corporate value. This is now our clear policy. Under the leadership of the former President, we put this approach into practice and carried out the sale of five Group companies. This was not merely a portfolio restructuring measure, but a strategic step toward the next stage of growth.

The areas in which we are now concentrating our management resources are clear. One is the Engineered Materials Sector, which has a high ROIC spread and offers the potential for multiple expansion in the future. The other is the Business Creation Sector, which nurtures the seeds of future growth even if it does not currently contribute to earnings. We see these two areas as the drivers of Mitsui Kinzoku's next stage of growth. Put differently, this means continuing to dynamically review the overall portfolio so that sufficient resources can be allocated to these areas.

The Metals Sector provides the foundation that supports these efforts. The Metals business is responsible for securing stable earnings centered on recycling and is steadily executing its plan. Currently, favorable exchange rates and metal prices are also strengthening its cash-generating capacity. However, we do more than simply recognize these tailwinds as a source of temporary profits. We direct the cash generated by this business toward future growth businesses. This is our basic approach to capital allocation. From the perspective of value expansion, the greatest risk is becoming overly cautious and missing opportunities. That is why we are engaged in serious internal discussions, including on expanding production capacity.

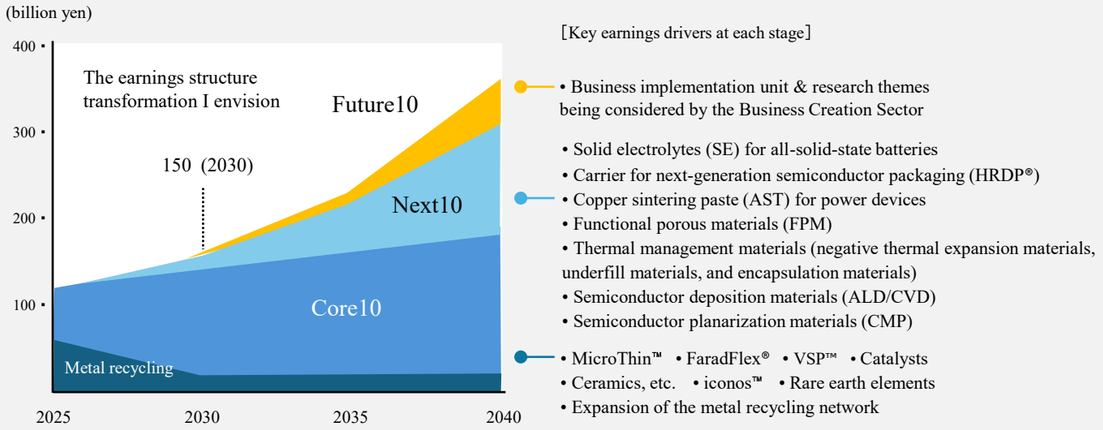
As noted earlier, the Company is often viewed as a copper foil company. However, Mitsui Kinzoku possesses unique and significant technological potential that has yet to be fully recognized by the market. Multiple technology themes, including iconos™ and HRDP, have already begun moving toward commercialization. More recently, the Engineered Materials Sector established the Kyushu Advanced Materials Development Center. This is not simply about strengthening research. It is an organizational initiative by the Sector to deliberately nurture technologies into businesses that can become the next pillars of growth and to accelerate their commercialization.

For solid electrolytes for all-solid-state batteries, which are being developed by the Business Creation Sector, customers have already decided to adopt them for mass production. We will steadily proceed with investment toward 2027. Multiple adoption projects are also beginning to take shape in the Functional Porous Materials business. What matters is not viewing these as a series of isolated projects. We intend to develop them as clusters. Our aim is to have each cluster generate ordinary profit of around 10.0 billion yen. We will pursue research and development on that basis and launch growth businesses one after another. Establishing this mechanism is central to achieving sustainable growth at Mitsui Kinzoku.

Another important means of supporting this portfolio transformation is buy-side M&A. Under the previous MTP, we first worked to help M&A professionals gain a deeper understanding of Mitsui Kinzoku. There are relatively few professionals who have an in-depth understanding of the materials industry and can truly understand an M&A strategy suited to a company of our scale. Although this process took time, their understanding of Mitsui Kinzoku has deepened significantly over the past three years covered by the previous MTP, and we have now built strong relationships with them. In other words, the foundation needed to begin seriously evaluating potential M&A transactions has steadily taken shape.

However, we do not intend to make M&A an end in itself. The areas in which the Company seeks growth naturally command high valuation multiples. Pursuing acquisitions therefore means confronting opportunities with high EBITDA multiples and markets with elevated valuations. What matters in such cases is not the acquisition itself, but whether the Company can create value beyond the price paid. From the perspective of ROIC-based management, we must always objectively compare whether it would be better to invest organically or accelerate growth through acquisition. The fact that the number of M&A transactions executed to date remains limited reflects our careful assessment of the likelihood that each opportunity will generate value.

We have allocated additional personnel to advance M&A activities and secured the necessary budget. If M&A is the means that contributes most to improving ROIC, we pursue it without hesitation. Conversely, if organic investment can create greater value, we allocate that budget to organic growth. In other words, we are committed neither to M&A nor to organic investment as a predetermined course. We always select the optimal means solely from the perspective of maximizing corporate value.



[Key earnings drivers at each stage]

• Business implementation unit & research themes being considered by the Business Creation Sector

• Solid electrolytes (SE) for all-solid-state batteries
• Carrier for next-generation semiconductor packaging (HRDP®)
• Copper sintering paste (AST) for power devices
• Functional porous materials (FPM)
• Thermal management materials (negative thermal expansion materials, underfill materials, and encapsulation materials)
• Semiconductor deposition materials (ALD/CVD)
• Semiconductor planarization materials (CMP)

• MicroThin™ • FaradFlex® • VSP™ • Catalysts
• Ceramics, etc. • iconos™ • Rare earth elements
• Expansion of the metal recycling network

What we aim to become is not a company that simply maintains a portfolio of businesses as an extension of the past. Rather, we aim to establish a solid foundation of businesses that generate stable cash, boldly reallocate that cash to areas with high growth potential and capital efficiency, and create new business clusters one after another. We protect the businesses that must be protected, but, even more importantly, commit resources decisively to the businesses that should be grown. Managing the business portfolio with this clear differentiation is the management intent that now guides Mitsui Kinzoku.
We are not afraid of change. Rather, we seek to create change ourselves. Business divestitures, growth investments, and M&A are all means of maximizing corporate value. Going forward, Mitsui Kinzoku will evolve from being merely a materials manufacturer into a company capable of continuously creating highly profitable businesses based on its proprietary technologies. To achieve this, we will move with greater speed than ever before in allocating the necessary resources and making and executing decisions.

Foundations supporting integrated thinking-based management

For the Group, human capital is an especially important management foundation among all forms of capital. That is why we position human capital initiatives not as a collection of individual measures, but as a core theme for enhancing corporate value. One symbolic focus is the promotion of diversity. One key indicator of this effort is the proportion of women in managerial positions, which we are working to increase. Historically, the proportion of women in managerial positions remained low because the percentage of women hired was limited and the pool of potential management candidates was not sufficiently broad. Through sustained initiatives, however, we are now on track to exceed 5% ahead of schedule. We will continue to build on this momentum and steadily work toward achieving our target of 10% by 2030.
In terms of transforming the way we work, we have also promoted initiatives to encourage male employees to take childcare leave under the leadership of the former President. We set an ambitious target of 85%, and achieving it in FY2025, significantly ahead of schedule, demonstrates the progress the Group has made in changing employees' mindsets and embedding the relevant policies and practices throughout the organization. These initiatives are not intended merely to establish systems and policies. They aim to foster an organizational culture in which everyone can continue working and more readily realize their full potential.
Among these initiatives, the area we intend to focus on most strongly going forward is enhancing employee engagement. We measure this using a specific indicator known as "Iki-iki Active Engagement," make the results visible, share them throughout the Company, and use them to drive improvement. We believe that creating an environment in which each employee can work with a positive mindset and find meaning and a sense of growth in their work will maximize the strength of the organization as a whole and ultimately contribute directly to enhancing business competitiveness.
In parallel with strengthening human capital, we also position the promotion of digital transformation (DX) as an important Group-wide theme. We have established Group-wide KPIs for these initiatives and are promoting the use of DX in both corporate functions and individual business sectors. We have also asked senior management to lead by example in putting DX into practice. DX is not merely a means of improving operational efficiency. It is a foundation for transforming organizational decision-making and ways of working, and for bringing out the capabilities of our people to an even greater extent.
By advancing our human capital initiatives and the promotion of DX in an integrated manner, we will evolve the Group into an organization in which diverse talent can actively demonstrate their capabilities and achieve sustainable growth.

Developing the next growth story

The subsequent 28–30 MTP will be critically important to realizing our Purpose. We see it not merely as a three-year plan, but as a period that will determine whether Mitsui Kinzoku can become a company capable of continuously creating new businesses, with 2030, 2035, and 2040 in view. At the same time, the 28–30 MTP period will also be critically important for passing the baton to the younger generation who will lead the next decade and for developing talent.
To organize the overall picture, I have tentatively introduced the concepts of "Core10," "Next10," and "Future10." Core10 consists of the foundation businesses that will generate 150.0 billion yen in profit in 2030. Next10 comprises the next pillars that will each generate profit on the scale of 10.0 billion yen in 2035. Future10 consists of the new businesses and products that the Business Creation Sector will nurture toward 2040. As internal considerations and discussions continue, I am open to replacing these terms with more appropriate names. What matters, however, is transforming our management approach so that, while strengthening the current earnings base, we continuously develop the next pillars and the new businesses that will follow them.
We place particular emphasis on Next10. Rather than relying on only a small number of candidates to become our next pillars, we need to be in a position where new candidates continue to emerge one after another. To continuously generate themes with the potential to produce profit on the scale of 10.0 billion yen, we need to have 30 or 40 candidates and select and develop the most viable ones from among them. That is precisely why I deliberately use the word "10" to encourage internal discussions on a sufficiently ambitious scale.
The 28–30 MTP aims to achieve more than just near-term targets. We will generate earnings through Core, nurture Next, and lay the groundwork for Future. By establishing this cycle, we will transform Mitsui Kinzoku into a company capable of continuously creating new value. We see the 28–30 MTP as the plan that will lay the foundation for this transformation.

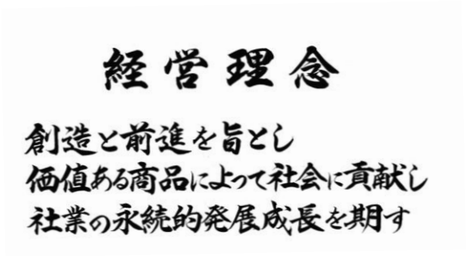
Nearly four months have passed since I assumed the position of President. The time has gone by remarkably quickly. Looking toward 2030 and beyond, I will transform Mitsui Kinzoku into a company that all of you can be proud of. Steadily and with a sense of urgency, I will carefully consider what needs to be done and take the necessary action.
As the head of management, I am also placing greater emphasis than ever before on proactively communicating information. I sincerely ask for your continued support.

(July 2026)



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).



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."

【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.

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.

【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.

Initiatives to promote the Purpose

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.

Dissemination of the Purpose

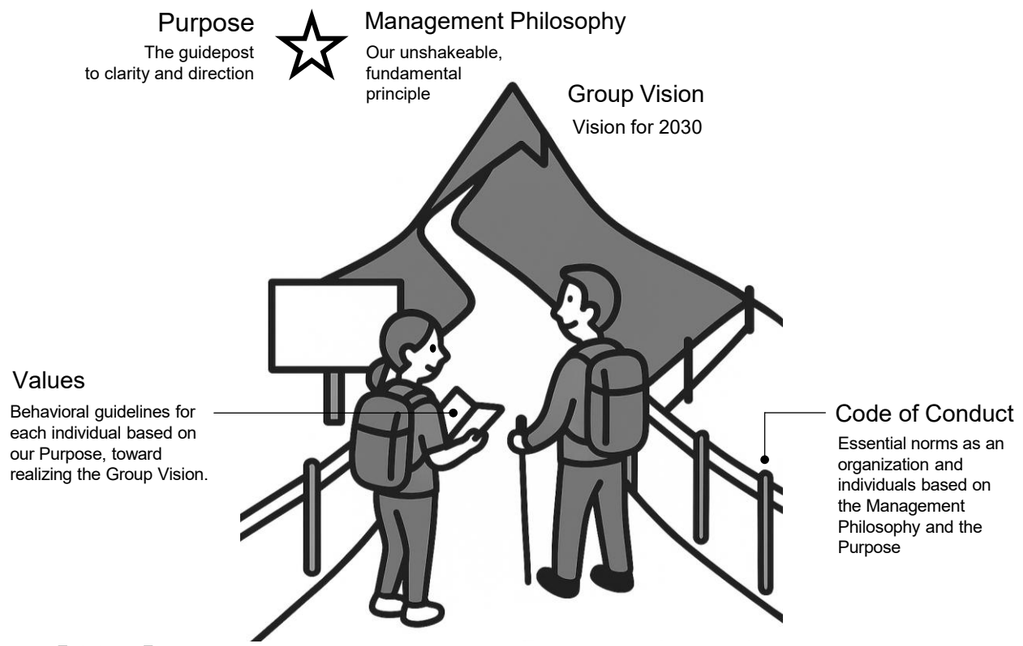
FY2023 (H1) in Japan	FY2024 (H2) in Japan	FY2025 (H1) in Japan	Goals for 2027
Recognition ＝90 %	Recognition ＝98 %	Recognition ＝99 %	Recognition ＝95 %
Understanding＝31	Understanding ＝45	Understanding＝53	Understanding ＝80 (Management) 60 (Non-management)
Resonance ＝60	Resonance ＝67	Resonance ＝62	Resonance ＝90 (Management) 70 (Non-management)
Action ＝31	Action ＝37	Action ＝50	Action ＝80 (Management) 60 (Non-management)
(Response rate 40%)	(Response rate 55%)	(Response rate 61%)	

【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.



【Values】

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.



Key Points of five Values

- **Think Broadly**
  Think from multiple perspectives
- **Enjoy Working Together**
  Contribute to psychological well-being
- **Share Wisdom**
  Respect one another/Cooperate and support each other
- **Challenge & Adopt**
  Take on timely challenges/Give it your all/Reflect
- **Be a Role Model**
  Take the initiative/Demonstrate Integrity

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.

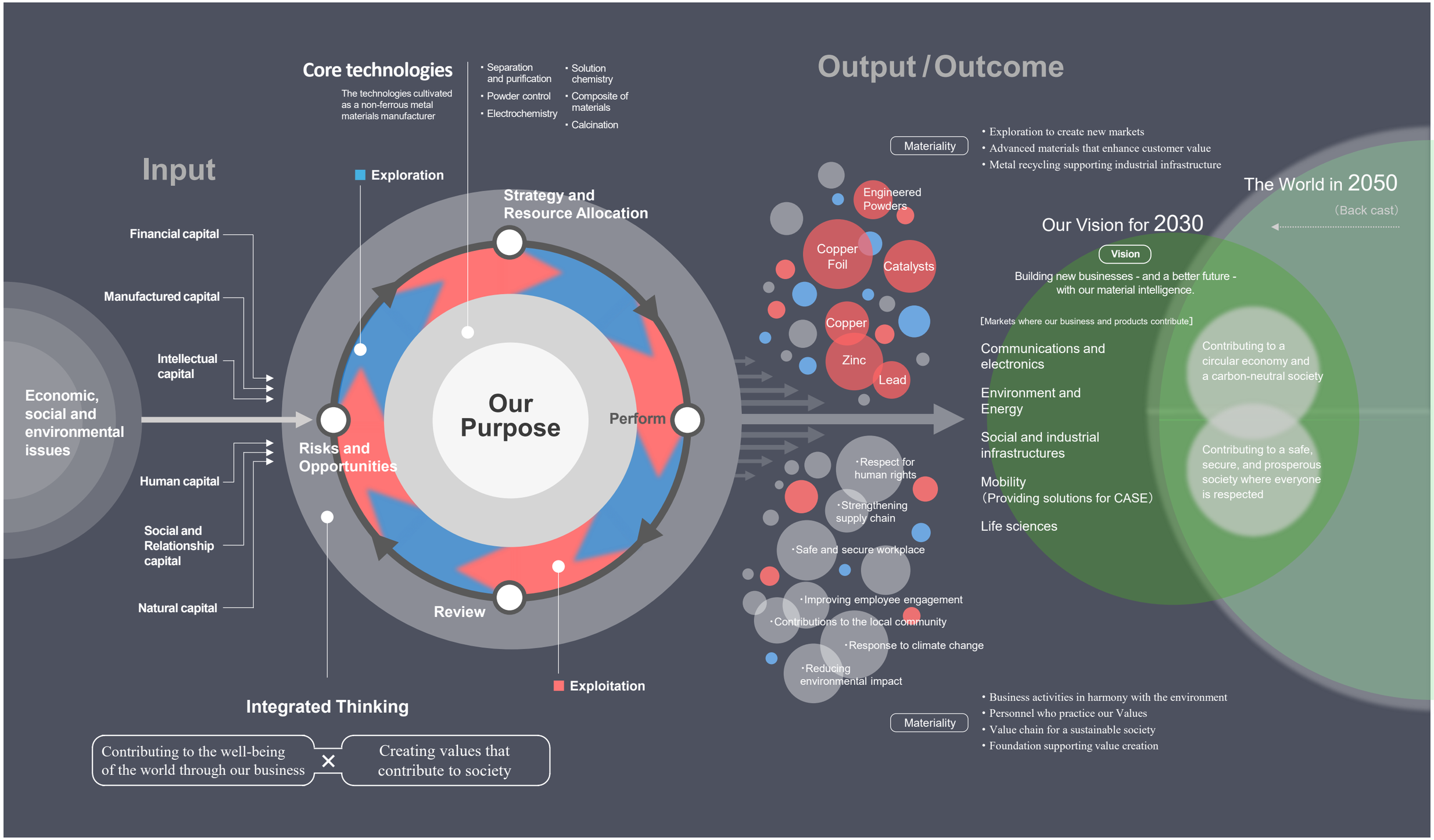
(Revised in April 2025)

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 75

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.



Core technologies

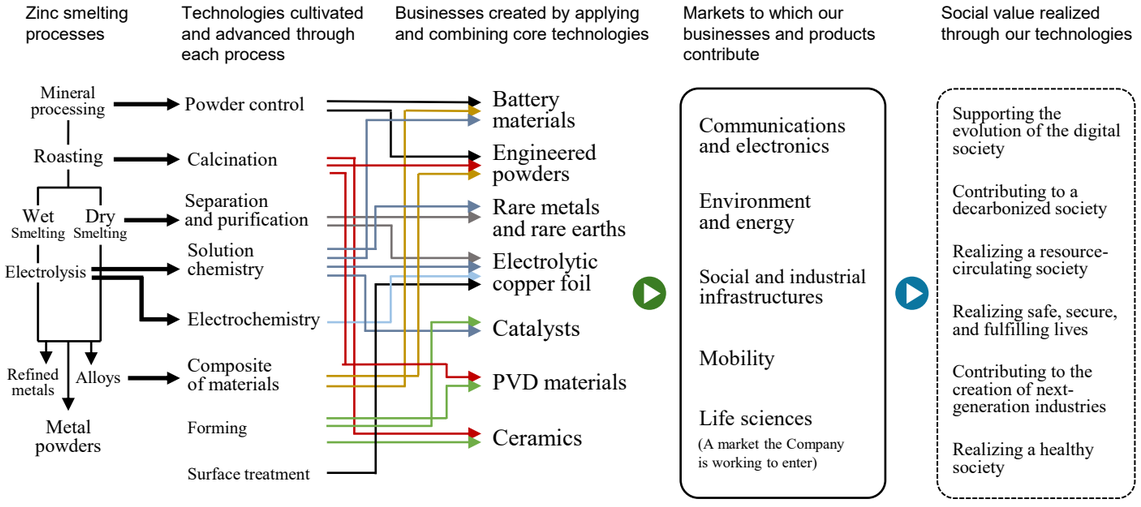
Our strength and the source of our value creation

The technologies, knowledge, and experience we have cultivated over many years as a nonferrous metals manufacturer, together with our commitment to making the most of our Material Intelligence, are the very source of the value we create.

The six core technologies constitute the most important intellectual capital of Mitsui Kinzoku Group, cultivated through many years of research and development and experience accumulated at individual manufacturing sites. Each has significant technological strengths and supports the Group's value creation across a wide range of areas, including the purification of materials, precise control of material composition and particle characteristics, the addition of functionality to surfaces and interfaces, and the optimization of shapes and structures through calcination and the compositing of materials.

Our distinctiveness lies not only in applying each technology individually, but also in expanding the potential of nonferrous materials by combining and integrating these technologies. Through their interconnection, the six core technologies have created new value and given rise to engineered materials and new businesses that identify and address needs in markets such as communications and electronics, the environment and energy, and social and industrial infrastructure. The integration of technologies and our Material Intelligence, grounded in a deep and comprehensive knowledge of nonferrous materials, are the source of the Group's value creation.

Social value created through the integration of technologies



Our six core technologies

Separate and refine

Powder control

This technology originated in the crushing and classification of mined ore. It is used to control the particle size, shape, and surface condition of metal powders and compounds. By combining a diverse range of methods, including high-pressure atomization for the mass production of fine metal powders such as copper and silver and a proprietary wet process for producing fine copper particles in solution, we produce powders in a variety of shapes, ranging from spherical to dendritic.

Transform through heating

Calcination

This technology changes the microstructure and shape of materials by processing them at high temperatures. Calcination encompasses a variety of processes, including sintering, in which powders are compacted and densified through heating; annealing, in which heat treatment alters the crystal structure; and pre-calcination, in which impurities are removed. Building on roasting technologies used in nonferrous metal smelting, we have also accumulated expertise in calcination for the manufacture of ceramics and target materials, as well as for powder metallurgy.

Above all, increase purity

Separation and purification

This technology separates and extracts target metals and substances from raw materials such as mined ore and recycled materials, removes impurities, and refines the extracted materials to a high degree of purity. By making full use of chemical and physical processes, including pyrometallurgy, hydrometallurgy, solvent extraction, ion exchange, and distillation, we use this technology in processing zinc, lead, copper, precious metals, and other metals, as well as in extracting desired components from compounds and refining those components to a high degree of purity.

Dissolve into a solution

Solution chemistry

This technology precisely controls chemical reactions occurring in liquids to synthesize new substances or impart new functions to existing materials, thereby expanding the flexibility of material design for different applications. It is also used in recycling technologies and wastewater treatment, as well as in the synthesis of nanoparticles, porous materials, and other materials.

Harness the power of electricity

Electrochemistry

This technology uses electrical energy to induce chemical reactions and deposit materials. Drawing on the knowledge and expertise in electrolytic refining cultivated over many years through the mass production of electrolytic zinc and copper, we also have strengths in electrochemical processes. This fundamental technology is expected to contribute to the achievement of carbon neutrality through applications such as water electrolysis and to be used across a wide range of fields, including environmental and medical applications.

Try combining

Composite of materials

This technology combines different materials into an integrated whole to bring out properties that cannot be achieved with a single material. In addition to combinations of metals (alloys), we have focused on combining metals with nonmetals and forming multilayer structures. For example, combining metals with resins makes it possible to create materials that offer the strength and electrical conductivity of metals together with the low weight and flexibility of resins.

Further "evolution" of value creation

Building on and integrating technologies to accelerate value creation

We will continue to make the most of our Material Intelligence and devote ourselves to realizing a future in which we promote the well-being of the world by creating new social value.

■ Creating next-generation value through the integration of technologies

Supporting tomorrow's society



By integrating the core technologies with external expertise, we will also take on challenges in fields such as AI, resource circulation, and life sciences. Through our Material Intelligence, we will help shape tomorrow's society.

■ Creating functional value from nonferrous materials

Evolving nonferrous materials into high-value-added materials

By advancing our high-purity processing and fine-control technologies, we have expanded into high-value-added fields, including materials for electronics, thereby adding advanced functionality to materials.

■ Unlocking the value of resources

Creating the origin for material value



Using our mining and smelting technologies, we have created value from mineral resources in the form of metals and materials. We have also taken on the challenge of processing difficult-to-treat raw materials and creating value from derivatives and by-products.

Our unwavering foundation for value creation

Technologies and expertise, operational capabilities, and talent developed since our founding in 1874



Creating new value through an unwavering focus on materials

Deputy Senior General Manager of Business Creation Sector

YAMAMOTO Takuya

The mission of the Business Creation Sector is to develop businesses that will become future pillars of growth and continuously create new value.

Aiming to become a trusted partner that people can turn to with confidence that "Mitsui Kinzoku can provide a solution," the Sector continues to take on the challenge of developing optimal solutions to increasingly complex environmental and social issues by integrating a diverse range of technologies and expertise, with its core technologies as the starting point.

In recent years, the active recruitment of mid-career professionals has brought diverse perspectives and fresh impetus to the organization. As a result, the strong passion and drive to expand the potential of materials, together with a culture in which ideas can be freely proposed, have grown even stronger. The Sector is focusing not only on the integration of existing technologies but also on co-creation through collaboration with corporate venture capital firms (CVCs), universities, and research institutions in Japan and overseas.

We are confident that initiatives with these external partners will contribute significantly not only to acquiring new technologies and accelerating business creation, but also to developing human resources. These activities are also leading to the exploration of cross-disciplinary technology domains, such as those combining organic and inorganic materials. As the organization responsible for creating new businesses, we have clearly set a contribution profit target for 2030 in order to steadily advance these initiatives.

Each development theme is making steady progress toward mass production and commercialization, and the Sector is increasing investment in fields such as functional porous materials and life sciences. Through these efforts, we are also steadily developing the next pillars of business with a view not only to 2030 but also beyond.



Advancing technologies to transform into a high-value-creating enterprise

Deputy Senior General Manager of Engineered Materials Sector

ISHIDA Shintaro

Starting with zinc and lead smelting, Mitsui Kinzoku has continually taken on the challenge of transforming nonferrous metals into higher-value-added materials. This represents the lineage through which the Company's technologies have been passed down. The Company has been guided by the idea of creating value from by-products and derivatives generated in the smelting process, and even from substances once treated as impurities. Based on this philosophy, we have repeatedly applied and advanced our technologies, expanding our business domains into intermediate materials and subsequently into advanced engineered materials. Mitsui Kinzoku's core technologies have been refined through these challenges. Its unwavering commitment to gaining a deep understanding of the properties of nonferrous materials and unlocking their potential has enabled the development of diverse applications and the creation of new functions, supporting the growth of each of the Company's Engineered Materials businesses today.

These technologies and expertise have now borne fruit in the creation of high-value-added products for advanced fields, including communications and electronics, and in securing high market shares in the markets for these products.

Under the current 25–27 MTP, the Sector is focusing on expanding the applications of each existing product and maximizing profits. In addition to helping address the challenges facing society and customers, the Sector will enhance the Company's economic value and fulfill its responsibility as a driving force in increasing the Group's corporate value. The Kyushu Advanced Materials Development Center, established at the beginning of the current fiscal year, is also expected to contribute to the further advancement of the Company's technologies and the creation of new advanced materials by harnessing diverse technical talent through collaboration among multiple business divisions operating in Kyushu, as well as through industry-government-academia partnerships.



Taking on challenges and creating value through technological breakthroughs

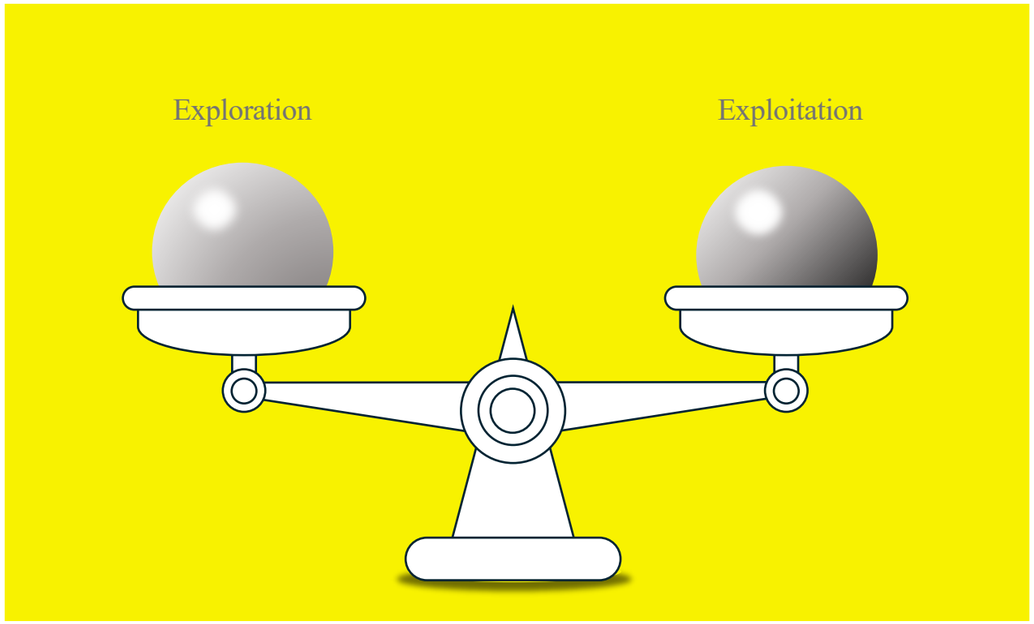
Technical Advisor of Metals Sector

NAKAYAMA Keizo

Mitsui Kinzoku Group's business began with the acquisition of the Kamioka Mine. Zinc smelting, which the Group began in the early 1900s with the establishment of its first smelting plant and subsequently expanded by progressively increasing its supply capacity, became the starting point for all of the Group's core technologies. Zinc, which protects iron from corrosion, is an essential basic material that safeguards social infrastructure and has supported industrial development. However, the appreciation of the yen following the Plaza Accord in 1985 caused the business environment for domestic smelting operations to deteriorate rapidly, bringing the business to a point where its very survival was at stake. Against this backdrop, Mitsui Kinzoku was ahead of its time in taking on the challenge of processing difficult-to-treat materials, including recycled materials, and achieved technological breakthroughs. In the 1990s, it also successfully converted to recycling-based lead smelting using spent batteries as feedstock at Kamioka operations.

These achievements were underpinned by a deep understanding of nonferrous metal smelting technologies, as well as by the technical teams' strong spirit of inquiry and determination to see their efforts through, no matter what.

Today, we are leveraging our smelting network connecting our smelters across Japan and organically integrating the pyrometallurgical and hydrometallurgical process technologies and expertise of the respective sites. By doing so, we aim to strengthen our ability to process increasingly complex and diverse recycled feedstocks, to further enhance our valuable metal recovery capabilities and the value we create through resource circulation, and to make an even greater contribution to the realization of a sustainable society.



Ambidexterity

“Exploration” and “Exploitation” Our **Ambidextrous** Organization

Companies with extensive histories, traditions, and accumulated knowledge can be particularly susceptible to excessive focus or bias. To avoid such tendencies, Mitsui Kinzoku pursues Ambidexterity, balancing the strengthening of the competitiveness of existing businesses through Exploitation with the creation of new businesses through Exploration. Through resource allocation based on the business portfolio and the effective use of human capital and digital transformation (DX), the Company aims to achieve sustainable growth and enhance corporate value over the medium to long term.

The strength to keep refining what we have, and the challenge of pursuing value yet unseen. These two forces will shape our next era.

As uncertainty in the business environment increases, companies are required to pursue management that balances Exploitation, which hones the competitiveness of existing businesses, with Exploration, which opens up possibilities for new technologies and businesses. This concept of ambidexterity provides an important perspective for simultaneously strengthening competitiveness over the short to medium term and creating growth opportunities over the medium to long term.

Mitsui Kinzoku has long worked to expand existing businesses and develop new applications within each business sector, while exploring the potential of new technologies and businesses, primarily through its R&D functions. However, amid growing uncertainty in the business environment due to factors such as the recent materialization of global geopolitical risks, accelerating technological innovation, and the need to address global warming and resource depletion, it has become increasingly important to move beyond initiatives undertaken by individual business sites and functions and to optimize the allocation of management resources from a Company-wide perspective. Based on this recognition, since the 22–24 MTP, the Company has promoted Ambidexterity, placing strong emphasis on balancing Exploitation and Exploration, and has worked to build a framework for achieving sustainable enhancement of corporate value over the medium to long term, with its Purpose at the core. By further strengthening the competitiveness of existing businesses while continuing initiatives to create new value, the Company is promoting the continuous creation of next-generation products and businesses.

Exploitation that strengthens competitiveness, and Exploration that opens the door to new fields. Connecting the two through the power of the organization to create long-term value.

To steadily advance Ambidexterity, the Business Creation Sector, centered on the R&D Center, is responsible for Exploration, while the Engineered Materials Sector and the Metals Sector are primarily responsible for Exploitation, with each advancing its respective initiatives.

The Business Creation Sector aims to systematically develop prospective business units that will support future growth. For new technologies related to areas such as next-generation semiconductor materials and the environment and energy, the Sector is advancing R&D and validation toward commercialization while assessing technological maturity, customer feedback, and the potential for market expansion. In this process, the Sector also utilizes CVC (Corporate Venture Capital) and co-creation with external partners, bringing together and leveraging knowledge from both inside and outside the Company. Looking ahead to 2035 and 2040, the Sector is also broadening its options for the next stage of growth by continuously building up exploration themes that could lead to future growth opportunities. These exploration activities are not aimed solely at maximizing ROIC in the short term. Rather, the Sector seeks to increase the likelihood of long-term value creation while assessing the future potential of technologies and the scope for market expansion.

Meanwhile, the Engineered Materials Sector and the Metals Sector are primarily responsible for Exploitation, which aims to grow and expand existing businesses, and are working to enhance business value by improving technological capabilities, quality, and productivity.

In the Engineered Materials Sector, the Group is working to increase added value and expand applications, primarily for product groups such as copper foil, engineered powders, catalysts, and PVD materials, while responding to changes in customer needs and markets. The Big Moves set out in the 25–27 MTP are intended not only to accelerate such Exploitation, but also to actively explore entry into attractive business domains through future-oriented insights, going beyond new applications and growth opportunities adjacent to existing businesses. While incorporating exploratory approaches, the Sector aims both to expand the value of existing businesses and to create future growth areas.

Building on its smelting operations centered on zinc, lead, and copper, the Metals Sector is advancing the sophistication of its smelting network by leveraging the respective strengths of its seven smelting sites in Japan, while also improving the stability and efficiency of operations at each site. By further advancing its technologies, particularly in recycling, and expanding their applications, the Sector is contributing to the circular economy while strengthening its business competitiveness.

Carefully balancing both investment and talent allocation.

To translate Exploration and Exploitation into sustainable results, it is essential to clearly determine the areas to which management resources should be allocated on a priority basis. From the 22–24 MTP through the 25–27 MTP, we have organized and updated our business portfolio along two axes: business value (evaluated based on ROIC spread) and growth prospects. Based on this portfolio, the Company allocates management resources in accordance with four categories: Value Cultivation, Value Expansion, Value Reinforcement/Optimization, and Value Transformation.

Value Cultivation is a category in which resources are allocated to Exploration activities aimed at future growth. By contrast, Value Expansion and Value Reinforcement/Optimization are areas centered on Exploitation to enhance the competitiveness of existing businesses. In particular, Value Expansion incorporates exploratory initiatives, such as market- and customer-driven hypothesis testing, to identify new applications and growth opportunities while building on strengths developed through existing businesses. During the 25–27 MTP period, the Company plans growth investments of more than 120.0 billion yen and will allocate resources on a priority basis to both Value Cultivation, led by the Business Creation Sector, and Value Expansion, comprising the focus businesses of the Engineered Materials Sector.

From a human capital perspective, based on its job-type performance-based HR system, the Group is promoting talent allocation and development in line with the respective characteristics of Exploration and Exploitation, as well as those of each quadrant of the business portfolio. The Group will also utilize DX as a foundation for improving the quality and speed of decision-making at the management and individual business levels and for supporting both Exploration and Exploitation.

As part of Mitsui Kinzoku Group’s culture

As is often noted in discussions of ambidexterity, exploration and exploitation differ in their time horizons and evaluation perspectives, and considerable ingenuity and management capability are required to pursue both simultaneously in a well-balanced manner. While the results of exploitation tend to be more visible in the short term, exploration takes longer to produce results and involves greater uncertainty. For this reason, the President personally communicates the significance and importance of balancing Exploration and Exploitation throughout the Group, while also working to foster an organizational culture that embraces trial and error.

Our Purpose, “We promote the well-being of the world through a spirit of exploration and diverse technologies,” embodies our commitment to creating innovations that help address social issues through Exploration, which opens up new possibilities, and Exploitation, which refines and combines the diverse technologies we have cultivated over the years. Our Vision, “Building new businesses—and the future—with our material intelligence,” provides an even more concrete perspective for the Group.

Toward realizing this Vision, the Values serve as guidelines for the behaviors that each employee is expected to demonstrate in their daily work. The five Values, Think Broadly, Enjoy Working Together, Share Wisdom, Challenge & Adopt, and Be a Role Model, translate challenge, collaboration, and diverse perspectives into concrete actions and also serve as guidelines for making both Exploration and Exploitation work across the Company. These Values have also been incorporated into the performance evaluation system, under which employees are assessed not only on results but also on behavioral aspects such as their willingness to take on challenges and collaborate with others.

Deepening what we have while continuing to explore new possibilities.

Going forward, Mitsui Kinzoku Group will continue to pursue both Exploration and Exploitation, strengthening its competitiveness and resilience as a corporate group, broadening the possibilities of its businesses, and meeting the expectations of society and markets as they continue to evolve. The Group will uphold Ambidexterity as an enduring management approach for achieving sustainable, long-term enhancement of corporate value.

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 25–27 MTP, we assess the value of each business based on ROIC Spread using business-specific WACC, while also applying 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
19.5%	59.1%	0.14

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
8,188	62% (Domestic) (Overseas sites scheduled to be surveyed in FY2026)

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
12	13

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 that signed the consent form	Social contribution expenditures
466 (Ref. FY2024 228)	301.1 million yen

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
2,707	15.1 billion yen

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
648,806 kl (Crude oil equivalent)	111,335 thousand m^3

∗ All figures are results for FY2025.

Environmental Contribution Products

Our approach

Mitsui Kinzoku Group has established its Basic Environmental Policy∗1 as a guideline for its environmental initiatives and has given due consideration to environmental conservation in all aspects of its business activities.
As part of these efforts, the Group has established the Environmental Contribution Products system as an initiative aimed at generating both economic and social value. Since 2021, the Group has also promoted the Group-wide adoption and application of life cycle assessment (LCA) methods.
The Group assesses the major environmental impacts at each stage of the product life cycle, including raw material procurement, manufacturing, use, and disposal, based on an assessment scope and assumptions defined for each product. Based on these specifications, the Group defines products as Environmental Contribution Products if an LCA demonstrates a quantitative reduction in environmental impacts compared with conventional or comparable products.∗2
Through this system, the Group aims to sustainably enhance corporate value by promoting the creation of products that contribute to reducing environmental impacts and strengthening its competitiveness in environment-related markets.

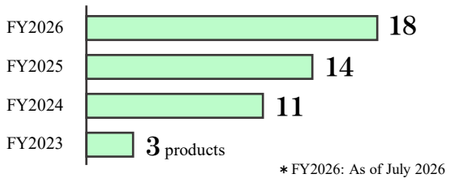
∗1 Basic Environmental Policy
https://www.mitsui-kinzoku.com/en/csr/environment/environmental-policy/

∗2 Assessments of Environmental Contribution Products are conducted based on the assessment scope and assumptions defined for each product. The Group also comprehensively considers various environmental impacts without focusing solely on any single environmental impact. Assessment results may vary depending on the assumptions, intended applications, and other relevant factors.

Initiatives for the continuous creation of Environmental Contribution Products

The Engineered Materials Sector has identified "Advanced materials that enhance customer value" as one of its material issues under the 25–27 MTP and positioned the "continuous creation of Environmental Contribution Products" as a specific initiative under this material issue (sub-materiality). Since the Environmental Action Plan was revised in 2018, the Group has set targets for Environmental Contribution Products to account for at least 70% of newly launched products and at least 50% of sales and has shared these targets across the Group. As of July 2026, the total number of certified products across the Group stood at 18.

Cumulative number of internally certified Environmental Contribution Products

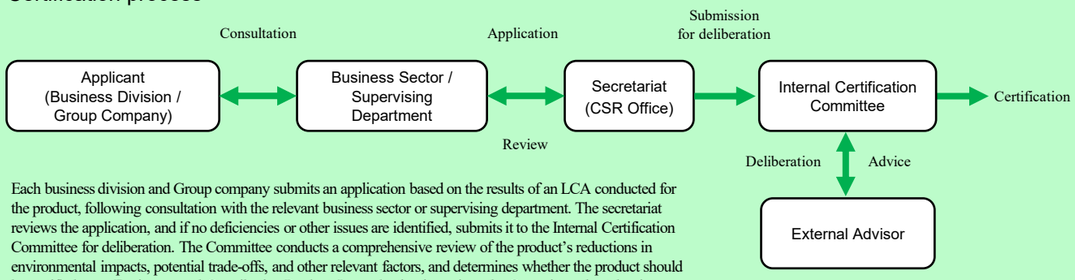


∗FY2026: As of July 2026

Examples of Certified Products

- Electrolytic copper foil made from 100% recycled copper (Copper Foil Division)
- ITO targets using recycled raw materials (PVD Materials Division)
- Tantalum (Ta) solution material from the iconos™ series (Engineered Liquids Commercialization Promotion Division)
- CeraMesh®, a next-generation kiln tool (Ceramics Division)
- Refined copper with a higher recycled raw materials content than the Group's conventional products (Copper & Precious Metals Division)

Certification process



Each business division and Group company submits an application based on the results of an LCA conducted for the product, following consultation with the relevant business sector or supervising department. The secretariat reviews the application, and if no deficiencies or other issues are identified, submits it to the Internal Certification Committee for deliberation. The Committee conducts a comprehensive review of the product's reductions in environmental impacts, potential trade-offs, and other relevant factors, and determines whether the product should be certified as an Environmental Contribution Product. In conducting its review, the Committee also takes into account advice from external advisors to enhance the objectivity of the review process.
Through these procedures, products that meet the applicable criteria are certified as Environmental Contribution Products.

The Company invites an external expert to serve as an advisor and to participate in each deliberation.

Review of Previous MTPs and Progress of the 25–27 MTP

Review

19–21 MTP

[Basic concept]

Transform growth foundation to achieve 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)

[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

22–24 MTP

[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

[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 25–27 MTP and FY2025 review/progress

25–27 MTP key issues　∗ **Big Moves**: Initiatives to achieve a “change to non-linear growth rather than gradual growth”

Strengthening management foundations

■ Strengthening portfolio management
• Introduce business-specific WACC and ROIC targets and incorporate social value into business evaluation process
• Implement Big Moves ∗
• Expand the mechanism for creating new businesses and group-wide synergies

■ Establishment of an information management infrastructure
• Share information internally and externally, and strengthen branding

■ Strengthening governance and promoting group-wide strategies by transitioning to a Company with an Audit and Supervisory Committee

×

Expanding human capital

■ Establishment of principles of conduct based on our Purpose and Vision

■ Development of human capital/Accelerating the strengthening of on-site capabilities and promotion of job satisfaction reforms

■ Human capital development that contributes to enhancing overall corporate value

Promotion of DX

■ Improving operational efficiency and transforming our operations into new value-creating businesses

■ Optimal allocation of ICT talent and development of DX talent

Under the 25–27 MTP, to ensure that the Purpose is implemented and to realize the Vision for 2030, the Group has placed “ambidexterity” and “integrated thinking-based management” at the core of its management concept and is refining the initiatives implemented under the 22–24 MTP while also introducing additional initiatives. Specifically, based on the results of the initiatives carried out under the 22–24 MTP, the Group identified three key priorities for the 25–27 MTP: “Strengthening management foundations” to reinforce Group-wide strategies, “Expanding human capital” to execute those strategies, and “Promotion of digital transformation (DX)” to support their execution.
In FY2025, the first year of the 25–27 MTP, the Group steadily implemented each of the refined initiatives and additional initiatives addressing these key priorities. The Group advanced the business selection and focus through dynamic management of the business portfolio and allocated resources to core businesses. As a result, the Group came to be recognized by the market as a growth company, particularly in semiconductor-related fields, and its share price and corporate value increased significantly.

In terms of enhancing social value, the Group made steady progress by further aligning its business strategies with its materiality (P.28-29 Materiality and 25–27 MTP KPIs). With regard to expanding human capital, the employee engagement score reached 55% (measured in H2 FY2025), achieving the FY2027 target two years ahead of schedule. DE&I KPIs also improved steadily, while initiatives to enhance job satisfaction and other human capital measures advanced. The Group also made progress in addressing environmental issues, including its response to carbon neutrality (P.44-50 Initiatives for environmental issues).
In terms of enhancing economic value, the Group expects sustainable growth centered on the Engineered Materials business, while the Metals business secured stable earnings despite the impact of market conditions. Through these efforts, the Group is steadily strengthening the path toward earnings growth through FY2030. In addition, as part of its initiatives to create new business domains, the Group continues to promote business creation activities and is also working to develop future growth drivers.

Financial targets set and their aims

Accelerating growth and optimizing capital costs

by strengthening portfolio management

Changing the business evaluation method

By introducing business-specific WACC and hurdle rates, we will reflect the characteristics of each business in the business evaluation process. We will increase evaluation effectiveness and clarify evaluation standards, enabling balanced allocation of management resources based on evaluation positions.

Target (FY2030)

Achieve both ROE and ROIC of 14% or more

Ref. Results for FY2024　ROE＝21.2%　ROIC＝11.4%

Revision of targets★

Achieve both ROE and ROIC of 15% or more

Ref. Results for FY2025　ROE＝24.5%　ROIC＝19.5%

Targets will be raised in light of the further growth of the Engineered Materials business, one of the Group’s core businesses. R&D investment in the Engineered Materials business and new business areas will be promoted to further accelerate the creation of new businesses.

Implement Big Moves

Utilizing external expertise to carry out planned Big Moves based on the following opportunities and realizing further growth

• Clarifying improvement potential through objective analysis from an investor’s perspective
• Fundamental cash generation for all businesses
• Bold management resource investment in value expansion and cultivation businesses

In FY2025, the Group implemented Big Moves, particularly in the Engineered Materials Sector, making progress in fundamentally increasing cash generation. Operating cash flow over the 25–27 MTP period is projected at 300 billion yen, an increase of 72 billion yen from the original plan.

Growth investment

Actively investing in growth businesses positioned for value cultivation and expansion, including M&A and CVC

Make growth investments approximately 2.5 times higher than in the 22–24 MTP period

81.5 billion yen (cumulative total for FY2025-FY2027)

[Typical growth investments]

・Initial mass production plant for A-SOLiD® electrolytes for all-solid-state batteries

・Equipment upgrade for specialty carrier for next-generation semiconductor packaging HRDP®

Revision of targets★

Raise the target to approximately 1.5 times the original 25–27 MTP target

122 billion yen (cumulative total for FY2025-FY2027)

The Group continues to consider and develop proposals for large-scale resource allocation to expand its production capacity and explore new businesses with an eye toward the next stage of growth.

Shareholder returns

Prioritizing growth investments aimed at sustainable growth while distributing profits appropriately based on our business performance

Making use of our progressive dividend policy to raise dividends from the current 3.0% level

Pay dividends targeting a DOE of 3.5%

Prioritize growth investment while maintaining the current dividend policy

As shareholders’ equity increases due to improved earnings, the annual dividend per share is expected to increase from 245 yen in FY2025 to 280＊yen in FY2026.

＊The forecast dividend for FY2026 is the amount announced on May 13, 2026, and is shown on a pre-stock-split basis.

Strengthening portfolio management

Business evaluation

Based on business evaluations using expected business potential and business value (ROIC spread), the Group is advancing dynamic portfolio management. While divesting businesses positioned for Value Transformation to the best external owners, the Group is promoting investment and R&D in the Engineered Materials business, a core business, and new business areas. The Group is also implementing greater selectivity and focus, including establishing two Commercialization Promotion Divisions for engineered liquids and HRDP. (P.34-35 Managing portfolio dynamically)

Big Moves and creation of new businesses / Group-wide synergies

The Group is steadily achieving results through fundamental cash generation initiatives centered on the Engineered Materials Sector. It continues to consider and develop proposals for accelerating growth through bold resource allocation using the cash generated through these initiatives.
As it increases growth investment, the Group positions buy-side M&A as an important strategic option and is further increasing the budget and personnel allocated to these activities. The Group also continues its “inner-circle” approach, under which a select core team including external experts pursues M&A opportunities.

Establishment of an information management infrastructure

To strengthen internal and external branding, the Group improved its internal communication intranet, promoted more active communication across the Group, and proactively disseminated information externally. As a result, new interactions have emerged across organizational boundaries within the Group, while external interest in the Group has also increased.

Integrated thinking-based management and materiality

Value creation through integrated thinking-based management

Mitsui Kinzoku Group has established its Purpose, “We promote the well-being of the world through a spirit of exploration and diverse technologies,” and its Group-wide Vision, “Building new businesses—and the future—with our material intelligence.” Since the 22–24 MTP, we have placed this Purpose and Vision at the core of our management and have been advancing initiatives to realize integrated thinking-based management by taking an integrated approach to business strategies and responses to social and environmental issues, financial and non-financial information, and social and economic value.

The business environment surrounding Mitsui Kinzoku Group is becoming increasingly complex and uncertain as decarbonization advances, interest in ESG grows, and technological innovation accelerates. At the same time, stakeholders, including shareholders and investors, customers, and employees, increasingly expect the Group not only to deliver financial results but also to explain how it is addressing social and environmental issues and the progress it is making. To capture these changes as growth opportunities while appropriately mitigating risks that could affect medium- to long-term value creation, it is important not merely to pursue short-term financial results, but also to clearly define the direction of management toward sustainable growth.

Based on this understanding, we view key themes such as climate change, human capital, and the value chain in terms of both the risks and opportunities they present to our Group and reflect them in the management strategies and business activities. As specific initiatives, the Group reviews its business portfolio and strategically allocates management resources to growth areas, taking into account the risks and opportunities associated with changes in the business environment, thereby enhancing the resilience of its businesses and contributing to the sustainable, medium- to long-term enhancement of corporate value. Through these initiatives, Mitsui Kinzoku Group aims to realize integrated thinking-based management that both creates and grows businesses that “promote the well-being of the world” and provides value to society through ESG.

Materiality identification

Mitsui Kinzoku Group's materiality constitutes an important framework for translating integrated thinking-based management into specific strategies and initiatives and achieving medium- to long-term value creation through their steady implementation.

Since first identifying our materiality in FY2016, we have continuously reviewed and refined it, taking into account changes in the business environment and evolving societal expectations. In developing the 25–27 MTP, we analyzed the risks and opportunities arising from medium- to long-term environmental changes and identified as new material issues those matters expected to have a significant impact on both stakeholders and the Group's financial performance. Based on these new material issues, we established KPIs for the MTP and are strategically allocating management resources. Progress is reported quarterly to the Executive Council, and important matters are reported to and deliberated by the Board of Directors, thereby reinforcing governance and enhancing the effectiveness of the PDCA cycle.

[Review steps]

Step 1 **Understanding changes in the social environment**

Reviewed and reorganized environmental and social issues across the value chain by referencing major sustainability frameworks and incorporating stakeholder expectations.

Step 2 **Evaluating challenges from a Purpose perspective**

What are the key points for achieving transformation toward our desired state, while keeping the Purpose at the core? Reassessed the risks and opportunities associated with each issue identified in Step 1 and extracted those with high relevance to the Group.

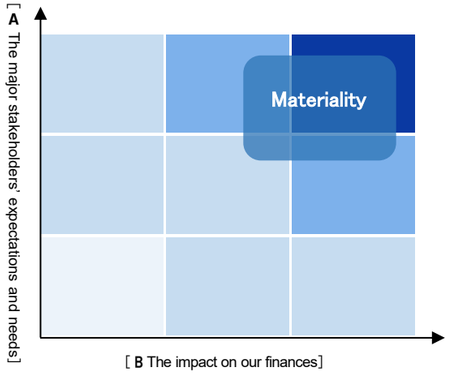
Step 3 **Weighting based on stakeholder perspective and financial impact**

Prioritized along both axes and extracted materiality (see right diagram).

Step 4 **Discussion and approval by the CSR Committee**

Step 5 **Discussion and approval at the Executive Council**

Step 6 **Discussion and approval by the Board of Directors**



Primary frameworks referenced

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

[New materiality in the 25–27 MTP]

Risks and opportunities	Materiality	Sub-materiality
Contributing to the well-being of the world through our business		
[**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 neutrality to the demonstration phase
	Advanced materials that enhance customer value	Continuous creation of Environmental Contribution Products
	Metal recycling supporting industrial infrastructure	Lead element recovery from E-scrap
Creating values that contribute to society		
[**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 Resource conservation and environmental impact reduction Biodiversity conservation
[**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 health and safety Health management Promotion of DE&I and job satisfaction reforms
[**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 Supply chain management
[**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 Promotion of DX

* Progress on each sub-materiality, representing specific initiatives, is provided on the following page.

Materiality and KPIs in the 25-27 Mid-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 Management Plan.
We will enhance the reliability of each initiative by implementing the PDCA cycle while closely linking it with the business strategy.

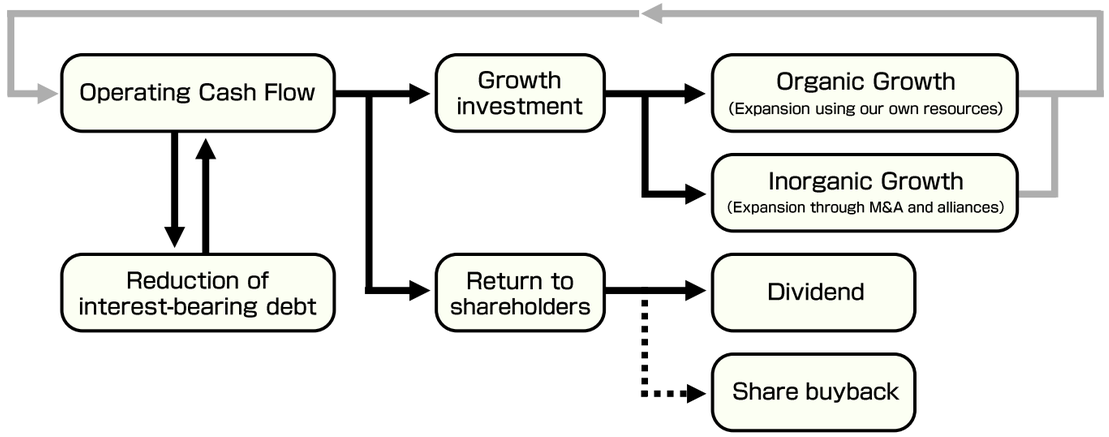
※1 The scope of KPIs covers Mitsui Kinzoku and its consolidated subsidiaries in Japan and overseas. Notes are provided when the scope differs.
※2 Domestic consolidation scope. Includes Mitsui Kinzoku and its domestic consolidated subsidiaries.
※3 Mitsui Kinzoku and its major domestic consolidated subsidiaries.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

Sub-materiality	KPI in the 25-27 MTP（FY2027）	Performance in FY2025	SDGs we can contribute to
Advancing R&D themes contributing to carbon neutrality to the demonstration phase	・Completed initial evaluation of CO_2 capture using actual gas at partners and collaborators ・Completed demonstration testing from CO_2 capture to methanol production at the India catalyst manufacturing site	• CO_2 capture testing using plant exhaust gas at Hachinohe Smelting, one of the Group's smelting sites • Conclusion of a memorandum of understanding with an organization under the Government of Haryana, India, to promote research and development	
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	• Internal certification of three new products as Environmental Contribution Products	
Lead element recovery from E-scrap	・Lead concentration residue processing amount: 148%　Sn, Sb, Bi recovery amount: 130%	• Lead concentration residue processing amount: 81%　Sn, Sb, Bi recovery amount: 97%	
Response to climate change	・Toward net-zero emissions by 2050, reduce GHG emissions by 22%	• GHG emissions: 16.3% reduction (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 discharge: 20% or more ・Effective utilization rate of waste plastics: 80% or more ※2	• Consideration of a plan to review water usage at domestic smelting sites • Consideration of a plan to review water usage at sites located in high-stress areas • Zero discharge of untreated wastewater into public waterways • Establishment of a new quantitative reduction target for atmospheric VOC emissions ※2 • Reduction in total waste discharge: 61% • Effective utilization rate of waste plastics: 77%	
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	• Completion of TNFD-based analyses at 2 sites • For the 2 sites where TNFD-based analyses have been completed, consideration of response measures based on the analysis results	
Occupational health and safety	・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	• Accidents (not requiring days off, requiring days off, and fatal accidents): 37 incidents • Accidents/diseases among new employees: 7 cases; older employees: 3 cases; foreign-national employees: 0 cases ＊Data collection for foreign-national employees began in September 2025. • Frequency rate of accidents: 0.7 • Fatal accidents: 0 incidents • Accidents that cause irreversible physical sequelae: 0 incidents	
Health management	・Improving Absenteeism and Presenteeism ※3	• Absenteeism: 3.9 days; Presenteeism: 15.3%	
Promotion of DE&I and job satisfaction reforms	・*Iki-iki* active engagement – company-wide average (engagement indicator) : 55% ※3 ・Rate of women among newly hired 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 ・Rate of women in managerial positions: 6.8% ※4	• *Iki-iki* active engagement – company-wide average (engagement indicator): 54% • Rate of women among newly hired employees: 24% • Rate of paternity leave taken by male employees: 75% • External evaluation: *Eruboshi* certification, selection as Next *Nadeshiko* • Communication indicator: 46% • Rate of women in managerial positions: 5.8%	
Respect for Human Rights	・Preparations to obtain gold status in the RBA audit by selecting target sites, having external audits, and making improvements	• Achievement of Silver status by Mitsui Electronic Materials Co., Ltd. in an RBA VAP audit	
Supply chain management	・Full implementation and collection of SAQs from all critical suppliers: 100% ・Completed engagement with all C-ranked suppliers on corrective actions: 100% ・Exploring the implementation of supplier briefings and audits	• Collection rate of 82.3% as of FY2025 (a two-year initiative under the 25-27 MTP) • Implementation rate of 100% (two of two companies) • Supplier briefings planned for FY2026; audits remain under consideration	
Corporate governance	・Percentage of addressed issues identified at the Board Effectiveness Assessment 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	• Resolution of only three of the five issues identified in the previous fiscal year • Awareness rate of the Code of Conduct in the Compliance Survey: Aware when necessary 54%	
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 rollout of SASE (Secure Access Service Edge): 100% implementation ・Stronger regulation of ICT rules through systematization ・Development of DX talent: 30 people or more	• Execution of DX strategies as planned in each business sector • 4.0% (As of December 2025; the figure is based on questionnaire responses) • 92% (Completed at domestic sites; rollout at overseas sites proceeding as planned) • Reduction of the risk of unauthorized use through appropriate management of administrator privileges; prohibition of the receipt of emails with encrypted file attachments and introduction of a secure file transfer function for outgoing emails • 9 people (As of March 31, 2026)	

Financial Strategy

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

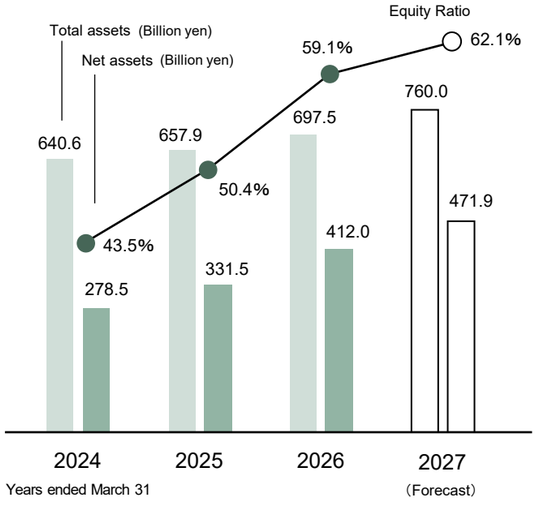
Cash Flow Allocation



In the previous fiscal year, FY2025, the Company achieved record highs in both net sales and profits and also achieved the financial targets the Company had set under multiple medium-term management plans to date. As a result, its financial foundation has steadily strengthened and improved significantly.

During 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.
Going forward, based on business-specific WACC that reflects the characteristics of each business, the Company will conduct clearer and more rigorous business evaluations and further strengthen the efficient use of capital to improve 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.
Going forward, the Company will continue to pursue its business strategies and financial strategies in an integrated manner while developing a financial framework that enables the Company to clearly communicate its approach and progress to shareholders and other stakeholders.

Trends in consolidated equity ratio

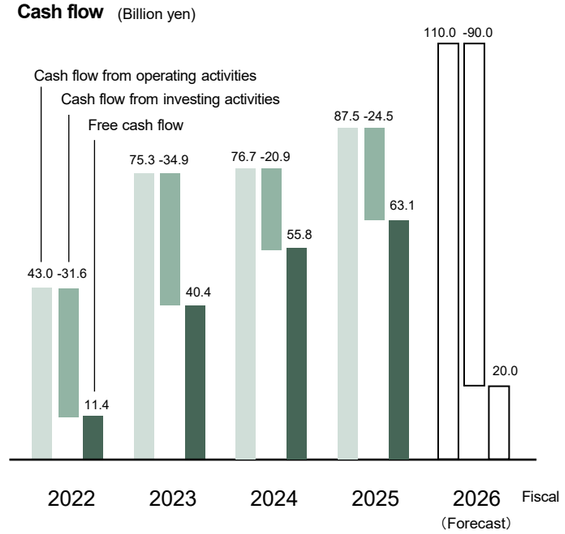




Director, Senior Executive Officer,
Senior General Manager of Corporate
Planning & Control Sector

YOSHIMOTO Seiichiro

Cash flow (Billion yen)



Financing policy

To ensure stable business operations, we keep a certain level of liquid 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.

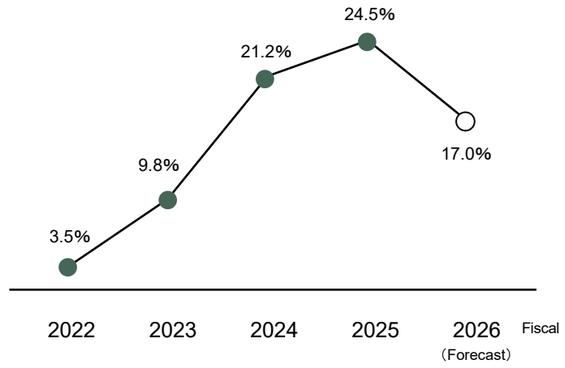
Return to shareholders

The 2022-2024 MTP prioritized sustainable, stable distribution of dividends, setting a target DOE (dividend on equity ratio) of 3.0%.
Under the current 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 conducts our business activities in accordance with the tax guidelines published by international organizations such as the OECD (the Organization for Economic Co-operation 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.

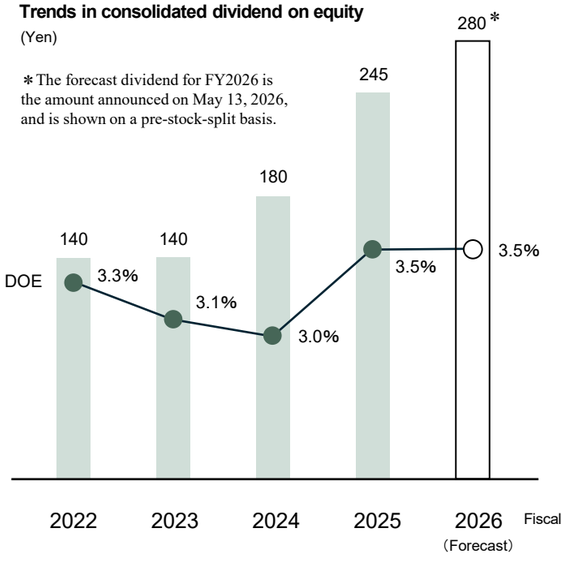
Trends in ROE



Trends in consolidated dividend on equity

(Yen)

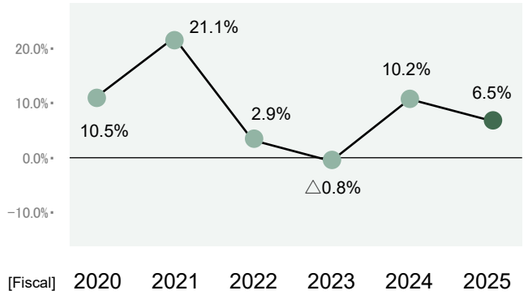
∗The forecast dividend for FY2026 is the amount announced on May 13, 2026, and is shown on a pre-stock-split basis.



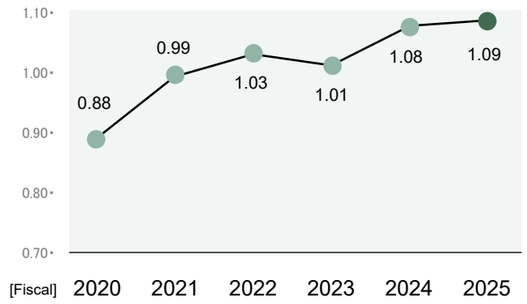
Financial Highlights

Trends in major financial indexes

Sales growth rate

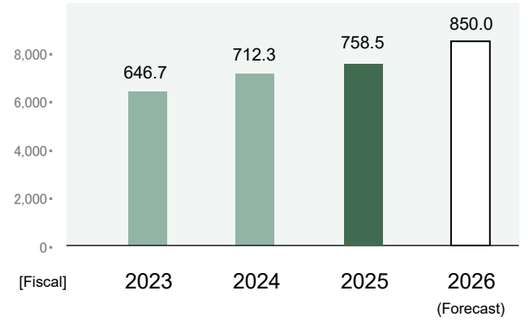


Total asset turnover ratio



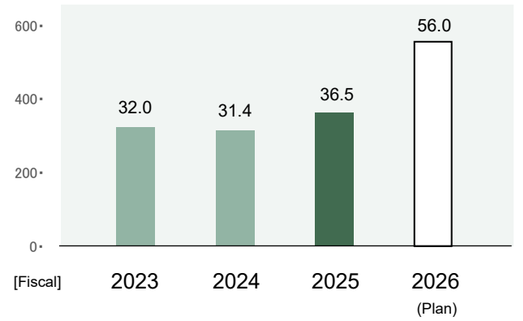
Net Sales

(Billion yen)

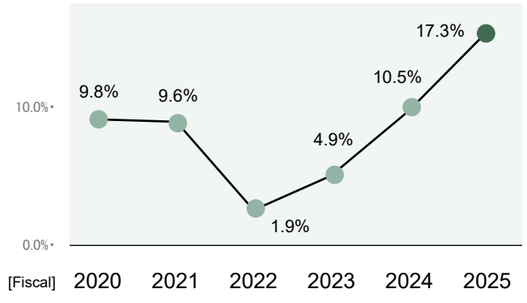


Capex

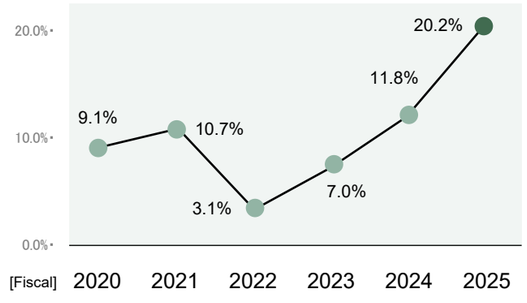
(Billion yen)



Rate of operating profit on sales

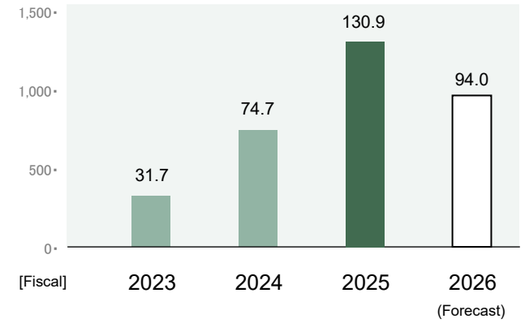


ROA (Return on assets)



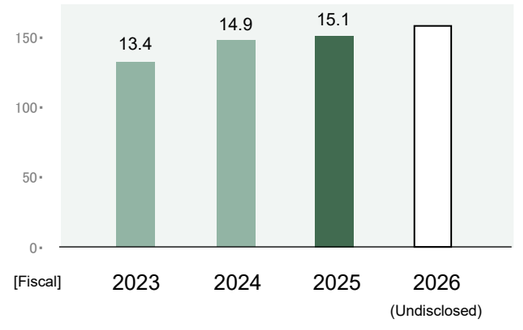
Operating profit

(Billion yen)

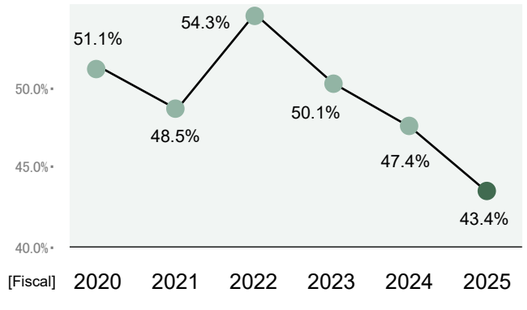


R&D expenditures

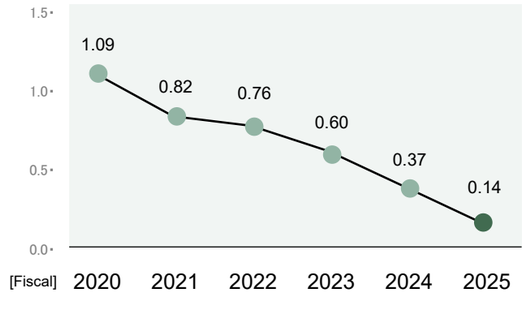
(Billion yen)



Overseas sales ratio

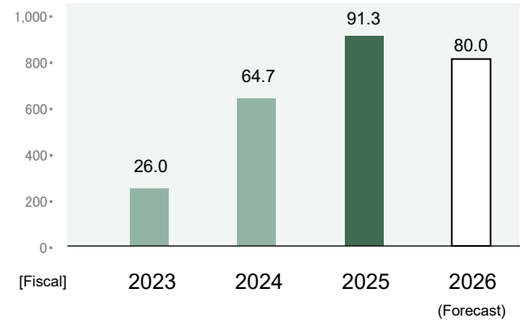


Net D/E ratio



Profit attributable to owners of parent

(Billion yen)



＊ The forecasted figures for fiscal year 2026 are as of August 7, 2026.

Highlights of major financial indexes for the past 11 fiscal years are listed on pages 78-79. 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 sciences. 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 previous 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.

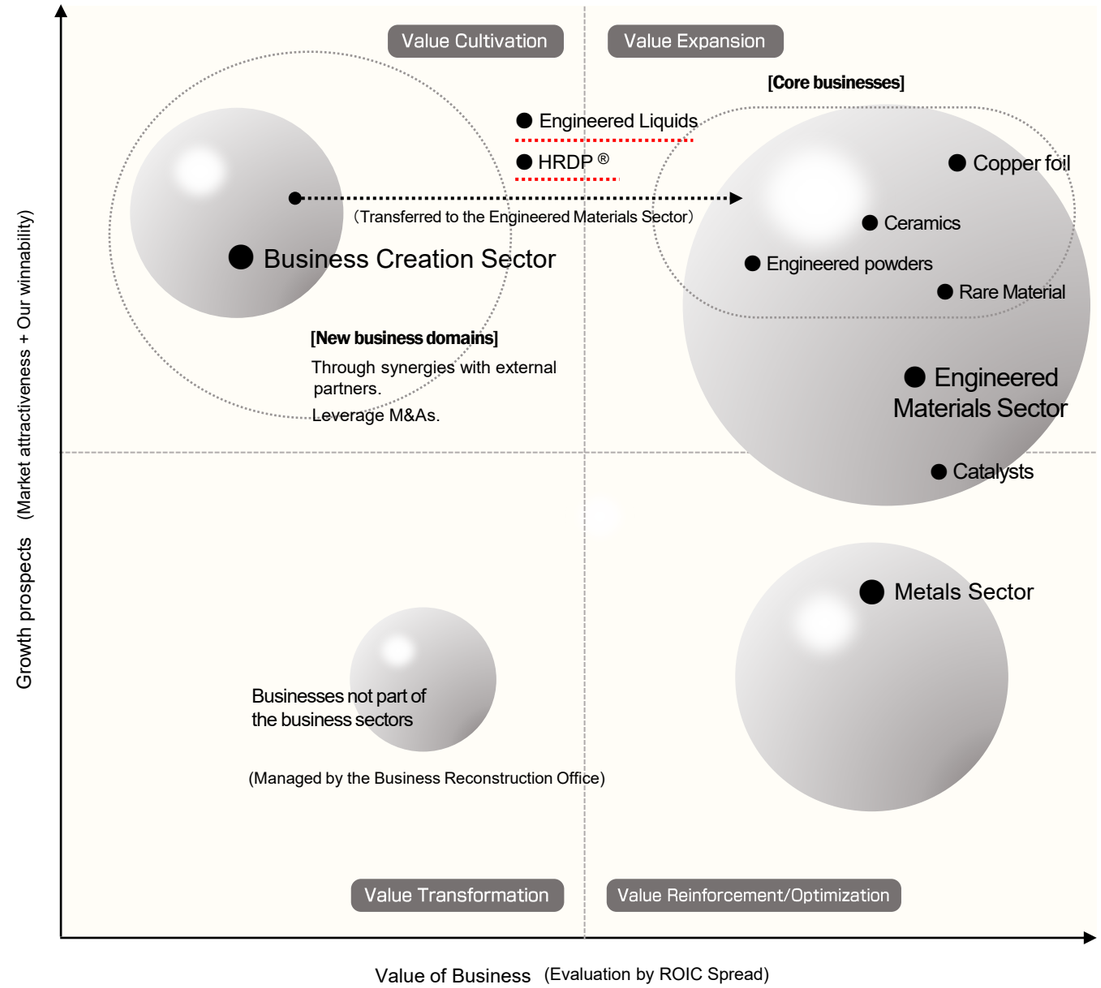
“Growth prospects” are evaluated based on market attractiveness and our competitiveness. “Business value” was previously evaluated based on EBITDA and ROIC, but the current medium-term management plan (the 2025-2027 MTP) adds ROIC Spread to the evaluation indicators.
We define ROIC Spread as the value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

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.

∗ 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.

Portfolio Matrix Measures implemented in FY2025 ····· Re-evaluated and action taken in FY2025



Exploring new businesses

Exploration Value Cultivation

［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

[Environment & Energy Area]

Solid electrolyte for all-solid-state batteries

A-SOLiD®

All-solid-state batteries are attracting significant attention as next-generation batteries due to their high safety, greater flexibility in operating environments, compact design, and fast-charging capability. Development is progressing across a wide range of applications, from industrial equipment to electric vehicles, and commercialization is expected in the latter half of the 2020s. Our solid electrolyte for all-solid-state batteries, A-SOLiD®, is a key material supporting this emerging market, and we aim to contribute to the advancement of next-generation mobility and the realization of a decarbonized society.
To capture this growth opportunity, we have steadily advanced the development of A-SOLiD® and strengthened our business foundation. Since commencing supply in FY2021, we have progressively expanded production capacity by enhancing our pilot-scale facilities and have now established a supply framework at approximately four times its initial level. We are also constructing our first mass-production plant, scheduled to begin operations in 2027, while building a value chain in preparation for full-scale commercialization. Supply agreements have already been secured with customers targeting commercialization around 2027-28. Going forward, we will further enhance our competitive advantage through high product quality and stable supply, supporting the wider adoption of all-solid-state batteries and contributing to a sustainable society.

Functional Porous Materials

Functional Porous Materials (FPM) are materials expected to help address a wide range of challenges in the environmental and resource circulation fields, including CO_2 capture and resource recycling. Focusing on these characteristics, the Company is working to create new business opportunities that contribute to the realization of a decarbonized society and a resource-circulating society. Currently, the Company is advancing development and considering commercialization, primarily in areas such as CO_2 capture, metal recovery, and lithium resource recovery, while taking into account the characteristics of each application and market.

Toward the commercialization of FPM, the Company has been strengthening its promotion framework and developing a foundation for demonstration and evaluation. In FY2026, the Company plans to introduce pilot-scale equipment and equipment for trial mass production. Concrete initiatives are also making steady progress in each area, including in-house implementation and demonstrations at external customer sites for metal recovery, evaluation of demonstration facilities at the Group’s Hachinohe Smelting for CO_2 capture, and market development for lithium resource recovery in collaboration with external partners.

[Next-generation Electronics Area]

Bonding materials for next-generation semiconductors

Cu sinter paste

Copper sinter paste is an advanced bonding material expected to support the implementation of next-generation power semiconductors. Power semiconductors are indispensable for improving the performance and energy efficiency of electric vehicles and renewable energy systems. Our copper paste is being developed as a material that combines excellent thermal conductivity and heat resistance, helping to improve power device performance while also offering potential cost advantages. We are advancing its commercialization to address the needs of this growing market.

To support the commercialization of copper paste, we have steadily progressed with customer evaluation and qualification activities. We have recently obtained material qualification from customers, and qualification evaluations are also progressing in the EV power module sector. Going forward, we will continue to work closely with customers across various markets, expanding adoption toward practical application while strengthening our supply capabilities to meet the evolving needs of the next-generation power semiconductor market.

∗ HRDP®, a special carrier for next-generation semiconductor chip mounting, which had been under development by the Business Creation Sector, has been transferred to the Engineered Materials Sector as part of its business operations.

In response to increasingly sophisticated customer and market needs

As social issues become increasingly complex and the pace of change in the market environment continues to accelerate, demand for materials that contribute to decarbonization and energy conservation is growing as society advances toward carbon neutrality and a circular economy. Looking ahead to 2030, markets related to EVs, next-generation semiconductors, AI, and 5G/6G are expected to expand, and the competitive advantage of materials technologies capable of meeting these needs will increasingly determine our business competitiveness. Looking further ahead to the 2040s, we anticipate significant changes in industrial structures and business opportunities across the fields of environment and energy, next-generation electronics, and life sciences. Against this backdrop, the Business Creation Sector is responsible for the Exploration side of our ambidextrous management approach. Starting from social and customer challenges, the Sector identifies business opportunities that will support future growth and develops them into the next earnings pillars.

By combining the Company's core technologies, which form the source of its competitive advantage, with expertise spanning materials design, synthesis, evaluation, and mass production, the Sector promotes the creation of distinctive business opportunities that simultaneously address social challenges and drive business growth.
With the goal of establishing the next pillars of business by 2030, the Sector is accelerating commercialization in priority areas such as all-solid-state battery materials, copper paste, and functional porous materials, aiming to achieve ¥10 billion in contribution profit by FY2030. At the same time, through continued investment in R&D and production facilities, expanded co-creation with universities, research institutions, and startups, and technology acquisition through CVC activities, the Sector is steadily nurturing seeds of businesses that are expected to become core earnings drivers in the 2040s, thereby contributing to the Group's sustainable growth and the enhancement of corporate value over the medium to long term.



YASUDA Kiyotaka

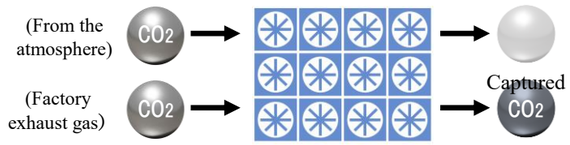
Senior Executive Officer,
Senior General Manager
of Business Creation Sector

Materiality in the 25–27 MTP

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

Theme: CO_2 Capture Business

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



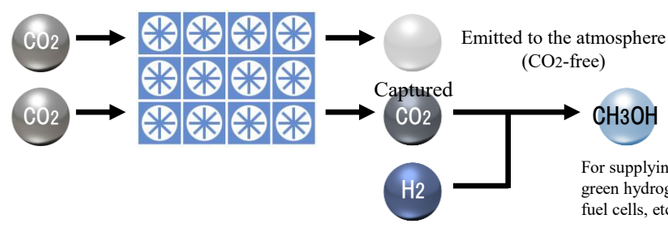
Capture and separation system using our CO_2 adsorbent∗

Now considering storage methods and effective usage methods, including collaboration/partnerships with external organizations

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



For supplying low-cost green hydrogen to be used in fuel cells, etc.

∗ CO_2 adsorbent

In catalysts and adsorbents, hierarchical structures that combine both macropores, which serve as pathways for substances, and mesopores, which enhance reaction efficiency, are attracting attention as an advanced technology. This structure enables both substance diffusion and reaction to be enhanced simultaneously. The Company has independently developed a highly efficient CO_2 adsorbent by loading a CO_2 absorbent solution onto bimodal porous silica containing both macropores and mesopores.

Since 2023, the Company has been jointly developing water electrolysis electrodes with the Indian Institute of Technology Delhi for the production of green hydrogen. In January 2026, with the aim of promoting research and development in the fields of green hydrogen production technologies and CO_2 capture and utilization (CCU) technologies, the Company entered into a memorandum of understanding with the Haryana Enterprises Promotion Centre, a platform under the Government of Haryana, Republic of India, that facilitates the acquisition of permits and approvals to support business expansion.

Engineered materials

Exploitation Value Expansion

［Engineered Materials Sector］

Vision for 2030 (What we should be in 2030)

FY2030 targets: ¥444 billion net sales, ¥130 billion ordinary income＊

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

＊ The targets for net sales and ordinary profit have been revised upward.

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 target materials for displays, Sputtering target materials

FY2025 Results

Proportion of the entire Group's results by sector



Net sales
43.3%
328.4 billion yen



Ordinary income
46.0%
66.5 billion yen

＊The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

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	Copper foil with carrier film	95%
For motorcycles	Catalyst for exhaust purifier	50%
For hybrid vehicles	Battery Materials (Hydrogen storage alloy)	30%
For MLCC	Copper powders	25%
For glass substrates	Cerium Oxide Abrasives	40%
For filtration of molten aluminum	METALOFILTER®	85%
For displays	Oxide semiconductor target material	40%

＊Each figure indicates the share of the global market.

Changes in Capital Investment of the Sector

FY2026	15.9（11.0）billion yen	（plan）
FY2025	9.9（6.1）billion yen	
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 in growth areas.

＊ For FY2022 and FY2023, the figures are the totals of the previous business segments.

Create Top-share products based on market needs and customer challenges

The Engineered Materials Sector has cultivated a diverse range of technologies centered on core technologies developed over many years. By integrating these technologies, it has continued to create value across a wide range of fields and markets, including electronics, communications, and automobiles, in response to changing societal needs. The Sector is currently positioned as a "Value Expansion" business within the Company-wide business portfolio.
As the digital society becomes increasingly sophisticated, demand for data processing, as exemplified by AI servers and high-speed communications infrastructure, is rapidly expanding. Along with this trend, semiconductor packages and substrates used in these applications are becoming increasingly dense and capable of higher-speed operation, and the materials used in these semiconductor packages and substrates are required to deliver even higher levels of performance and functionality. Viewing this market evolution as a business opportunity, the Sector continues to make proactive investments with its high-performance copper foil product lineup (including MicroThin™ and VSP™) at the core, while strengthening its competitiveness in AI infrastructure and advanced semiconductor fields and accelerating growth.
To support these growth investments, the Sector is also continuously improving productivity and clarifying the value of each product, while promoting value-based pricing and strengthening cash generation.

In FY2025, sales expanded for multiple products not only in the mainstay electrolytic copper foil but also in catalysts, engineered powders, rare materials, and ceramics, resulting in a 33% year-on-year increase in sales for the Sector.
In April this year, the Engineered Materials Sector established the Kyushu Advanced Materials Development Center in Omuta City, Fukuoka Prefecture, with the aim of developing advanced materials and creating new businesses to support future growth. In advanced fields such as next-generation semiconductors, the importance of materials technologies is increasing, and Kyushu, where industry-government-academia collaboration and technical talent are concentrated, is well suited to strategic materials development. In this region, Mitsui Kinzoku has the strength of integrated operations covering rare earths and rare metals from raw material procurement through to final products. Leveraging this strength, the Sector aims to accelerate the process from development to commercialization by integrating prototyping and evaluation functions while promoting collaboration across multiple business divisions. It will also advance research into areas such as thermal management and energy conversion materials and materials for next-generation foundational technologies, with the aim of creating new products and businesses.
Going forward, the Sector will promote value creation, particularly in growth fields, by leveraging the strengths of each of its businesses and thereby contribute to the sustainable enhancement of corporate value.



OKABE Masato

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

Key Initiatives under the 25–27 MTP

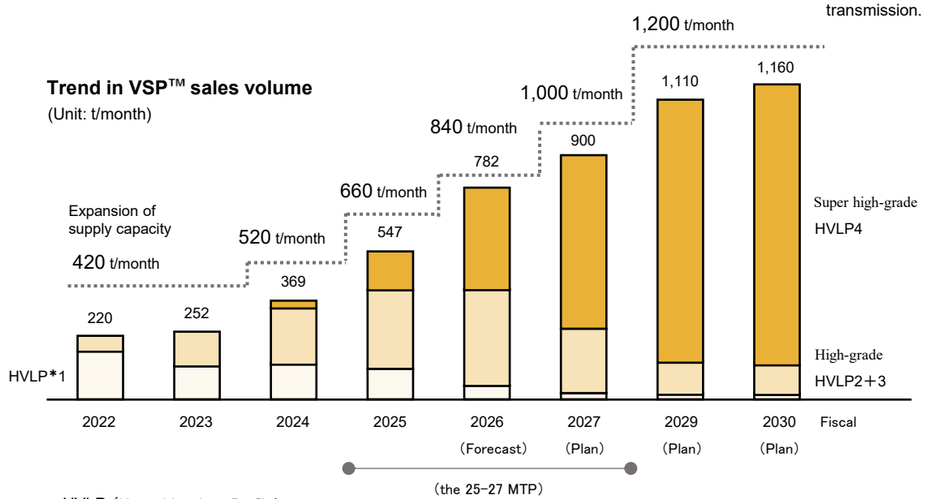
To meet growing demand from the expanding AI market, the Sector is progressively increasing its production capacity while also developing new high-performance materials for even higher-speed transmission.

Capture demand from the growing AI market

Electro-deposited copper foil for high-frequency circuit boards「VSP™」

This is one of the many initiatives being undertaken across the businesses within the Sector.

Trend in VSP™ sales volume
(Unit: t/month)



＊ HVLP（Hyper Very Low Profile）

HVLP refers to electrolytic copper foil used for forming circuits on substrates, characterized by ultra-low surface roughness and an extremely smooth surface. When electronic circuits operate at high frequencies or large volumes of data are transmitted at high speeds, reducing the surface roughness of the copper foil can significantly reduce electrical signal loss.

Metals Mining and smelting

[Metals Sector]

Exploitation

Value Reinforcement/Optimization

Vision for 2030 (What we should be in 2030)

We are essential in efforts to build a sustainable world.

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

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

FY2025 Results

Proportion of the entire Group's results by sector



Net sales
49.7%
376.7 billion yen



Ordinary income
51.9%
75.1 billion yen

∗ The denominator for the ordinary income percentage is the figure prior to consolidated adjustment.

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 continuous galvanizing grade zinc alloys for highly corrosion resistant galvanized steel sheet (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	52%
Bi	Bismuth	59%

∗ Each figure indicates the domestic production share.

Percentage of recycled materials in products

Zn	Zinc	50%
Pb	Lead	70%
Cu	Copper	27%
Sn	Tin	100%

Contribute to the realization of a sustainable society through our metal materials

The Metals Sector plays a role in the supply chains for nonferrous metals and rare metals that are essential to a wide range of infrastructure and industries.
Zinc contributes to extending the service life of social infrastructure by protecting steel from corrosion, while lead continues to be used in storage batteries, and copper and rare metals are used in a wide range of fields and markets, including electronic materials. In addition to working to ensure a stable supply of zinc, lead, copper, and other metals, the Sector has long been advancing recycling-based smelting. To meet growing recycling needs associated with the transition to a recycling-oriented society, the Sector has established "to propose and provide solutions that help build a sustainable world" as the mission of the Metals Sector.
Toward achieving its Vision for 2030, during the three-year period of the 25–27 MTP, the Sector is pursuing a more advanced recycling-based smelting network, considering the development of new mines, reducing CO_2 emissions and utilizing renewable energy toward the realization of a decarbonized society, and developing digital infrastructure toward the realization of digital transformation (DX).

As part of its efforts to reduce CO_2 emissions, the Group had previously produced gypsum from sulfuric acid generated in the smelting process. To reduce CO_2 emissions generated during gypsum production, however, Kamioka Mining & Smelting ceased gypsum production in May 2025. In addition, Hibi Kyodo Smelting plans to halve gypsum production from the second half of FY2026 and cease production during FY2028.
With regard to the more advanced recycling-based smelting network, in addition to the recycling of zinc from galvanized steel sheets that the Group has undertaken to date, the Group is focusing on the processing of lead-rich residues containing tin, antimony, bismuth, and other metals, for which processing needs are increasing as E-scrap recycling advances at copper smelters.
The Group will continue to provide value that only it can deliver by making maximum use of the distinctive strengths of its metals business, namely its zinc, lead, and copper smelting network, which utilizes a diverse range of processes, as well as its mineral resources and renewable energy.



SAITO Osamu

Senior Managing Executive Officer, Senior General Manager of Metals Sector

Materiality in the 25–27 MTP

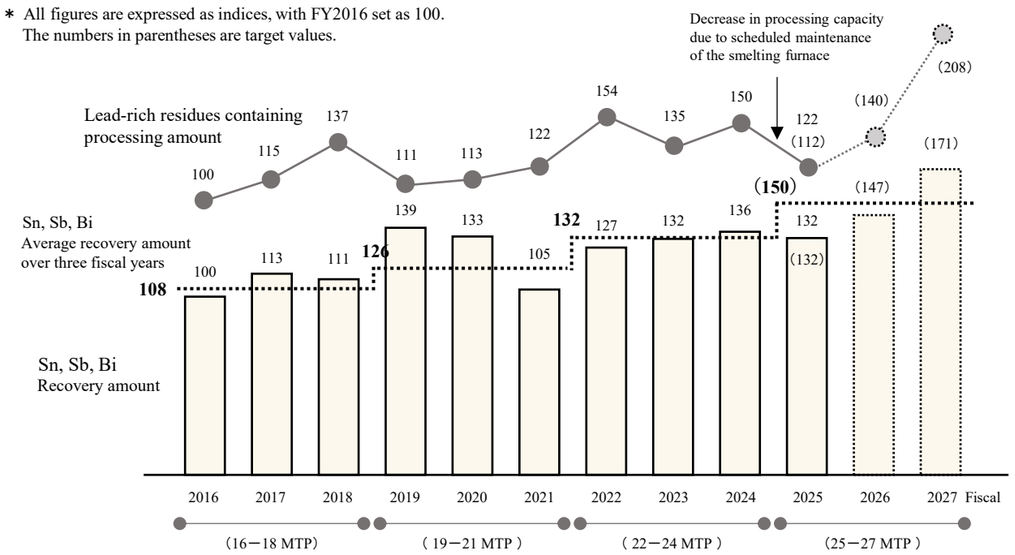
Promoting E-scrap recycling by leveraging our smelting network

We are increasing the volume of Lead-rich residues containing processed and boosting the recovery amounts of Tin, Antimony, and Bismuth.

[Results of Initiatives in FY2025]

We achieved our target for the volume of Lead-rich residues containing processed, and recovery amounts of Sn, Sb, and Bi all exceeded our targets. In FY2026, we will strengthen our marketing and procurement system for recycled materials and conduct trials aimed at increasing our processing capacity.

∗ All figures are expressed as indices, with FY2016 set as 100.
The numbers in parentheses are target values.



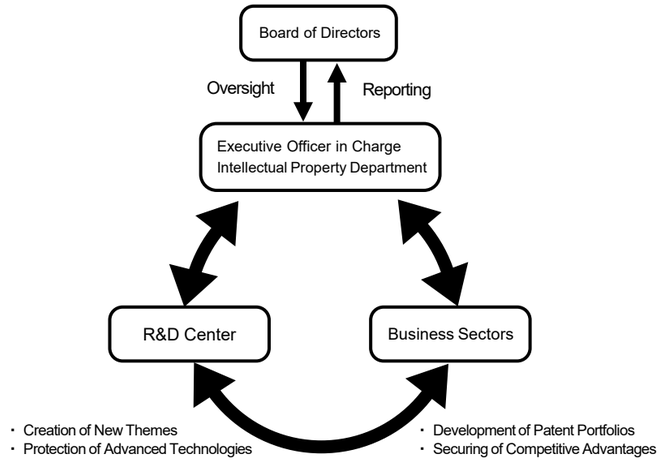
Intellectual Property Management

Our approach

Mitsui Kinzoku Group regards intellectual property as an important management resource and promotes intellectual property management based on a set of fundamental policies. These policies include appropriately protecting intellectual property, securing competitive advantages for its businesses through intellectual property, utilizing intellectual property in new businesses, minimizing intellectual property-related risks, developing and securing human resources in the field of intellectual property, and fostering a corporate culture that respects intellectual property.
Under the 25–27 MTP, the Intellectual Property Department will further strengthen intellectual property management linked to the management strategy, while enhancing information disclosure and IR activities related to intellectual property and strengthening the supervisory function of the Board of Directors.

Intellectual Property Governance Structure

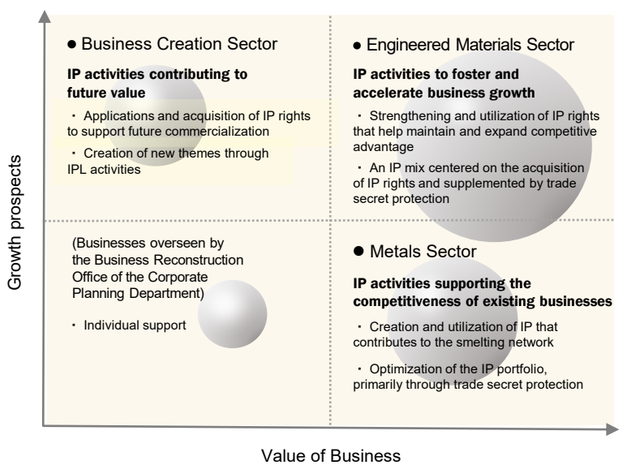
To help enhance the effectiveness of the Board of Directors' oversight of intellectual property activities, the Intellectual Property Department has established key management items and reports directly to the Board of Directors on their progress, as well as on related issues and measures to address them, for the Board's review and oversight.
The Board of Directors has recognized the continuous improvements being made in intellectual property investment, while also calling for further improvements in areas such as visualizing the link between such investment and the enhancement of corporate value.
In response to these requests, the Intellectual Property Department works to enhance the Group's corporate value over the medium to long term by proposing and implementing measures to develop intellectual property and intangible assets that contribute to value creation and strengthen the competitiveness of the R&D center and business sectors, based on their respective strategies.
The Department also works to communicate information on intellectual property activities both internally and externally through the integrated report, website, ESG briefings, and other channels.
Going forward, the Intellectual Property Department will further strengthen intellectual property governance by enhancing the communication of information on intellectual property activities and strengthening the supervisory function of the Board of Directors.



Enhancing Corporate Value over the Medium to Long Term through Intellectual Property Activities

Intellectual property initiatives supporting Ambidexterity

The Intellectual Property Department makes intellectual property investments tailored to the positioning of each business based on the business evaluation matrix. The Department gives priority to investment in intellectual property and intangible assets in the Business Creation Sector and the Engineered Materials Sector, which are focus areas, with a view to the entire process from R&D through commercialization. Through this approach, the Department is advancing proactive intellectual property investment to support future commercialization in both sectors. For existing businesses, meanwhile, the Department strengthens and utilizes intellectual property rights that contribute to maintaining competitive advantages and maximizing earnings, while also optimizing intellectual property portfolios in light of investment efficiency.
In the Business Creation Sector, the Department promotes the building and development of intellectual property and intangible assets related to solid electrolytes for all-solid-state batteries (A-SOLiD®) and functional porous materials, with commercialization in mind from the stage of creating research themes.



In the Engineered Materials Sector, the Department is expanding intellectual property and intangible assets related to higher-performance grades of copper foil (VSP™) and iconos™. The Department will further strengthen related intellectual property investment, taking the establishment of the Kyushu Advanced Materials Development Center as an opportunity. The Center promotes the creation of new businesses as "next seeds" originating from the Engineered Materials Sector and supports their transition to initial mass production.

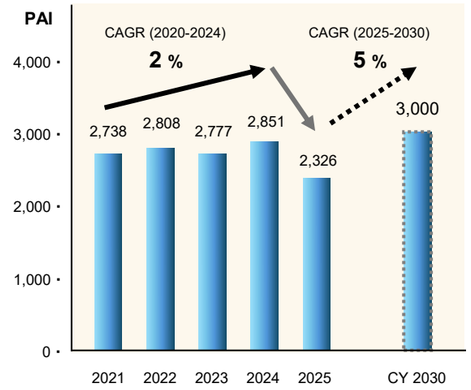
知財・無形資産ガバナンスガイドライン
形のない資産が、形ある未来を創り続ける。

Mitsui Kinzoku invests in and utilizes intellectual property and intangible assets based on the Cabinet Office's "Intellectual Property and Intangible Asset Governance Guidelines."

https://www.cas.go.jp/jp/seisakukaigi/titeki2/tyousakai/tousi_kentokai/governance_guideline_v2.html

Status of intellectual property and intangible asset development in FY2025

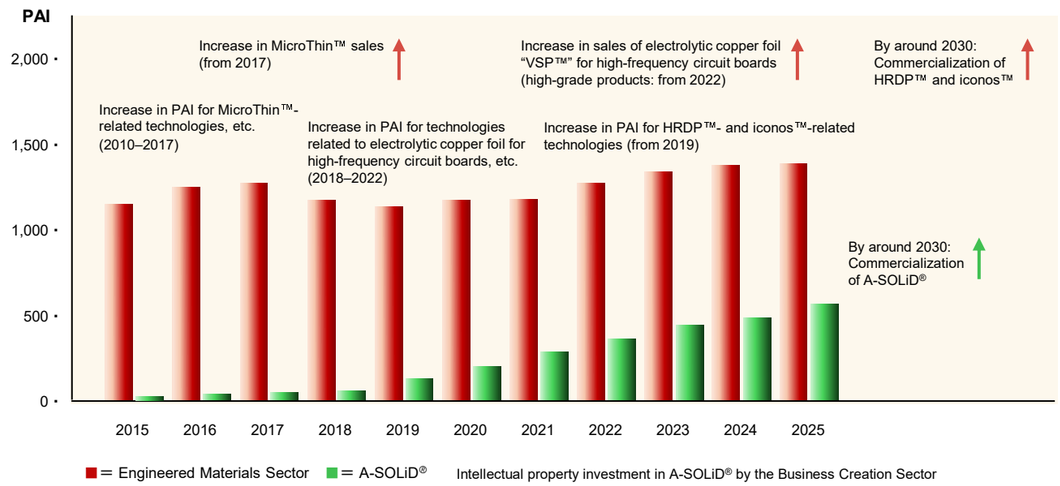
The Intellectual Property Department has established the Patent Asset Index (PAI™＊) as a KPI for its intellectual property activities and set a target of 3,000 for 2030.
PAI declined due to the review and rationalization of patent assets held since 2021 and, in 2025, the sale of Mitsui Kinzoku ACT Corporation (now HI-LEX ACT Corporation). Going forward, the Business Creation Sector will strengthen efforts to systematically acquire core technologies and build patent portfolios for next-generation technologies and new business development, including solid electrolytes (A-SOLiD®) and porous materials.
The Engineered Materials Sector will also strengthen intellectual property investment to protect existing businesses, products under development, and new products. Through these initiatives, the Group will step up efforts to achieve its 2030 PAI target.
Trends in the number of patent family applications filed by the Group from FY2021 through FY2025, as well as the breakdown of registered patents by country as of the end of March 2026, are provided in the ESG Data.



Link between intellectual property activities and future financial performance

At the ESG briefing held in November 2025, the Group explained that increases in PAI tend to be followed by increases in net sales several years later and that improvements in PAI contribute to enhancing corporate value. Going forward, the Group will continue to promote intellectual property investment in priority business areas to contribute to future financial growth.

Link between PAI and net sales for key products in the Engineered Materials Sector



＊ PAI™ (Patent Asset Index)
Patent valuation data calculated using PatentSight®, provided by LexisNexis Intellectual Property Solutions. The Patent Asset Index (PAI) is an index that takes into account a patent value indicator (calculated at the patent family level based on the same priority application) that reflects current and future market attention, as well as the number of patents held.

Initiatives for environmental issues

Business activities dependent on natural capital

Through businesses such as non-ferrous metal smelting and the development and manufacture of engineered materials, Mitsui Kinzoku Group has provided products and technologies that contribute to societal development. These business activities depend on natural capital, including mineral resources, water, energy, land, and ecosystem services, and also have impacts on the natural environment throughout the value chain, from mining and procurement to manufacturing, product use, and recycling. Recognizing this, the Group considers understanding its relationship with natural capital and addressing environmental issues to be important management priorities.

Sustainable value creation in harmony with the environment

Mitsui Kinzoku Group has established its Basic Environmental Policy and formulated an Environmental Action Plan based on that policy in order to address environmental issues across the Group on a continuous basis. Under the Environmental Action Plan, the Group identifies and assesses the impacts of its business activities on stakeholders throughout the value chain and designates particularly important areas as priorities for action. Each site translates these priority areas into specific action plans and implements related measures as part of its day-to-day business activities. In addition, both the 22–24 MTP and the 25–27 MTP explicitly state that the Group assesses the sustainability of each business from the perspective of environmental impact and uses the results in management decision-making.

The Group currently regards climate change, resource conservation and environmental impact reduction, and biodiversity conservation as priority environmental issues in light of its dependencies and impacts on natural capital, and advances initiatives in these areas as one of its material issues. These initiatives help reduce physical and transition risks associated with tighter environmental regulations, resource constraints, water stress, climate change, and the degradation of natural capital. At the same time, they also create new growth opportunities through promoting resource circulation, establishing manufacturing processes that further reduce environmental impact, and developing environmental contribution products.

The Purpose, “We promote the well-being of the world through a spirit of exploration and diverse technologies,” expresses our commitment to contributing to the resolution of environmental and social issues through our businesses, realizing a sustainable global environment and society, and enhancing corporate value. By integrating continuous improvement rooted in frontline operations with efforts to take on the challenges of new technologies and business opportunities, the Group seeks to enhance both social and economic value and pursue sustainable value creation through business activities in harmony with the environment.

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

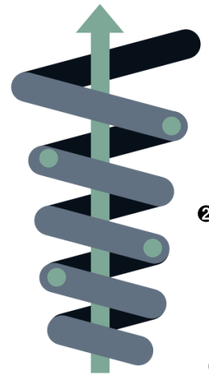
Mitsui Kinzoku Group has multiple businesses with different business models. The Strategy Office for Harmony with Nature and Carbon Reduction identifies and assesses risks and opportunities related to climate change in collaboration with each business unit, including scenario analysis, based on the findings 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 Strategy Office for Harmony with Nature and Carbon Reduction 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.

* The Basic Environmental Policy is available on our website.

https://www.mitsui-kinzoku.com/en/csr/environment/environmental-policy

Risk Management Process / Integration of scenario analysis and business strategy



❶ **Identification of key risks and opportunities, and consideration of countermeasures**

- Information gathering on climate change
- Business analysis and identification/assessment of risks and opportunities
- Consideration of climate-related group-wide direction and business strategies
- Consideration of group-wide direction for physical risk response

❷ **Implementation of countermeasures**

- Incorporate countermeasures into the medium-term management plan and business strategies
- Formulate and promote group-wide BCP in response to physical risks

❸ **Review of countermeasure implementation**

- Confirm the results and enhancements of the medium-term management plan and business strategies
- Review of response to physical risks

❹ **Review key risks and opportunities, and reconsider countermeasures**

- Update climate-related information
- Review risks and opportunities
- Revise group-wide direction and business strategies as necessary
- Improve group-wide BCP

(Important issues at each step are determined by the Executive Council.)

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.

The Group completed scenario analyses for all of its businesses in FY2025. For businesses previously subject to scenario analysis, the Group reviewed the financial impacts of risks and opportunities by referring to publicly available scenarios as of November 2025, including the IEA World Energy Outlook 2025. Going forward, the Group plans to update the analyses annually in light of changes in the market environment, regulatory trends, technological developments, and other factors affecting each business, while focusing its analyses on the Metals Sector and the Copper Foil Division, which have relatively high GHG emissions within the Group.

Looking ahead to the medium to long term, around 2035 to 2040, the Group will continue to assess the impacts of climate-related risks and opportunities on its business strategy and financial position.

Through scenario analysis, the Group is examining response measures aimed at minimizing potential reductions in earnings arising from climate-related risks while creating opportunities for new products and businesses. As many of these measures require a long-term perspective, they have been incorporated into the 25–27 MTP, and the Group will continue working to strengthen its resilience.

Metrics and targets TCFD

Medium- and long-term CO_2 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 CO_2 emissions reduction targets. 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.

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 CO_2 emissions reduction target

Reducing CO_2 emissions by 38% globally by FY2030 (compared to the FY2013 level)

Long-term CO_2 emissions reduction target

Achieving carbon neutrality (net zero emissions) by FY2050

Carbon Neutral Road Map

Mitsui Kinzoku Group has formulated a Carbon Neutral Road Map (CNRM) to achieve its medium- and long-term CO_2 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 management mechanism to support flexible and timely decision-making on these investments. Initiatives under the CNRM are promoted under the support and management of the relevant business sectors based on activities and implementation plans proposed by business divisions and affiliated companies, while necessary investment decisions are deliberated by the Executive Council.

In FY2025, the Group began full-scale operation of a cloud-based information-sharing system compatible with CNRM, enhancing the visibility of information on various initiatives, including those involving ICP (Internal Carbon Pricing). The Group also implemented 23 ICP-related initiatives, with a total investment of 530 million yen.

In FY2026, we plan to allocate 1.0 billion yen to Scope 1 reduction efforts and 640 million yen to Scope 2.

Scenario assumptions

Assumed period	2030	
Definition and reference	4℃ scenario 2.7-4.0 ˚C higher than pre-Industrial Revolution levels by the end of the 21st century ＊ Uses data mainly from the CPS（Current Policies Scenario）of the IEA	1.5℃ scenario 0.3-1.7˚C higher than pre-Industrial Revolution levels by the end of the 21st century ＊ Uses data mainly from the NZE (Net Zero Emissions by 2050 Scenario) of the IEA
Assumed Environmental Changes	4℃ scenario ・The transition to a decarbonized society is expected to proceed relatively gradually, while demand for metals that support social infrastructure is expected to remain robust, supported by economic and population growth. ・Although societal expectations regarding decarbonization and resource circulation are expected to remain limited, rising demand for metals may lead to higher prices and supply constraints. ・Infrastructure development and growing AI-related demand are expected to create opportunities for non-ferrous metal materials and electronic materials products. ・Rising temperatures and the increasing frequency of extreme weather events may increase uncertainty in the business environment, including local communities, infrastructure, and supply chains.	1.5℃scenario ・The transition to a decarbonized society is expected to proceed rapidly, with the shift to renewable energy, electrification, and resource circulation accelerating across society. ・While demand for metals is expected to increase further, carbon prices, raw material and component prices, and decarbonization-related costs are also expected to rise. ・Customer requirements related to environmental considerations are expected to become more stringent, and supplier selection criteria may become stricter. ・In addition to growing demand for infrastructure that supports the expanded use of renewable energy and climate-related measures, demand for high-value-added products is also expected to increase. ・Although physical impacts are expected to be more limited than under the 4℃ scenario, impacts on local communities, infrastructure, and supply chains are still expected.

Summary of FY2025 scenario analysis results (Mitsui Kinzoku Group)

Impact estimation items	Risks/Opportunities	4℃	1.5℃	Countermeasures 4℃	Countermeasures 1.5℃
Sales	**Risks** • A shift to alternative materials, driven by soaring metal prices resulting from strong demand and higher carbon prices, could lead to a decline in metal sales. • Sales could also decline if we fail to meet increasingly stringent and evolving customer requirements related to environmental considerations, such as the use of renewable energy and recycled materials.	Loss ▼▼▼	▼▼▼	・Continue responding to customer requirements, including ESG procurement requirements and requests for renewable energy and recycled raw materials, through the use of certification schemes, renewable electricity, and renewable energy certificates.	・Focus on developing products that contribute to CO_2 emissions reductions, including through thinner and lighter designs, in anticipation of growing market-wide requirements for climate change action.
	Opportunities • In addition to robust demand for metal materials that support social infrastructure, expanding demand related to AI and climate change solutions may drive sales of non-ferrous metal materials and electronic materials products.	Profit ▲▲▲	▲▲▲	・Continue responding to customer requirements, including ESG-related requirements, while establishing a production system capable of meeting growing demand for nonferrous metal materials and electronic materials-related products.	• Anticipating growing demand for high-value-added products, establish a production system, appropriately reflect added value in product prices, and promote sales expansion.
Carbon prices	**Risks** • Higher carbon prices may increase operating costs as well as procurement, manufacturing, and logistics costs.	▼	▼▼▼	・Steadily advance energy conservation initiatives and the introduction of renewable energy while responding to customer requirements.	• Strengthen initiatives to reduce CO_2 emissions, including the purchase of green electricity and the installation of solar power generation facilities under PPAs. ・Consider passing on cost increases associated with decarbonization measures and non-fossil certificates through product pricing, as appropriate.
Raw material prices	**Risks** • Rising raw material and component prices may increase costs.	▼▼	▼▼▼	• Improve extraction yields from raw materials and metal recovery rates, and enhance technologies for utilizing lower-cost raw materials.	・Consider passing on increases in raw material costs resulting from rising prices of metals such as copper through product pricing.
GHG reduction measure costs	**Risks** • Costs associated with GHG reduction measures may increase in order to reduce the cost burden from carbon pricing and secure sales.	▼	▼▼	・Utilize renewable energy certificates and other appropriate instruments, as necessary, to meet customer requirements.	• In addition to appropriately purchasing and using renewable energy certificates, advance both information gathering on switching to more economically viable fuels and technical studies toward their application.
Physical risks	**Risks** • Extreme weather events may constrain water and energy use, potentially affecting operations. • Impacts on the Group's production facilities and supply chains may also pose operational risks.	▼▼		・Upgrade aging equipment, implement flood prevention measures in anticipation of impacts on production facilities from extreme weather events such as torrential rain, and strengthen heatstroke prevention measures. ・Advance BCP measures, including securing inventories in anticipation of potential disruptions and installing emergency on-site power generation equipment.	・Continue implementing existing measures, considering it unlikely that impacts will exceed those assumed under the 4℃ scenario as climate-related measures continue to advance.

＊ Financial impact（4℃/1.5℃）

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

＊ The countermeasures for each scenario are illustrative examples currently under consideration. Actual measures will be formulated in detail based on future business conditions.

Increasing the use of renewable energy

In order to increase the share of renewable energy, we are expanding the deployment of new renewable energy generation facilities as well as ensuring the stable operation of existing hydroelectric, solar, and other power generation facilities.We also purchase electricity from renewable energy sources.

Kamioka Mining & Smelting, along with the Huanzala and Pallca Mines, operates on-site hydroelectric power plants. Okuaizu Geothermal supplies steam for geothermal power generation to an electric power company. In addition, solar power generation facilities have been installed at multiple sites.

Low-carbon copper foil products through renewable electricity

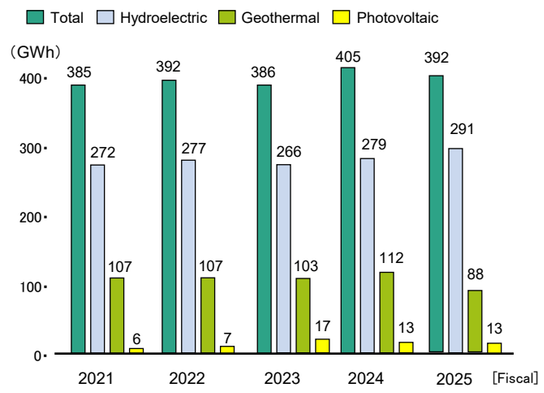
The Copper Foil Division is promoting the use of renewable electricity in its manufacturing processes. Under a policy of expanding the use of electricity from renewable energy sources across the Division, the most suitable approach is selected for each site based on regional characteristics and the manufacturing processes of individual products. For the Division's flagship products, MicroThin™ and FaradFlex™, 100% of the electricity used at the Ageo Site and the Malaysia Plant is effectively sourced from renewable energy.

These initiatives contribute to reducing CO_2 emissions (Scope 2) associated with the manufacturing of the Group's products and also help reduce CO_2 emissions (Scope 3) throughout customers' supply chains.

CO_2 emissions results

In FY2025, emissions at domestic sites decreased by 4.7% 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 3.9% compared to the previous year, equivalent to a reduction of approximately 62 thousand t-CO_2.

Total power generation using renewable energy



Exploring biomass fuel adoption in smelting process

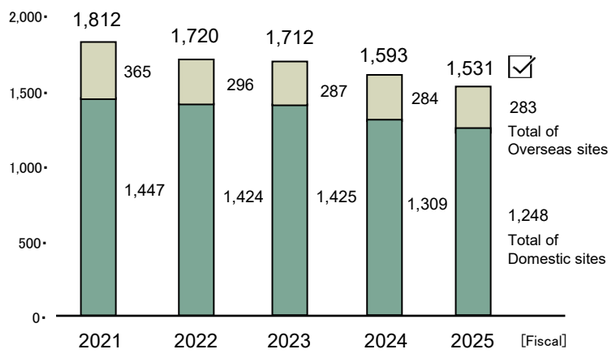
The Metals Sector is considering the use of biomass fuels as alternatives to coal and coke in the smelting process. To date, demonstration tests have been conducted to partially replace coal and coke with biomass fuels at facilities including the Mitsui Furnace (MF) at Miike Smelting, the lead blast furnace at Kamioka Mining & Smelting, and the flash smelting furnace at Hibi Smelter. These smelting furnaces are core facilities supporting the stable supply of zinc, lead, and copper, and the Group is assessing the feasibility and application conditions while taking into account potential impacts on operations.

The use of biomass fuels presents challenges in terms of cost, supply stability, and quality. To address these challenges, the Group is also conducting in-house biochar production trials. While biomass fuels are considered carbon neutral from the perspective of the carbon cycle, the Group recognizes that their actual application requires careful verification on a case-by-case basis.

Going forward, while assessing the technical and economic feasibility of biomass fuels in each smelting process, the Group will continue to evaluate their potential as one option for reducing CO_2 emissions.

CO_2 emissions from energy consumption

（thousand t-CO_2）



＊ CO_2 emissions from energy consumption were calculated using the applicable emission factors prescribed under the Act on Promotion of Global Warming Countermeasures. For purchased electricity in Japan in FY2025, CO_2 emissions were calculated using the latest published baseline emission factors for each electricity supplier. For overseas operations, supplier-specific or region-specific emission factors were used. Where such factors were unavailable, the 2024 edition of the IEA's CO_2 Emission Factors from Electricity was used, consistent with FY2024. For FY2021 through FY2023, the 2021 edition of the IEA's CO_2 Emission Factors from Electricity was used.

＊ Emissions from the use of waste-derived fuels are not included.

＊ Energy sold to third parties is not included.

＊ We have received independent practitioner's assurance for the FY2025 figures in this information marked with ☑ in the Japanese edition of Integrated Report 2026.

The reporting boundary for CO_2 emissions from energy consumption is described in the ESG Data section (P.94).

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 non-ferrous 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 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 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.

Assessment and response to water risk situations

We use World Resources Institute (WRI)'s AQUEDUCT Water Risk Atlas*1 to assess water risks at our manufacturing sites in Japan and overseas, mainly in terms of water stress and flood hazards.

According to the WRI assessment, 10 sites, including those in India and China, are located in areas classified as Extremely High (>80%) water stress, while 5 sites in Indonesia, Thailand, and China are located in areas classified as High (40-80%) water stress. These sites, which mainly manufacture automotive components, had a freshwater withdrawal of 114 thousand m³ in FY2025, or 0.1% *2 of the Group's total. At each site, we are working to improve water efficiency by reducing water intake and introducing water recycling facilities.

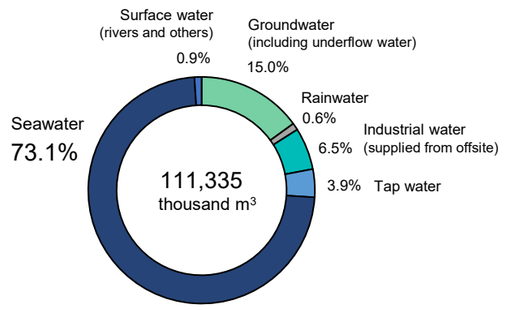
At smelting sites, we are enhancing reservoirs and increasing wastewater treatment capacity to prevent the leakage of wastewater containing heavy metals and other pollutants during heavy rainfall or flooding. An automatic shut-off system for wastewater has also been installed for emergencies such as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

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

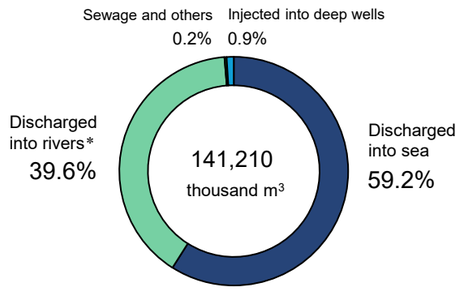
*1 Used the Baseline Water Stress data from the AQUEDUCT Water Risk Atlas 4.0.

*2 The site count includes sites that were excluded from the scope of consolidation during FY2025. Water withdrawal volumes for such sites are included up to the time of exclusion.

Breakdown of water withdrawal (FY2025)



Breakdown of wastewater (FY2025)



* 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.

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 non-ferrous smelting business, we have been recovering zinc, lead, and other metals from waste, and supplying non-ferrous 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 by minimizing resource use and using resources efficiently.

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 waste 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 wastewater treatment 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.

Total waste emissions reduction targets and progress

	Baseline year FY2013	Reporting year FY2025	Target year FY2027	Target year FY2030
Emissions	24,749t	14,983t	19,799t	12,375t
% of Baseline year	100%	61%	80%	50%

Total waste emissions in FY2025 were 61% of the FY2013 level, indicating performance ahead of the trajectory required to achieve the FY2027 target.

Reduction of chemical substance emissions

Mitsui Kinzoku Group seeks to appropriately manage chemical substances and reduce their emissions. Because domestic sites account for more than half of its total releases and transfers of substances subject to the PRTR system, the Group is focusing its chemical substance management efforts on domestic sites. In addition, in light of the impacts of VOCs on human health and air quality, the Group established a new reduction target in FY2025 for VOC emissions to the atmosphere.

VOC emissions reduction target by FY2030

Reduce VOC emissions to the atmosphere by at least 85% by FY2030, compared to the FY2013 level

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

* VOC (Volatile Organic Compounds): A general term for organic compounds that readily evaporate into the atmosphere. Some VOCs include substances that may have adverse effects on human health and air quality.

We have continued to reduce atmospheric VOC emissions through improvement activities at each site. To achieve our 2030 reduction target, we are focusing primarily on painting processes, where VOC emissions are relatively high, by reviewing work methods, switching to low-VOC paints and water-based materials, and reducing solvent use in cleaning processes.

For other chemical substances, the Group complies with relevant laws and regulations, including the RoHS Directive and REACH Regulation, and continues to appropriately manage these substances while monitoring, controlling, and reducing their transfers and releases.

Going forward, Mitsui Kinzoku Group will continue to ensure thorough chemical substance management in accordance with regulations in each country and region, while sharing and rolling out improvement initiatives from individual sites across the Group to reduce environmental impacts throughout business activities.

VOC emissions reduction target and progress

	Baseline year FY2013	Reporting year FY2025	Target year FY2030
Emissions	10,790kg	1,684kg	1,618kg
% of Baseline year	100%	15.6%	15.0%

* Coverage of the domestic consolidation.

Plastic recycling

Mitsui Kinzoku Group is committed to proper disposal of plastic waste and the recycling of resources. Plastic waste generated at domestic sites represents approximately 95% of the Group's total, positioning it as the primary focus of reduction efforts.

Plastic waste reduction targets and progress

	Baseline year FY2023	Reporting year FY2025	Target year FY2027
Emissions (tons)	2,077	2,120	1,945
Utilization Rate (A+B)	70%	77%	82%
Recycling rate (A)	34%	28%	44%
Thermal Recovery Rate (B)	36%	49%	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.

Establishment of the Nature Positive Declaration

In May 2026, the Group established and published its Nature Positive Declaration, which sets out its basic approach and policy for initiatives related to natural capital and biodiversity. The Declaration sets forth the following commitments.

1. Identifying and Understanding the Relationship Between Business and Nature
2. Avoiding and Minimizing Negative Impacts on Nature, and Promoting Conservation and Restoration
3. Linking Nature-Positive Initiatives to Value Creation
4. Promoting Initiatives Together with our Stakeholders

Using the Declaration as a guideline, the Group will promote initiatives toward nature positivity at its sites in Japan and overseas, taking into account the characteristics of each region.

Disclosure based on the TNFD recommendations

Mitsui Kinzoku Group continues to advance its analysis of nature-related issues and enhance related disclosures based on international frameworks through its support for the TNFD*1 recommendations and registration as a TNFD Adopter.

Following a preliminary study conducted in FY2024, the Group is currently using the LEAP*2 approach proposed by the TNFD to assess its dependencies and impacts on natural capital, as well as related risks and opportunities, across its business activities and supply chain. In FY2025, the Group identified two priority locations and conducted detailed analyses. During the 25–27 MTP period, the Group plans to gradually expand the number of sites subject to analysis and disclose the results in stages. Through these initiatives, the Group will deepen its understanding of the relationship between its business activities and natural capital and further enhance activities aimed at coexisting with local ecosystems.

＊1 Taskforce on Nature-related Financial Disclosures

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





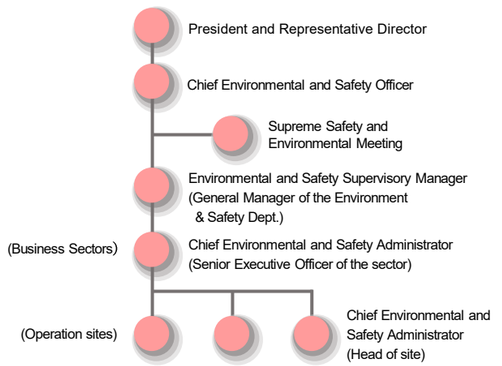
Initiative toward nature positivity: Site visit to nearby rivers with the Takaharagawa Fisheries Cooperative Association (Kamioka Mining & Smelting)

Occupational health and safety

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. The audits also identify hazardous places and follow up on corrective actions to promote ongoing safety improvements.

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

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

Health and safety education and 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.

Health and safety education and training provided in FY2025

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, 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 ＊ Employees of cooperative companies and contractors are also subject to these training programs.	・“*Kiken Yochi*” activity (hazard prediction) ・Experiential risk training, VR training ・Risk assessment training ・Safety communication activity ・PPE training ・Emergency training (fire/earthquake)

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, establish Mitsui Kinzoku's own safety standards based on applicable laws and regulations, revise work manuals, foster continuous on-site communication and verification 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. Since the system was introduced, no accidents have occurred due to failure to implement lockout.

The Group also promotes the Intensive Warm-up Stretching program with the aim of preventing occupational accidents and improving employee health. Conducted during working hours at all manufacturing sites in Japan and based on the principle of participation by all employees, the program helps further instill safety awareness while maintaining and enhancing physical capabilities. As a result, it has contributed to accident prevention, including a reduction in fall-related accidents among senior employees.

Safety performance in 2025

In 2025, the total number of accidents in the Group was 53, including those at cooperative companies and contractors, and we achieved zero fatalities.

There were 37 accidents in Japan, accounting for 70% of the total number of accidents across the Group, with the two most common accident types being caught-in/between incidents and slips, trips and falls. In terms of the number of affected workers, 60% were employees of Mitsui Kinzoku Group, while 40% were employees of cooperative companies and contractors.

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

Human Capital Management

Review of FY2025

Recognizing people as its most important management capital, Mitsui Kinzoku Group is promoting human capital management toward realizing the Human Resources Department's Vision for 2030: "We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization."
A particularly important challenge is to create three conditions from the perspective of respecting each individual: job satisfaction, motivation to work, and a comfortable work environment, so that diverse talent can fully demonstrate their capabilities and work with energy and enthusiasm. It is also important for the organization to maintain and enhance its ability to assign the right people to the right roles and develop them, thereby ensuring that the relationship between individuals and the Company remains mutually beneficial.
In FY2025, the first year of the 25–27 MTP, initiatives toward achieving the KPIs generally progressed as planned. At the same time, precisely because the outlook remains uncertain, we recognize the need to flexibly review how each initiative is implemented in response to changing circumstances. We are still only partway toward realizing our Vision for 2030. From FY2026 onward, while steadily monitoring progress and remaining firmly committed to our fundamental direction, we will continue to enhance human capital so that the people needed to execute our management strategy can fulfill their roles appropriately and at the right time.



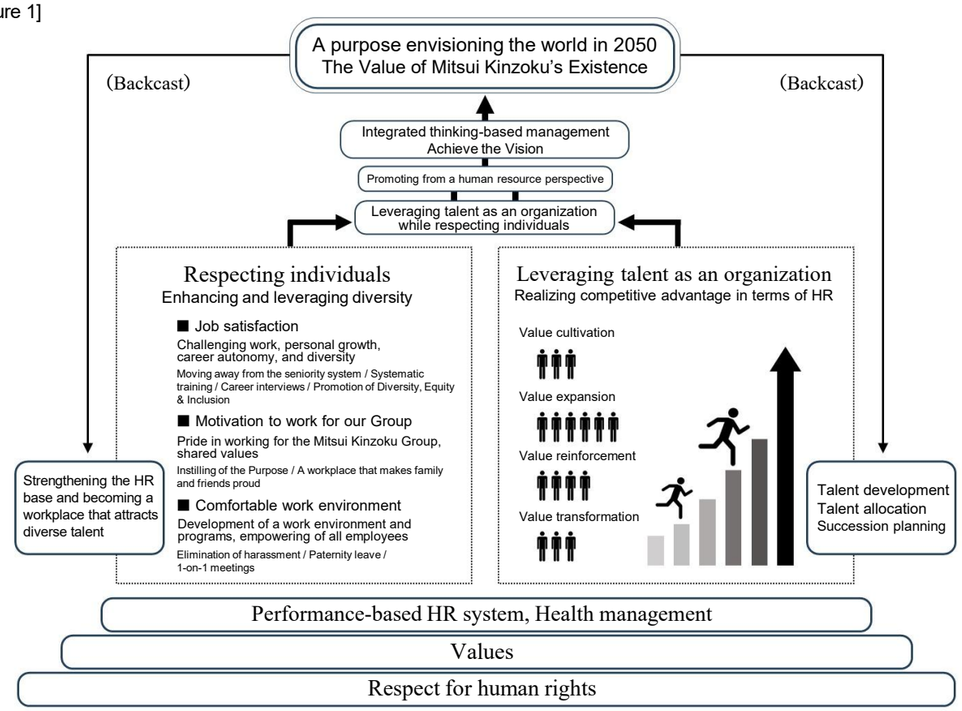
HANANO Masakazu

Executive Officer
Corporate Planning & Control Sector,
General Manager
of Human Resources Department

1. Human capital management strategy

Mitsui Kinzoku Group's human capital management strategy (Figure 1) is premised on respect for human rights and is founded on practicing the Values, which serve as guidelines for action, ensuring the effective operation of its performance-based HR system, and strengthening health management. Respecting individuals (the left side of the figure) and leveraging talent as an organization (the right side) are the two pillars of our strategy.
From the individual perspective, we implement initiatives to foster job satisfaction, motivation to work and a comfortable work environment. From the organizational perspective, we implement initiatives based on the business evaluation, such as strategically allocating talent, developing the capabilities required to support such allocation, and cultivating successors for key positions. Through the synergy between these two strategic perspectives, we will achieve the Vision at an even higher level, thereby advancing the realization of our Purpose.

[Figure 1]



2. Foundation of the human capital management strategy

2-1. HR system and performance evaluation and compensation

Since FY2022, Mitsui Kinzoku Group has been fundamentally reforming its HR system by introducing a job-type, performance-based system centered on duties and roles, under which the jobs required to execute the management strategy are defined and people are assigned to those jobs. The system enables multiple career paths for specialists as well as generalists. At the same time, we abolished the conventional distinction between sougoushoku (career-track positions) and ippanshoku (non-career-track positions) and give talented people with demonstrated capabilities opportunities to contribute, regardless of years of service, seniority, or educational background. Through these reforms, we aim to invigorate the organization and foster a culture of taking on challenges.
In FY2025, to embed the Values in the corporate culture, Mitsui Kinzoku newly incorporated the setting of individual goals based on the Values and the degree to which they are achieved into the performance evaluation criteria. In response to issues with the new HR system raised by operational sites during the Human Resources Caravan, we also introduced a systematic evaluation feedback mechanism and made certain improvements to the performance evaluation system. The evaluation system was revised to accommodate ambitious goal setting, and the link between performance and compensation was strengthened. In addition, we engaged in labor-management dialogue concerning working conditions, including compensation, and made them competitive with industry standards.
As a result of the fundamental reform of the HR system, the number of years employees spend in a grade before promotion has become more varied, and the proportion of women among employees promoted has increased, indicating that promotions based on demonstrated capabilities are taking place.

2-2. Enhancement of health management

Mitsui Kinzoku Group regards the physical and mental health of employees and their families as an important management issue. It has publicly announced its commitment to health management internally and externally and is implementing various initiatives. Since FY2025, the Group has designated three priority areas for its health initiatives: eliminating indoor smoking areas and supporting smoking cessation, improving dietary habits, and fostering a culture of exercise.
We have established absenteeism*1 and presenteeism*2 as KPIs for our health management initiatives and conduct an annual health management survey of all employees in Japan to measure their effectiveness. According to the results of the March 2026 survey, absenteeism was 3.9 days and presenteeism was 15.3%, with presenteeism showing improvement. Mitsui Kinzoku has been certified as a Health and Productivity Enterprise every year since 2019.

∗1 Absenteeism: Missing work due to health problems
∗2 Presenteeism: Decreased efficiency due to some kind of health problem despite being present at work

3. Human capital management strategy: Respecting individuals

3-1. Job satisfaction reforms and DE&I

As part of our individual-focused strategy, Mitsui Kinzoku is pursuing job satisfaction reforms and diversity initiatives. We have formed a Diversity, Equity, and Inclusion Committee*3 (chair: President and Representative Director IKENOBU Seiji; advisor: Outside Director TAKEGAWA Keiko). Under the President's direct initiative, Mitsui Kinzoku has established and manages KPIs related to materiality (Table 1). For the KPIs, the Senior General Managers of each business sector are responsible for progress within their respective sectors and report that progress to the Committee, thereby establishing a framework in which the business sectors take ownership of the initiatives. The matters discussed by the Committee are regularly reported to and discussed by the Board of Directors.
Issues identified and directions for improvement are reflected in the Committee's review and prioritization of initiatives.
Director compensation is also linked to the KPIs through ESG indicator-based restricted stock compensation (P.64). This framework is designed to ensure continuous improvement in line with the management strategy.
In 2025, Mitsui Kinzoku was selected as a "Nadeshiko Brand" and received the highest award, the "Platinum Ring," at the Psychological Safety Awards 2025, organized by ZENTech Inc. In 2026, the Company was selected as a "Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting."

∗3 The Diversity, Equity, and Inclusion Committee: https://www.mitsui-kinzoku.com/en/csr/society/diversity/#block02

FY2025 KPI progress		Key initiatives contributing to results
Iki-iki active engagement (company-wide average)	54% (Achieved)	Promotion through a framework centered on the Senior General Managers of each business sector and leaders responsible for job satisfaction reforms
Rate of women among newly hired employees	24% (Achieved)	Target setting for each business sector, recruitment activities, and enhanced PR initiatives
Rate of paternity leave taken by male employees	75% (Achieved)	Establishment of an income compensation scheme and promotion of childcare leave uptake

【Job satisfaction reforms】Creating an environment where employees can work with energy and enthusiasm

In FY2025, Mitsui Kinzoku implemented new initiatives, including cross-site exchange meetings on job satisfaction, management training for managers, including training on supportive approaches, and the sharing of best practices across sites.
In addition, toward the 2030 target of achieving a 70% “Iki-iki active engagement” indicator, the Rewarding and Engaging Work Promotion Office, a dedicated department, analyzes engagement survey results and, based on those results, visits operational sites to conduct interviews and dialogue sessions. It then implements improvements tailored to the culture and characteristics of each site.

To eradicate harassment, which is essential to improving engagement, the Group has established a Group policy on harassment prevention and is implementing initiatives in accordance with that policy.

FY2025 Harassment Prevention Initiatives

- As the Harassment Eradication Month campaign, the President issued a message to raise awareness.
- Internal surveys are used to identify sites where there are concerns about harassment. Interviews are then conducted at the relevant sites with the support of an external specialist organization, and preventive improvement measures are implemented.
- Harassment consultation desks are established in each sector and at each site so that employees can seek advice. The labor and social security attorneys with whom the Group partners regularly provide training to those responsible for the consultation desks.
- A whistle-blowing contact point that allows anonymous reports has been established and is operated (P.75).

【DE&I】Systems and initiatives that enable employees with varying personal circumstances to work flexibly

Balancing work and caregiving

Mitsui Kinzoku publishes a handbook that provides basic information on caregiving, raises awareness of an external consultation service, and operates an internal community website.

Understanding of sexual minorities

To promote broader understanding of sexual minorities, Mitsui Kinzoku has set obtaining the PRIDE Index (by FY2030) as a KPI and is strengthening its awareness-raising and supporting initiatives. We have established a SOGI consultation desk on our intranet and conduct employee ally declaration campaigns and video-based training.

Employment and development of persons with disabilities

At workplaces where persons with disabilities are employed, Mitsui Kinzoku undertakes initiatives aimed at improving each employee’s vocational capabilities in line with their individual characteristics. To help employees envision their career paths, Mitsui Kinzoku supports them in setting a “My Purpose” and annual goals and holds interviews with them. In addition, we use assessment tools to identify job aptitude and undertake initiatives to clarify the actions needed to achieve greater independence. Mitsui Kinzoku has been operating two workplaces for persons with disabilities in Japan, and in April 2026 it opened Ageo Laundry Lab (A.L.L.) in Ageo, Saitama Prefecture, as its third workplace for persons with disabilities.
A.L.L. centrally handles tasks such as collecting and laundering workwear used at workplaces in the same area. At these facilities, regular assessments are conducted, and measures such as displaying work procedures in large format and increasing illumination are implemented, creating safe workplaces where employees with disabilities can work comfortably.
Mitsui Kinzoku Group is linking the employment and development of persons with disabilities to improved productivity across the Group.
(Percentage of employees with disabilities P.91)

[Table 1] **KPIs related to human capital management materiality**

Acceleration of job satisfaction reforms	**Performance in FY2025**	**Plans for FY2026**	**KPIs for FY2027**	**Goals for FY2030**
Iki-iki active engagement – company-wide average % (engagement indicator)	54%	53%	55%	70%
DE&I				
Rate of women among newly hired employees	24%	23%	24%	27%
Rate of paternity leave taken by male employees	75%	78%	85%	—
Communication indicator	46%	41%	45%	60%
Rate of women in managerial positions	5.8%	6.2%	6.8%	10%
External evaluation	・*Eruboshi* certification ・*Next Nadeshiko*	・*Eruboshi* certification ・*Nadeshiko* Brand	・*Eruboshi* certification ・*Nadeshiko* Brand ・*Kurumin* certification	・*Platinum Kurumin* Certification ・Bronze Certification under the *PRIDE Index*

3-2. Career development support

Under its performance-based HR system, Mitsui Kinzoku recognizes employees’ right to choose their own career paths and encourages them to take ownership of their careers. Through dialogue between the Company and employees, the Company aims to support employees in realizing their career visions. Mitsui Kinzoku makes job descriptions available for all managerial positions and all non-managerial roles, helping employees consider and realize their career visions.

In addition, through one-on-one meetings, career interviews, and an expanded self-reporting system that enables employees to communicate their career preferences to the Company, we have established a platform for dialogue between the Company and employees. This has enabled the Company to support capability development based on each employee’s career vision, aptitude, and capabilities.

Talent assessment

For senior and junior management positions, Mitsui Kinzoku has an external specialist organization conduct talent assessments as part of the promotion selection process. Employees are encouraged to use feedback on their strengths and weaknesses in considering their career visions. At the same time, the Company uses the assessments to understand the expertise and strengths of its talent, as well as skills that are lacking, and to identify the skills that need to be strengthened to execute the management strategy and develop related initiatives.

Self-directed learning and reskilling

Mitsui Kinzoku not only specifies mandatory learning but also supports self-directed learning and reskilling toward employees’ individual career visions. Through its cafeteria-style training programs, including the online learning platform MLP (Mitsui-Kinzoku Learning Platform) and correspondence courses, the Company provides employees with opportunities to access a broad range of learning content aligned with their career visions.

Human resources development addressing human capital challenges

To address the limited improvement in engagement under the conventional top-down management approach, Mitsui Kinzoku conducted management training for senior managers in FY2024 to develop leadership and subordinate development skills. In FY2025, the training was also provided to middle managers, with some modifications. In addition, to increase the proportion of women in managerial positions, which is a KPI, we systematically identify management candidates, including women, and send them to external executive development programs.

4. Human capital management strategy: Leveraging talent as an organization

Within the Human Resources Department, Mitsui Kinzoku has established a Human Resources Business Partner (HRBP) Office and assigned HRBP personnel with in-depth knowledge of the respective businesses to each business sector. The HRBP Office and HRBP personnel implement initiatives for the strategic utilization of talent across the organization and support the execution of management and business strategies from an HR perspective.

【Leveraging talent as an organization】 A framework that supports agile talent allocation aligned with business positioning

Identification and development 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)

4-1. Talent asset allocation

In FY2025, to effectively implement Group-wide talent asset allocation linked to the dynamic management of the Group’s business portfolio, the Group conducted three-year talent simulations for businesses positioned in the upper section of the business evaluation matrix (P.35) and identified the job categories and roles that would be required.
In addition to recruiting new graduates and experienced hires in each business based on its regular workforce plan, the Group adopted an approach of designating, based on the simulations, the talent required for allocation to execute new business strategies, securing their successors in advance from within existing businesses, and developing them.

4-2. Talent management

The Group is advancing talent management by centrally managing talent information across the Group using digital technologies and utilizing that information when considering talent allocation. The Group also identifies the talent needed over the medium to long term through the development of succession plans for key positions, including heads of business sectors, and develops talent capable of driving ambidexterity using information from talent assessments.

5. Dialogue with stakeholders

5-1. Dialogue 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 domestic manufacturing, development, and research sites as part of a Human Resources Caravan since FY2022.
In FY2024, the Human Resources Department explained its strategies, performance-based HR system, career development support, and job satisfaction reforms to executives, managers, general employees, labor unions, and others at each site, and exchanged views on the operation of these initiatives, working conditions, and other human capital initiatives. In FY2025, the Human Resources Department organized the feedback and issues raised by the sites and implemented improvement measures while engaging in labor-management dialogue. The Human Resources Caravan was also conducted, focusing primarily on sites where significant issues had previously been identified, to share improvements and follow up on the issues at those sites.

5-2. Dialogue with external stakeholders

In November 2025, Mitsui Kinzoku held an ESG briefing and shared information on its human capital initiatives and challenges with external stakeholders. We also regularly hold dialogues between institutional investors and Outside Directors, sharing information on the talent needed to realize the management strategy, progress toward KPIs, and specific initiatives. Institutional investors are showing growing interest in areas such as talent diversity, investment in human capital, and talent acquisition. Mitsui Kinzoku reflects these views in the Board of Directors’ discussions and oversight and strengthens human capital to support the execution of the management strategy.

Respect for Human Rights

Our approach

Mitsui Kinzoku Group has established a human rights management system based on its Human Rights Policy and is addressing human rights issues in accordance with the United Nations Guiding Principles on Business and Human Rights in order to fulfill its responsibility to respect human rights. 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 58
［**Mining business**］ Page 57

Human rights due diligence

The Group began conducting human rights due diligence using self-assessment questionnaires (SAQs) in FY2017, covering all employees, including non-regular and indirectly employed workers. By the end of FY2025, human rights due diligence had been completed at 48 of the 49 applicable sites in Japan and overseas. No serious issues, including forced labor or child labor, were identified through the human rights due diligence conducted to date. However, matters requiring improvement were communicated to the relevant sites, and corrective actions have been continuously implemented. The Group has also developed Group-wide policies and detailed rules for matters requiring a common response and provided training for all employees.
In FY2026, we will consider how to conduct human rights due diligence at the one overseas site where it has not yet been implemented, while beginning a second round of human rights due diligence at the sites where it was conducted through FY2025. In the second round, we will review the assessment items in light of changes in the business environment and societal expectations and shorten the human rights due diligence cycle, thereby further strengthening our ability to identify priority risks in a timely manner and take action to avoid or mitigate them. In addition, by combining human rights due diligence with on-site audits where necessary, we will strengthen the framework for improving the effectiveness of corrective actions.

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 FY2025, 395 employees completed video-based human rights training provided through an online learning platform. In addition, as part of the Compliance Caravan conducted at all sites in Japan, explanations on human rights were provided based on the Code of Conduct, with 3,081 employees participating.

Respect for human rights of foreign-national employees

In May 2026, based on the Mitsui Kinzoku Group Human Rights Standards, the Group established detailed rules to prevent forced labor and respect workers' human rights. The rules define forced labor as any work performed against a person's free will, including debt bondage, prison labor, slave labor, and human trafficking, and establish as a basic policy that the Group does not use forced labor. If forced labor is identified, the Group responds with the utmost priority placed on respecting the human rights of the workers concerned.
In addition, when workers are hired through employment agencies or other intermediaries, the Group also conducts human rights due diligence on those intermediaries.
Our Group participates in a public-private 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 (Page 75) 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 their own labor union under the Mitsui Kinzoku Workers Union. Based on the union shop agreement, all general employees become members of the labor unions. About 70% of the other consolidated affiliates in Japan have labor unions. Labor unions are organized in 7 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 FY2025.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,317	1,048	5,365
Total employees	6,233	2,876	9,109
Coverage rate	69.3%	36.4%	58.9%

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

Mining business

Our approach

Mitsui Kinzoku Group has its roots in the mining business, which is one of the businesses that symbolize the spirit of exploration presented in our Purpose. The Group aims to secure a stable, long-term supply of resources through the development of its own mines, while promoting the sustainable management of its mining business by leveraging the technologies and expertise it has accumulated through many years of mining operations.
Based on our materiality, we have formulated a sustainability action plan that takes into account the key risks associated with mining operations, and we manage its progress on an annual basis. In addition, operating mines in which we hold an equity interest of more than 50% conduct annual self-assessment surveys on human rights and environmental matters.

Relationships with the local communities around the mines

Compania Minera Santa Luisa, which 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 FY2025, building on the initiatives undertaken through the previous fiscal year, Santa Luisa further deepened its contributions to local communities. Specifically, it regularly dispatched technical specialists and provided technical assistance focused primarily on livestock development. With regard to a complaint received in FY2022 concerning the passage of ore transport trucks, Santa Luisa completed its response following ongoing consultations and the implementation of corrective measures. It now continues to engage in dialogue with local communities beyond individual cases.
Going forward, based on continued engagement, Santa Luisa will contribute to improving local productivity and establishing sustainable livelihoods, while also working to strengthen relationships of trust with local communities.

Environmental management

Mitsui Kinzoku Group conducts environmental management throughout the life cycle of each mining operation under its management, from development through mine closure, to minimize impacts on the surrounding environment, including biodiversity. The Group manages water, including the treatment of acidic water, and tailings dams, and conserves biodiversity in compliance with applicable laws, regulations, and guidelines.

Atalaya Advanced Exploration Project

We are advancing the Atalaya Project, an exploration project targeting zinc and lead deposits in the central Peruvian Andes.
We started the research in 2006, acquired a 100% interest in 2009, and have continually conducted extensive research and technical discussions to date. In December 2025, we obtained the environmental permits required to carry out a feasibility study. Going forward, we will conduct the feasibility study and proceed with basic design work and a feasibility assessment for mine development.
In parallel, we will continue environmental baseline studies, an environmental impact assessment, and procedures to obtain construction permits.
Leveraging the technologies and expertise developed through the operation of the Huanzala Mine and the Pallca Mine, we are carrying out exploration and project evaluation activities with due consideration for the surrounding environment and while seeking the understanding of local communities.

We disclose detailed information on our corporate website about our sustainability initiatives in mining business.
https://www.mitsui-kinzoku.com/en/csr/mining_business/

Summary of the Sustainability Action Plan for Mining Business

KPI (FY2027)	FY2025 Initiatives and results	Scope
Plant a total of 3,000 trees mainly in former waste rock deposition sites	Cultivation of seedlings for planting	Huanzala Mine (Peru)
Add soil and plant grass to suspended mines, closed mines, and waste rock deposition sites	・Continued soil covering and grass planting at former open-pit mining areas (750 m²) and installation of planting mats (685 m²) ・Trial planting in environmental restoration areas	Kamioka Mine (Gifu, Japan)
・Reduce deposition by reusing tailings ・Formulate an emergency response plan for the tailings dam (＊)	・Commencement of technical studies on the use of tailings for underground mine support ・Installation of real-time monitoring equipment (including seismic, inclination, and water-level monitoring devices) at the tailings dam ・Completion of an emergency simulation and commencement of the formulation of an emergency response plan	Huanzala Mine (Peru)
Share information on biodiversity with local communities (＊)	Preparation of brochures on local flora and fauna and distribution of the brochures to local communities	Huanzala Mine/Pallca Mine (Peru)
Reexamine standards for safe blasting	Joint research with Kyushu University on blasting standards	Akeshi Mine (Kagoshima, Japan)
Provide support for healthcare, education, agriculture, livestock farming, and infrastructure development based on dialogue with local communities (＊)	Discussions on the expansion of local community cultural facilities (bullrings) and conclusion of memoranda of understanding	Huanzala Mine/Pallca Mine (Peru)

＊ These KPIs were updated in FY2025.

Supply chain management

Our approach

Based on the Mitsui Kinzoku Group Procurement Policy, Mitsui Kinzoku Group has built a supply chain management system and manages impacts relating to labor and human rights, occupational health and safety, the environment, ethics, and other matters across its supply chain. The Group has also put in place a due diligence (DD) mechanism for its supply chain and is working together with its suppliers to implement related initiatives.
In particular, to address supply chain risks effectively, the Group has compiled information on its tier-one suppliers, conducted risk assessments, and identified high-risk suppliers as critical suppliers. Based on these assessments, the Group is advancing related initiatives.
The latest developments in supply chain management (SCM) are also shared regularly, including through executive training, with members of the Board of Directors, the supervisory body under the management system. In addition, the Group has established and operates a grievance mechanism for stakeholders, including employees and suppliers (P. 69). No reports concerning supply chain risks were received in FY2025.

[Overview of supplier due diligence]

Within the Group

・Establishing and reviewing the procurement policy (comprising the basic procurement policy and the procurement guidelines, which provide specific guidance)

・Setting targets and KPIs and conducting risk assessments of tier-one suppliers

・Conducting internal SCM training

・Assessing the implementation of the procurement policy across the Group as part of its internal human rights due diligence

・Conducting a supplier briefing (scheduled for FY2026)

Together with tier-one suppliers

・For all tier-one suppliers and new suppliers:
(i) Communicating the procurement policy and requesting implementation of the policy and management of their own suppliers

・For critical suppliers and high-priority new suppliers:
In addition to (i), (ii) obtaining their agreement to implement the procurement policy through basic transaction agreements and other documents, and (iii) periodically conducting self-assessment questionnaires (SAQs)

・For suppliers assessed as high risk through (iii):
Implementing corrective actions (through engagement)

Others:

・Concluding anti-bribery and anti-corruption agreements with suppliers (Ethics/Business Integrity P.75)

・Working with suppliers to reduce Scope 3 emissions (Environment/Energy consumption and GHG emission P.47)

KPIs and progress under the 25–27 MTP

Under the 25–27 MTP, the Group reestablished its KPIs. In FY2025, the Group identified all suppliers across the Group, assessed their risks based on the criteria below, and identified critical suppliers. The Group will conduct SAQs for critical suppliers to assess both their implementation of the procurement policy and their risk profiles.

FY2027 KPIs (the 25–27 MTP period)

1. Full implementation and collection of SAQs from all critical suppliers: 100%
2. Completed engagement with all C-ranked suppliers on corrective actions: 100%
3. Exploring the implementation of supplier briefings and audits

Risk assessment criteria under the 25–27 MTP (Criteria for identifying critical suppliers)

(1) All suppliers accounting for the top 80% of the Group's annual procurement spend
(2) Suppliers of critical parts and other items for which no alternatives are available
(3) Human resources-related suppliers (including temporary staffing agencies and on-site contractors)
(4) Suppliers operating in high-risk regions*1 (subject to priority follow-up)

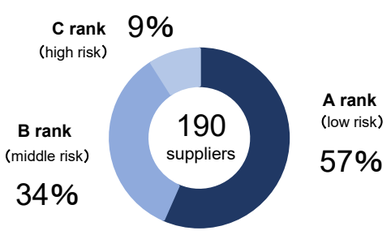
FY2025 KPI progress: SAQ response rate and assessment results for critical suppliers

In FY2025, the Group received responses to the SAQ from 190 critical suppliers, representing a response rate of 82.3%. Suppliers assessed as high risk accounted for 9%. By section, scores tended to be lower for questions relating to "General," *2 followed by those relating to "Ethics." The Group also conducted corrective actions (through engagement) with two suppliers that had been assessed as high risk in the SAQ conducted in FY2024. Through this engagement, the Group identifies issues and asks the suppliers to develop improvement plans. The Group regularly reviews their progress and works with them to ensure that the improvements are completed.
In FY2026, the Group will continue to conduct SAQs in line with its KPIs and engage with suppliers assessed as high risk.

*1 Assessed with reference to the Corruption Perceptions Index (CPI), the Fragile States Index (FSI), the INFORM Severity Index, and other indicators.

*2 "General" comprises questions concerning regulatory monitoring and compliance, supply chain management, administrative guidance, quality assurance and quality misconduct, and business continuity planning (BCP) and risk management.

Results of the supplier SAQ for critical suppliers in FY2025



[Supply chain management system]
https://www.mitsui-kinzoku.com/en/csr/supplychain/

Performance in FY2025 (single year)

Measures	Number of supplier responses*
Request to implement the procurement policy	1,025 (887)
Including: New suppliers	761
: Existing suppliers	264
Obtaining agreement through basic purchasing agreements, etc.	466 (228)
Including: New suppliers	354
: Existing suppliers	112
Implement SAQ	265 (90)
Including : Critical suppliers (KPI)	190
: New suppliers	12
: Existing suppliers	63
Implement engagement	2 (12)
Responsible minerals sourcing survey*3	130 (236)

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

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

Initiatives in the Group	Cumulative Participants
SCM Initiatives Overview Training	237
Advanced Training on Procurement Guidelines and the RBA CoC	68
Training on Responsible Mineral Sourcing	163

During the Compliance Caravan, the Group provided an overview of supply chain management to 3,081 participants at its sites in Japan.

Responsible minerals sourcing

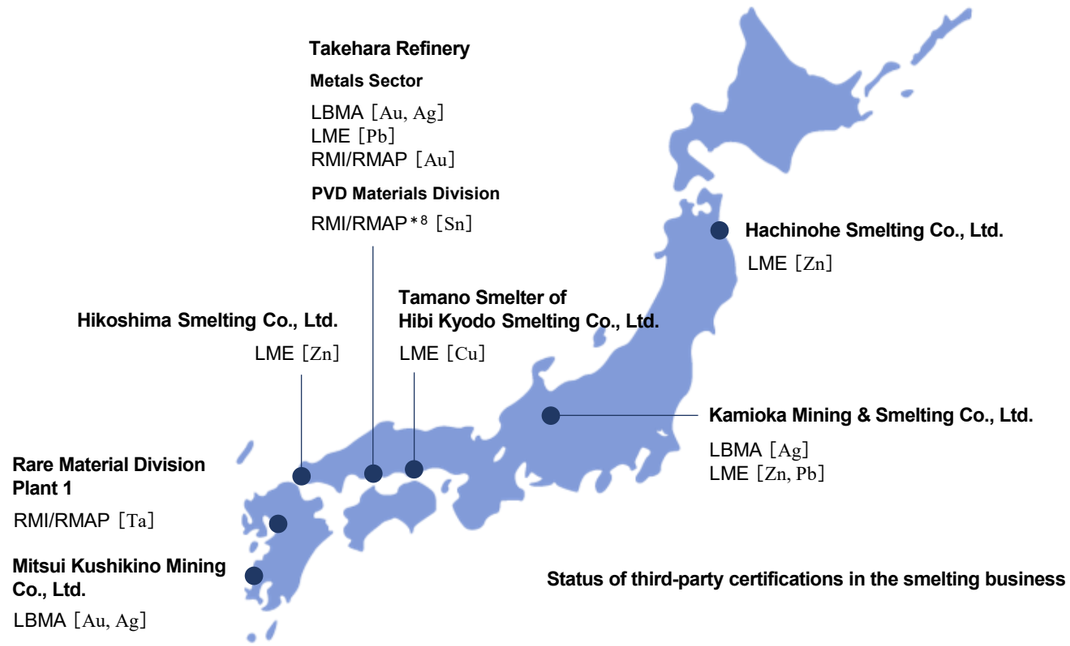
As a corporate group in the mineral supply chain, Mitsui Kinzoku Group promotes responsible mineral sourcing. Based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we have established the Responsible Minerals Sourcing Policy and developed a management system. We identify covered minerals and CAHRAs*4 and work to mitigate risks related to social and environmental issues in the supply chain, including conflict, money laundering, terrorist financing, and human rights violations.

The business divisions responsible for smelting and related operations have established management systems and procedures, assessed raw material suppliers, and verified matters such as the countries of origin of minerals and transportation routes in accordance with the requirements of initiatives such as the RMI*5, LBMA*6, and LME*7. For suppliers that do not respond to our repeated inquiries, we implement active engagement, including reconsidering our business relationship. Each business division has obtained third-party certification for these initiatives and periodically renews its certification or undergoes reassessment.

In businesses other than smelting, we conduct supply chain due diligence tracing upstream in the supply chain, in line with industry platforms and based on customer requests. We also participate in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) and engage with downstream companies and international initiatives such as the Responsible Minerals Initiative (RMI).

The Group's smelters are also working to obtain third-party certifications covering initiatives such as supply chain management and responsible minerals sourcing. Hibi Kyodo Smelting Company, Limited's Tamano Smelter has obtained the Copper Mark certification, while Kamioka Mining & Smelting Co., Ltd. has obtained the Zinc Mark certification.

*4 CAHRAs: Conflict-Affected and High-Risk Areas
*5 RMI: Responsible Minerals Initiative
*6 LBMA: The London Bullion Market Association
*7 LME: The London Metal Exchange
*8 RMAP: Responsible Minerals Assurance Process



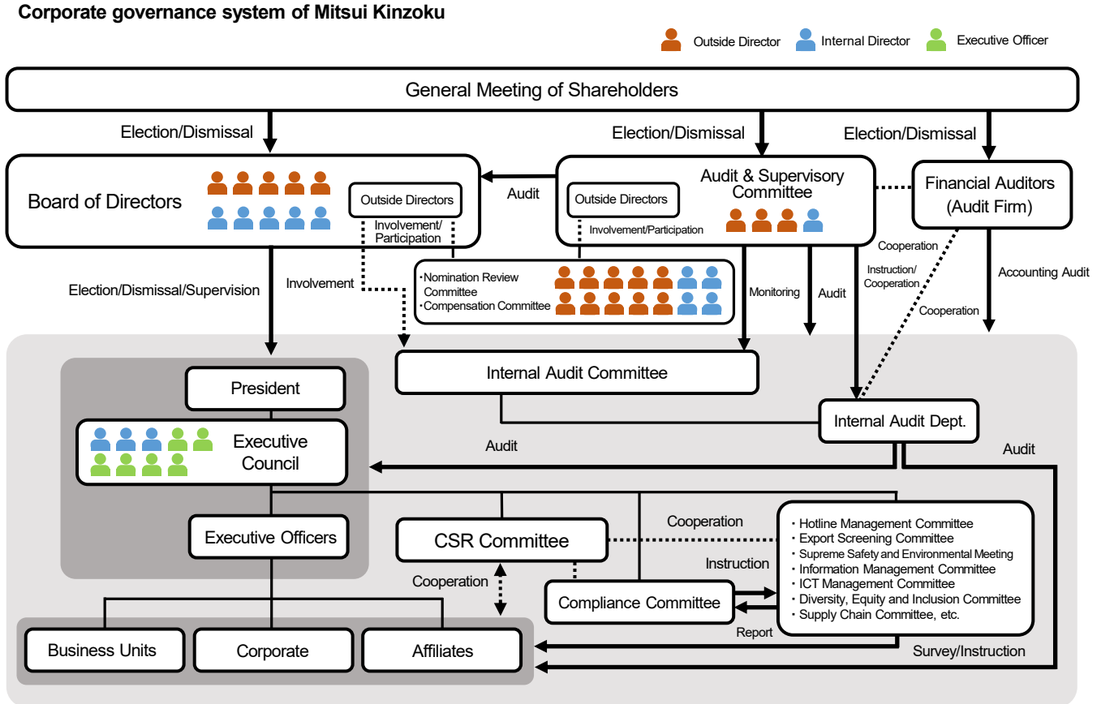
Status of third-party certifications in the smelting business

The foundation of our value creation

Our approach

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.

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.

Strategy for strengthening corporate governance

Improving the effectiveness and transparency of the Board of Directors

(1) Accelerating decision-making
(2) Focusing deliberations on key matters and enhancing discussions on the formulation of management policies and strategies
(3) Transitioning to a Company with an Audit & Supervisory Committee on June 27, 2024, to strengthen the management supervision function
The Company conducts the Board Effectiveness Assessment, sets the resolution rate of issues identified in the previous fiscal year as a KPI, and monitors progress on improvements at Board of Directors meetings.

Independence and diversity of the Board of Directors

Of the ten Directors, five, or half, are Outside Directors, including two women, while seven, or a majority, are Non-Executive Directors. An Outside Director serves as Chair of the Board of Directors.
The Company has established the voluntary Nomination Review Committee and Compensation Committee. Of the seven members of each committee, five, or a majority, are Outside Directors, and each committee is chaired by an Outside Director.

Enhancement of auditing and supervisory functions

The Company has established an Internal Audit Committee as part of its executive organization. The Committee determines internal audit policies and annual plans, evaluates audit results, and reports them to the Board of Directors.
Based on decisions made by the Internal Audit Committee, the Internal Audit Department conducts internal audits of the Company’s sites and subsidiaries in Japan and overseas in cooperation with relevant departments at the Head Office.
Audit & Supervisory Committee Members attend meetings of the Internal Audit Committee as observers and monitor internal audits.

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 reflect diverse stakeholders’ perspectives.
In FY2025, the Board of Directors held 14 meetings.

Organization structure (as of June 26, 2026)

Directors

★ indicates the Chair of each meeting body.



NOU Takeshi

Chairman, Director



IKENOBU Seiji

NRC CC ED ★

President and Representative Director



OKABE Masato

IAC ★ ED

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



YOSHIMOTO Seiichiro

ED

Director,
Senior Executive Officer,
Senior General Manager of Corporate Planning & Control Sector



SHIKI Kazuya

ASC ★

Director,
Full-time Audit & Supervisory Committee Member

Outside Directors



TOIDA Kazuhiko

BoD ★ NRC CC

【Important positions held concurrently at other organizations】

Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI)

Chairperson of the Board, St. Stephen’s School



TAKEGAWA Keiko

NRC CC

【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

External Director, Kanamic Network Co., LTD



ISHIDA Toru

ASC NRC ★ CC

【Important positions held concurrently at other organizations】

Independent Director, SANKYU INC.



INOUE Hiroshi

ASC NRC CC ★

【Important positions held concurrently at other organizations】

Lawyer

Outside Director and Audit & Supervisory Committee Member, Mazda Motor Corporation

External Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd.



KAWANISHI Sachiko

ASC NRC CC

【Important positions held concurrently at other organizations】

Certified public accountant

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

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
50%
Internal 5
Outside 5

【Strengthening management supervision】

Ratio of Non-Executive Directors
70%
Executive 3
Non-Executive 7

【Promoting diversity】

Ratio of Female Directors
20%
Female 2
Male 8

Skills matrix of Directors

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.

Name	Corporate management	Business strategies	Finance/ Accounting	Technologies/ R&D/DX	Sales/ Marketing	HR/Organization development	Legal affairs/ Risk management/ Compliance	Internationality	Sustainability/ Economic security
NOU Takeshi	◎	○		◎				○	◎
IKENOBU Seiji	◎	○		◎			○		
OKABE Masato		◎			◎			◎	○
YOSHIMOTO Seiichiro	○		◎					◎	
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/Organization 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/ Compliance	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 intended, with management strategy/sustainability, the business portfolio, and governance topics representing 71% of the discussion time.

Deliberation time by type of agenda item at Board of Directors meetings over the past three fiscal years (ESG data: Page 88)

Main topics in board meetings by agenda category (FY2025)

Agenda categories	Topics	Matters discussed by the Board of Directors (Comments from Outside Directors)
Management strategy/ Sustainability	・Initiatives related to the 25–27 MTP (including "Big Moves" and Company-wide organizational restructuring) ・Determination of the disclosure policy on sustainability (i)	・Timing of application of the SSBJ Standards and approach to disclosure (i)
Business portfolio	・Review of business portfolio (ii) ・Implementation of individual M&A and organizational restructuring projects	・Compliance issues in individual cases (ii)
Corporate governance	・Approval of business reports and financial statements ・Revision of company rules ・The Board Effectiveness Assessment (iii)	・Approach to an "integrated dialogue-based Board of Directors comprising Internal and Outside Directors" and differences from the monitoring model (iii)
Others	・Establishment of the Compliance Committee (iv) ・Recurrence prevention measures for quality-related misconduct (v) ・Review of the whistle-blowing systems ・Implementation of business investment	・Linkage with initiatives to embed the Values (iv) ・Positioning of quality compliance within overall compliance initiatives (v)

Mechanisms supporting Directors and the Board of Directors

( ) = Number of meetings held in FY2025

Advisory Committees	Nomination Review Committee (9 meetings)	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. **[Key matters discussed in FY2025]** Clarification of criteria for the appointment and dismissal of Representative Directors and Outside Directors, review of the skills matrix, succession planning for Outside Directors, interviews with executive officer candidates, deliberations on senior management appointments, etc.
	Compensation Committee (12 meetings)	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. **[Key matters discussed in FY2025]** External disclosure of ESG indicators, deliberation on FY2024 ESG indicator results, determination of FY2025 compensation for Directors, review of compensation for officers of subsidiaries and affiliates, approach to compensation for officers, deliberation and determination of ESG indicators for FY2025 and FY2026 (determination of the scope and evaluation methods for governance indicators), changes to the President's compensation mix, disclosure of the President's compensation amount, review of the payout curve for performance-linked compensation, etc.
Executive Officer system	Executive Officer	The Company has introduced the Executive Officer system in order to enhance the agility and flexibility of business execution and increase the vitality of management.
	Executive Council (57 meetings)	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.
Communication and training of Directors and Executive Officers	Top Management Meeting	The Company has 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. The Company organizes 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	The Company holds 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.
	Dialogue between Outside Directors and Institutional Investors (9 meetings with 9 companies)	The Outside Directors provided explanations and held Q&A sessions on matters including the further embedding and advancement of ROIC-based management, how to proceed with buy-side M&A, the change of President (succession planning), the operation of the Board of Directors, responses to quality-related misconduct and recurrence prevention measures, and human capital management. **[Issues identified, feedback, etc.]** Feedback was received on matters including the share price increase, allocation and investment of management resources, disclosure of succession planning, progress on diversity-related KPIs, and responses to quality-related misconduct.

Compensation for Directors

Compensation system

Compensation for Directors (excluding the Chairman, 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 the Chairman, 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.

(2) 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 minimum target for consolidated ordinary income is set at 50 billion yen, equivalent to its average level, while the benchmark is set at 70 billion yen, equivalent to 130% of the average level. The compensation scheme is designed to provide appropriate incentives, with an upper limit of 180 billion yen, equivalent to 150% of the highest income recorded to date.

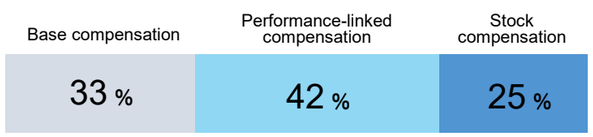
(3) Stock compensation

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.
Compensation paid for the grant of restricted stock is limited to 70 million yen per year for tenure-based restricted stock compensation and 50 million yen per year for ESG indicator-based restricted stock compensation, for a combined annual limit of 120 million yen. The total number of shares of the Company's common stock to be issued or disposed of under these plans is limited to 34,300 shares per year in total for tenure-based restricted stock compensation and ESG indicator-based restricted stock compensation.

Composition of ESG Indicators

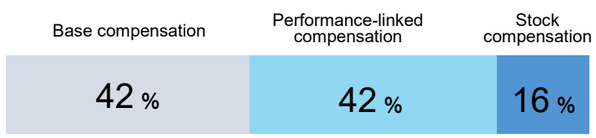
ESG	Indicator	KPI
E	GHG reduction	Formulation of a GHG reduction plan up to FY2030 and achievement of annual targets
	Environmental initiatives	CDP climate change score
S	DE&I	Percentage of female managers
	Promotion of job satisfaction	Engagement score
G	Governance	Progress of follow-up on issues identified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

Compensation Composition (President and Representative Director)



Composition of compensation

(excluding Outside Directors, Directors who are Audit & Supervisory Committee Members, and the President and Representative Director)



(Stock compensation breakdown
= Tenure-based 8% + ESG indicator-based 8%)

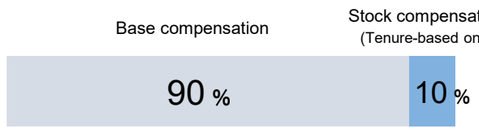
＊ Composition of compensation when consolidated ordinary income is ¥70 billion and all KPIs are achieved for ROIC and ESG.
The percentage of base compensation, the percentage of performance-linked compensation and the percentage of stock compensation vary because performance-linked compensation varies according to the Company's performance.

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)



Revision of Directors' Compensation System for FY2026

The Company places importance on the transparency of both the process for determining Director compensation and the details of such compensation, and the Compensation Committee considers the design of a compensation system that contributes to enhancing corporate value over the medium to long term.
In FY2025, the Compensation Committee made the following decisions with the aim of further enhancing governance and accountability.

- Adopting a policy of disclosing the amount of compensation for the President and Representative Director regardless of the monetary threshold
- Increasing the proportion of stock compensation by shifting a portion of the President and Representative Director's base compensation to tenure-based restricted stock compensation in order to further promote the sharing of value with shareholders
- Revising the performance-linked compensation scheme in light of recent performance levels and changes in the business structure, specifically by raising the benchmark level of the payout curve to place greater emphasis on the quality of the level of performance achieved, so that the scheme provides appropriate incentives for achieving a high level of performance

These revisions are scheduled to apply to the Directors' Compensation System from FY2026 onward and are intended to further promote the sharing of value with shareholders.

Total amount of compensation (FY2025)

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 and Outside Directors)	474	198	211	65	4
Outside Directors (excluding Directors who are Audit & Supervisory Committee Members)	45	43	—	2	2
Directors who are Audit & Supervisory Committee Members (excluding Outside Directors)	56	52	—	4	1
Outside Directors who are Audit & Supervisory Committee Members	54	51	—	3	3

Total amount of consolidated compensation, etc. for each Director (FY2025)

Name	Total consolidated compensation (millions of Yen)	Classification	Company classification	Total compensation by type (millions of Yen)		
				Base Compensation	Performance-linked Compensation	Stock Compensation
NOU Takeshi	161	Representative Director	Mitsui Kinzoku	65	74	21
IKENOBU Seiji	111	Representative Director	Mitsui Kinzoku	52	43	16
OKABE Masato	118	Representative Director	Mitsui Kinzoku	45	58	15

＊For the President and Representative Director, the breakdown of compensation by type is disclosed regardless of the amount of compensation.
For other Directors, individual compensation is disclosed only when the total amount of compensation is 100 million yen or more.

Audit & Supervisory Committee

Overview of the Audit & Supervisory Committee (FY2025: 14 meetings)

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 exchanges opinions with them on a regular basis to maintain close cooperation.

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.

Internal Audit Committee and Internal Audit Department

Internal Audit Committee (FY2025: 4 meetings)

The Internal Audit Committee is chaired by the Representative Director in charge of the Internal Audit Department and comprises the head of the Internal Audit Department, the head of the Corporate Unit, General Managers of each sector's Administration Department, and others. The Committee approves the audit policies and plans for internal audits conducted by the Internal Audit Department and evaluates the audit results. The results of internal audits approved and evaluated by the Internal Audit Committee are shared as appropriate by the Internal Audit Department with the Board of Directors, the Audit & Supervisory Committee, and the Financial Auditors.

Internal Audit Department and internal audits

The Internal Audit Department is an independent organization reporting directly to the Director in charge of the Internal Audit Department and conducts internal audits of the Company and its affiliated companies in Japan and overseas with respect to compliance with laws and regulations, the development of internal controls, the appropriateness of accounting processes, and other matters. In addition to audits approved and evaluated by the Internal Audit Committee, a framework is in place under which the Audit & Supervisory Committee may, as necessary, issue instructions directly to the Internal Audit Department. The Internal Audit Department, in its independent capacity, may also conduct internal audits without going through the Internal Audit Committee.

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/

Effectiveness Assessment of the Board of Directors and the Audit & Supervisory Committee

To continuously strengthen the functions of the Board of Directors and the Audit & Supervisory Committee, the Company conducts annual assessments of their effectiveness.

Assessment process

1
- The Secretariat of the Board of Directors interviewed all Board members.

2
- Based on the interview results, a third-party institution conducted a survey and interviews.

3
- The following members participated in discussions.
  - Board chairperson
  - Representative Directors
  - Director in charge of the secretariat
  - Full-time Director who is an Audit & Supervisory Committee Member
  - Secretariat of the Board of Directors

4
- The Board of Directors deliberated at its meeting in March 2026.
- Discussions were held at the Audit & Supervisory Committee in March 2026, where the members evaluated the results and decided on the FY2026 audit plan.

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- All Board members exchanged their opinions and then confirmed the assessment results and future actions.
- The results were reported at the Board of Directors meeting in March 2026, together with the Board-Effectiveness Assessment.

■ Board of Directors
■ Audit & Supervisory Committee

Results of the Board Effectiveness Assessment

The Company evaluates that the effectiveness of the Board of Directors has improved overall.

[Key assessment points]

• Based on the recognition that the Board of Directors should pursue a monitoring model, the Company transitioned to a Company with an Audit & Supervisory Committee in June 2024 with the aim of strengthening corporate governance and promoting discussions on Company-wide strategies. In conjunction with this transition, part of the authority of the Board of Directors was delegated to the executive side.

• In addition, based on issues identified in the FY2024 assessment, the Company continued to monitor progress, including by conducting two surveys on the status of follow-up by the Board of Directors on the results of the Board Effectiveness Assessment.

• A certain degree of improvement was observed in all of the issues identified for follow-up.

Issues identified in FY2024	Status of improvements
Operational issues (the large number of matters for deliberation by the Board of Directors, the large volume of agenda materials, etc.)	Steady improvements were made by narrowing the scope of matters for deliberation to important matters through delegation of approving authority, providing advance explanations of matters for deliberation, and sharing information as appropriate.
Discussions on the appropriate form of a monitoring-model Board of Directors following the transition to a Company with an Audit & Supervisory Committee	Discussions deepened, including by establishing a shared understanding that the Board of Directors should aim to become an "integrated dialogue-based Board of Directors comprising Internal and Outside Directors" that balances the formulation of policies for addressing important management issues with active supervision of execution.
Allocation of management resources, including investment in human capital and intellectual property, and DX strategy	Although continuous improvements have been made in areas such as reporting on the progress of initiatives undertaken by the executive side and of future plans, further progress is still needed, particularly in making visible the link to enhanced corporate value.
Supervision and monitoring of the operational status of internal controls, and discussions on investment in new businesses, including buy-side M&A	Although a certain degree of improvement was observed compared with the previous fiscal year, this remains an issue and further progress is needed.

Future actions

• Following the change in the Company's institutional design to a Company with an Audit & Supervisory Committee in June 2024, the Company delegated part of the approving authority of the Board of Directors through an amendment to the Articles of Incorporation. As part of efforts to strengthen internal controls, the Company newly established a Compliance Committee in 2026.

• The Company will continue efforts to enhance the functions of the Board of Directors as a monitoring-model board by effectively utilizing these frameworks.

Results of the Audit & Supervisory Committee Effectiveness Assessment

The Company evaluates that the effectiveness of the Audit & Supervisory Committee has improved overall.

[Key assessment points]

• As in previous years, the majority of responses indicated that there were generally no major problems with open and constructive discussions and exchanges of opinions, reports and information sharing by the full-time Director who is an Audit & Supervisory Committee Member and the Internal Audit Department, or collaboration with the Internal Audit Committee and the Financial Auditors.

Issues identified in FY2024	Status of improvements
Communication with the heads of executive divisions	Communication improved compared with the previous fiscal year through measures including increased opportunities for meetings with the executive side.
Collaboration with corporate auditors at subsidiaries in audits of the Group-wide internal control system	Although some improvement was observed, this remains an issue.

Future actions

• The Audit & Supervisory Committee will continue to strengthen information gathering and risk identification through collaboration with the Internal Audit Committee and the Financial Auditors, and will further enhance audits of the Group-wide internal control system, thereby continuing its efforts to further improve its effectiveness.

Dialogue between Outside Directors

One year has passed since the launch of the new medium-term management plan, the 25–27 MTP, which is centered on the Group's Purpose and aimed at realizing its Vision for 2030.
Amid significant changes in the business environment, Mitsui Kinzoku Group must harness the capabilities of its people and turn change into growth in order to achieve its Vision. In this dialogue, Outside Directors TAKEGAWA Keiko and KAWANISHI Sachiko discuss the challenges they see and their expectations for human capital management to support the execution of the management strategy, as well as for the further strengthening of governance and internal control, which form the foundation for value creation.



TAKEGAWA Keiko
Outside Director

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KAWANISHI Sachiko
Outside Director,
Audit & Supervisory Committee Member

Mitsui Kinzoku from the perspective of Outside Directors

Takegawa:

When I first became involved with Mitsui Kinzoku as an Outside Corporate Auditor in 2019, I was particularly impressed by the openness of communication within the Group and by the sincerity of its employees, especially its engineers. At the same time, there were challenges associated with the Caserones Copper Mine, and I sensed that employees were also concerned about how those challenges would be resolved. When I visited the overseas sites, I also felt that employees lacked energy when its business environment and earnings outlook were not favorable. This made me realize that employees cannot be fully motivated unless management demonstrates sound leadership, the outlook for its future is bright, and employees can look forward to their own growth.

Kawanishi:

I was appointed as an Outside Director and Audit & Supervisory Committee Member of the Company in 2024. One of the first things that left an impression on me was the decision to sell Mitsui Kinzoku ACT Corporation. The decision to divest the business that accounted for a significant proportion of the Group's net sales must not have been easy. Nevertheless, in line with the Group's policy of dynamically managing its business portfolio, Mitsui Kinzoku decided to transfer the business to the best owner.

Takegawa:

I also thought that reshaping the business portfolio would encounter considerable resistance, even where a business had limited growth prospects. However, the executive side expressed its strong conviction that transferring Mitsui Kinzoku ACT to the best owner would also be in the best interests of its employees.

Kawanishi:

Letting go of an existing business and moving into a new business domain requires resolve on the part of a company. The fact that the Company subsequently restored its performance within a short period strongly impressed upon me that it has both the decisiveness to make the right decisions and the resolve to carry them through.

Human Capital Management

Building on efforts to promote women's career development

Takegawa:

Initially, in my capacity as an Outside Corporate Auditor, I believed that, in most cases, misconduct was unlikely to be uncovered through internal audits alone, making it difficult to prevent such misconduct effectively. I therefore considered it important both to establish a system that would allow employees to report concerns with confidence through channels independent of the executive line and to bring more diverse talent, including women, into the organization. When people from diverse backgrounds voice their opinions, they can shed light on problems that have previously been overlooked under conventional, unspoken assumptions, raising awareness of those problems. This helps create a culture in which people feel able to speak up and contributes to improving the soundness of the organization.
Given Mitsui Kinzoku's history as a company that began in mining and smelting, the advancement of women was still insufficient in 2019. I conveyed to senior management the importance of using the promotion of women's career development as a starting point for establishing a corporate culture that embraces diverse ways of thinking, perspectives, and opinions. I also repeatedly asked them to set clear targets for increasing the number of women.

Kawanishi:

I also sensed senior management's strong commitment to transforming Mitsui Kinzoku's corporate culture when I was approached to serve as an Outside Director. I felt that Mitsui Kinzoku was not merely seeking to increase the number of women on the Board as a formality, but was genuinely committed to incorporating diverse external knowledge and perspectives.

Takegawa:

I understand the promotion of women's career development not merely as the pursuit of numerical targets, but, in qualitative terms, as an initiative to realize business practices that ensure fairness and as corporate respect for human rights. As indicated in the United Nations Guiding Principles on Business and Human Rights, respect for human rights is an important management issue for companies. At Mitsui Kinzoku as well, respect for human rights is positioned as a prerequisite for its human capital management strategy, and senior management is advancing related initiatives with a strong commitment.
I believe that Mitsui Kinzoku's selection as a Nadeshiko Brand in 2025 reflects recognition of the Company's substantive efforts to promote women's career development in a manner closely linked to the management strategy.

Human Capital Management

Toward a company where an even more diverse workforce can thrive

Takegawa:

In quantitative terms, promoting women's career development is an initiative that helps secure talent in an era of declining birthrates. Mitsui Kinzoku has been reforming its HR systems to provide greater flexibility when life events coincide with job transfers. An increasing number of employees across all generations, both women and men, have caregiving responsibilities for parents or children. Going forward, a major challenge will be how to develop, through HR systems and other measures, an environment in which employees with caregiving responsibilities, including those working at manufacturing and overseas sites, can continue their careers with peace of mind and fully demonstrate their capabilities.

Kawanishi:

I feel that there are many difficult challenges, including balancing major life events with transfers to regional sites. However, what I value about Mitsui Kinzoku's HR systems is their emphasis on employee satisfaction and well-being. Without that foundation, it would be difficult to translate the capabilities of even highly talented people joining the Group into corporate growth. Rather than treating employees as a homogeneous group, the Company needs to respect diversity and understand what each individual thinks and what career and life plans they have. Based on that understanding, the Company must work together with each employee to set goals and support them in achieving those goals.

Takegawa:

In an organization where diverse talent can thrive, I believe there are many insights to be gained regarding approaches to sales and the building of relationships with business partners. I believe that such insights can lead to the creation of business opportunities, including the development of new products and services and new business models.

How to strengthen the execution of management strategy

Kawanishi:

Mitsui Kinzoku has a high proportion of mid-career hires, which I believe can be a strength in executing its management strategy. As the world changes rapidly and Mitsui Kinzoku itself must undergo significant change, it is important not only for existing employees to adapt, but also for new talent to join the Group. However, whether Mitsui Kinzoku can create an environment in which these new employees can fully demonstrate their capabilities will determine whether it can translate its human capital into corporate growth.

Takegawa:

I agree. As Mitsui Kinzoku continues to take on new fields through initiatives such as Big Moves, I believe that major challenges will be how to secure and develop the talent needed for those initiatives and how to foster a sense of unity across the Group, including among mid-career hires. Mitsui Kinzoku has traditionally built a sense of unity and identity by having employees share similar experiences, primarily through the recruitment of new graduates. It therefore needs a process for properly communicating to mid-career hires the ideas and DNA embodied in Mitsui Kinzoku's Purpose and Values.

Kawanishi:

Mitsui Kinzoku is a company where employees who joined in the same year have strong bonds, so another consideration is how to create similar connections among mid-career hires. As employees often work remotely, the Company also needs to find ways to foster such connections.
I would also like the Company to place importance on carefully listening to the views of female employees, particularly those working at operational sites. Women are relatively more likely to experience changes in their career plans as a result of life events. Rather than viewing such changes negatively, supervisors should engage in ongoing dialogue with employees, support them throughout those changes, and help each individual build a fulfilling career. Doing so will also contribute to the Company's growth. It would also be beneficial to create more opportunities for senior management and us Outside Directors to engage directly with female employees, whether at regional sites or at the head office.



TAKEGAWA Keiko

Joined the Prime Minister's Office in 1981. After serving in positions including Deputy Director General, Cabinet Office, and Director, Public Relations Office, Cabinet Office, she was appointed Director General, Gender Equality Bureau, in 2014. She was appointed an Outside Corporate Auditor of the Company in June 2019 and an Outside Director of the Company in June 2021. She currently serves as a Specially Appointed Professor at Showa Women's University and Director of its Institute of Women's Culture.

Takegawa:

The Company is also working to enhance employee engagement. One of Mitsui Kinzoku's strengths, in my view, is that it carefully designs not only initiatives such as one-on-one meetings, but also how those initiatives are implemented to produce results in the workplace. These efforts enable managers to develop dialogue skills for engaging with their subordinates and to learn from good practices shared across the organization.
Improving the work environment is also important for respecting human rights and enhancing employee engagement. The Company's efforts to ensure thorough occupational safety and health at its sites, improve the appearance of those sites through measures such as greening, and upgrade facilities such as cafeterias also demonstrate its respect for the dignity of its employees. These efforts can enhance employee engagement and, ultimately, strengthen the Company's ability to execute its management strategy.

Board discussions shift to a medium- to long-term perspective

Kawanishi:

Two years after transitioning to a company with an Audit & Supervisory Committee, the Board of Directors has fully shifted to a monitoring model under which the executive side is entrusted with matters that should fall within its remit, while major investments and other important matters are reviewed by the Board. Compared with the period before the transition, the composition of agenda items has also changed. I have seen an increase in discussions on themes related to medium- to long-term corporate value, including the business portfolio, sustainability, human capital, and management strategy. Information is also shared on topics such as digital transformation (DX) and intellectual property, broadening the range of matters addressed by the Board.

Takegawa:

A major change is that, while detailed matters are left to the executive side, we are now able to participate in discussions on the Company's long-term direction and growth strategy.

Kawanishi:

As Outside Directors, we are provided with agendas and minutes of internal management meetings as necessary. We are also able to ask questions about those agendas and minutes. This structure makes it easy to keep track of discussions among the executive side. There is no sense at all that we do not know what the executive side is doing.

Takegawa:

For highly specialized technical matters, rather than proceeding directly to a Board resolution, Outside Directors are given an opportunity to receive a briefing in advance. At the briefing, development personnel and others explain the background of the business and the technical details involved. Further explanations are also provided at Board meetings, enabling us to participate in discussions with a solid understanding of the matters concerned. This enables us to give the matters sufficient consideration before voting on them and to engage in constructive exchanges of views.

Kawanishi:

When Outside Directors express their views at Board meetings, this deepens the executive side's consideration of the matters concerned and brings an appropriate degree of discipline to decision-making. Going forward, I hope that the quality of discussions will improve further through continued efforts to organize and present materials in ways that enable the appropriate people to access the information they need.

Takegawa:

We ourselves, as Outside Directors, also need to continue deepening our understanding of the Group's businesses and technologies. As Mitsui Kinzoku operates in the B2B market and handles materials, many of its business areas are highly specialized. Some matters cannot be adequately assessed based solely on the perspective of an ordinary consumer. Providing Outside Directors with opportunities to participate in internal learning and training programs as necessary would therefore help them gain a deeper understanding of Mitsui Kinzoku.

An opportunity to further strengthen quality assurance and internal control

Kawanishi:

In the quality misconduct issue discovered at Mitsui Kinzoku Perlite in 2024, inappropriate practices had continued for a long period. Had there been greater diversity of perspectives, someone might have sensed that something was wrong and identified the misconduct at an earlier stage
As a Member of the Audit & Supervisory Committee, I also perform my duties with due attention to whether there are any gaps in the Company's controls. Where misconduct is deliberately concealed in an organized manner, such misconduct is extremely difficult to detect through internal audits. Nevertheless, we are promoting more in-depth internal audits that go beyond financial accounting, as well as careful audits in which those responsible for audits engage frequently with personnel at operational sites and go one step beyond ordinary processes.

Takegawa:

I also came to believe that the final safeguard is for each person working at operational sites to follow their conscience and make a whistleblowing report. This matter also came to light through whistleblowing, indicating that the whistleblowing system functioned to a certain extent. It reaffirmed for me the importance of establishing both a culture and a system in which employees can speak up without fear.
The investigation committee also conducted careful interviews with many individuals and took corrective action. However, even when a problem is identified and improvements are requested, their effectiveness cannot be fully ensured unless there is rigorous follow-up to confirm whether the improvements have actually been implemented. It is essential to continue verifying that genuine improvement has taken place.



KAWANISHI Sachiko

Joined Honeywell Information Systems Japan, Inc. in 1981 and Tohmatsu Aoki & Sanwa Audit Corporation in December 1986. In 2000, she was appointed Senior Managing Director of Internet Disclosure, Co., Ltd., a position she continues to hold. She has served as an Outside Director and Audit & Supervisory Committee Member of the Company since June 2024.

Kawanishi:

In response to this matter, the Quality Assurance Department has begun conducting unannounced visits to operational sites to verify that improvements have been made. When I first heard about this initiative, I thought it was excellent, but at the same time, I was concerned that the initiative might cause significant friction with personnel at the sites. Unannounced inspections are burdensome and stressful for operational sites. However, the fact that the initiative was carried out without problems made me feel that personnel at the sites are highly receptive to such new measures and strongly committed to using them to drive improvements.

Takegawa:

Mitsui Kinzoku Group has been taking a more proactive and far-reaching approach to quality assurance than in the past. Its response has gone beyond preventing a recurrence at Mitsui Kinzoku Perlite alone. The Group is also working to enhance Group-wide internal control by reviewing its quality assurance framework, rolling out digitalization through a Laboratory Information Management System (LIMS), establishing a Compliance Committee, and appointing corporate auditors of affiliates from the Internal Audit Department. I hope that the Group will not let this failure end as merely a failure, but will instead use it as an opportunity to further strengthen the Group's quality assurance framework and governance.

Expectations for the new management structure and the 28–30 MTP

Takegawa:

The new President, Mr. Ikenobu, has already articulated a vision for reform and played a central role in advancing it. I have high expectations for him as he takes on the role of leading Mitsui Kinzoku toward 2030 and 2040 in the direction he himself has envisioned.

Kawanishi:

With the Group's performance remaining strong, I have high expectations for bold initiatives. At the same time, in pursuing the vision of the 28–30 MTP, Mitsui Kinzoku will need not only to rely on M&A, but also to invest firmly on its own and develop growth areas. Careful judgment will also be required in identifying acquisition targets and making investment decisions.
I recently had an opportunity to speak with people involved in NEXT10 at the R&D Center, and I was impressed by the energy with which a diverse group of members, including women, were working. A key theme of the 28–30 MTP will be how to turn NEXT10 into a reality while harnessing the capabilities of such talent.

Takegawa:

As Mitsui Kinzoku expands into new fields, it remains essential to create an environment in which diverse talent, including mid-career hires, can fully demonstrate their capabilities. Employees devote an important part of their lives to the Company. In addition to strengthening communications with investors and shareholders, I would like the Company to share with employees how it intends to grow and enable them to envision the growth opportunities available to them. Continuously communicating Mitsui Kinzoku's direction through its Purpose and Values will foster a sense of unity across the Group. I expect that Mitsui Kinzoku Group will realize its Vision as everyone working across the Group aligns in the same direction and fully demonstrates their capabilities.

Corporate governance

Dialogue between Outside Directors

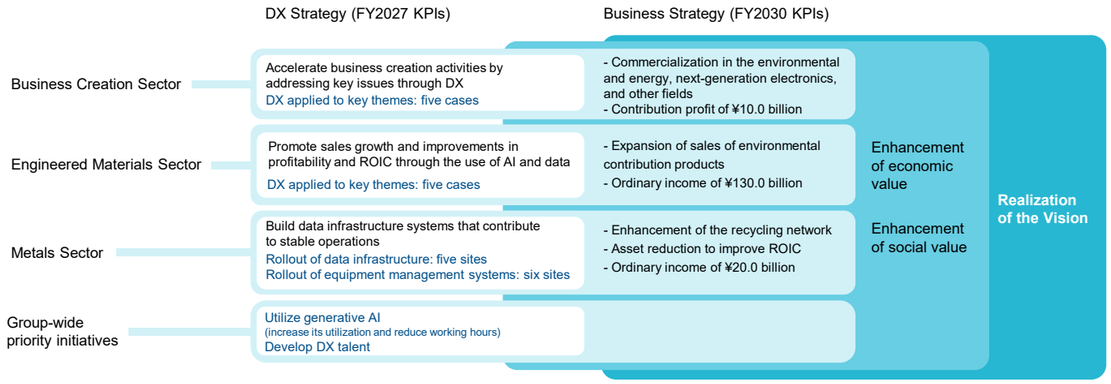
Promotion of DX

Our approach

Mitsui Kinzoku Group positions the promotion of digital transformation (DX) as one of the management foundations supporting integrated thinking-based management. Through the use of digital technologies and the development of digital infrastructure, the Group seeks to accelerate decision-making and improve operational efficiency while strengthening business competitiveness and enhancing corporate value over the medium to long term.

Basic DX Strategy Roadmap and KPIs

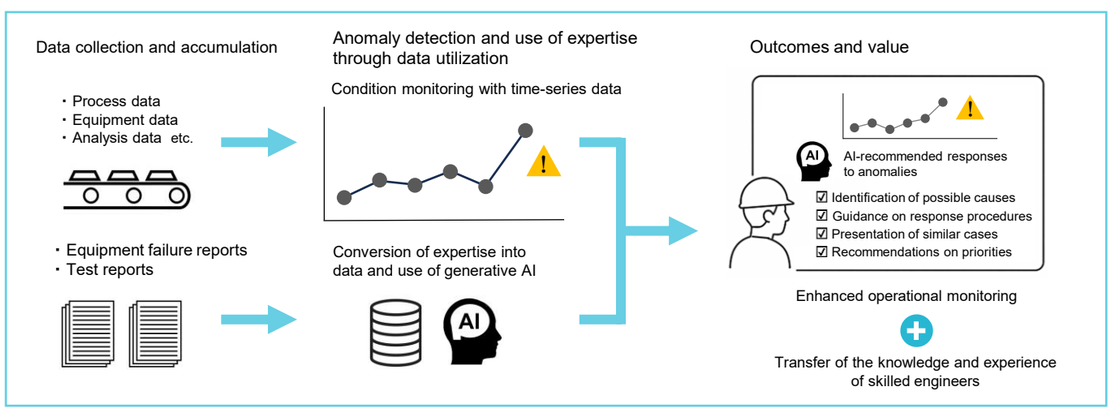
Under the 22–24 MTP, the Group worked to develop digital infrastructure throughout the Group. Under the 25–27 MTP, which is positioned as a "digital proliferation period," the Group is sharing and standardizing across the Group the digitalization initiatives undertaken by individual sectors and departments, with the aim of enhancing its ability to execute DX initiatives and accelerating their implementation. Specifically, the Group is developing digital tools and a data utilization environment for group-wide use, while already pursuing substantial improvements in operational efficiency through the use of AI in certain operations within its business divisions. In FY2025, the Group also established a new group-wide DX meeting attended by the persons responsible for DX in each sector. Through cross-functional progress management and discussions on issues, the Group has established a framework for linking the results of individual initiatives to the promotion of DX across the Group.
The Group has set group-wide KPIs by backcasting from the management targets based on its Vision for 2030 and will strengthen the linkage between its DX initiatives and management KPIs. In addition, as "Big Moves" centered on progress in the Engineered Materials Sector, the Group has begun ahead of schedule some of the initiatives aimed at creating new value that had been planned for the 28–30 MTP. Throughout the 25–27 MTP period, the Group will seek to both build the necessary foundations and generate tangible results.



∗ The DX strategies of each business sector (FY2027 KPIs) have been reorganized based on information disclosed in Integrated Report 2025 to clarify the linkage between the DX strategy and management strategy.

Metals Sector Exploitation

In FY2025, the enterprise asset management (EAM) system introduced at Hachinohe Smelting as a model site was rolled out to Kamioka Mining & Smelting, while the operational data platform was rolled out to Miike Smelting. Both systems began operating as planned.
In FY2026, the Group plans to roll out the EAM system at Hikoshima Smelting and Miike Smelting and the operational data platform at the Takehara Refinery. Through the rollout of the EAM system, the Group aims to improve asset efficiency by optimizing spare-parts inventories required for stable operations and enabling spare parts to be shared and used effectively across sites.
The Group is also advancing initiatives to achieve even more stable operations. These include using data accumulated through the operational data platform to detect problems at an early stage, as well as converting on-site knowledge into data and making it searchable and usable through generative AI, thereby speeding up decisions on appropriate responses and strengthening the transfer of technical expertise.



Engineered Materials Sector Exploitation

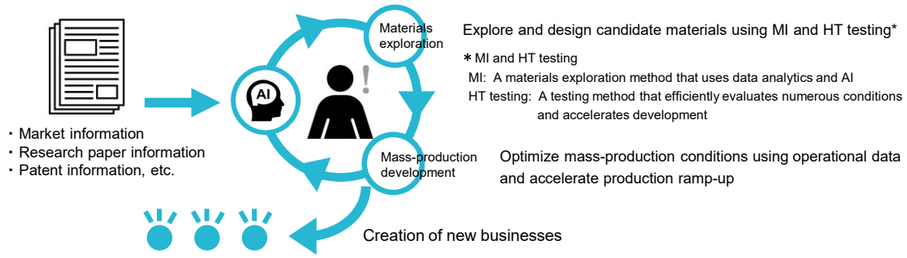
In FY2025, the Engineered Materials Sector formulated a DX strategy aligned with its business strategy and clarified its desired state at the end of FY2027 for each area of DX activity, centered on sales growth, profitability improvement, and ROIC improvement. To strengthen new customer acquisition, the Sector has been integrating its business division websites through digital marketing, and these efforts are beginning to produce tangible results, including the identification of potential partners and the securing of actual orders.
In FY2026, as part of its Big Moves initiatives, the Sector will integrate data spanning design, manufacturing, and management to achieve overall optimization and greater efficiency through AI. By reallocating resources freed up by reducing low-value-added work to higher-value-added areas and harnessing uniquely human creativity, the Sector aims to contribute to the evolution of industry through engineered materials.

DX Strategy of Engineered Materials Sector

Objective		Desired state at the end of FY2027
Sales growth	Sales and marketing	Strengthen information dissemination through the integrated website, improve search rankings, and increase visibility in generative AI responses. Increase the number of new projects leading to mass production.
	R&D	Expand the use of materials informatics and accelerate the development of a wide range of products.
	Operations	Reduce dependence on individual expertise through AI-assisted analysis and decision-making. In certain businesses, optimize production plans and operating conditions through cross-functional data utilization.
	Indirect operations	Achieve a significant improvement in operational efficiency through the widespread adoption of generative AI and other tools. Shift to value-creating work by making use of the time freed up.
Profitability improvement		Enable faster decision-making through simulations using manufacturing, sales, inventory, external, and other data, thereby improving overall profitability.
ROIC improvement		Quantitatively identify areas for improvement using a structured set of KPIs and establish an effective PDCA cycle for improving ROIC, thereby enhancing business value.

Business Creation Sector Exploration

The Business Creation Sector is promoting "AI Co-Creation R&D," which combines human expertise with data to enhance processes from materials exploration through verification.
In FY2025, the Sector made progress in applying data analytics, AI, and automation, primarily to SE (solid electrolytes), to accelerate development and improve quality.



Use and advancement of generative AI

The Group has used generative AI in a secure, dedicated internal environment to streamline routine tasks such as document preparation and information retrieval, thereby improving the quality and speed of decision-making and outputs. It has also used retrieval-augmented generation (RAG), a mechanism that generates responses by referring to internal materials, to effectively draw on knowledge accumulated within the Group in day-to-day operations. The Group has also begun using AI agents where appropriate for each operation and is expanding their integration into business processes in stages.
As these initiatives have progressed, the generative AI utilization rate is expected to largely meet the FY2027 KPI target, and the Group is considering setting a higher target. To further expand utilization, in addition to its Head office promotion framework, the Group is promoting the safe and effective adoption of generative AI through the sharing and rollout of best practices and the provision of consultation support, with AI evangelists assigned to each site serving as key facilitators.

Development of DX talent

Under the 25–27 MTP, the Group is promoting the development of DX talent. In developing such personnel, the Group refers to the Digital Skill Standards established by the Ministry of Economy, Trade and Industry and the Innovation Platform Agency, Japan (IPA), and classifies personnel into two categories: "personnel with an understanding of DX" and "DX personnel who promote and implement DX." The Group is focusing particularly on strengthening the latter, who are responsible for transforming businesses and operations. These personnel participate in DX initiatives directly linked to business challenges and, through practical experience centered on planning and executing such initiatives, develop the skills required to use digital technologies and data and drive projects forward. By strategically assigning these personnel to key DX initiatives in each business sector, the Group will enhance its ability to execute DX and thereby strengthen the business competitiveness of the Group as a whole.

Progress on KPIs for group-wide priority initiatives

【Generative AI utilization】(Among all target people:)

Monthly utilization rate: 50% or more

47.6 % (as of March 2026)

Reduced working hours:
10% improved efficiency (16 hrs/person-month)

4.0 % (as of December 2025)

∗ The figure is based on questionnaire responses.

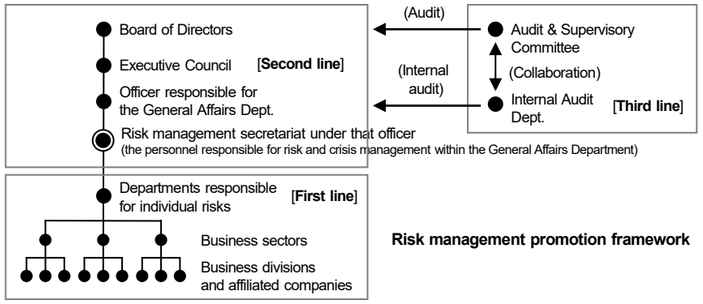
【Development of DX talent】30 people or more

9 people (as of March 31, 2026)

Risk management

Our approach

Mitsui Kinzoku Group is strengthening its response to risks related to business that could threaten value creation and corporate survival. The Group works to minimize the impact and losses arising from the materialization of business and other risks, while also taking measures to prevent the recurrence of past incidents.



Risk management promotion framework

Promotion framework

Under its Risk Management Rules, the Group has designated the officer responsible for the General Affairs Department as the chief risk management officer and established a risk management secretariat under that officer (the personnel responsible for risk and crisis management within the General Affairs Department). The secretariat oversees and promotes risk management activities throughout the Group. Based on the risk categories defined in the Rules as business and other risks, including ESG-related issues, the Group has established a risk management framework under which the departments responsible for individual risks (the relevant Head Office departments), together with the business divisions and affiliated companies (collectively, “Group organizations”), control the risks identified.

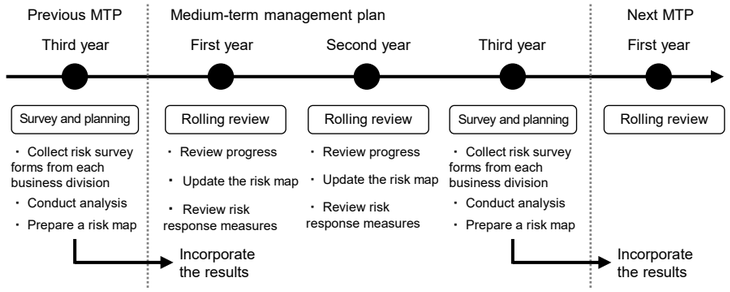
Once a year, the secretariat compiles the initiatives undertaken by the departments responsible for individual risks and by each Group organization [first line] into a Risk Management Report. The report is submitted to the Executive Council [second line] for approval and subsequently reported to the Board of Directors. Comments and issues identified through this process are reflected in the initiatives for the following fiscal year.
Each fiscal year, the Internal Audit Department and the Audit & Supervisory Committee conduct their respective audits to confirm whether the risk management framework is being operated appropriately and functioning effectively [third line].

[Definition of risk categories] https://www.mitsui-kinzoku.com/en/csr/governance/risk_management/

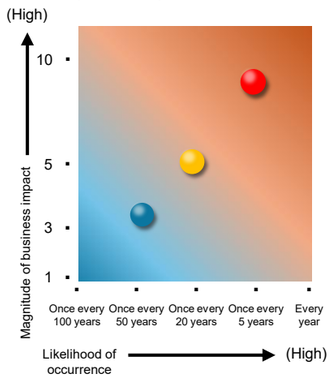
Management system

The Group has designed its risk management system to operate on a three-year cycle aligned with the MTP period.
In the final year of the preceding MTP, the departments responsible for individual risks and the Group organizations identify risks associated with all defined risk categories and assess them using a five-point scale for likelihood of occurrence and a ten-point scale for business impact (loss). The assessment results are organized and presented in a risk map, which is used to identify risks requiring priority action and to formulate risk response measures.
In the first and second years of the MTP, the departments responsible for individual risks and each Group organization implement the risk response measures formulated in the preceding fiscal year. The secretariat conducts risk surveys regarding the progress of those measures and any emerging risks, and reviews the appropriateness and effectiveness of the measures. The departments responsible for the relevant risks review and assess any emerging risks.

Management system cycle



Risk map by business division
(illustrative)



Examples of risk response measures

[Risk category]

Loss of functionality at the Head Office and manufacturing sites due to a large-scale natural disaster

As a risk response measure in the event that the Head Office becomes unable to function due to a disaster in the Tokyo metropolitan area, the Group has developed an action plan for temporarily transferring Head Office functions to an alternative site and establishing operations there. In 2025, the Group conducted a drill at the designated alternative site to establish an alternative emergency response headquarters.
The Group has also formulated business continuity plans (BCPs) based on the assumption that certain products will be manufactured at alternative sites. To ensure the uninterrupted supply of critical products and services to customers, the Group carries out business continuity management (BCM), including preparations for alternative production, drills, and training at the sites to which production is to be transferred.

Response when risks materialize

The Group has set out its Emergency Response Basic Policy. In the event of an emergency, the Group gives the highest priority to protecting human life and also safeguards assets, while working to prevent secondary disasters and aiming for the early recovery and continuity of business operations.

Compliance

Our approach

Mitsui Kinzoku Group understands 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.
The Group positions compliance as part of governance, which forms the foundation supporting value creation, and is working to strengthen its compliance framework globally.

Progress on medium-term strategies and KPIs

Establishment and dissemination of the Code of Conduct

The Group had previously established its Code of Conduct (Koudou Kijun) 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 revised the Code of Conduct with an updated Japanese title, Koudou Kihan (Kihan means “norms”), as of April 1, 2025.
In conjunction with the revision of the Code of Conduct, the Group also revised its Compliance Guidebook, which explains the key points of conduct under the Code. At overseas sites, the Group works with national staff to review the content of the Compliance Guidebook in light of location-specific risks associated with local business practices and cultural contexts, and is progressively rolling out revised versions in local languages.
To promote awareness of the Code of Conduct, the Group conducted Compliance Caravan sessions at all sites in Japan in FY2025, with more than 3,000 participants. From FY2026 onward, in conjunction with the global rollout of the Compliance Guidebook, the Group will also conduct Compliance Caravan sessions at its overseas sites.






Establishment of the Compliance Committee

Based on the investigation report issued by the Special Investigation Committee concerning quality misconduct at Mitsui Kinzoku Perlite Co., Ltd., which the Group announced on April 4, 2025, the Group established the Compliance Committee effective March 1, 2026.
Chaired by the President, the Compliance Committee oversees compliance matters across the Group. In ordinary circumstances, the Committee will work to prevent compliance violations, while in the event of a violation, it will seek to ensure a prompt and appropriate response. All non-executive directors, including outside directors and directors serving as Audit and Supervisory Committee members, participate in the Committee as observers.

Key compliance priorities

Under the framework described above, the Group is focusing on the following compliance priorities:

- Conducting the Compliance Survey (every two years) and addressing the issues identified
- Ensuring the proper operation of the whistle-blowing system
- Conducting audits (including on-site audits and document-based audits concerning export control and information management)
- Ensuring fair business practices (including compliance with the Antimonopoly Act and the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment)
- Preventing bribery/corruption (including promoting the execution of anti-bribery/corruption agreements)
- Export control (including compliance with the Foreign Exchange and Foreign Trade Act and use of public-private dialogue schemes)
- Managing information (including the management and auditing of customer information, technical information, and other information)
- Conducting and enhancing various compliance training programs

Number of compliance training participants (ESG data P.88)

In particular, the results of the Compliance Survey are used as KPIs for advancing the Group’s materiality initiatives, and progress is monitored against these KPIs.

Compliance Survey results (ESG data P.88)

Overview of key initiatives ❶

Whistle-blowing system

The Group has established the Mitsui Kinzoku Hotline (MHL) as a reporting channel for internal and external reports from stakeholders both within and outside the Group (collectively, “reports”). These reports concern violations of laws and internal rules relating to matters such as quality misconduct, bribery/corruption, occupational health and safety, and harassment in business activities and the workplace, as well as social and environmental risks, including human rights risks.
The Group provides all officers and employees with an external contact point capable of handling reports in foreign languages, an internal contact point, and a third-party contact point (operated by external legal counsel). For sites in China, the Group has also established a Chinese-language hotline operated through the China office of a Japanese law firm. The Group works to raise awareness of these contact points among officers and employees through compliance training and the Compliance Guidebook.
The status of MHL operations is reported regularly to the Board of Directors for monitoring.

Number of reports to the Mitsui Kinzoku Hotline (MHL) (ESG data P.88)

Overview of key initiatives ❷

Prevention of bribery/corruption

At each of its sites in Japan and overseas, the Group requires suppliers to refrain from bribery/corruption through initiatives such as entering into transaction agreements or obtaining letters of consent that include provisions requiring compliance with the Group’s Code of Conduct and procurement policy (Supply chain management Page 58). At its overseas sites, the Group also promotes the execution of anti-bribery/corruption agreements that require suppliers to implement more stringent anti-bribery and anti-corruption measures. The Group was not subject to any legal action for anti-competitive practices or bribery/corruption in FY2025. There were also no cases in which an employee was disciplined or dismissed for anti-competitive practices or for bribery/corruption involving public officials.
In FY2025, Mitsui Kinzoku made no direct monetary donations 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 (ESG data P.89)

Quality Assurance

Our approach

Mitsui Kinzoku Group revised its Fundamental Quality Policy in April 2022 to serve as a guiding standard for quality initiatives across all business areas and sites in Japan and overseas. In accordance with this policy, the Group pursues the manufacture of safe, high-quality products that satisfy customers.
With its roots in resource development and smelting, Mitsui Kinzoku Group has leveraged its extensive knowledge and expertise in nonferrous metal materials, as well as its “Material Intelligence,” to develop and supply increasingly high-performance, high-value-added materials. At the same time, the Group has remained dedicated to assuring and maintaining product quality, which forms the essential foundation for these efforts.
In response to the quality misconduct identified at a Group subsidiary in 2024, Mitsui Kinzoku Group is strengthening Group-wide efforts to prevent recurrence. These efforts include further reinforcement of quality compliance, education and awareness-raising, enhancement of the quality assurance framework, promotion of data digitalization and systemization, inspections and audits based on the QAGL*1, and the development of personnel who support quality assurance.

Strengthening the Quality Compliance Framework

The Group has built its quality compliance framework in accordance with the QAGL. Its main pillars are strengthening management systems, improving the reliability of testing and inspection data, improving alignment between quality and technology, and conducting self-inspections and internal audits within business lines.
The Group has conducted self-inspections of compliance with the QAGL and quality compliance audits by independent internal personnel at sites in Japan and overseas.
In FY2025, under a risk-based approach focusing on sites considered to be at risk of quality misconduct, the Group identified five high-risk business sites based on past quality misconduct, the results of compliance awareness surveys, and other factors, and conducted emergency inspections at those sites.
As a result of the emergency inspections, no violations of laws and regulations or serious impacts on safety, the environment, or other areas were identified. However, cases were identified in which products that did not conform to customer-agreed specifications were shipped due to inappropriate handling of data and other issues, as well as cases in which compliance with specifications was inadequate. In light of these findings, the Group has reaffirmed that further raising compliance awareness across the Group is essential.
The Group promptly informs the customers concerned of any inappropriate cases and takes steps to investigate the causes, implement corrective measures, and prevent recurrence. In FY2026, the Group will continue conducting emergency inspections and strengthen its quality compliance framework.

*1 QAGL: Mitsui Kinzoku Group Quality Assurance Guidelines
*2 MLP: Mitsui Kinzoku Learning Platform
*3 IE: Industrial Engineering, a methodology for improving production efficiency
*4 Process thinking: An approach that views work as a series of processes and seeks to improve them
*5 GK: QC circle activities at Mitsui Kinzoku (referred to as Group Katsudo)
*6 SDS: Safety Data Sheet, a document containing information on product safety, handling procedures, and other matters

Promotion of Quality Assurance Education and Awareness of Quality Compliance

Mitsui Kinzoku Group regards preventing the recurrence of quality misconduct and improving the reliability of quality assurance as urgent and important issues and is working to raise and firmly establish quality compliance awareness among all employees.
At the core of these efforts, the Group has established the QAGL, a set of common basic rules across the Group, and a quality compliance education framework. The Group provides tiered training tailored to employees’ positions and roles to deepen their understanding of quality and enhance their ability to put that understanding into practice.
In addition, the Group uses classroom training and online learning programs (MLP*2) to systematically provide employees at all levels with equal access to training, ranging from basic education to specialized education in areas such as statistics, IE*3, and process thinking*4. At sites in Japan and overseas, the Group also promotes small-group activities (GK*5) and continuously advances human resource development, workplace revitalization, and operational improvement.
During Quality Assurance Month (November), which the Group designates every year, quality education and awareness-raising activities are conducted throughout the Group. In addition, beginning in FY2026, the Group has designated April 4, the date on which the aforementioned quality misconduct was disclosed, as the Group’s “Quality Day” and decided to conduct new quality awareness-raising events. In FY2026, the Group is carrying out initiatives including a message from the President communicating the importance of quality, educational video-based learning, and a call for quality slogans.
Through these initiatives, the Group will seek to embed quality compliance not merely as adherence to rules, but as part of its corporate culture practiced in day-to-day operations, thereby strengthening quality assurance capabilities across the Group.

Provision of Product Safety Information and Development of an Ecodesign System

Mitsui Kinzoku Group regards the provision of information on the safety of its products and services as an important responsibility and has provided such information through specifications, technical materials, SDS*6, and other documents. In 2024, to strengthen accountability in this area, the Group established the Product Information Provision Guidelines as common rules for providing accurate and comprehensive product information and began operating under the Guidelines in FY2025. In FY2026, the Group is verifying and improving the implementation of the Guidelines through self-inspections, expanding their application to overseas sites, and working to establish a globally consistent framework for providing product information.
In addition, to strengthen quality and environmental considerations from the product design and development stage, the Group has also established the Product Design and Development Guidelines. The Guidelines, which are intended to contribute to the creation of safe and reliable products and environmentally friendly products, take into account consistency with JIS Q 62430, a standard that sets out the concept of environmentally conscious design. The Group is currently assessing the actual design and development processes of each business sector and Group company and plans to begin full-scale implementation of the Guidelines during FY2026. Through these initiatives, the Group will both provide appropriate information on product safety and promote environmentally conscious design and development, thereby enhancing the trust of customers and society.

Initiatives to Prevent the Recurrence of Quality Misconduct

Initiative ❶ Strengthening the Quality Assurance Framework

The Group is working to strengthen its quality assurance framework to prevent the recurrence of quality misconduct and improve the effectiveness of quality assurance.
To strengthen its audit function, the Group is conducting emergency inspections based on the risk-based approach described above. The Group identifies sites and processes considered to be at high risk of such misconduct and conducts on-site inspections, trace checks of records, interviews with relevant personnel, and other measures to identify issues and follow up on improvements.
In addition, to improve the reliability of inspection data, the Group is promoting the introduction of LIMS*7 (laboratory information management systems). Equipped with functions to prevent data tampering and manage change histories, LIMS was introduced at major sites in Japan by the end of FY2025 (with follow-up continuing at certain sites in FY2026). The Group is also advancing the digitalization of output data from inspection equipment (raw data) and its automatic import into LIMS, thereby minimizing human intervention as much as possible and improving both data reliability and operational efficiency.
Meanwhile, to enhance communication and collaboration among the heads of departments involved in quality assurance, the Group continues to hold Quality Assurance Department Managers’ Meetings twice a year. In FY2025, a meeting was held at the Takehara Refinery, where participants shared information on quality initiatives at their respective sites and toured various workplaces within the refinery.

Initiative ❷ Strengthening the Development and Implementation of Quality Assurance Rules

To prevent the recurrence of quality misconduct and ensure thorough compliance with quality requirements agreed with customers, the Group is strengthening the development and implementation of its quality assurance rules.
To ensure that quality specifications agreed with customers are appropriate, the Group has added to the QAGL, its common rules, a requirement to assess the appropriateness of specification values based on process capability (an indicator of the degree to which stable production can be maintained within the range of defined specifications) and other factors. The QAGL also requires the use of specification checklists and other tools to identify in advance any omissions or inconsistencies in specifications.
In addition, to reduce quality risks associated with design and process changes, the Group has organized effective formats for change management rules and related forms and compiled them into a collection of examples that can be shared, thereby establishing a framework for their cross-functional use across the Group. To prevent discrepancies with external requirements, the Group also checks, through audits and other means, the consistency of product specifications with laws and regulations, public standards, and industry rules.
For significant quality complaints, the Group shares and disseminates information on their causes and recurrence prevention measures throughout the organization to prevent similar inappropriate cases before they occur.

*7 LIMS: Laboratory Information Management System

Initiative ❸ Ensuring Thorough Awareness of Quality Assurance

The Group regards firmly embedding quality compliance throughout the organization as an important issue and is working to instill a consistent awareness of quality compliance from senior management through to employees at operational sites.
As part of these efforts, top management communicates directly with employees. From April through July 2025, the President conducted a quality-related briefing caravan, visiting major business sites. In addition, other senior executives continue to issue monthly messages on quality through the Group’s internal website.
In addition to web-based training through MLP for all Group employees, the Group provides training for senior management and QAGL training for employees in functions such as development, sales, and manufacturing, working to raise quality awareness regardless of job type or position level.
In addition to sharing information through quality education, the Group is creating an environment in which employees can more readily speak up through measures such as displaying posters internally and distributing cards.
To foster a sound quality culture, the Group has created opportunities for direct dialogue between the executives responsible for overseeing quality assurance (business division head level) and personnel responsible for quality and inspection, thereby facilitating the sharing of issues and concerns at operational sites. In collaboration with the General Affairs Department, the Group is also strengthening awareness of its internal whistleblowing system, through which employees can seek advice or report concerns anonymously.
To raise quality awareness, the Group has newly established a Quality Chant (a quality-awareness message recited collectively at quality-related meetings) and, since October 2025, has continued to conduct the Quality Chant at quality assurance-related meetings and other occasions.

Initiative ❹ Reducing and Eliminating the Risk of Misconduct

To prevent quality misconduct before it occurs, the Group regards reducing the risk of misconduct as an important issue and is working to share and utilize information on corrective cases, strengthen consultation systems, and develop appropriate incentive mechanisms to encourage proper behavior.
The Group has established a mechanism for posting information on quality compliance-related corrective cases on its internal Group website, in the same manner as workplace accident information, so that such information can be shared across the Group in a timely manner. Going forward, the Group will also use DX to centrally manage this information, improve searchability and response speed, and use data analysis to develop and implement recurrence prevention measures.
In addition, to provide more options for seeking advice on quality assurance matters, the Group has established a new consultation desk within the Quality Assurance Department. Through this initiative, the Group aims to identify potential issues at an early stage and foster an open organizational culture.
The Group has also introduced an annual awards program to share outstanding quality assurance initiatives undertaken at individual business sites and disseminate those initiatives across the Group. By making these initiatives visible and evaluating them, the Group will promote their horizontal deployment as activities that contribute to reducing the risk of misconduct.
Meanwhile, the Group has clearly established a policy of taking strict action against quality misconduct in accordance with its internal regulations and is also working to ensure thorough awareness of the importance of complying with rules. Through these initiatives, the Group will strengthen its quality compliance framework from the perspectives of both deterring misconduct and detecting it at an early stage, with the aim of achieving highly transparent organizational management.

11-Year Summary of Selected Financial Data

Mitsui Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31

Millions of yen

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Consolidated Financial Highlights												
Net sales		450,553	436,330	519,215	497,701	473,109	522,936	633,346	651,965	646,697	712,344	758,532
Operating income		11,137	38,461	49,529	18,222	13,037	51,124	60,737	12,528	31,694	74,743	130,912
Ordinary income		(11,284)	31,047	11,239	17,755	9,318	51,265	65,990	19,886	44,513	76,410	136,736
Profit attributable to owners of parent		(20,926)	18,674	(708)	4,691	1,566	44,771	52,088	8,511	25,989	64,662	91,263
Capital expenditures		28,446	37,718	40,509	36,119	33,999	28,176	27,457	32,515	32,039	31,368	36,499
Depreciation		25,066	24,414	26,634	27,964	28,970	33,882	33,168	33,647	34,387	33,191	29,762
Research and Development expenditures		6,575	7,163	8,015	9,523	10,125	10,571	10,939	12,365	13,354	14,919	15,051
Cash flows from operating activities		50,397	24,218	52,436	40,696	36,107	27,565	60,672	43,009	75,343	76,697	87,541
Cash flows from investing activities		(26,395)	(38,300)	(40,376)	(44,843)	(34,833)	(16,324)	(25,538)	(31,641)	(34,914)	(20,873)	(24,465)
Free cash flows		24,002	(14,082)	12,060	(4,147)	1,274	11,241	35,134	11,368	40,428	55,823	63,076
Total assets		484,800	518,981	522,418	523,315	537,119	595,107	637,878	631,894	640,631	657,944	697,481
Net assets		179,566	184,421	178,652	179,673	173,255	210,560	250,048	261,406	286,018	340,856	420,910
Shareholders' equity		146,469	161,713	157,271	159,207	157,296	197,874	241,075	243,360	256,164	311,921	392,333
Interest-bearing debt		191,733	207,421	208,418	216,878	233,070	247,930	225,100	219,249	200,720	166,061	114,140
Per share of common stock												
EPS（Earnings per share）※1	Yen	(366.41)	326.98	(12.40)	82.15	27.43	784.01	912.00	148.99	454.71	1,130.95	1,595.45
BPS（Net assets per share）※1	Yen	2,968.55	3,046.41	2,945.20	2,977.84	2,884.68	3,484.21	4,196.37	4,434.42	4,872.30	5,798.07	7,202.10
Cash dividends per share ※1	Yen	60	70	70	70	70	85	110	140	140	180 ※3	245
Dividend payout ratio	%	-	21.4	-	85.2	255.2	10.8	12.1	94.0	30.8	15.9	15.4
DOE（Dividend on equity ratio）※2	%	2.3	2.5	2.5	2.5	2.5	2.5	2.6	3.3	3.1	3.0 ※4	3.5
Financial Ratios												
ROE（Return on equity）	%	(11.4)	10.9	(0.4)	2.8	0.9	24.6	23.8	3.5	9.8	21.2	24.5
ROA（Return on assets）	%	(2.2)	6.2	2.2	3.4	1.8	9.1	10.7	3.1	7.0	11.8	20.2
Net D/E ratio		1.03	1.10	1.11	1.15	1.22	1.09	0.82	0.76	0.60	0.37	0.14
Equity ratio	%	35.0	33.5	32.4	32.5	30.7	33.4	37.6	40.1	43.5	50.4	59.1

※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 2016.

※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 Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2025 and 2026

Millions of yen

	2025	2026
Assets		
Current assets:		
Cash and deposits	¥ 44,469	¥ 58,271
Notes and accounts receivable,		
and contract assets:		
Trade	106,674	103,118
Unconsolidated subsidiaries and affiliates	16,037	24,691
Inventories	179,297	212,885
Derivatives	483	323
Other current assets	26,772	25,564
Less: Allowance for doubtful accounts	(2,845)	(1,388)
Total current assets	370,889	423,466
Property, plant and equipment:		
Land	32,391	28,939
Buildings and structures	219,162	199,421
Machinery and equipment	541,294	507,470
Leased assets	6,196	5,653
Construction in progress	9,978	18,156
Others	67,404	28,373
	876,428	788,015
Less: Accumulated depreciation	(685,273)	(610,040)
Total property, plant and equipment	191,155	177,975
Investments and other assets:		
Investment securities:		
Unconsolidated subsidiaries and affiliates	59,234	62,275
Others	4,985	3,850
Loans receivable:		
Others	392	390
Deferred tax assets	6,891	4,505
Asset for retirement benefits	12,738	16,073
Others	11,950	9,207
Less: Allowance for doubtful accounts	(294)	(262)
Total investments and other assets	95,899	96,039
Total assets	¥ 657,944	¥ 697,481
Liabilities and Net Assets		
Current liabilities:		
Notes and accounts payable:		
Trade	44,241	56,923
Unconsolidated subsidiaries and affiliates	4,172	5,157
Others	18,337	18,361
Short-term borrowings and commercial papers	49,446	24,174
Current portion of long-term debt	¥ 33,264	¥ 21,989
Current portion of lease liabilities	645	462
Accrued income taxes	8,812	13,806
Accrued expenses	11,696	13,276
Provision for product warranties	697	64
Provision for loss on construction contracts	102	99
Provision for loss on disposal of inventories	680	368
Other provisions	23	281
Derivative liabilities	842	2,393
Other current liabilities	16,506	14,912
Total current liabilities	189,472	172,273
Long-term liabilities:		
Long-term debt	83,349	67,976
Lease liabilities	1,431	1,016
Directors' and other officers' retirement benefits	218	185
Deferred tax liabilities	9,942	8,441
Provision for environmental countermeasures	616	866
Provision for preventing environmental pollution		
in mineral, mining, and other operations	822	850
Asset retirement obligations	4,227	4,397
Liability for retirement benefits	26,039	19,450
Other long-term liabilities	967	1,113
Total long-term liabilities	127,615	104,298
Total liabilities	317,087	276,571
Commitments and contingent liabilities		
Net Assets:		
Shareholders' equity:		
Common stock:		
Authorized - 190,000 thousand shares in 2025 and in 2026		
Issued - 57,381 thousand shares in 2025 and 57,415 thousand shares in 2026	42,289	42,377
Capital surplus	17,683	17,609
Retained earnings	252,582	332,999
Less: Treasury stock		
199 thousand shares in 2025 and 203 thousand shares in 2026	(634)	(653)
Total shareholders' equity	311,921	392,333
Accumulated other comprehensive income:		
Net unrealized gains on securities, net of tax	1,110	1,242
Deferred gains (losses) on hedges, net of tax	(1,167)	(3,343)
Foreign currency translation adjustments	19,220	20,650
Accumulated adjustments for retirement benefit	461	1,166
Total accumulated other comprehensive income	19,624	19,715
Non-controlling interests in consolidated subsidiaries	9,310	8,861
Total net assets	340,856	420,910
Total liabilities and net assets	¥ 657,944	¥ 697,481

Consolidated Statements of Income

Mitsui Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2025 and 2026

Millions of yen

	2025	2026
Net sales	¥ 712,344	¥ 758,532
Cost of sales	562,106	555,885
Gross profit	150,237	202,647
Selling, general and administrative expenses	75,494	71,735
Operating income	74,743	130,912
Non-operating income (expenses):		
Interest and dividend income	1,294	1,202
Interest expense	(2,615)	(2,114)
Foreign exchange gains (losses)	(2,414)	(1,435)
Investment gains on equity method	4,617	7,372
Real estate rent	544	550
Other, net	240	248
	1,666	5,824
Ordinary income	76,410	136,736
Extraordinary income (losses):		
Gain on sale of property, plant and equipment	28	226
Loss on sale and disposal of property, plant and equipment	(2,915)	(3,060)
Gain on sale of investment securities	9,380	268
Loss on sales of shares of subsidiaries and associates	—	(19,074)
Gain on sales of shares of subsidiaries and associates	2,179	2,192
Loss on impairment of fixed assets	(2,817)	(481)
Reversal of allowance for doubtful accounts	—	1,215
Provision of allowance for doubtful accounts	(328)	—
Others, net	(1,169)	(547)
	4,357	(19,261)
Profit before income taxes	80,768	117,475
Income taxes:		
Current	15,195	23,185
Deferred	(1,932)	57
	13,262	23,242
Profit	67,505	94,232
Profit attributable to non-controlling interests	2,843	2,969
Profit attributable to owners of parent	¥ 64,662	¥ 91,263
Amounts per share of common stock:	Yen	Yen
Basic earnings per share	¥ 1,130.95	¥ 1,595.45
Cash dividends applicable to the year	180.00	245.00

Consolidated Statements of Comprehensive Income

Mitsui Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2025 and 2026

Millions of yen

	2025	2026
Profit	¥ 67,505	¥ 94,232
Other comprehensive income:		
Net unrealized gains (losses) on securities, net of tax	(5,050)	241
Deferred gains (losses) on hedges, net of tax	1,709	(2,129)
Foreign currency translation adjustments	(768)	1,785
Remeasurements of defined benefit plans, net of tax	73	598
Share of other comprehensive income (loss)		
of entities accounted for using equity method	1,204	40
Total other comprehensive income	(2,830)	536
Comprehensive income	¥ 64,675	¥ 94,768
(Breakdown)		
Comprehensive income attributable to owners of parent	¥ 61,929	¥ 91,353
Comprehensive income attributable to non-controlling interests	2,746	3,414

Consolidated Statements of Changes in Net Assets

Mitsui Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2025 and 2026

Millions of yen

2025	Number of shares of common stock issued (Thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
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(losses) 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
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

Millions of yen

2026	Number of shares of common stock issued (Thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2025	57,381	¥42,289	¥17,683	¥252,582	¥(634)	¥311,921
Cash dividends paid				(10,867)		(10,867)
Profit attributable to owners of parent				91,263		91,263
Acquisition of treasury stock					(19)	(19)
Share-based payments with transfer restrictions		88	88			177
Change in scope of consolidation			(240)	21		(219)
Changes in capital surplus due to transactions with non-controlling shareholders			78			78
Net changes of items other than shareholders' equity						
Balance at March 31, 2026	57,415	¥42,377	¥17,609	¥332,999	¥(653)	¥392,333

	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
Balance at April 1, 2025	¥1,110	¥(1,167)	¥19,220	¥461	¥19,624	¥9,310	¥340,856
Cash dividends paid							(10,867)
Profit attributable to owners of parent							91,263
Acquisition of treasury stock							(19)
Share-based payments with transfer restrictions							177
Change in scope of consolidation							(219)
Changes in capital surplus due to transactions with non-controlling shareholders							78
Net changes of items other than shareholders' equity	131	(2,175)	1,430	705	90	(448)	(358)
Balance at March 31, 2026	¥1,242	¥(3,343)	¥20,650	¥1,166	¥19,715	¥8,861	¥420,910

Consolidated Statements of Cash Flows

Mitsui Kinzoku Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2025 and 2026

Millions of yen

	2025	2026
Cash flows from operating activities:		
Profit before income taxes	¥ 80,768	¥ 117,475
Depreciation and amortization	33,191	29,762
Loss on impairment of fixed assets	2,817	481
Gain on sale of investment securities	(9,380)	(268)
Loss on sales of shares of subsidiaries and associates	—	19,074
Gain on sales of shares of subsidiaries and associates	(2,179)	(2,192)
Loss (gain) on sale of property, plant and equipment, net	103	(163)
Loss on disposal of property, plant and equipment	2,783	2,998
Decrease (increase) in allowance for doubtful accounts	271	(1,371)
Increase (decrease) in liability for retirement benefits	(954)	(1,197)
Interest and dividend income	(1,294)	(1,202)
Interest expense	2,615	2,114
Foreign exchange gains	(156)	(397)
Investment gains on equity method	(4,617)	(7,372)
Increase (decrease) in notes and accounts receivables and contract assets	(6,684)	(23,718)
Increase (decrease) in inventories	(16,170)	(50,408)
Increase (decrease) in notes and accounts payable	(1,192)	23,273
Other, net	4,577	(3,003)
Subtotal	84,498	103,883
Interest and dividend received	2,012	3,664
Interest paid	(2,592)	(2,126)
Income taxes paid	(11,366)	(19,062)
Income taxes refund	3,602	625
Other, net	544	556
Net cash provided by operating activities	76,697	87,541
Cash flows from investing activities:		
Purchases of investment securities	(853)	(984)
Proceeds from sale of investment securities	9,860	1,854
Acquisition of property, plant and equipment and other assets	(31,392)	(35,970)
Proceeds from sale of property, plant and equipment	290	270
Payments for retirement of property, plant and equipment and other assets	(2,011)	(2,260)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	4,302	6,348
Decrease (increase) in short-term loans receivable, net	(654)	6,440
Other, net	(415)	(162)
Net cash used in investing activities	(20,873)	(24,465)

Millions of yen

	2025	2026
Cash flows from financing activities:		
Net change in short-term borrowings and commercial papers	(8,079)	(17,736)
Proceeds from long-term debt	5,200	6,701
Repayment of long-term debt	(29,878)	(20,456)
Repayment of lease liabilities	(853)	(649)
Issuance of straight bonds	10,000	—
Redemption of straight bonds	(10,000)	(10,000)
Cash dividends paid	(9,147)	(10,867)
Dividends paid to non-controlling interests	(497)	(498)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(320)	—
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	—	400
Other, net	(57)	(50)
Net cash used in financing activities	(43,634)	(53,157)
Effect of exchange rate changes on cash and cash equivalents	(205)	3,860
Net increase (decrease) in cash and cash equivalents	11,982	13,779
Cash and cash equivalents at beginning of year	32,479	44,465
Increase in cash and cash equivalents due to merger with non-consolidated subsidiaries	3	26
Cash and cash equivalents at end of year	¥44,465	¥58,271

∗ In our integrated reports, we have previously included accounting policies and notes alongside the consolidated financial statements; however, starting with this report, we have omitted that information.
If you would like to view detailed information, such as notes, please visit our corporate website.

https://www.mitsui-kinzoku.com/en/toushi/lib/tanshin/

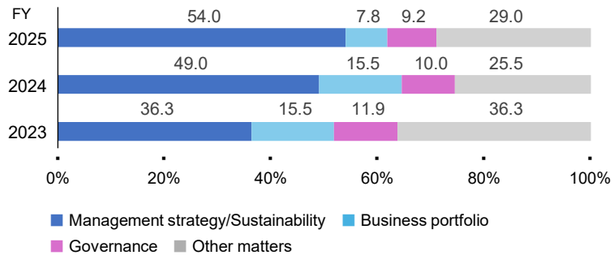
ESG data

Governance

Number of cross-held stocks and balance sheet amount

Classification		FY2024	FY2025
Number of companies	Unlisted	25	24
	Listed	4	2
Amount recorded on the balance sheet (millions of yen)	Unlisted	1,868	1,866
	Listed	985	1,337

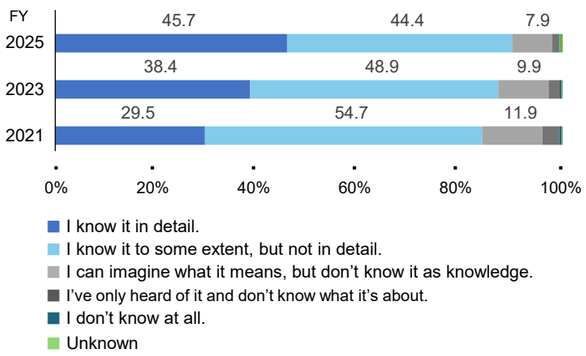
Deliberation time by type of agenda item at Board of Directors meetings over the past three fiscal years



Compliance

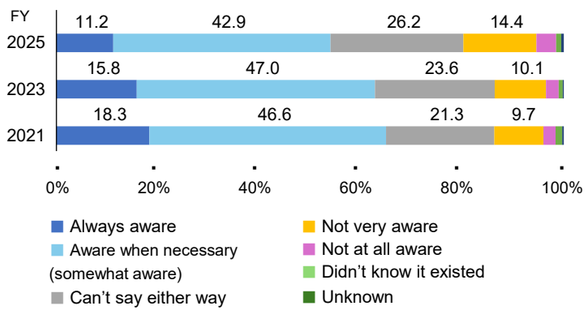
Compliance Survey results

Q Do you know the term “compliance”?



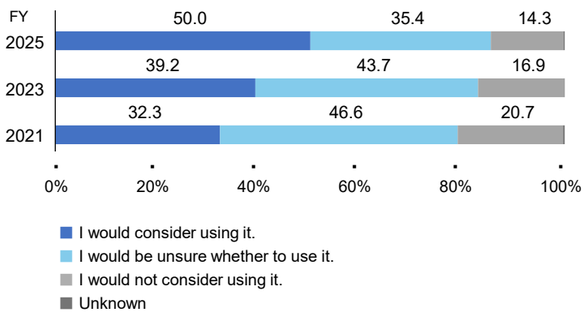
• 90% of respondents answered that they “know it in detail” or “know it to some extent.”
• The percentage of respondents who answered that they “know it in detail” increased significantly from the previous survey.

Q How aware are you of the Mitsui Kinzoku Group Code of Conduct in your day-to-day work?



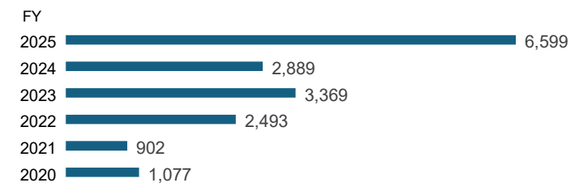
• 54% of respondents answered that they were “always aware” or “aware when necessary” (“somewhat aware” through 2023).
• Possibly due in part to the change in response options from “somewhat aware” to “aware when necessary” and the revision of the name of the “Code of Conduct” in Japanese from Koudou Kijun (“standards”) to Koudou Kihan (“norms”), the combined percentage of respondents who answered “always aware” or “aware when necessary” (“somewhat aware” through 2023) decreased from the previous survey.
• Going forward, the Group will promote even greater awareness through further enhancement of its training, including the introduction of interactive training and expansion of the channels through which training is provided.

Q If you see or hear about a compliance violation and feel that it is an issue you cannot discuss with your supervisor or others in your workplace, would you consider using MHL (the internal whistle-blowing system)?

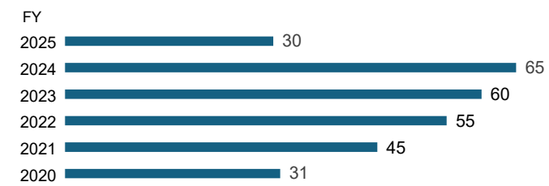


• 50% of respondents answered that they “would consider using it.”
• The percentage of respondents who answered that they “know it in detail” increased significantly from the previous survey.

The number of compliance training participants



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



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

Country/region	CPI rank *	No. of suppliers (End of FY2024)	No. of suppliers (End of FY2025)	Increase
Hong Kong	12	3	3	0
Taiwan	24	247	253	6
Malaysia	54	38	48	10
China	76	193	193	0
Vietnam	81	66	66	0
India	91	54	54	0
Indonesia	109	134	134	0
Thailand	116	30	30	0
Peru	139	30	30	0
Total		795	811	16

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

The numbers of suppliers with the agreements as of the end of FY2024 and FY2025 exclude Mitsui Kinzoku ACT’s sites. (Integrated Report 2025 reported 1,739 suppliers, including ACT’s sites.)

Employees

Breakdown of consolidated employees by employment status and employment contract type （as of the end of FY2025）

		Male	Female	Total
Open-ended workforce contract	Full-time	7,247	1,379	8,626
	Part-time	10	13	23
	Total	7,257	1,392	8,649
Fixed-term contract	Full-time	266	87	353
	Part-time	36	36	72
	Total	302	123	425
Total		7,559	1,515	9,074
Supervised workers		464	301	765
Total workforce		8,023	1,816	9,839

* 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 FY2025）

	Open-ended workforce contract		Fixed-term contract		
	Male	Female	Male	Female	Total
Japan	4,905	865	259	105	6,134
North America	29	20	0	0	49
South and Central America	342	34	0	0	376
Asia	1,981	473	43	18	2,515
Total	7,257	1,392	302	123	9,074

Breakdown of consolidated employees by position （as of the end of FY2025）

	Under 30 years of age		30-49 years old		50 years of age or over		
	Male	Female	Male	Female	Male	Female	Total
Managerial	2	0	664	98	605	33	1,402
Non-managerial	1,346	245	3,320	724	1,622	415	7,672
Total	1,348	245	3,984	822	2,227	448	9,074

Percentage of managers holding local nationality in overseas sites （as of the end of FY2025）

North America	60.0%
South and Central America	80.0%
Asia	85.0%
Total	84.4%

New employee hires by region（as of the end of FY2025）

		Under 30 years of age		30-49 years old		50 years of age or over		
		Male	Female	Male	Female	Male	Female	Total
Japan	New hires	167	41	163	55	80	17	523
	Total employees	758	165	2,588	464	1,937	321	6,233
	Rate of hiring	22.0%	24.8%	6.3%	11.9%	4.1%	5.3%	8.4%
North America	New hires	1	0	3	3	0	2	9
	Total employees	3	0	13	10	11	10	47
	Rate of hiring	33.3%	0.0%	23.1%	30.0%	0.0%	20.0%	19.1%
South and Central America	New hires	12	1	35	3	1	1	53
	Total employees	15	5	186	22	131	7	366
	Rate of hiring	80.0%	20.0%	18.8%	13.6%	0.8%	14.3%	14.5%
Asia	New hires	161	26	86	15	2	3	293
	Total employees	570	75	1,222	321	182	93	2,463
	Rate of hiring	28.2%	34.7%	7.0%	4.7%	1.1%	3.2%	11.9%
Total	New hires	341	68	287	76	83	23	878
	Total employees	1,346	245	4,009	817	2,261	431	9,109
	Rate of hiring	25.3%	27.8%	7.2%	9.3%	3.7%	5.3%	9.6%

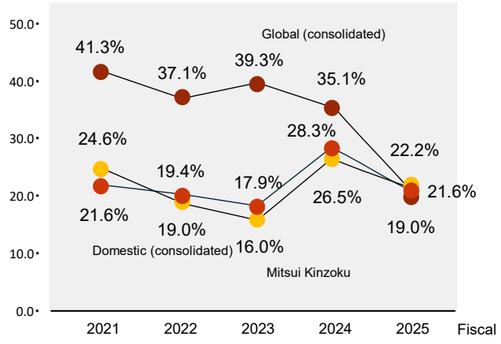
∗ Since the calculation method is different from the one for consolidated employees, the total number of employees is not in accord.

Employee turnover by region（as of the end of FY2025）

		Under 30 years of age		30-49 years old		50 years of age or over		
		Male	Female	Male	Female	Male	Female	Total
Japan	Departures	31	7	53	21	111	18	241
	Total employees	758	165	2,588	464	1,937	321	6,233
	Turnover rate	4.1%	4.2%	2.0%	4.5%	5.7%	5.6%	3.9%
North America	Departures	1	1	0	1	4	2	9
	Total employees	3	0	13	10	11	10	47
	Turnover rate	33.3%	-	0.0%	10.0%	36.4%	20.0%	19.1%
South and Central America	Departures	10	1	13	1	18	0	43
	Total employees	15	5	186	22	131	7	366
	Turnover rate	66.7%	20.0%	7.0%	4.5%	13.7%	0.0%	11.7%
Asia	Departures	93	20	70	10	17	14	224
	Total employees	570	75	1,222	321	182	93	2,463
	Turnover rate	16.3%	26.7%	5.7%	3.1%	9.3%	15.1%	9.1%
Total	Departures	135	29	136	33	150	34	517
	Total employees	1,346	245	4,009	817	2,261	431	9,109
	Turnover rate	10.0%	11.8%	3.4%	4.0%	6.6%	7.9%	5.7%

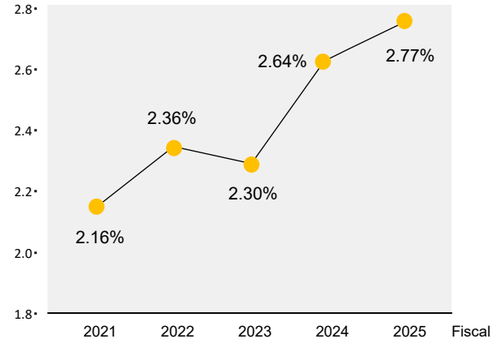
∗ Since the calculation method is different from the one for consolidated employees, the total number of employees is not in accord. Departures include “retirement at the age limit” and “expiration of contract period”.

Proportion of women as a percentage of new hires

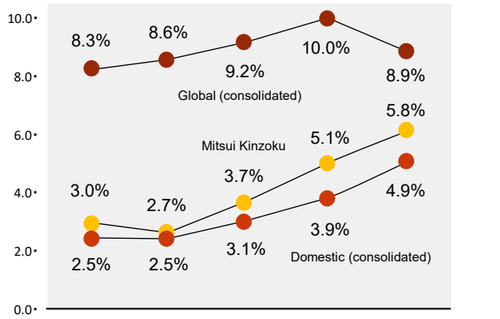


Percentage of employees with disabilities

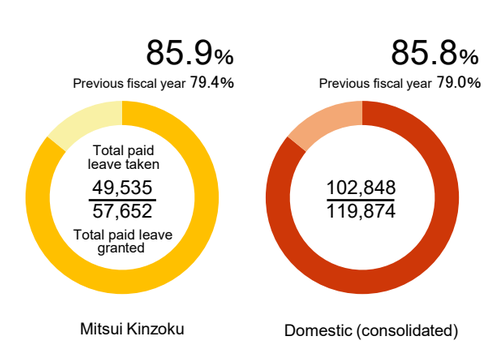
(Mitsui Kinzoku, Non-consolidated)



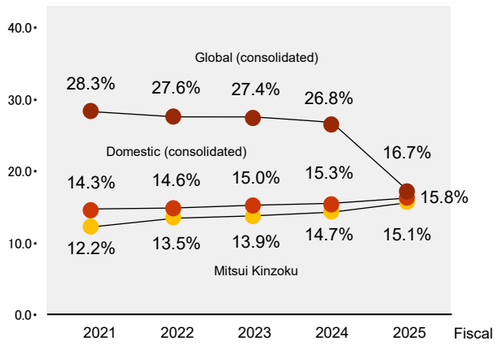
Proportion of women in management positions



Rate of taking paid leave

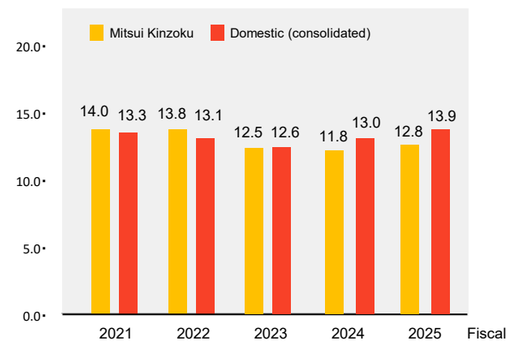


Proportion of women as a percentage of total employees



Overtime hours

[Hours/month per employee]



Parental leave

		FY2023		FY2024		FY2025	
		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	30	58	31	64	48
	Female	11	11	5	5	17	17
	Total	82	41	63	36	81	65
Domestic (consolidated)	Male	140	62	132	66	134	111
	Female	21	21	11	11	27	27
	Total	161	83	143	77	161	138

∗ 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

		FY2023			FY2024			FY2025	
		Ended	Returned	Retired	Ended	Returned	Retired	Ended	Returned
Mitsui Kinzoku	Male	26	26	2	28	28	1	50	50
	Female	13	13	0	12	12	0	9	9
	Total	39	39	2	40	40	1	59	59
Domestic (consolidated)	Male	51	51	2	62	62	1	108	108
	Female	13	13	0	15	15	0	12	12
	Total	64	64	2	77	77	1	120	120

∗ Retired: Employees that separated from employment in 12 months after returning.
∗ Because the number of employees who retire is determined based on whether returning employees retire within 12 months of their return, the number for the most recent fiscal year cannot yet be finalized. Accordingly, the number has been omitted from the table beginning this fiscal year.

Wage gap between male and female workers

FY2025	All workers	Of which, regular workers	Of which, part-time and fixed-term workers
Mitsui Kinzoku	68.1%	70.3%	65.7%
Domestic (consolidated)	65.4%	69.6%	64.1%

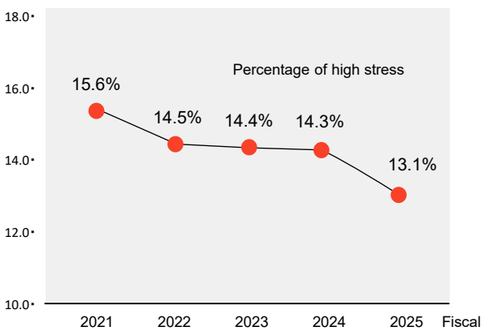
∗ Calculated based on provisions in the Act on the Promotion of Women’s Active Engagement in Professional Life.

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

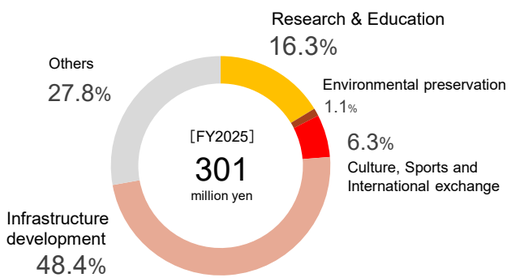
FY2025		All workers	Of which, regular workers	Of which, part-time and fixed-term workers
Mitsui Kinzoku	Male	14.4	14.9	7.9
	Female	6.9	7.3	2.7
	Total	13.3	13.8	6.4
Domestic (consolidated)	Male	14.0	14.4	8.6
	Female	7.4	7.4	5.3
	Total	13.0	13.4	7.6

Results of stress check (Percentage of high stress)



Contributing to communities

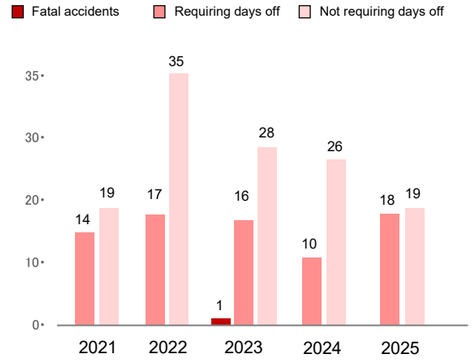
Mitsui Kinzoku Group breakdown of the amount



Occupational health and safety

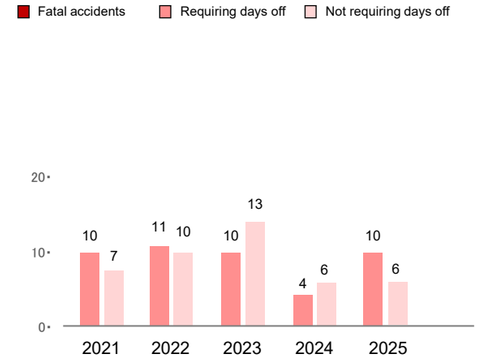
Trends in the number of accidents in sites in Japan

※ Including accidents that occurred in cooperative companies and contractors



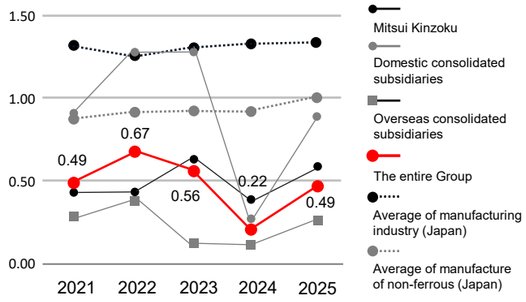
Trends in the number of accidents in overseas sites

※ Including accidents that occurred in cooperative companies and contractors



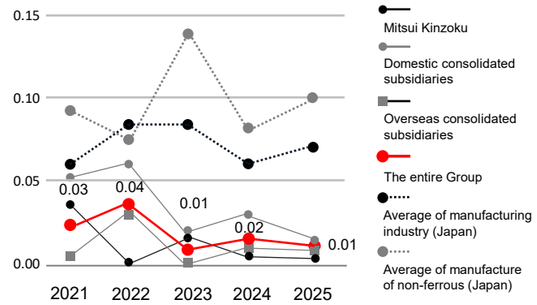
Frequency rate of accidents

※ Not including accidents that occurred in cooperative companies and contractors



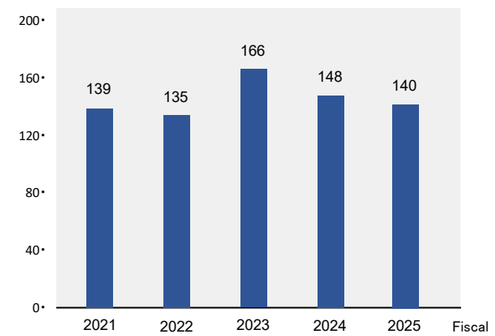
Severity rate of accidents

※ Not including accidents that occurred in cooperative companies and contractors

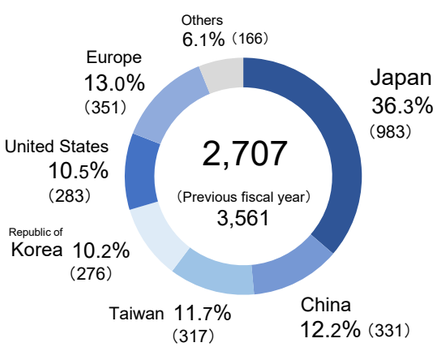


Intellectual property

Number of patent family applications



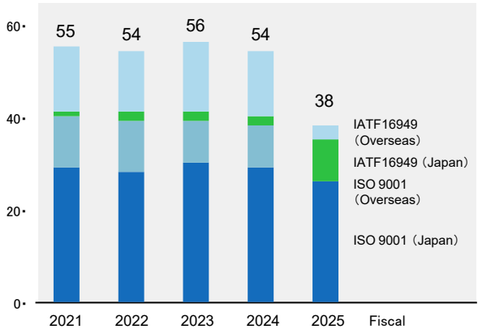
Number of patents registered globally



∗ Numbers as of the end of March 2026.

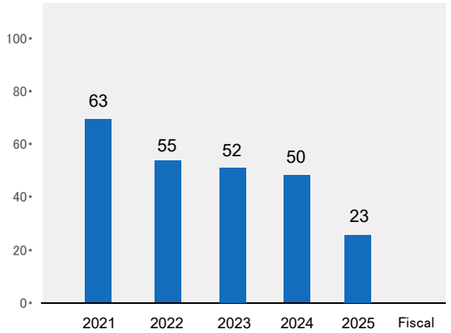
Quality assurance

Number of operating sites with certifications



∗ The decrease in FY2025 reflects the exclusion of Mitsui Kinzoku ACT Corporation from the reporting scope.

Number of claims at sites that hold QA meetings

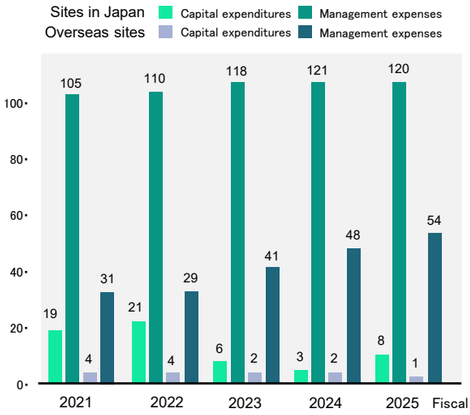


∗ Values are shown as an index, with FY2013 set at 100.

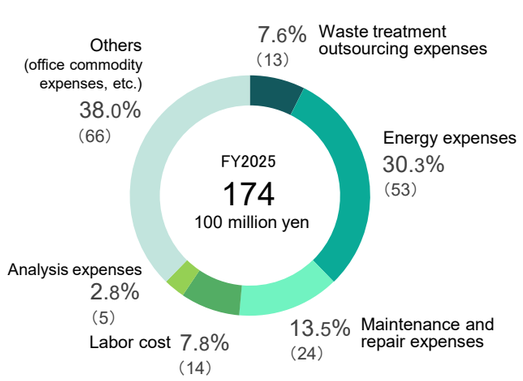
∗ Revised the values for FY2024 disclosed last year.

Environment

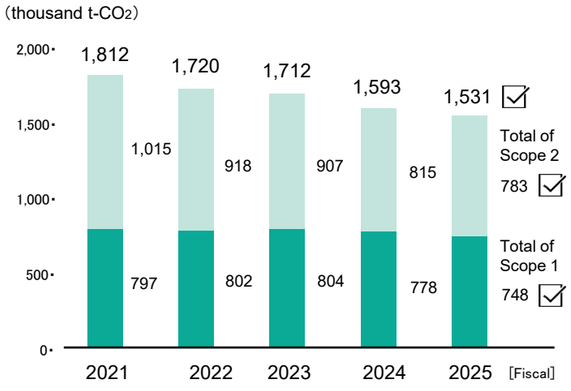
Environment-related capital expenditures and environmental management expenses (Hundred million yen)



Breakdown of environmental management expenses



CO_2 emissions from energy consumption (Breakdown by scope)

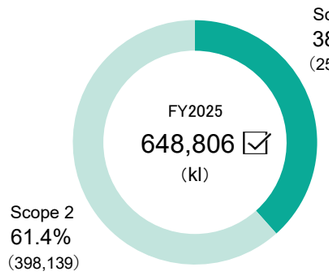


The reporting boundary for "CO_2 emissions from energy consumption" and "Energy consumption" is as follows:

∗ Certain consolidated subsidiaries, including companies primarily engaged in administrative activities, are excluded. For MESCO, Inc., only the Oita Plant is included.

∗ Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd., an equity-method affiliate, is included in the reporting boundary.

Energy consumption (crude oil equivalent)



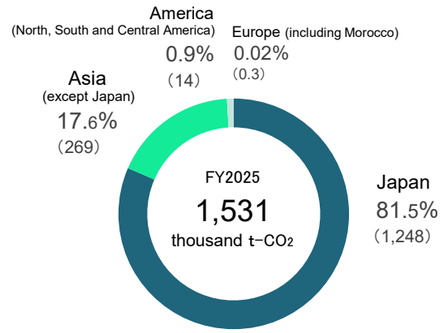
∗ Energy consumption (crude oil equivalent) was calculated using the conversion factors prescribed under the Act on Rationalization of Energy Use and Shift to Non-fossil Energy.
As with CO_2 emissions from energy consumption, waste-derived fuels and energy sold to third parties are excluded.

∗ Matsunaga Geo-Survey Co., Ltd. and Nakatatsu Kougyou Co., Ltd., which are unconsolidated subsidiaries, are included.

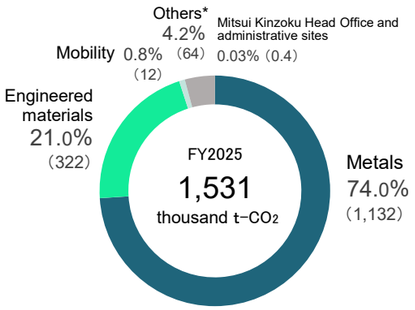
∗ Following the transfer of all shares of Mitsui Kinzoku ACT Corporation in November 2025, data for the company and its 10 subsidiaries, are included only through October 2025.

∗ We have received independent practitioner's assurance for the FY2025 figures in this information marked with ☑ in the Japanese edition of Integrated Report 2026.

Breakdown of CO_2 emissions by region

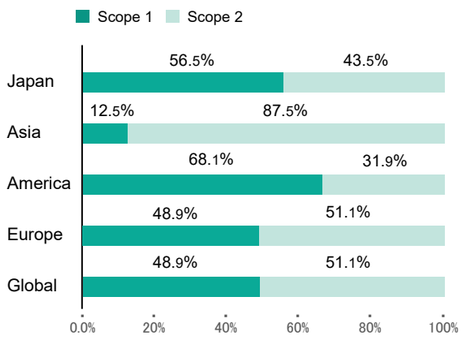


Breakdown of CO_2 emissions by business unit

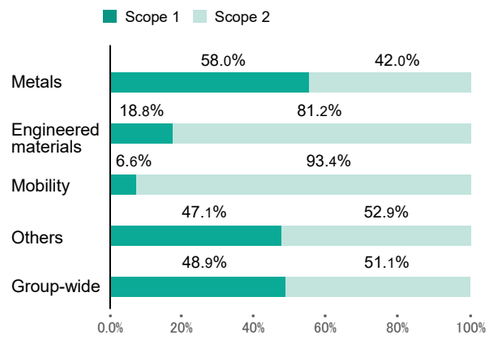


∗ Including the organizations under the Business Reconstruction Office of the Corporate Planning Department, and the Business Creation Sector.

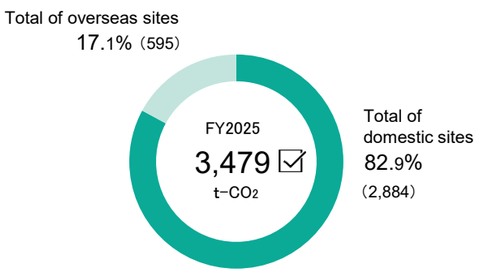
Breakdown by scope of CO_2 emissions by region



Breakdown by scope of CO_2 emissions by business unit



CO_2 emissions by waste treatment (Category 5 of Scope 3)



∗ Certain consolidated subsidiaries, including companies primarily engaged in administrative operations, are excluded from the reporting boundary.

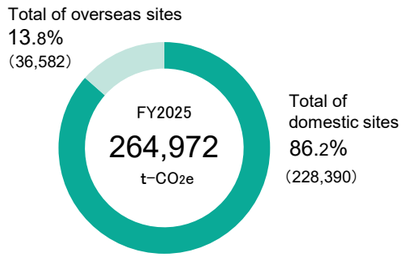
∗ Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd., an equity-method affiliate, is included in the reporting boundary.

∗ Following the transfer of all shares of Mitsui Kinzoku ACT Corporation in November 2025, the company and its 10 subsidiaries, are excluded from FY2025 calculations.

∗ Calculated in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.7), using emission factors by waste type and treatment method (excluding waste transportation) from the Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4) as well as IDEA Ver. 3.5.

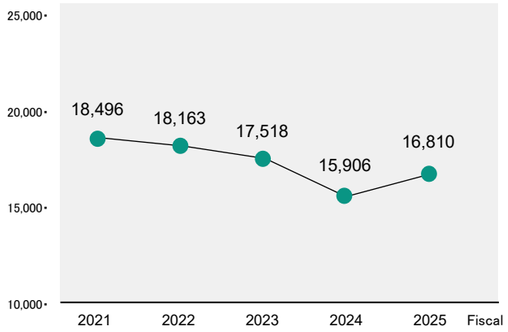
∗ We have received independent practitioner's assurance for the FY2025 figures in this information marked with ☑ in the Japanese edition of Integrated Report 2026.

CO_2 Emissions from the extraction and refining of purchased fuels and electricity (Category 3 of Scope 3)



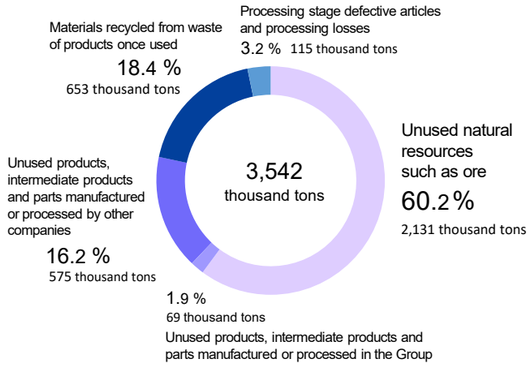
∗ Calculated in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver.2.8).

CO_2 emissions in logistics (Non-consolidated, t-CO_2/year)

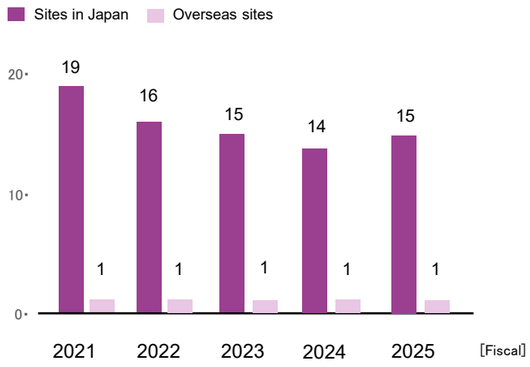


＊ Limited to transportation for which the company is designated as a Specified Consigner under the Act on the Rational Use of Energy.

Breakdown of usage by type of raw material (FY2025)



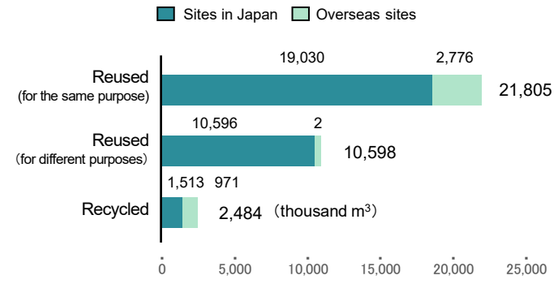
Amount of waste generation (thousand tons)



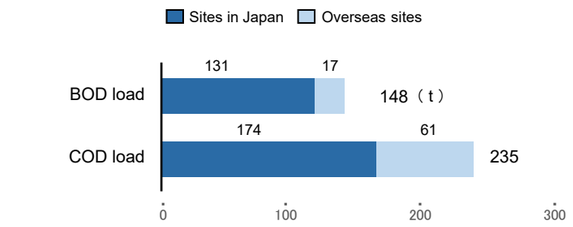
＊ Excludes tailings and waste materials effectively utilized through recycling or thermal recovery.

＊ Revised the values for FY2024 disclosed last year.

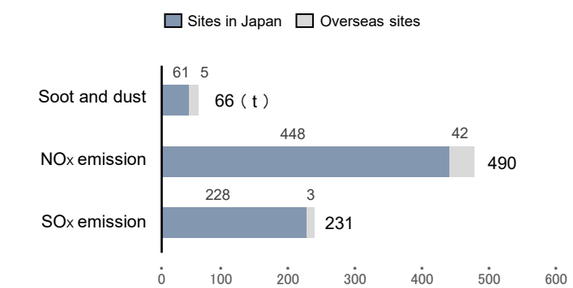
Amount of circulated water usage (FY2025)



Emissions to the water (FY2025)

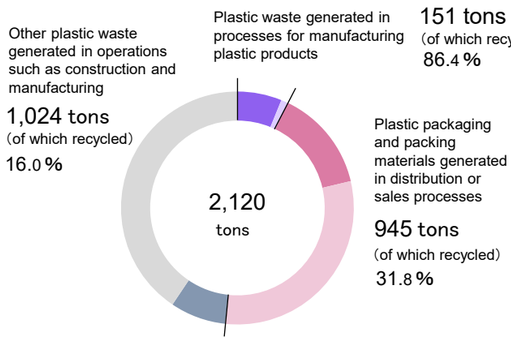


Emissions to the atmosphere (FY2025)



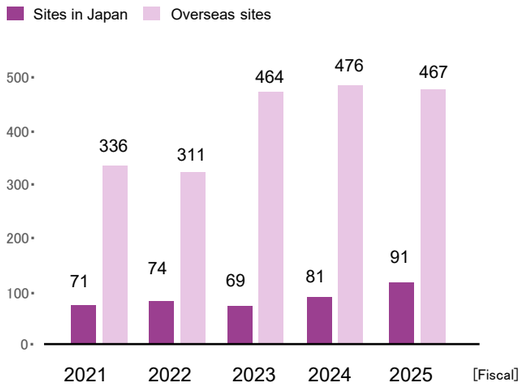
Amount of plastic waste generated (FY2025)

Breakdown and percentage of recycling



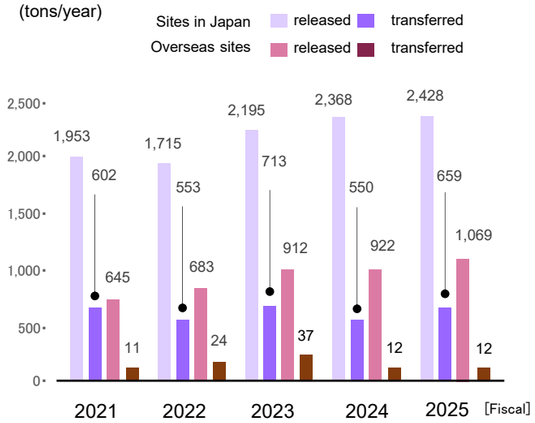
＊ Covers the scope of domestic consolidation.

Amount of tailings waste generation (thousand tons)



Volume of chemical substances released and transferred

(tons/year)



＊ Revised the values for FY2024 disclosed last year.

Corporate profile and Stock information

（as of March 31, 2026）

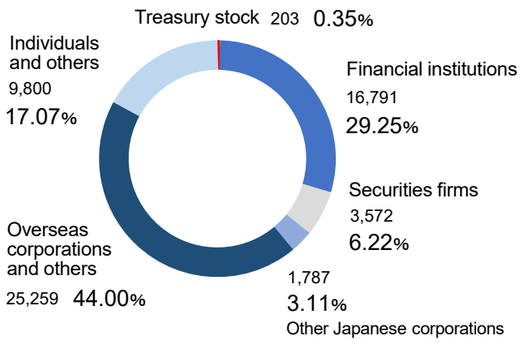
Corporate profile

Company name	MITSUI KINZOKU COMPANY, LIMITED
Established	May 1, 1950
Paid-in capital	42,377 million yen
Employees	Consolidated 8,188 Non-consolidated 2,587
Subsidiaries and affiliates	Subsidiaries 52 Affiliates 10
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	57,415,430 shares
Number of shareholders	45,889

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)	9,419	16.46
Custody Bank of Japan, Ltd. (Held in trust account)	4,919	8.59
STATE STREET BANK AND TRUST COMPANY 505001	1,848	3.23
STATE STREET BANK AND TRUST COMPANY 505223	1,600	2.79
The Nomura Trust and Banking Co., Ltd. (Held in investment trust account)	1,015	1.77
BOFAS INC SEGREGATION ACCOUNT	992	1.73
HSBC HONG KONG－TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	976	1.70
MSIP CLIENT SECURITIES	839	1.46
Mitsui Kinzoku Employees' Shareholding Association	785	1.37
JP MORGAN CHASE BANK 385781	781	1.36

Note: Percentages of shares held are calculated based on the total number of shares issued and outstanding (excluding 203,126 shares in treasury).

Deloitte.
デロイト トーマツ

(TRANSLATION)

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

August 7, 2026

Mr. Seiji Ikenobu
President and Representative Director
MITSUI KINZOKU COMPANY, LIMITED

Tomohiro Goto
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the CO_2 related information (CO_2 emissions from energy consumption [Scope1 and 2], Scope3 category 5, Energy consumption (crude oil equivalent)) indicated with ☑ for the year ended March 31, 2026 (the "CO_2 Related Information") included in the "MITSUI KINZOKU Integrated Report 2026" (the "Report") of MITSUI KINZOKU COMPANY, LIMITED (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the CO_2 Related Information in accordance with the calculation and reporting criteria adopted by the Company (indicated with the CO_2 Related Information included in the Report). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the CO_2 Related Information that is free from material misstatement, whether due to fraud or error. Greenhouse gas quantification is subject to inherent uncertainty because of 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*, which requires the firm to design, implement and operate a system of quality management including policies or 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 CO_2 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"), and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB.

The procedures we performed were based on our professional judgment and included inquiries, observation, 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 the suitability and availability of the criteria applied for the calculation and reporting of the CO_2 Related Information.
- Identifying and assessing the risks of material misstatement in the CO_2 Related Information due to fraud or error.
- Obtaining an understanding of the Company's internal control system.
- Evaluating whether the Company's methods for estimates are appropriate and have been applied consistently.
- Performing site visits.
- Evaluating the appropriateness of the presentation of the CO_2 Related Information.

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 CO_2 Related Information is not prepared, in all material respects, in accordance with the calculation and reporting criteria adopted by the Company.

Notes to the Readers of Independent Practitioner's Assurance Report

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance Report issued in Japanese language.

Member of
Deloitte Touche Tohmatsu Limited