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May 21, 2025

To whom it may concern,

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## Announcement of the formulation of the medium-term business plan "2025-2027 New Medium Term Business Plan"

Mitsui Mining & Smelting Co., Ltd. (the "Company") hereby announces that we have compiled "2025-2027 New Medium Term Business Plan", a medium-term business plan covering the three years from fiscal year 2025 to fiscal year 2027.

1. Name of the plan: "2025-2027 New Medium Term Business Plan"
2. Period: April 2025 to March 2028
3. Overview
  - (1) Previous Medium Term Business Plan (22–24 MTP) in Review
    - 1.1 Introduction
    - 1.2 Key Initiatives and Results
    - 1.3 Business Metrics
  - (2) 2025–2027 New Medium Term Business Plan
    - 2.1 Positioning
    - 2.2 Review of Materiality
    - 2.3 Strengthening of Management Foundations
    - 2.4 Expansion of Human Capital
    - 2.5 Promotion of DX
  - (3) Financial Index
    - 3.1 MTP Financial Index
    - 3.2 Cash Allocation

Please refer to the attached presentation for further details.

attached file:

[2025–2027 New Medium Term Business Plan]

# 2025–2027 New Medium Term Business Plan

May 21, 2025

Mitsui Mining & Smelting Co., Ltd.



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

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- 1.3 Business Metrics

## 2. 2025–2027 New Medium Term Business Plan


- 2.1 Positioning
- 2.2 Review of Materiality
- 2.3 Strengthening of Management Foundations
- 2.4 Expansion of Human Capital
- 2.5 Promotion of DX



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## 3. Financial Index

- 3.1 MTP Financial Index
- 3.2 Cash Allocation



# 1. Previous 2022–2024 Medium Term Business Plan (22–24 MTP) in Review



# Establishing Our Purpose, Vision, and Concept

Mitsui Kinzoku Group has established **its Purpose** (our reason for social existence) and formulated **its Vision** for 2030 based on that Purpose. We aim to enhance sustainable corporate value through the realization of this vision.

## Purpose



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

## Concept

### Ambidexterity

Promoting both exploration and exploitation

### Integrated thinking-based management

Balancing between social value and financial value

## Vision

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



## 1.2 Key Initiatives and Results

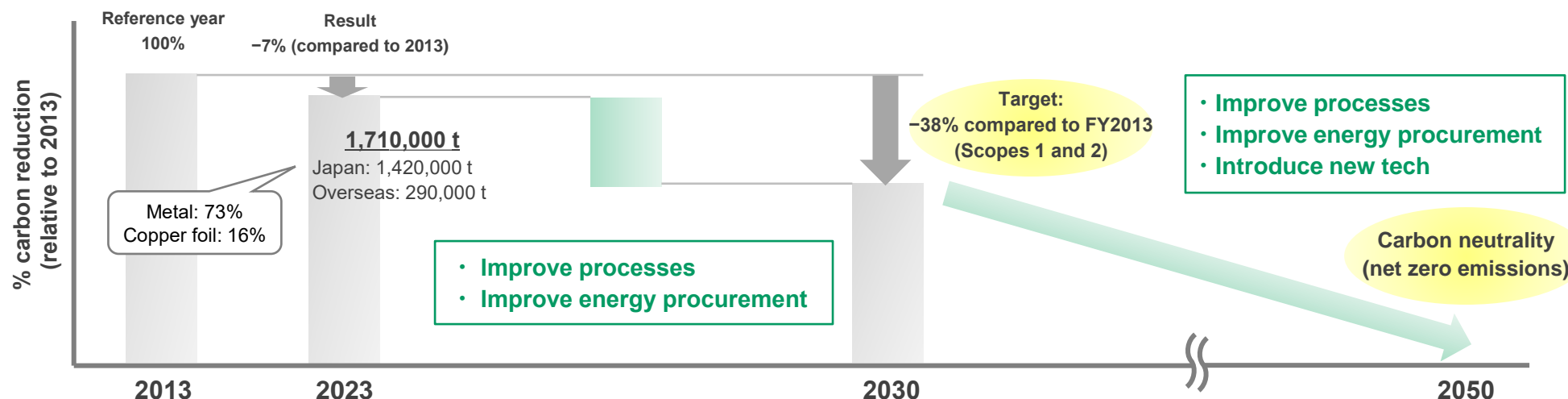
# Carbon Neutrality

Integrated thinking-  
based management  
(Social value improvement)

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Our system for creating and implementing projects to achieve medium- to long-term targets **is now on track**.  
Going forward, we will focus our efforts on responding to the **emissions trading system** and enhancing our initiatives  
related to **Scope 3 emissions**.



### Create projects for reducing carbon emissions

#### Follow the Carbon Neutral Roadmap

- ◆ Scrutiny through annual updates and consideration of systematization
- ◆ Use of simulation in ICP calculation

#### Scope 3: Monitor CO<sub>2</sub> emissions and set targets

- ◆ FY2023: Finished identifying the current CO<sub>2</sub> emissions of domestic locations  
Reduction targets are currently being studied.
- ◆ Activities at overseas locations will commence in the future.

#### Use LCA<sup>\*1</sup> to identify the areas to improve

- ◆ Group-wide completion was not achieved, resulting in a **delay to the plan**.  
We will accelerate the process through the development of internal mentors.

#### Use TCFD scenario analysis to formulate strategies

- ◆ **19** out of 21 divisions have completed the process. The Metal, Copper Foil, and Catalysts businesses have completed the **second round**.  
We will enhance the CO<sub>2</sub> emissions reduction strategy and expand information disclosure.

### Implement projects for reducing CO<sub>2</sub> emissions

#### Use internal carbon pricing (ICP<sup>\*2</sup>) as a guide for environmental investment

- ◆ FY2023 results: **19** projects; FY2024: **49** projects  
\* Managed as a KPI for the remuneration of directors and officers

### Participate in GX League

#### Comply with new regulations and technologies

- ◆ A system for emissions trading has been established.  
Going forward, we will respond to the GX League guidelines and measures.

## 1.2 Key Initiatives and Results

### Improving Governance

Integrated thinking-  
based management  
(Social value improvement)

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The organizational structure has been changed from a company with a board of corporate auditors to a **company with an Audit and Supervisory Committee** in FY2024. We will proceed with the evaluation and improvement of our management system to **strengthen governance** and promote the **implementation of our group-wide strategies**.

#### Initiatives for each fiscal year

FY	Governance reform	Revision to the remuneration system for directors and officers
2022	<ul style="list-style-type: none"> <li>Appoint an <b>Outside Director</b> as the Chairperson of the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>Changed the remuneration ratio for internal directors for base : performance : stock = <b>55%</b> : 35% : <b>10%</b></li> </ul>
2023		<ul style="list-style-type: none"> <li>Introduced the ESG Index-based Restricted Stock Compensation system</li> <li>Changed the remuneration ratio for internal directors for base : performance : stock = <b>53%</b> : 32% : <b>15%</b></li> </ul>
2024	<ul style="list-style-type: none"> <li>Change from a company with board of corporate auditors to a <b>company with an Audit and Supervisory Committee</b>.</li> <li>Increase the ratio of Outside Directors to 50%.</li> <li>Increase the ratio of female Directors to 20%.</li> <li>Appoint external financial accounting skilled personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Established the Stock Ownership Guidelines for Executive Officers and Higher Positions</li> <li>Changed the remuneration ratio for internal directors* for base : performance : stock = <b>50%</b> : 30% : <b>20%</b> <ul style="list-style-type: none"> <li>→ Reduced the ratio of base compensation and increased that of stock compensation (ESG)</li> </ul> </li> </ul> <p>* Excluding the Audit and Supervisory Committee member</p>
2025	<ul style="list-style-type: none"> <li>Change executive officers from employment-based to commission-based.</li> </ul>	<ul style="list-style-type: none"> <li>Added <b>ROIC</b> as an indicator of performance-linked compensation ratio</li> <li>Stock compensation to be granted to Directors and Outside Directors who are members of the Audit and Supervisory Committee</li> </ul>

- Significantly transfer approving authorities to Executives and strengthen monitoring functions over management (Transition to a monitoring model approach).
- Concentrate on discussions to enhance corporate value, such as group-wide strategies.

- Management, including directors, should have a strong commitment to sharing value with shareholders and increasing shareholder value.
- Accelerate ROIC management with an emphasis on capital efficiency.

## 1.2 Key Initiatives and Results

# Human Capital Management (System Reform)

Integrated thinking-  
based management  
(Social value improvement)

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The shift to human capital management in 22–24 MTP was challenging, but yielded **results that exceeded expectations.**

### Measures

- (1) Job-based human resources system  
Complete elimination of employment categories  
Introduction of a mandatory retirement age at 65
- (2) Career development support
- (3) Increasing the ratio of mid-career hires
- (4) Improvement in treatment
- (5) Establishment of Values

### Results

- By changing from a job qualification system to a job role system, talented employees can now be promoted and advance early, regardless of their educational background or year of joining the company.
- Older employees can continue working until the age of 65 without a reduction in benefits, provided they fulfill their roles, fostering a work environment that maintains their motivation.
- Through one-on-one meetings, career advice and enhanced training system, we have achieved a shift in mindset toward individual-driven career autonomy.
- Number of mid-career hires/total hires: FY2021: 38% → FY2024: **67%**
- Morale has been boosted by a third consecutive year of full wage increases in the spring labor negotiations.
- Starting salaries (high school graduates to PhD graduates) increased to the highest level in the industry.
- **We formulated five new principles of conduct in April 2025.**

Human capital  
management  
(System reform)

The fundamental reform of the human resources system has yielded results that exceeded expectations. The 25–27 MTP aims to change employee behaviors to achieve our vision for 2030 through the establishment of Values.



## 1.2 Key Initiatives and Results

### Human Capital Management (Environmental Reform)

Integrated thinking-  
based management  
(Social value improvement)

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Environmental reforms have progressed, but the real challenge lies ahead in the **promotion of job satisfaction** and leveraging **HRBP functions**.

#### Measures

#### Results

(1) Job satisfaction reforms

• **Engagement score (FY2022: 48% → FY2024: 49%)**

(2) DE & I\*<sup>1</sup> (Enhance diversity)

- Percentage of women hired as full-time employees (FY2022: 19% → FY2024: **25%**)
- Improvement in male childcare leave ratio (FY2022: 8% → FY2024: **62%**)
- Obtained “Eruboshi” certification mark in 2023 and “**Nadeshiko Brands**” in 2025

(3) DE & I\*<sup>1</sup> (Leverage diversity)

• Improved female manager ratio (FY2022: 2.7% → FY2024: **5.1%**)

**Achieved the 22–24 MTP target**

(4) Group-wide introduction of HRBP\*<sup>2</sup>

- Creation of a system for building a talent strategy
- **Group-wide talent allocation remains an issue.**

Human capital  
management  
(Environmental reform)

**In 25–27 MTP, we will establish a mechanism that comprise our talent strategy and contribute to enhancing corporate value (job satisfaction reforms, talent allocation by HRBP, etc.).**

\*1 DE&I: Diversity, Equity, and Inclusion    \*2 HRBP: Human Resource Business Partner

## 1.2 Key Initiatives and Results

# Ambidexterity (Dynamic Business Portfolio Management)

Integrated thinking-based management  
(Financial value improvement)

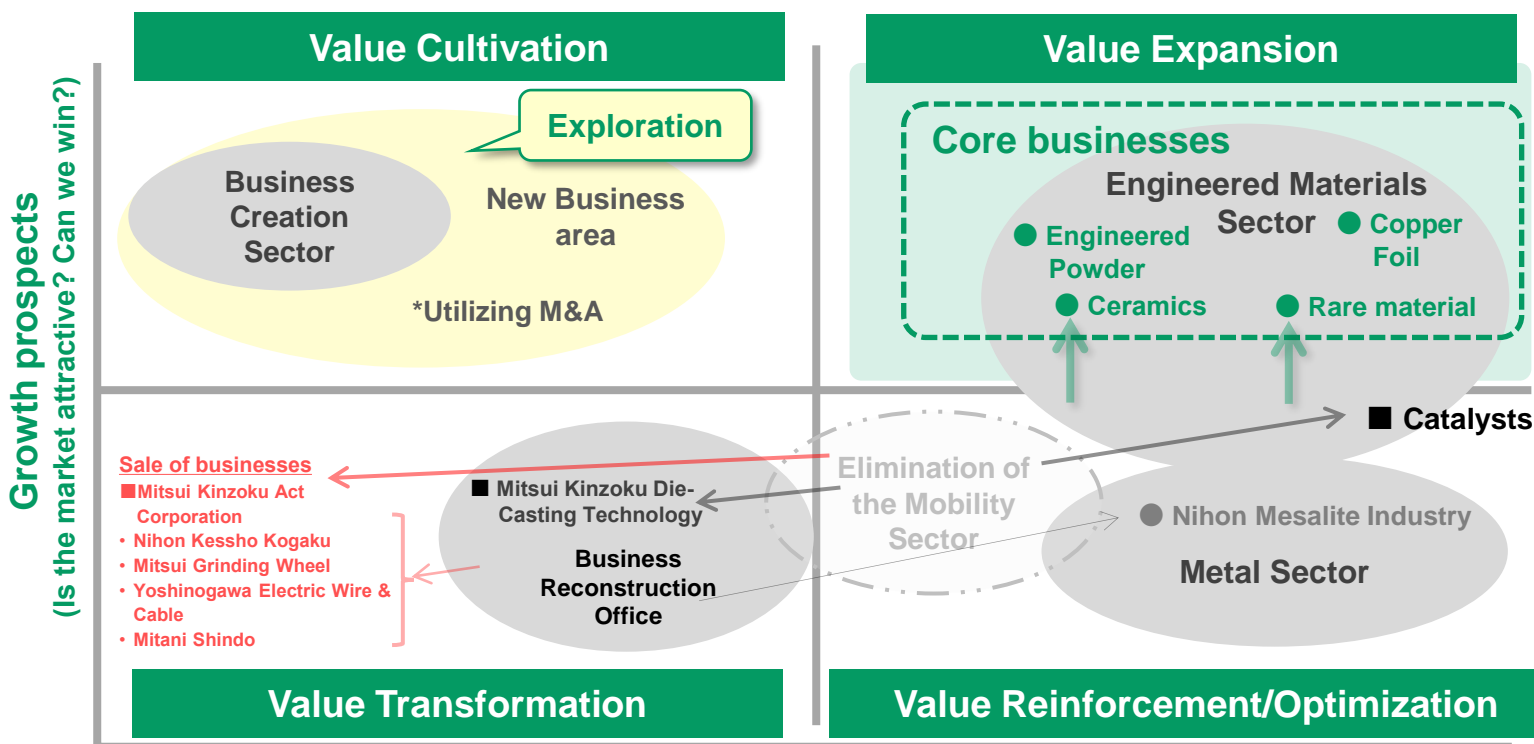
We promote the well-being of the world  
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Promote dynamic portfolio management through strategic **selection and concentration**. The six product/market sectors will remain unchanged for the next mid-term management plan, but the Mobility Sector will be eliminated and consolidated into the **Engineered Materials Sector** and **Metals Sector**.

### Business Valuation Matrix

[Six product/market sectors]  
Electronics, Environment/Energy, Mobility, Natural Resources, Circular Economy, Life Science



Business value (ROIC Spread)

### Value Expansion

- Created the Rare Materials Division (Integration of Nippon Yttrium and parts of Engineered Powders)
- Ceramics : added to Value Expansion from Value Reinforcement

### Value Reinforcement/Optimization

- Conducted an assessment of the Mobility Sector
  - Mitsui Kinzoku Act Corporation: Expected to be sold
  - Catalysts: Transfer to the Engineered Materials Sector
  - Mitsui Kinzoku Die-Casting Technology: Transferred to the Business Reconstruction Office
- Metal Sector: Established the Zinc Division and Lead Division

### Value Transformation

- Nihon Kessho Kogaku, Yoshinogawa Electric Wire & Cable, Mitsui Grinding Wheel, Mitani Shindo } Sold the businesses
- Nihon Mesalite Industry: Transferred to the Metal Sector

## 1.2 Key Initiatives and Results

# Ambidexterity “Exploration” Value Cultivation

**Integrated thinking-based management**  
(Financial value improvement)

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and diverse technologies.



Through strategic investments, external co-creation including CVC investments, and strengthening of core technologies, we have made significant progress towards achieving our vision for 2030.

### Uncovering opportunities

- **Creating new themes mainly in the fields of environment and energy**
  - Focused on a carbon-neutral society, recycling-based circular society, and nature-friendly society
  - **New business promotion units established** based on development progress (porous material, adsorbent, etc.)
- **Overseas expansion of research and development**
  - Start of **collaboration with the Indian Institute of Technology** in the hydrogen business field
- **Activation of external collaborative development through CVC**
  - Investment: **seven** cases; continued collaboration themes: **seven** cases
  - Establishment of **Fund No. 2** (with an operating scale of 5 billion yen)

### Examples of external co-creation through CVC investment

Collaborating



Achieving miniaturization and energy conservation in chemical processes

Collaborating



Industrial restructuring based on photosynthesis by algae

### M&A (buy-side)

- Established the Business Development Office and began operations (eight members, 20-billion-yen budget):  
**No major projects**

### R&D

### Prepare for commercialization (Business Promotion Unit)

- SE and HRDP have made significant progress towards commercialization

#### Solid electrolyte A-SOLiD®



#### Specialty carrier for next generation semiconductor packaging HRDP®



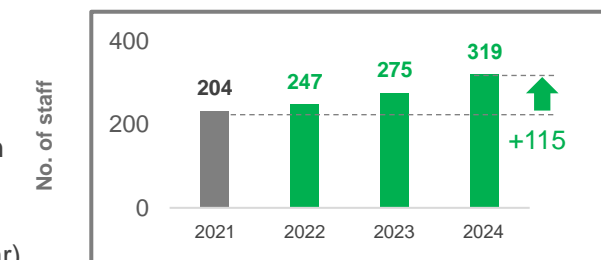
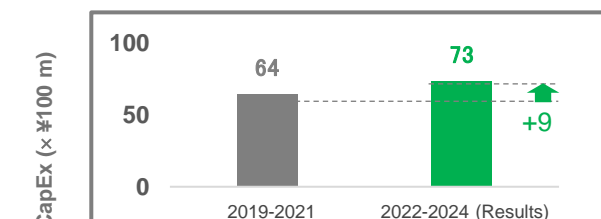
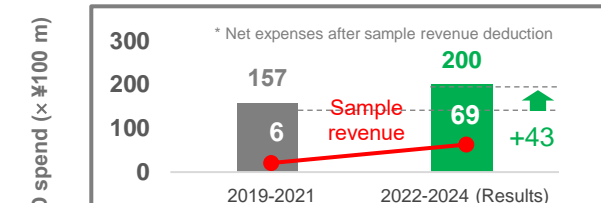
Selected as standard solid electrolyte material by major global players

- **Tripled** the capacity for mass production test facility
- Decided to establish an **initial mass-production plant** (scheduled to begin operations in 2027)

Increasing inquiries for next-generation chip packages for AI, 5G/6G, etc.

- Approved by **two companies** (mass production underway)
- **DOE\* equipment** put into operation
- **2nd production line is being installed**  
(Capacity: 110,000 → 170,000 m<sup>2</sup>/year)

### R&D spend, CapEx, and staff numbers



\* DOE: Design of Experiments  
Evaluation line for customers to verify the HRDP concept

## 1.2 Key Initiatives and Results

### Ambidexterity “Exploitation” Value Expansion/Value Reinforcement and Optimization

Integrated thinking-  
based management  
(Financial value improvement)

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Pursued expansion of the value of existing engineered materials businesses. We will promote activities aimed at **creating new businesses** and realizing social value. For the **metal recycling network**, we are strengthening collaboration with the network of zinc, lead, and copper. Efforts are expanding to utilize low-carbon energy.

#### Engineered Materials Sector

##### Key strategies

###### ■ 22–24 MTP in review

- Ordinary income target for FY2024: 31.0 billion yen → Results: **25.2** billion yen
- Sluggish demand for smartphones and slowdown in PC/data center investment  
→ Significant impact of **delayed recovery in demand**
- The engineered materials strategy for realizing financial/social value is steadily **advancing**, despite room for improvement.

###### ■ Initiatives to achieve 25–27 MTP

- Accelerate growth by expanding business opportunities and establish mechanisms to support the growth.
- Promote **Big Moves\*** utilizing external expertise.
- Launch environmentally friendly products and reduce CO<sub>2</sub> emissions.

#### Metal Sector

##### Key strategies

###### ■ 22–24 MTP in review

- Ordinary income target for FY2024: 17.5 billion yen → Results: **44.5** billion yen
- **Progress** in the study to establish an advanced recycling network
- Carbon neutrality efforts, including a review of gypsum production, are **on track** to achieve a 38% reduction by fiscal 2030 (compared to FY2013).
- The feasibility study on Atalaya **was delayed** more than one year to obtain permits and approvals.

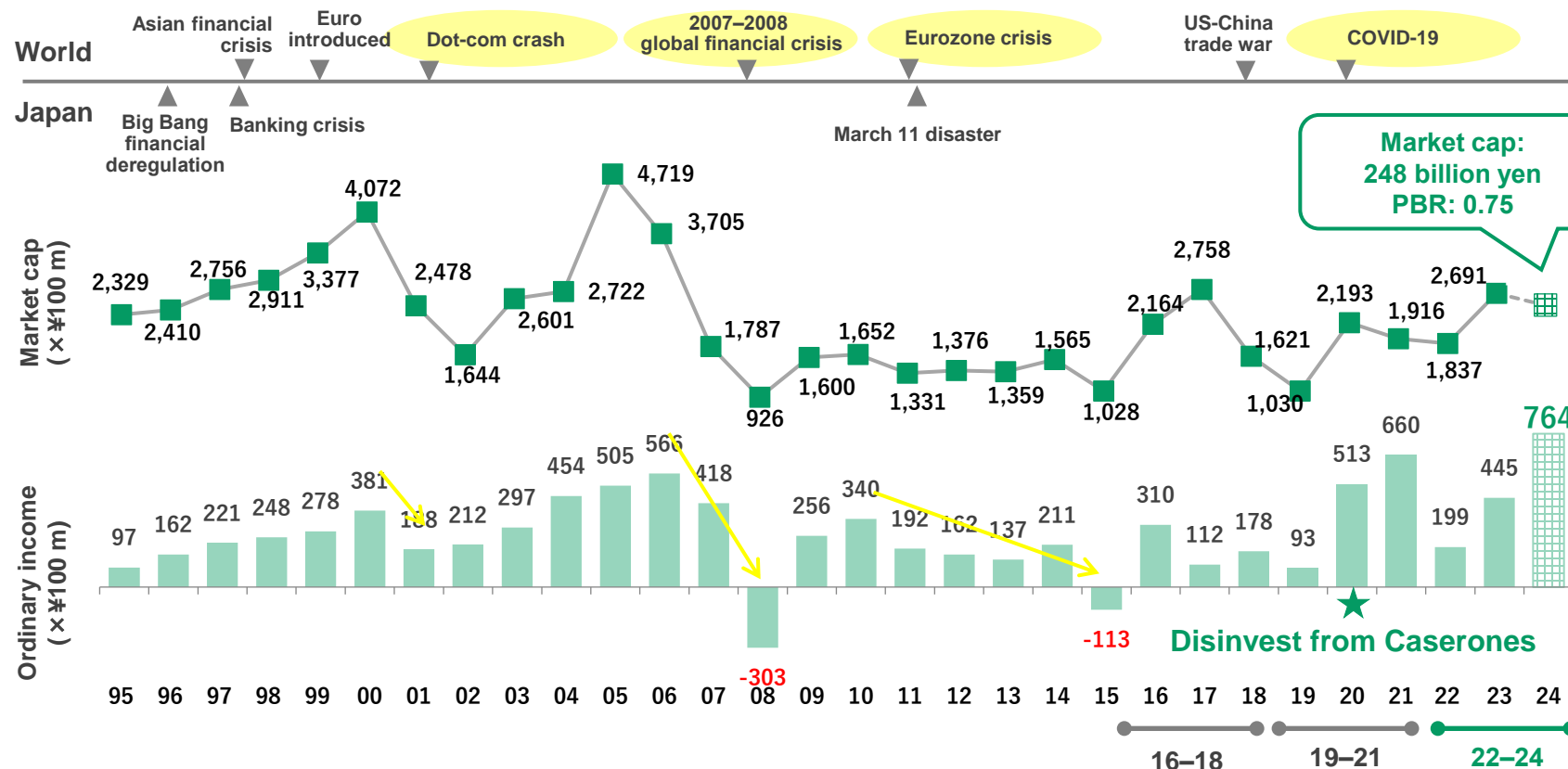
###### ■ Initiatives to achieve 25–27 MTP

- Increase processing capacity with minimal investment and continue raw material marketing.
- Promote the feasibility study on Atalaya, which will lead to success in Huanzala and Pallca.



## Changes in Market Cap/Ordinary Income

The target figures set in 22–24 MTP have been **achieved**, and the financial position has been significantly improved. To further increase corporate value, we will accelerate the transition from the financial position improvement phase to management that takes into account capital costs and stock prices.







## 2. New 2025–2027 Medium Term Business Plan (25–27 MTP)



## 25–27 MTP Concept (Key Issues)

To ensure the realization of our Purpose and Vision for 2030, we will **refine current measures** in 22–24 MTP and **implement additional measures**.

### ■ 25–27 MTP key issues

#### Strengthening management foundations

- Strengthening portfolio management
  - Introduce business-specific WACC and ROIC targets and incorporate social value into business evaluation process. **pp. 16–18**
  - Implement Big Moves.\* **pp. 19–20**
  - Expand the mechanism for creating new businesses and group-wide synergies. **pp. 21–23**
- Establishment of an information management infrastructure
  - Share information internally and externally, and strengthen branding. **p. 29**
- Strengthening governance and promoting group-wide strategies by transitioning to a Company with an Audit and Supervisory Committee **p. 30**



#### Expanding human capital

**pp. 31–33**

- 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

**pp. 34–35**

- Improving operational efficiency and transforming our operations into new value-creating businesses
- Optimal allocation of ICT talent and development of DX talent

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

### Materiality from FY2025 Onwards

In line with the 25–27 MTP strategy, we have updated the **materiality** (key issues) that our Group should address. We will further integrate our business activities with ESG initiatives and **deepen integrated thinking-based management**.

FY	Review of materiality (key issues)
2016	Initiate CSR and ESG initiatives. Identify 28 material items.
2020	12 materiality items Identify six new initiatives to support this promotion.
2025	Identify seven new material items.

Further integrate the initiatives of each business division with CSR, ESG, and sustainability initiatives.

**FY2025**  
**7 materiality items**

Businesses to promote the well-being of the world  
(Contribution to solving environmental and social issues through our business)



Value offered to society  
(ESG initiatives)

- (1) Exploration to create new markets
- (2) Advanced materials that enhance customer value
- (3) Metal recycling supporting the industrial infrastructure

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- (4) Business activities in harmony with the environment

- (5) Personnel who practice our values\*

- (6) Value chain for a sustainable society

- (7) Foundation supporting value creation

\* Newly established values (principles of conduct)

## 2.3 Strengthening Management Foundations

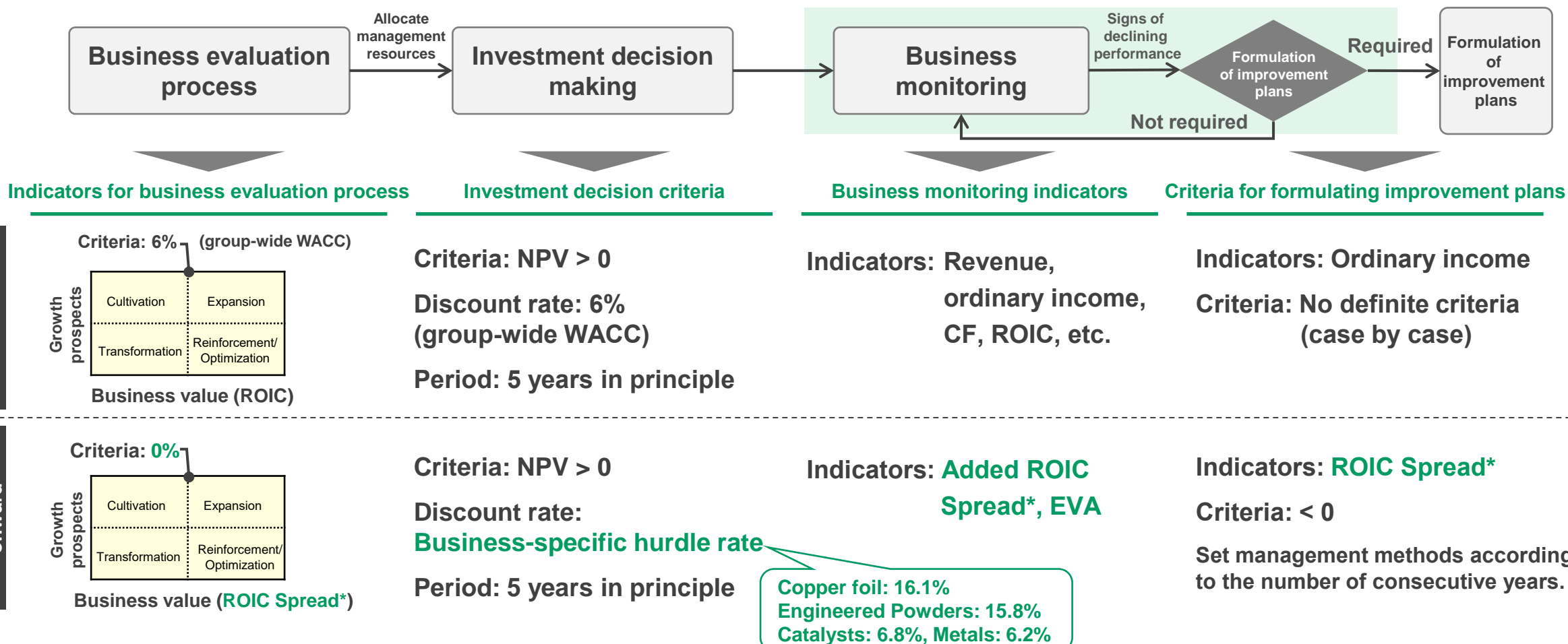
# Strengthening Portfolio Management (1)

### (Change in Business Evaluation Process)

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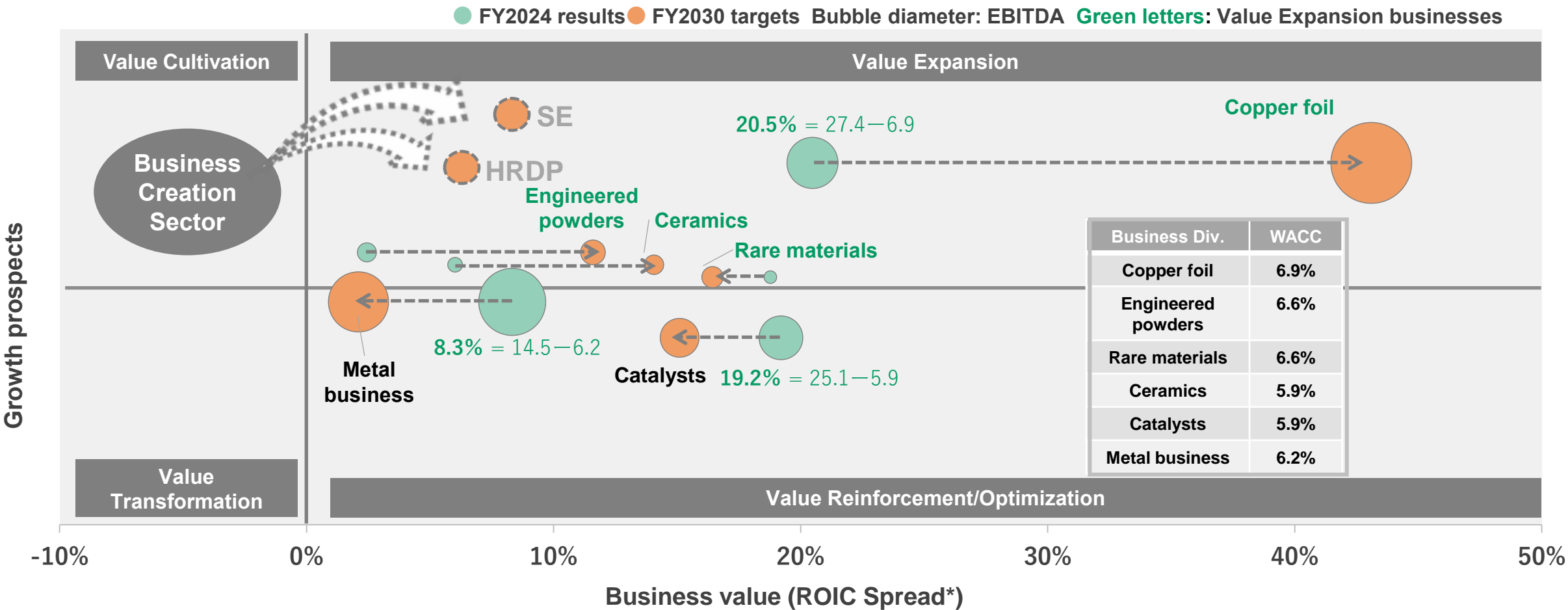
By introducing **business-specific WACC and hurdle rates**, we will reflect the characteristics of each business in the business evaluation process. We will also clarify evaluation standards and enhance their effectiveness.



\*ROIC Spread: ROIC – Business-specific WACC

Strengthening Portfolio Management (2) (Main Businesses)

Driven by a leap in value expansion businesses and growth in value cultivation businesses, we are deepening our business evaluation process and allocating management resources in a focused manner to enhance corporate value.





## 2.3 Strengthening Management Foundations

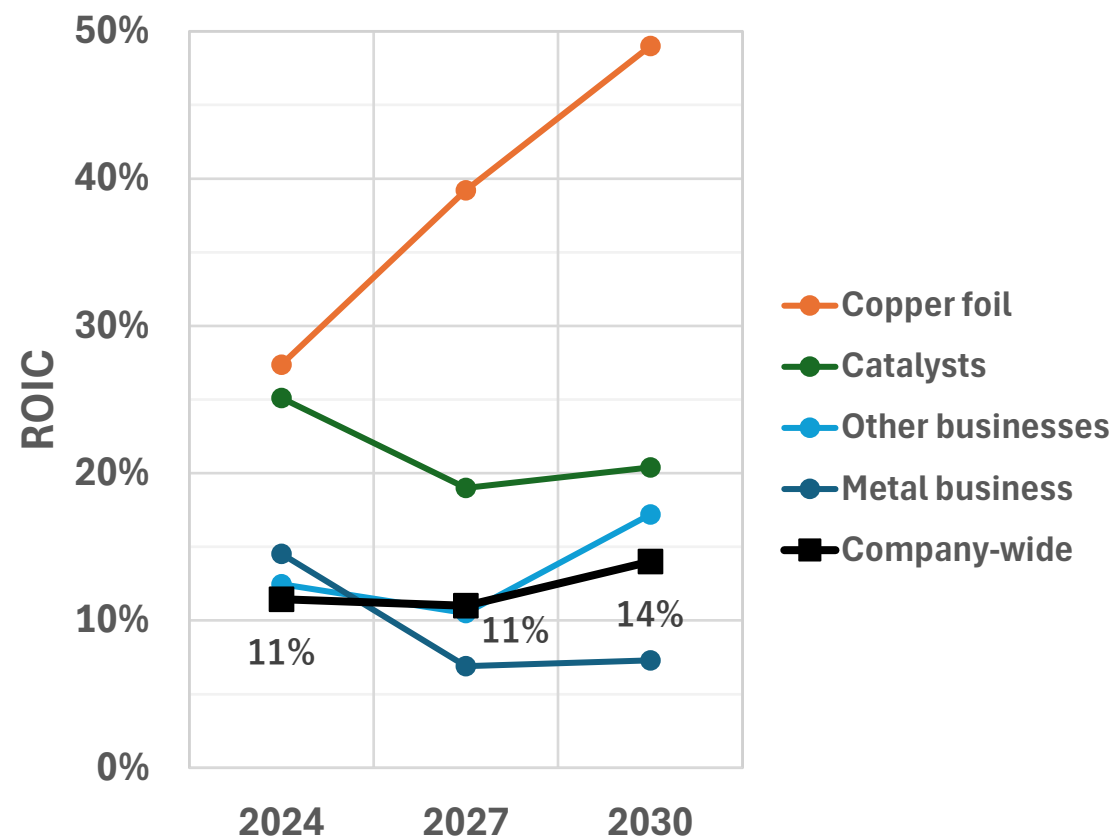
### Strengthening Portfolio Management (3) (Setting ROE and ROIC Targets)

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By strengthening portfolio management, the metal business will serve as a stable source of income with an ROIC of 7% or more. Meanwhile, growth in the engineered materials business will help us maintain a **group-wide ROE of over 10%**, with the goal of achieving an **ROIC of 14% by FY2030**.

■ Group-wide targets	2024	2027	2030
ROE	21%	14%	14%
ROIC	11%	11%	14%
EVA (100 mil. yen)	268	220	420
■ ROIC details	2024	2027	2030
Group-wide	11%	11%	14%
Engineered Materials Sector	21%	23%	30%
(Copper foil)	(27%)	(39%)	(49%)
(Catalysts)	(25%)	(19%)	(20%)
(Other businesses)*	(12%)	(11%)	(17%)
Metals Sector	16%	7%	8%
(Metal business)	(15%)	(7%)	(7%)



\* Other businesses: Engineered powders + Rare materials + Ceramics + PVD materials

## 2.3 Strengthening Management Foundations

### Strengthening Portfolio Management (4) (Implementing Big Moves\*)

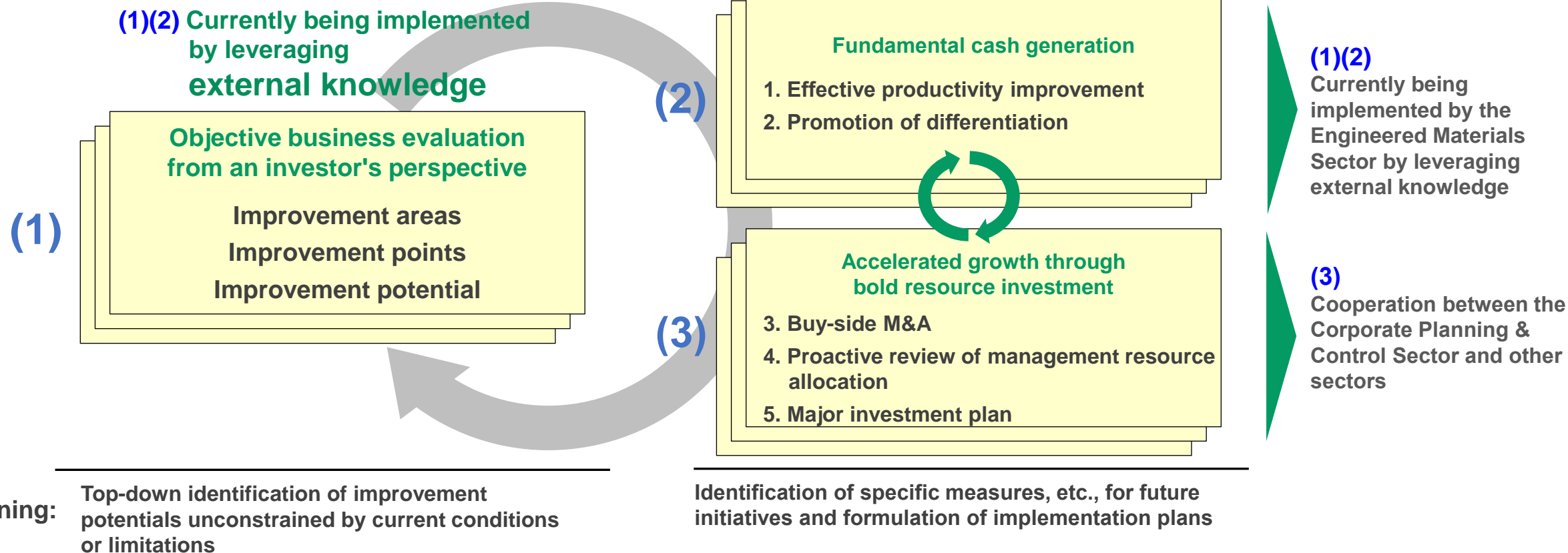
We promote the well-being of the world  
through a spirit of exploration  
and diverse technologies.



We will clarify **improvement potential in the Engineered Materials Sector** through an objective business evaluation from an investor's perspective. We will also accelerate further growth through **fundamental cash generation** and large-scale resource investment.

Objective business evaluation  
from an investor's perspective

Specifying Big Moves\*



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



### Strengthening Portfolio Management (5) (Promoting Buy-Side M&A)

In addition to increasing the budget and personnel for buy-side M&A, we will also introduce a new **inner circle** activity involving external experts.

#### ■ 25–27 MTP M&A Policy

- ✓ Strengthen the structure and budget for buy-side M&A compared to 22–24 MTP.
- ✓ Actively explore attractive business areas based on future insights, not just areas around existing businesses.
- ✓ Start an **inner circle** activity involving external experts.

Budget	Headcount
<b>24.0 billion yen/MTP</b> +4.0 billion yen (vs. 22–24 MTP)	<b>11</b> +3 (vs. 22–24 MTP)



The 24.0 billion yen is the allocated budget (guideline), and additional investments will be made if necessary. On the other hand, if the M&A and CVC budget allocation (approximately 30 billion yen) cannot be implemented, we will consider buying back our own shares.



### Vision for 2030

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

#### Key strategies

Focusing on key areas (carbon neutrality, next-generation electronics, and life sciences), we will continuously create new businesses by backcasting from the 2040–2050 timeframe.

#### SE

- Launch an initial mass production plant.
- Decide on a policy for full-scale mass production and build a value chain.

#### HRDP

- Acquire mainstream customers and start mass production.
- Secure production capacity in advance.  
(Decide on plans to launch a second line and increase capacity.)

#### New business development

- Accelerate the commercialization of copper paste and porous materials.
- Promote the development of new businesses related to carbon neutrality.

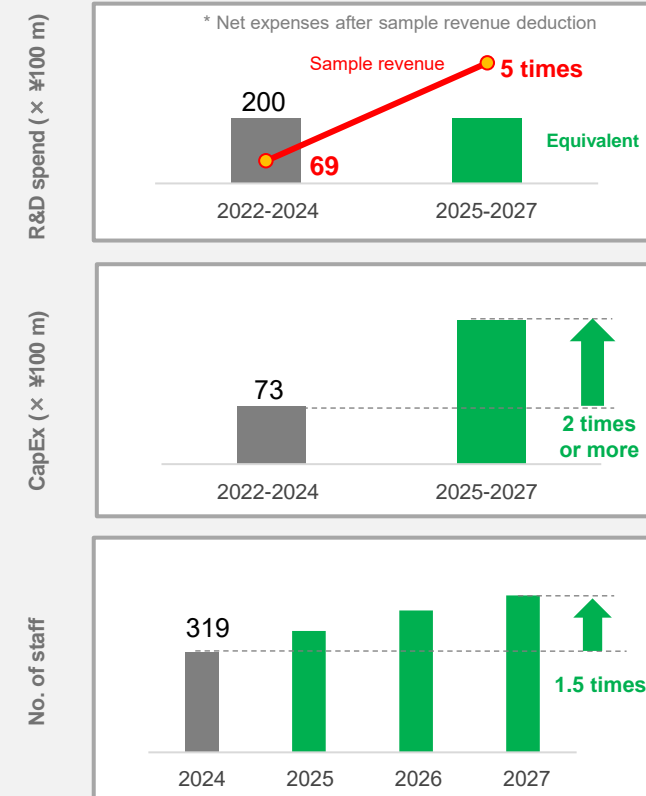
#### R&D/ Exploration

- Acquire core technologies in a planned manner, and strengthen ties with universities and other external organizations.
- Accelerate external co-creation utilizing CVC (Fund No. 2 management, etc.).

#### ESG actions

Promoting themes based on a carbon-neutral society, a recycling-based circular society, and a nature-friendly society

#### Expenses/Investment/Headcount





## R&D

### Key domains

### Focus areas for 2030



Environment, energy



Next-gen electronics

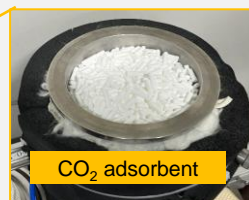
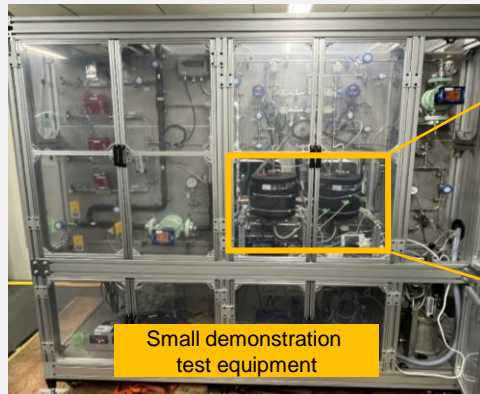


Life science

### Theme examples

### Initiatives for a carbon-neutral society

(1) **Recovery of CO<sub>2</sub> from factory exhaust** using our adsorbent technology



Conducting demonstration tests at our Group factory

(2) **Small CCU demonstration project in India**  
(Obtained Subsidy for the Global South Future-Oriented Co-Creation Project\* from Ministry of Economy, Trade and Industry (METI))

\* News release on Dec. 20, 2024

### Promotion of external co-creation

### Co-creation with startups

- **CVC Fund No. 2 management**  
(Scale: 5.0 billion yen)

### Examples of co-creation development



- **Low environmental impact lithium direct recovery** using our adsorbent technology



- Joint development of **nuclear fusion reactor blanket**



- Supply chain development in **targeted alpha therapy (TAT)**

### Strengthening collaboration with universities

- **Joint research and talent development**



INDIAN INSTITUTE OF TECHNOLOGY, DELHI

- Partnership in **green hydrogen production technology** with the Indian Institute of Technology, Delhi



東北大学





## Commercialization promotion (Business promotion units)

## SE (Solid electrolyte for All-Solid State Batteries)

- **Commencement of operation of initial mass production plant and stable supply of A-SOLiD®**

Approved subsidy amount for METI's Battery Supply Assurance Program: approx. 9.9 billion yen (max.)

- Timely supply in response to demand
- Process optimization and quality stabilization
- Mass production technology demonstration test

- **Building a value chain for full-scale mass production**

- Cost-competitive product design
- Building a sustainable all-solid state battery ecosystem based on partner collaboration

- **Decision for full-scale mass production**

- Design of next-generation mass production plant (3 GWh/year equivalent of storage batteries)

Demand forecast  
for A-SOLiD®

Initial mass production plant to commence operation in 2027

22–24 MTP

25–27 MTP

Mass-production testing facility capacity tripled

2022 2023 2024 2025 2026 2027

## Sulfide solid electrolyte A-SOLiD®



## HRDP (Carrier for next-gen chips packages)

- **Income contribution through customer acquisition**

- Approval from multiple mainstream customers
- Launch of 2nd production line (110,000 → 170,000 m<sup>2</sup>/year)
- Development of high value-added products

- **Laying the foundation for the future**

- Full-scale rollout of panel carriers
- Decision on further capacity expansion policy

- **Strengthening development and manufacturing infrastructure**

- Strengthening collaboration with GEOMATEC
- DOE\* enhancement

- **Transfer to the Engineered Materials Sector (scheduled for the second half of FY2025)**

- Preparation for full-scale commercialization
- Consideration of synergies with semiconductor-related divisions within the sector

\*DOE: Design of Experiments  
We work closely with customers to verify their processes and propose value-added solutions.

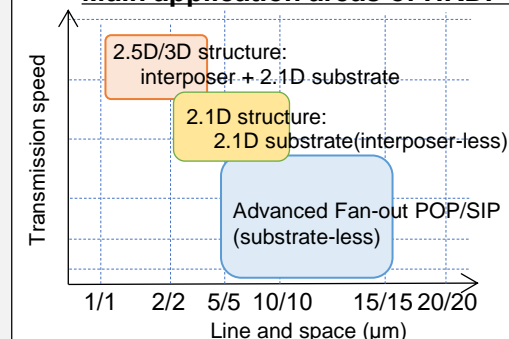
## Demand forecast for HRDP®

■ Innovator  
■ Mainstream

Inquiries are increasing for next-generation chip packages for AI, 5G/6G, etc.

2024 2025 2026 2027

## Main application areas of HRDP®





## Vision for 2030

A business entity turning ‘Nice-to-Haves’ into Global No.1 Products.

## Key strategies

## Overall

- Promotion of Big Moves leveraging external knowledge

## Copper foil

- MicroThin™ market growth and application expansion
- Expanding sales of high-grade VSPs to AI server and other growing markets

## Engineered powders

- Maximizing profits from existing products (expanding sales of copper powder for electrical materials)
- New product launches (copper powders for 3D printer, etc.)

## Rare materials

- Expanding sales of YF3/YOF for advanced semiconductor manufacturing equipment
- Realization of synergies in rare metals and rare earths businesses

## Ceramics

- Expanding sales of new products such as next-generation setters
- Expanding sales of aluminum filtration filters

## Engineered liquid

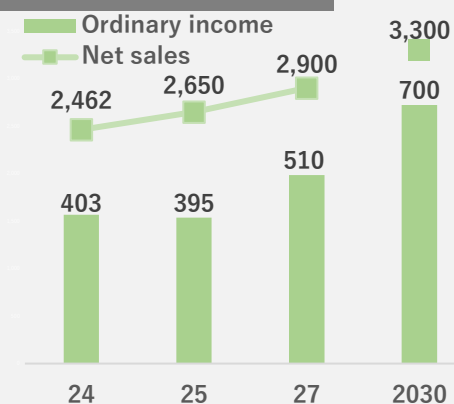
- Promotion of iconos™ commercialization
- Market development in the coating/wafer field

## ESG actions

- Creation of environmentally friendly products
- Promotion of measures to achieve carbon neutrality by 2050

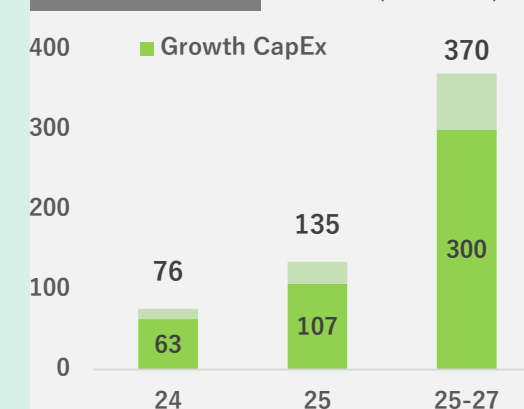
## Net sales, real profit

(× ¥100 m)



## CapEx

(× ¥100 m)



## Main product KPIs

FY2024 scaled at 100		2024	2025	2027
MicroThin™	Volume	100	117	141
- for HDIs	Volume	(20)	(20)	(22)
- for PKGs	Volume	(80)	(93)	(111)
- for new items	Volume	(0)	(4)	(8)
High-grade VSP (HVLP2 or higher)	Volume	100	172	219
Copper powder for electrical materials	Volume	100	114	144
Semiconductor materials	Amount	100	111	159

## 2.3 Strengthening Management Foundations

### Value Expansion – Copper foil

#### Individual Strategies

(Engineered Materials Sector)

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

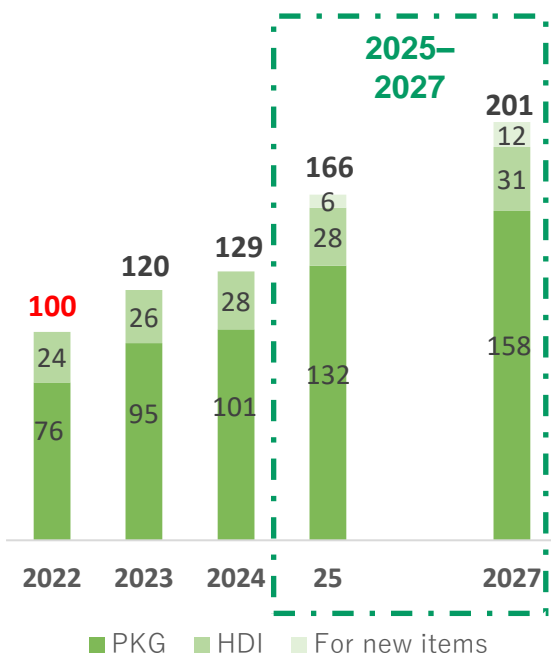


Increase production capacity for MT, VSP, and FaradFlex; strengthen the foundations of existing businesses; and actively expand sales to new markets and applications.

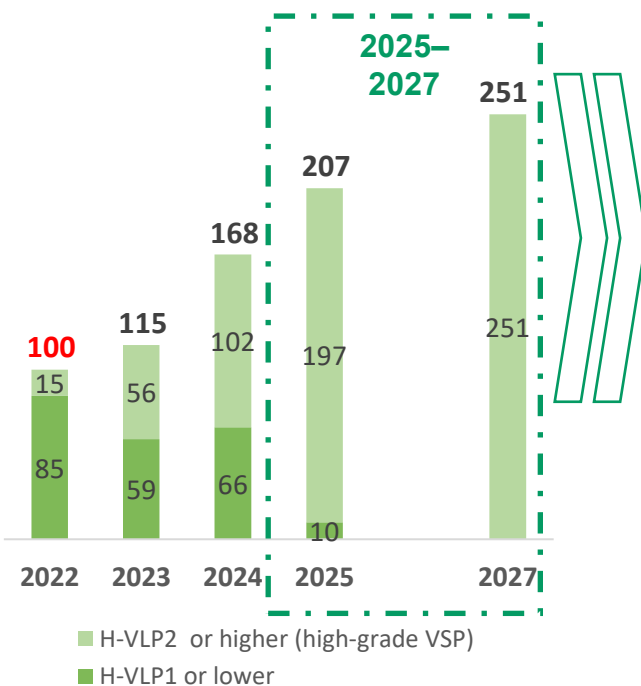
#### Vision for 2030

Through functional foil, we provide new value to growing markets.

MT sales volume  
(with FY2022 scaled at 100)



VSP sales volume  
(with FY2022 scaled at 100)



#### 2025–2027 strategies

##### Securely capturing the expanding MT market

- Increase production capacity through improved productivity.
- Capture growth in existing markets and develop new applications such as high-speed transmission.

##### Capturing high-speed transmission substrates for AI servers, etc., with high-grade VSP foil

- Taiwan: Increase VSP foil production capacity.
- Malaysia: Commence VSP foil production.
- Develop cutting-edge products.

##### Enhancing FaradFlex

- Malaysia: Increase production capacity.
- Japan: Commence mass production.
- Develop new products that meet the needs of high-speed transmission substrates.

##### Further strengthening of marketing and product development

- Strengthen OEM relationships through the utilization of our locations in Japan, the U.S., China, and Taiwan.
- Develop new products with a focus on supporting transmission with even higher speed.



Focus on maximizing profits in semiconductors, abrasives, and other existing businesses, and on continuously creating iconos™ and other new businesses.

## Rare Material Business

### Vision for 2030

Maintaining our global No. 1 position in the market for materials used in advanced semiconductor manufacturing equipment

### Main market

- ◇ Semiconductor manufacturing equipment
- ◇ Electronic parts, batteries
- ◇ Medical equipment

### 2025–2027 strategies

- **Expanding the sales of materials for semiconductor manufacturing equipment**  
Lead the industry with expanded sales of YF<sub>3</sub>/YOF for cutting-edge nodes and development of post-YOF products.
- **Expanding the sales of abrasives**  
Expand the sales of NANOBIX™, an abrasive for SiC wafers, which is expected to experience significant market growth.
- **Promoting rare earth recycling**  
Promote recycling, focusing on rare heavy rare earths (Gd, Tb, Dy, Lu).
- **Integrating rare metal and rare earth businesses to achieve synergies**

## Promoting the commercialization of engineered liquid iconos™

### Vision for 2030

Creating new business entities by connecting the seed of engineered liquids with social needs

- ◇ Develop markets where the strengths of engineered liquids can be leveraged

- **Promoting the commercialization of iconos™**  
Develop markets that require oxidation resistance, high temperature resistance, chemical resistance, and anti-fouling properties, mainly for semiconductor manufacturing equipment and furnace components.
- **Developing new target markets**  
Wafer market for next-generation SAW filter devices, construction market (anti-fouling and anti-fogging fields), etc.



## Vision for 2030

Becoming an irreplaceable presence essential to achieving a sustainable society

## Key strategies

## Head Office

- Deepening a sophisticated recycling network based on our smelting assets
- Steady implementation of asset compression to improve ROIC
- Promoting DX

## Lead

- Increasing raw material margins by optimizing raw material composition
- Expanding the share of the domestic zinc compounding market

## Zinc

- Increasing the collection and processing of new lead-based raw materials, including those derived from e-scrap
- Increasing the processing capacity of lead smelting furnaces

## Copper &amp; precious metals

- Strengthening cooperation with lead smelting utilizing existing facilities

## Mineral resources

- Continuation of feasibility study for Atalaya development

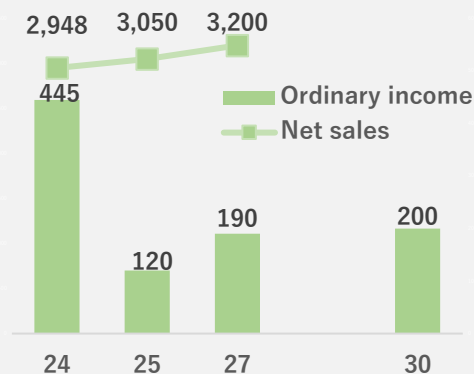
Zinc  
recycling  
rate: 50%Lead  
recycling  
rate: 70%Copper  
recycling  
rate: 27%

## ESG actions

- Reduce emissions and utilize low-carbon energy for a low-carbon society.
- Expand human capital (vitality, female employment ratio, and male childcare leave ratio).

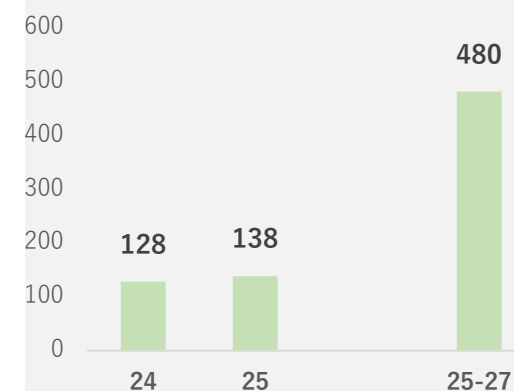
## Net sales, real profit

(× ¥100 m)



## CapEx

(× ¥100 m)



## Assumptions

		2024	2025	2027
Zinc	(\$ / t)	2,874	2,800	2,800
Lead	(\$ / t)	2,046	1,900	1,900
Copper	(\$ / t)	9,370	9,200	9,200
Forex	(¥ / \$)	153	145	145



## 2.3 Strengthening Management Foundations

### Ambidexterity “Exploitation” (3) Value Expansion

Materiality: (3) Metal Recycling  
Supporting the Industrial  
Infrastructure

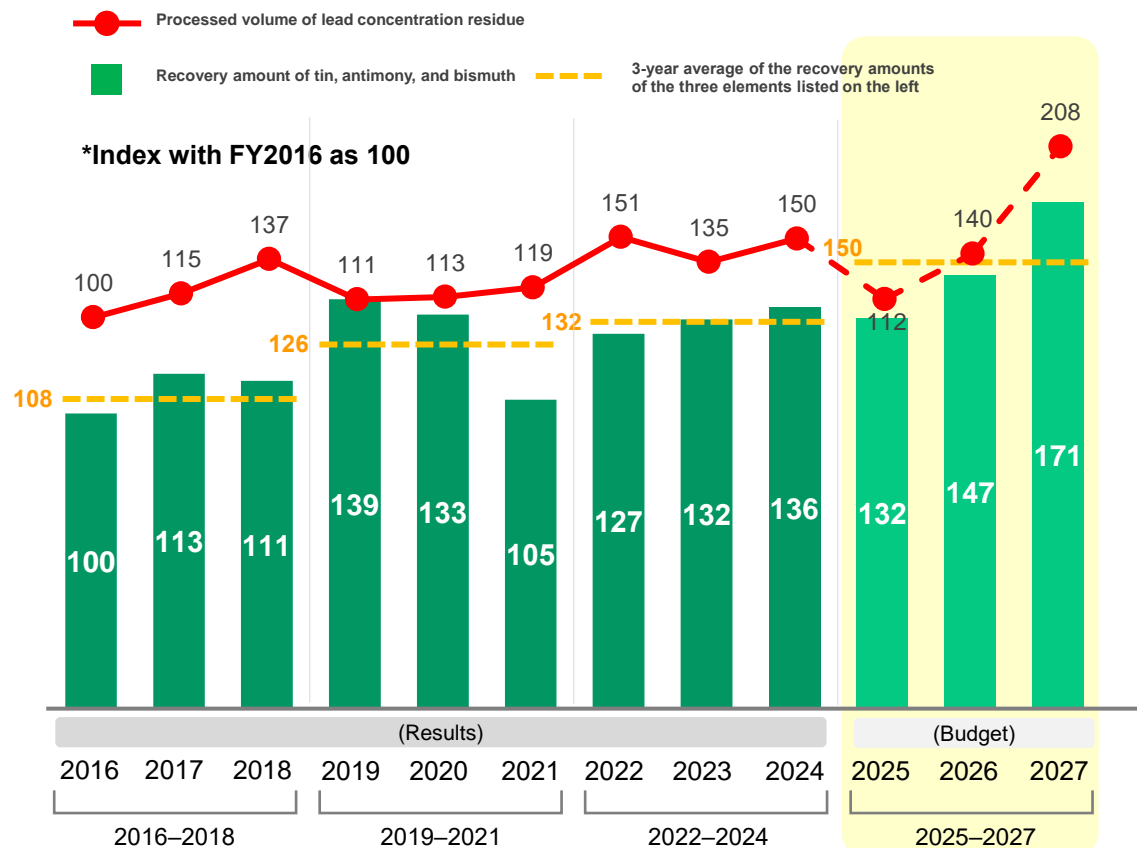
Individual  
Strategies  
(Metals Sector)

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

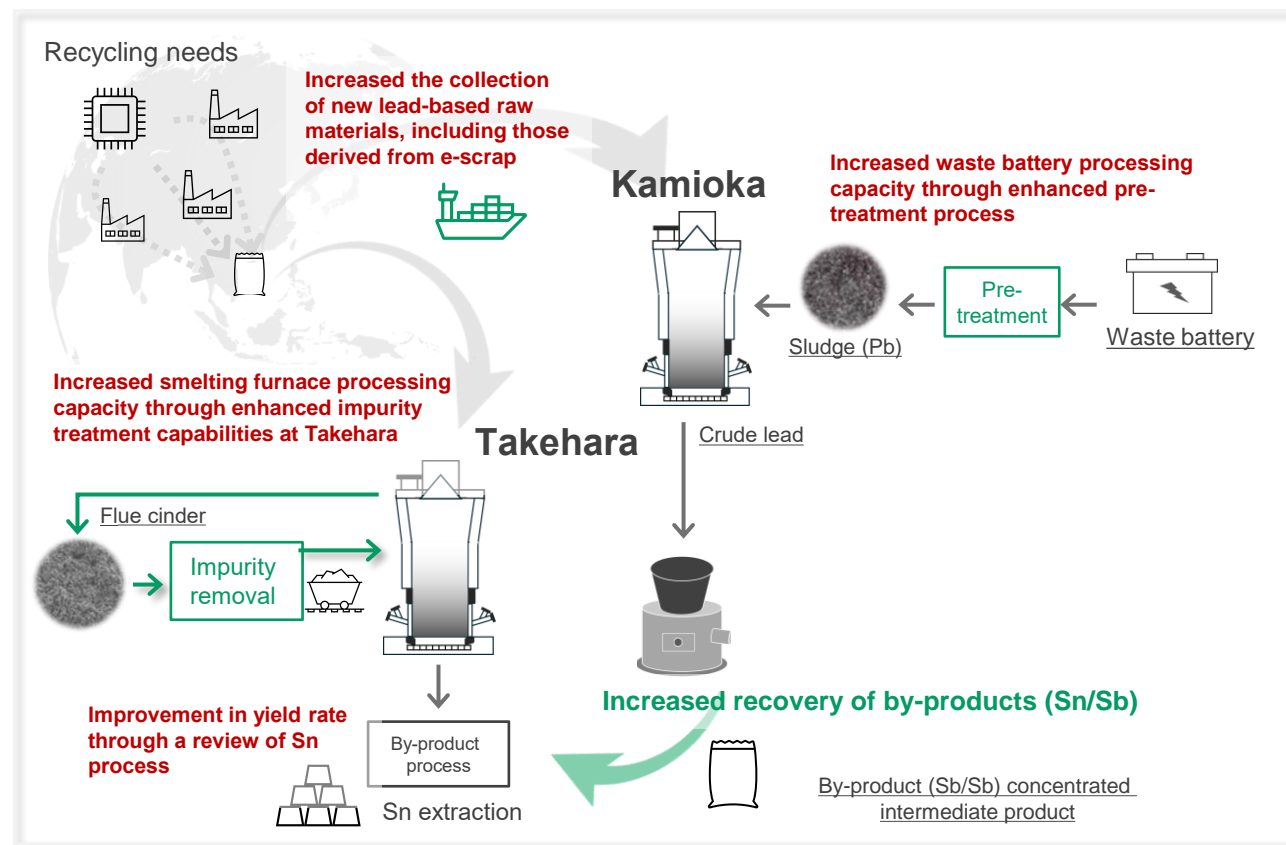


To further expand the processed volume of lead concentration residue and increase the recovery amount of tin, antimony, and bismuth, we will **enhance the processing capacity of lead smelters** and **strengthen our raw material bargaining power** under 25–27 MTP.

#### Changes in the processed volume of lead concentration residue and the recovery amount of tin, antimony, and bismuth



#### Concept of the lead business growth strategy





# Establishment of an Information Management Infrastructure

To strengthen internal communication capabilities, we will first focus on **internal branding**. As for external communication capabilities, we will **increase the frequency** of mid-term plan progress briefings, briefings by each sector, ESG briefings, and dialogue sessions with the president.

KPI

- Internal awareness of each measure
- Number of additional participants, and other KPIs

KPI

- Information engagement index, etc.

### Financial value

## Corporate value

### Social value

Brand  
enhancement

New business  
creation activities

Synergy creation

Improvement in  
engagement

Diversity &  
inclusion

Carbon neutral

Recognition

Participation

Knowledge sharing

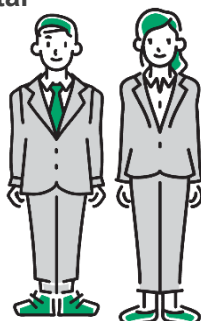
Connection

Enlightenment/  
understanding

Knowledge sharing

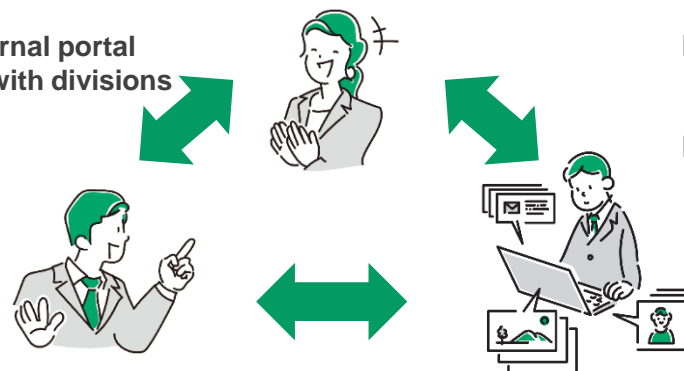
**Step 1: Strengthen strategic communication capabilities and awareness.**

- ☐ Development of an internal portal
- ☐ Corporate communications



**Step 2: Build an environment for two-way communication.**

- ☐ Use of an internal portal
- ☐ Cooperation with divisions



**Step 3: Communication with overseas locations and external parties.**

- ☐ Enhancing external corporate websites
- ☐ Utilization of social media. etc.



## 2.3 Strengthening Management Foundations

### Strengthening Governance (with Respect to the Remuneration of Directors and Officers)

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



By introducing ROIC as a performance-linked compensation indicator as well as increasing the evaluation items and compensation ratios for ESG index-based stock compensation, we will accelerate the enhancement of corporate value over the medium to long term.

#### Recent trends in the remuneration of directors and officers

FY	Description
2018	• An Outside Director was appointed as Chair of the Compensation Committee.
2021	• A restricted stock compensation plan was introduced for directors and executive officers.
2023	• An ESG Index-based Restricted Stock Compensation was introduced.
2024	• The Stock Ownership Guidelines for Executive Officers and Higher Positions was established.
2025	• ROIC was added as a performance-linked compensation ratio indicator, and the weighting of ESG indicators was increased.

#### ESG indicators for the remuneration of directors and officers (FY2025)

	Item	KPI
E	CO <sub>2</sub> reduction	• Formulation of reduction plans through FY2030 and implementation of plans for the current fiscal year
	Environmental initiatives	• CDP Climate Change Score
S	DE&I	• Ratio of female managers
	Foster job satisfaction	• Engagement score
G	Governance	• Resolution rate of issues identified in the effectiveness assessment of the Board of Directors
	Compliance	• Existence of serious compliance violation cases

#### Compensation ratio of the remuneration of directors and officers

Base compensation	50%	
Performance-linked compensation	30%	Consolidated ordinary income, group-wide ROIC
Stock compensation	20%	Of which, 10% for ESG indicators

- Management, including Directors, is strongly committed to sharing value with shareholders and increasing shareholder value.
- We will accelerate ROIC management by adding ROIC as a performance-linked compensation indicator.

\* Based on consolidated ordinary income of 40.0 billion yen (compensation ratio varies depending on company performance)

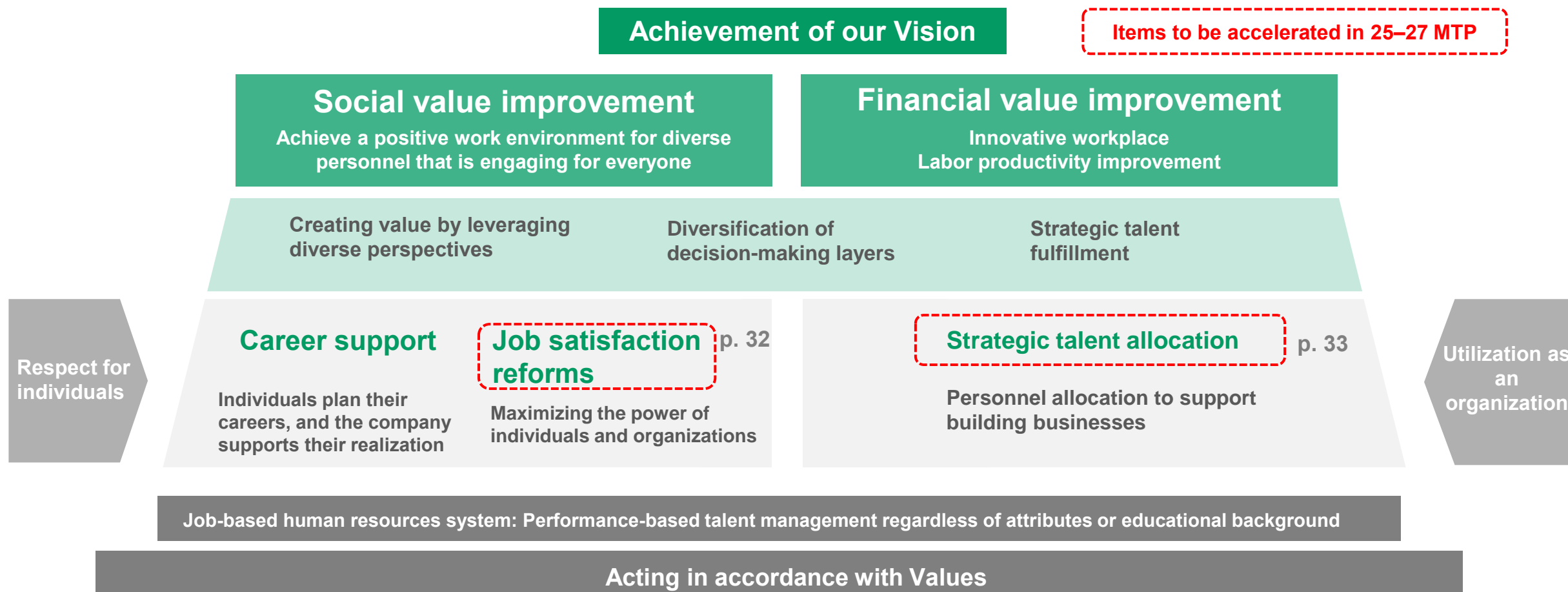
## 2.4 Expansion of Human Capital

# A System that Supports the Achievement of our Vision through Human Capital

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



Based on the human resources system and environmental reforms established in 22–24 MTP, we will transform ourselves into an organization that can realize our vision by strengthening the **job satisfaction reforms** and **engaging work and strategic talent allocation**.



## 2.4 Expansion of Human Capital

### Job satisfaction reforms

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



Deepen the connections between people, work, and organizations and quickly create an **engaged workplace environment** across the company.

#### ■ What is a rewarding and engaging work?

##### Individual strength

- Mutual respect for a safe workplace
- Feeling pride, joy, and happiness
- Working independently and feeling a sense of growth

##### Organizational strength

- Utilization of individuality and maximization of abilities
- Leveraging diversity and embracing challenges
- Collaboration between departments to create a sense of unity

#### ■ Initiatives

##### Transforming the management style to leverage diversity

- Communicate the vision of top executives in each division.
- Hold management training incorporating 360-degree evaluations.
- Strengthen the system for one-on-one meetings, career advice and career development support.
- Hold workshops (department heads/managers/promotion leaders).

##### Mechanism to accelerate the creation of success cases

- Strengthen support systems by establishing dedicated organizations.
- Establish a group-wide promotion system (commitment from the senior general manager, monitoring by the management committee).
- Build a case-sharing platform.

By implementing measures tailored to the characteristics of each business through the established Job Satisfaction Reforms Office and accelerating initiatives through a group-wide system that ensures the commitment of senior general managers, we will achieve an **engagement score of 70% by 2030.**

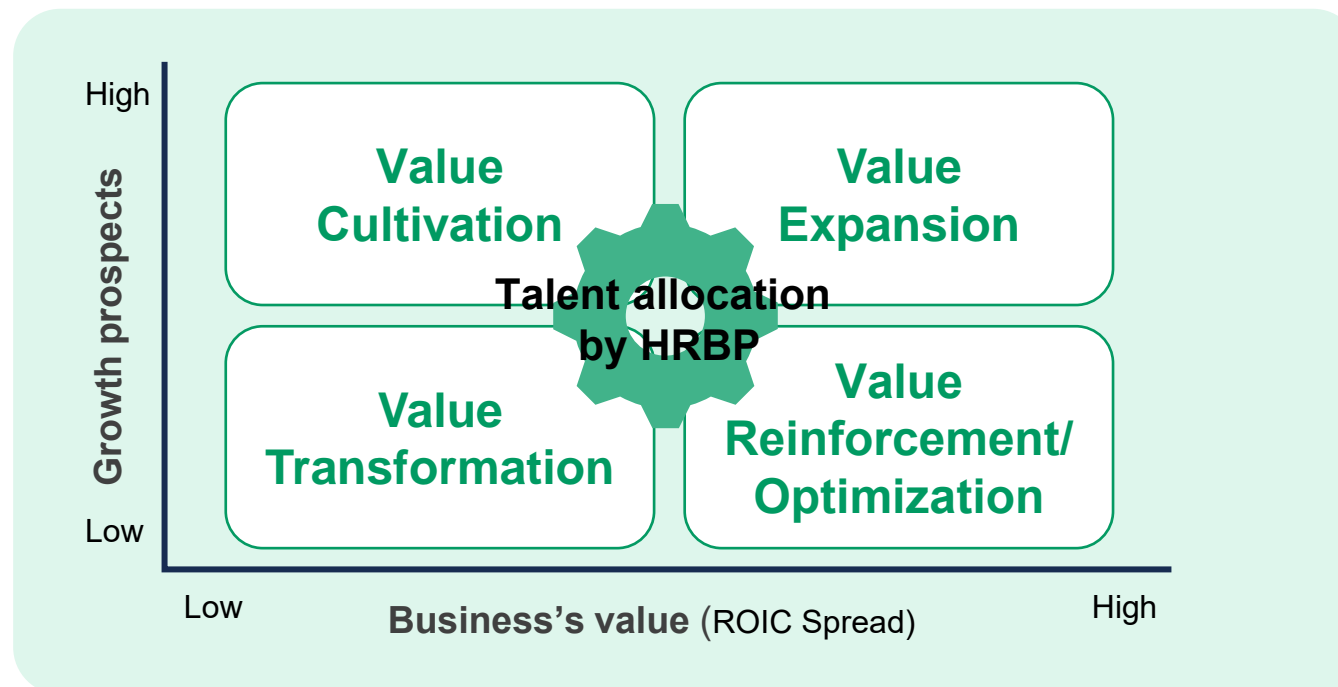
## 2.4 Expansion of Human Capital

### Strategic Talent Allocation

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



We will further promote the **flexible allocation** of appropriate personnel based on the positioning of each business, while enhancing the systems that support this approach.



#### Mechanisms that support implementation

##### Identifying and securing talent who support business creation

- Simulate the number of people required for each job type.
- Provide internal training for positions with job types that are difficult to fill through mid-career recruitment.

##### Improving the accuracy of data-driven placement of the right people in the right jobs

- Expand a centrally managed database.
- Promote talent matching (to align with career aspirations and avoid mismatches).



## Basic DX Strategy Roadmap



Building on the group-wide digital infrastructure development promoted under the 2022–2024 Mid-Term Plan, we will consolidate the **digital technology utilization initiatives** undertaken across individual divisions and company organizations, integrating them into a unified effort to enhance efficiency and accelerate progress.

**22–24 MTP** (2022–2024)

**Digital infrastructure  
development period**

### DX infrastructure development

- Building utilization models
  - Promote DX in sectors and divisions where it can be implemented first.
- Building the foundation for infrastructure, security, and governance
- Elimination of ICT talent shortage

**25–27 MTP** (2025–2027)

**Digital proliferation period**

### Group-wide promotion of DX

- Group-wide use of digital technology
  - Establish a system for group-wide coordination to accelerate the realization of value at each sector.
  - Promote new common tools (generative AI, etc.).
- Group-wide deployment of digital infrastructure
  - Expand and manage common infrastructure.
  - Optimally allocate ICT talent and develop DX talent.

**28–30 MTP** (2028–2030)

**Digital creation period**

### Creating new value with DX

- Continuously creating new products and business models
- Launching competitive production plants
- Enhancing and streamlining our operations by enabling all employees to work using digital technology and data



## Group-wide DX Targets and KPIs

We have set the securing of talent (**DX talent**) who will drive innovation in business processes including establishment of an education system and, **expanding the use of AI** by improving the environment as a group-wide initiative, and will promote activities in each sector.

Elements that make up the KGI in the ICT (DX) domain

Mechanisms that support corporate value enhancement	Use of digital technology	<b>Data utilization</b> (Digital shift required across the entire group and each sector)
	Development of digital infrastructure	<b>Infrastructure</b> <b>Security</b> <b>Governance</b>
		<b>Management system</b>

### Group-wide KPIs (FY2027 targets)

<b>Sector targets</b> <ul style="list-style-type: none"> <li>• Engineered Materials</li> <li>• Metals</li> <li>• Business Creation</li> </ul>	<p>Sales, marketing, and performance management optimization KPIs: Retention rate</p> <p>Stable operation/efficiency KPI: Number of horizontal expansion locations</p> <p>Business creation activity acceleration KPI: Competitiveness* Double that of our company</p>
<b>Generative AI utilization</b>	<p>Among all target people:</p> <p>Monthly utilization rate : 50% or more</p> <p>Reduced working hours : 10% improved efficiency (16 hrs/person-month)</p>
<b>Management system</b>	<p>Creation of DX talent : 30 people or more</p>

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



### 3. Financial Index and Shareholder Returns

### 3.1 MTP Financial Index

## Financial Targets

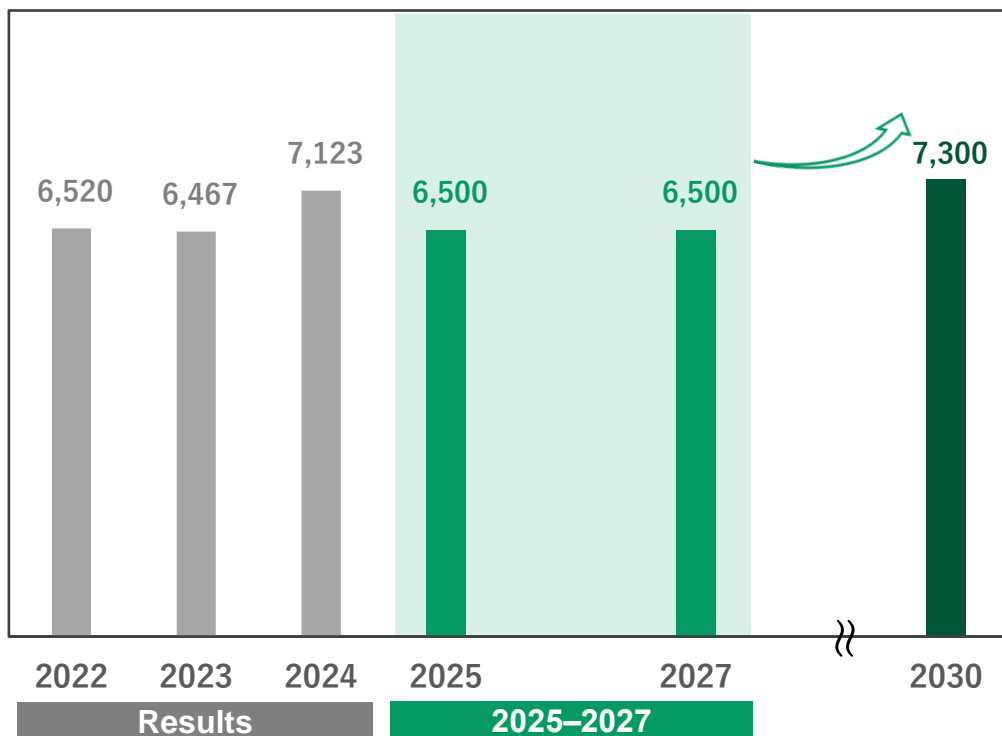
We promote the well-being of the world  
through a spirit of exploration  
and diverse technologies.



We aim to achieve ordinary income of 70 billion yen in FY2027 and 100 billion yen in FY2030.

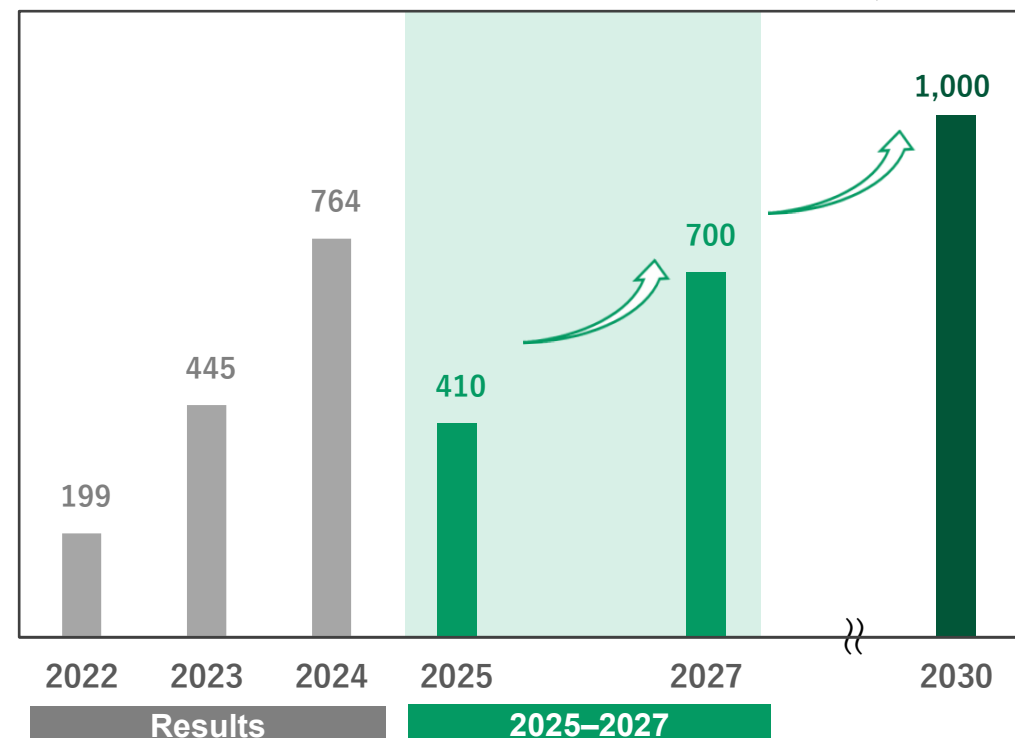
#### Net sales

(× ¥100 m)



#### Ordinary income

(× ¥100 m)



## 3.1 MTP Financial Index

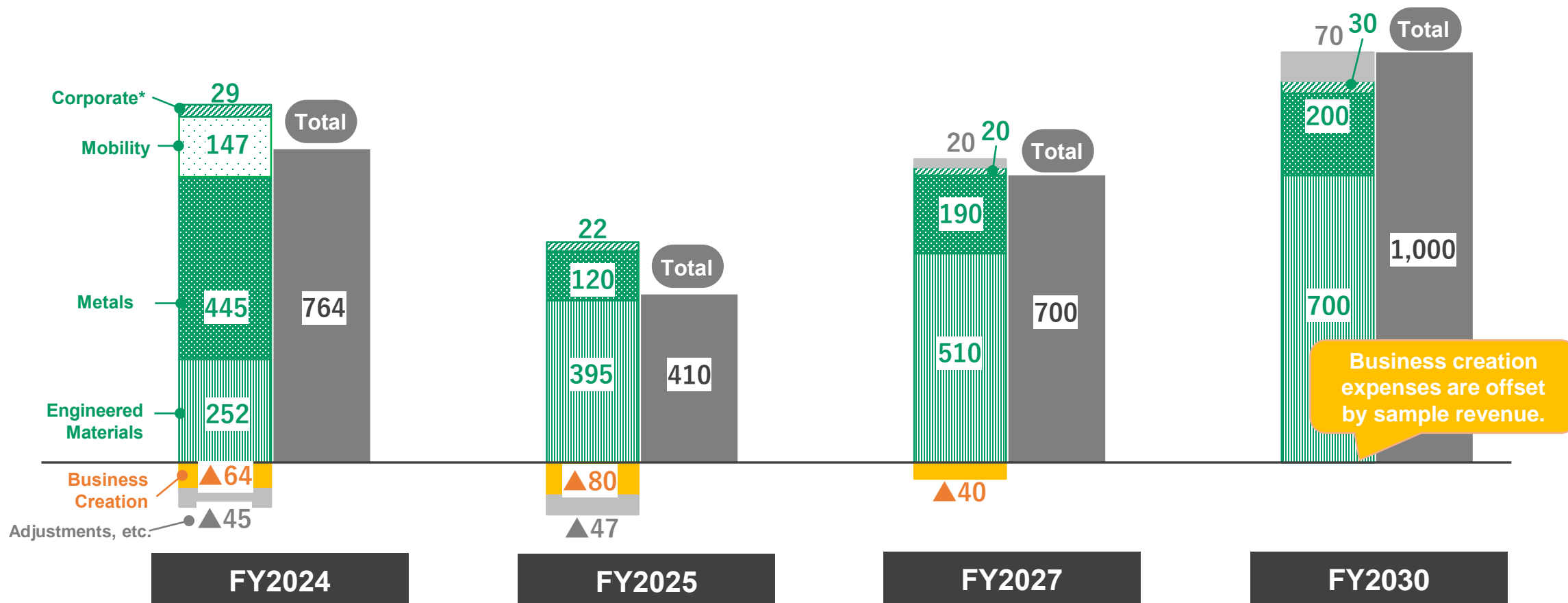
### Financial Targets

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



The Engineered Materials Sector, the Metals Sector, and the Business Creation Sector are all expected to grow from FY2025.

#### ■ Ordinary income by sector (× ¥ 100 m)



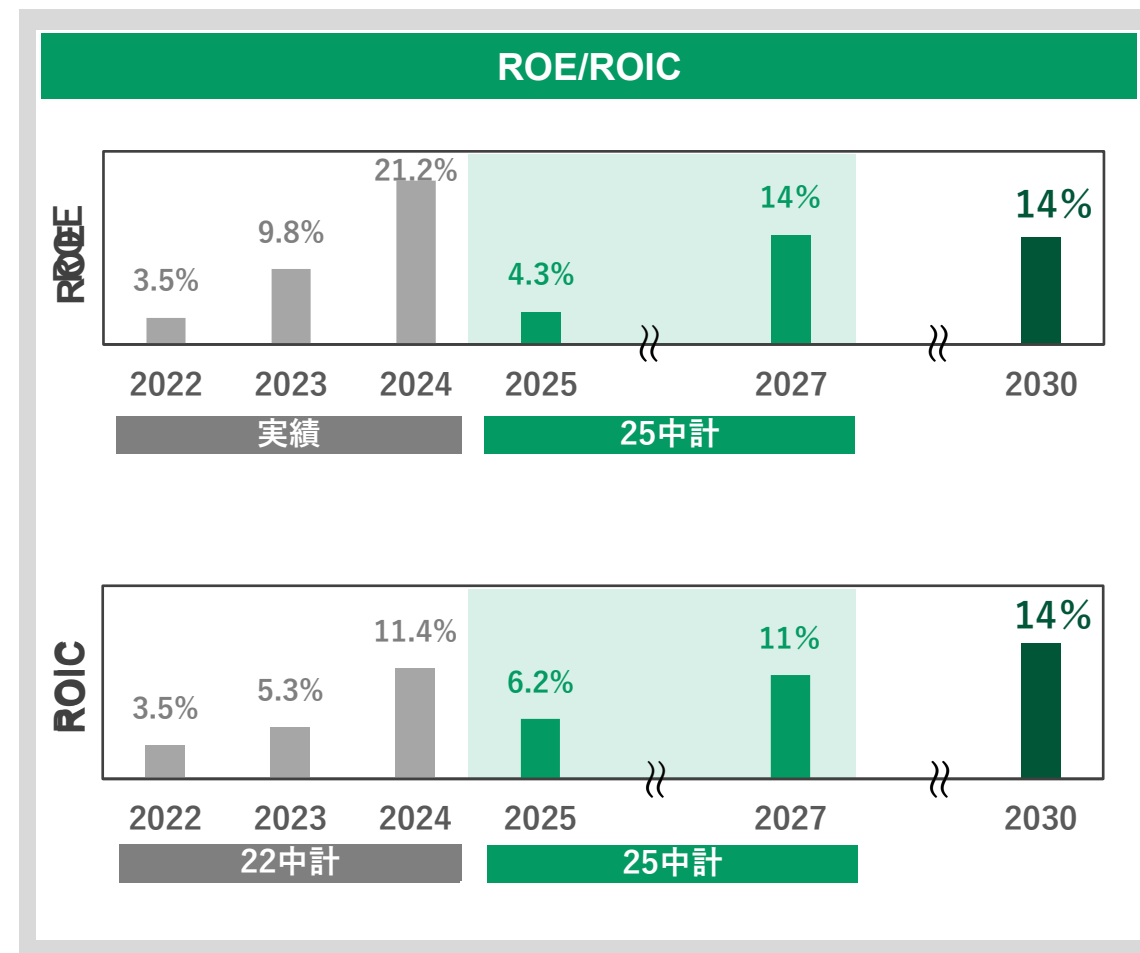
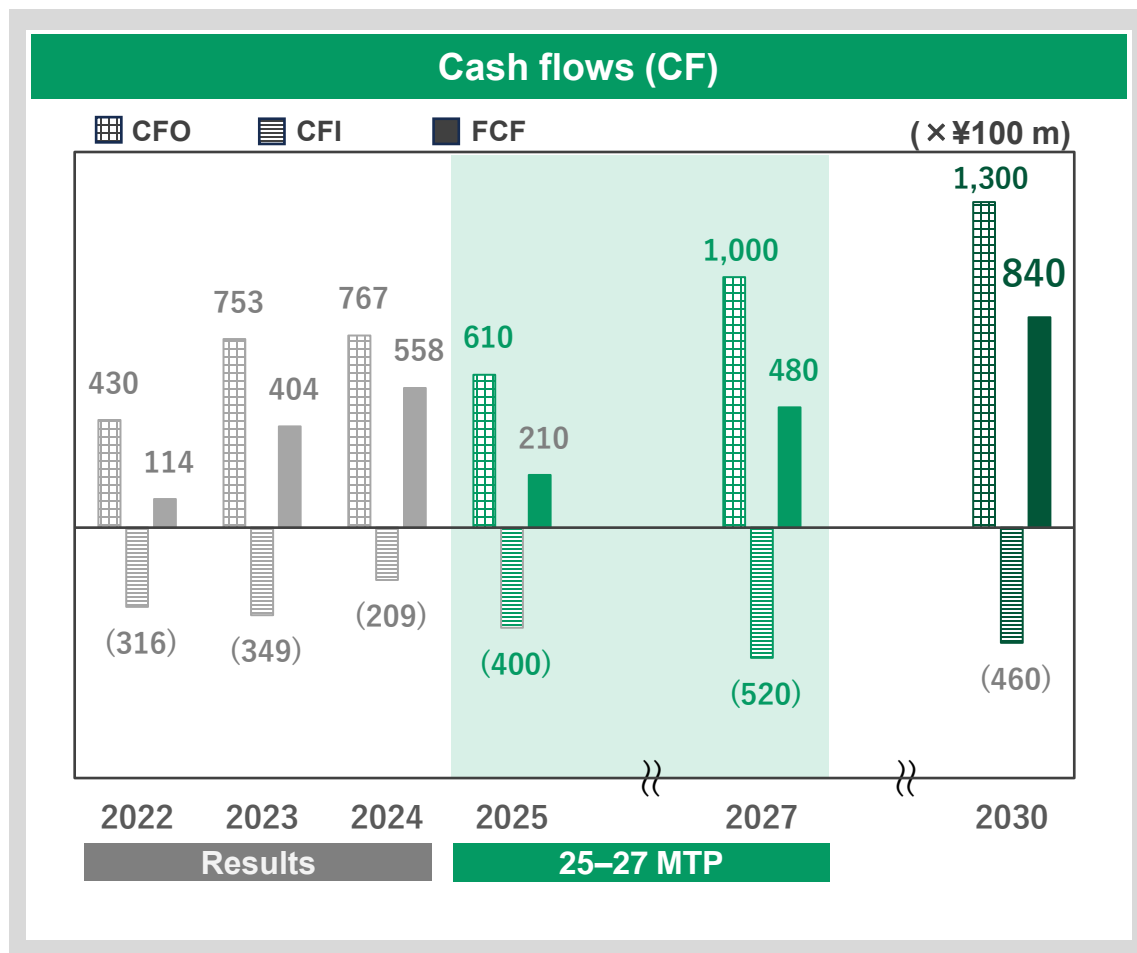
### 3.1 MTP Financial Index

## Financial Targets

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



By 2030, we will aim to achieve free cash flows of 84 billion yen and achieve both ROE and ROIC of 14% or more.

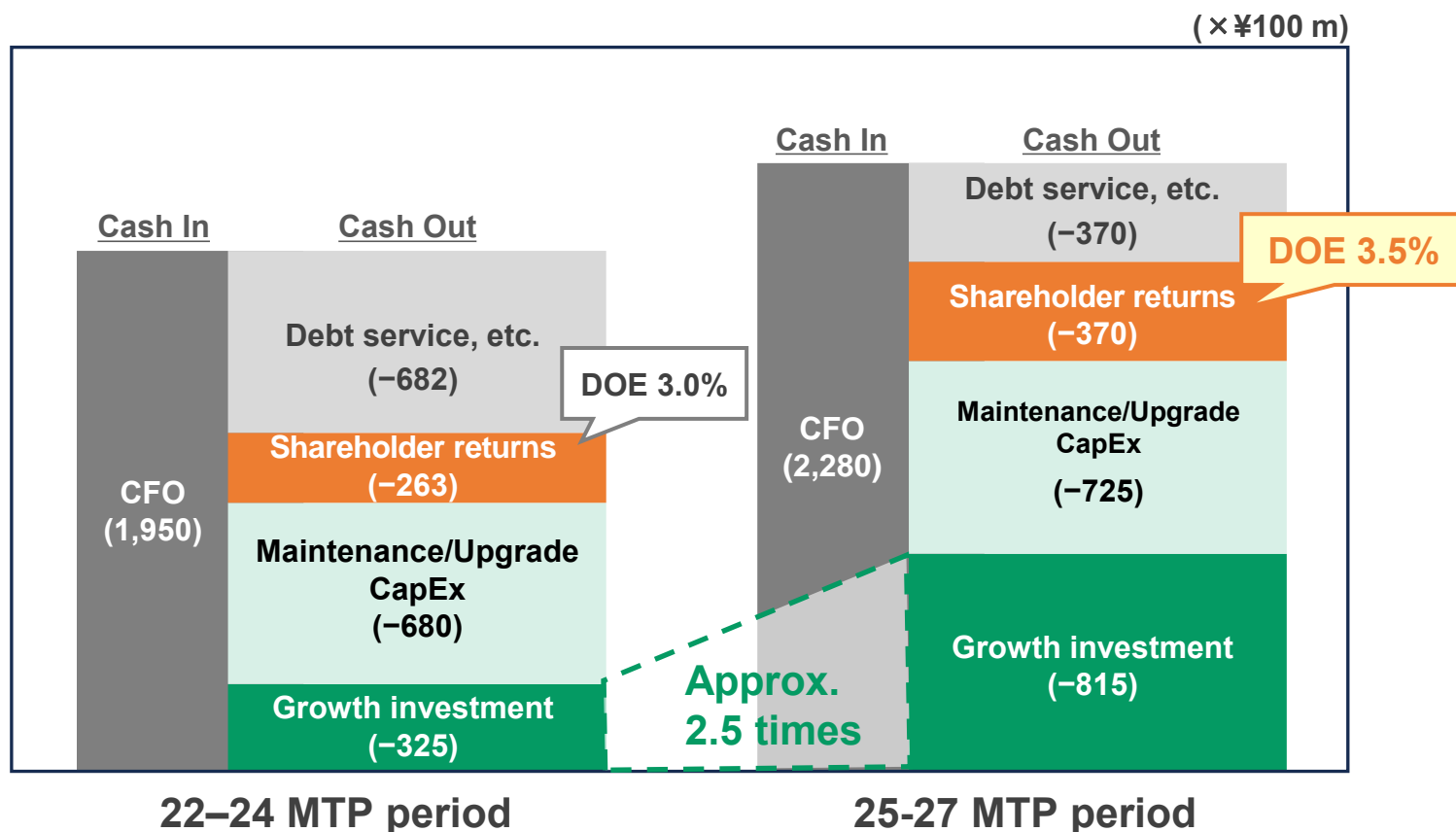




# Growth Investment and Shareholder Returns



In the 25–27 MTP period, we will make growth investments\*<sup>1</sup> approximately 2.5 times higher than in the 22–24 MTP period. For shareholder returns, we have adopted a progressive dividend policy and aim to raise the DOE\*<sup>2</sup> to approximately 3.5%.



## Dividend policy after 25–27 MTP

Adopt a **progressive dividend policy** and pay dividends targeting a **DOE of 3.5%**.

## Typical growth investments

- Initial mass production plant\*<sup>3</sup> for A-SOLiD® electrolytes for all-solid state batteries
- Equipment upgrade for specialty carrier for next generation semiconductor packaging HRDP®



Priority will be given to growth investment first and then dividends.

When investment spending is low, we will consider buying back our own shares.

\*<sup>1</sup> Growth investment: Investment in our growth businesses (including M&A and CVC)

\*<sup>2</sup> DOE: Dividend on equity ratio

\*<sup>3</sup> During the 25–27 MTP period, we plan to decide on capital investments for mass production facilities equivalent to 3 GWh/year of storage batteries, taking into account market conditions.



# MITSUMI KINZOKU

