

Defining product/market scopes in 2030

Organizational reform according to the product/market scope

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.

To realize the Vision firmly based on our newly established Purpose, we reviewed the Mitsui Kinzoku Group’s product and market scopes. We set the product and market scopes in 2030 as the intersection between attractive markets, which are backcast from the predicted world in 2050, and advantageous markets, which are forecast based on the strengths of our Group.

Mitsui Kinzoku Group will engage in business in six product/market scopes: the environment and energy, resources, life science, electronics, mobility, and circular economy.

According to the scope, we carried out organizational reform, reorganizing business organizations toward 2030.

The design concept in the reorganization had two axes: attractive product/market scopes and allowing continued pursuit of synergies. Traditionally, at Mitsui Kinzoku, each sector has accessed its market and customers. Now, organizations are grouped by product/market scope to be able to constantly provide attractive markets with value. In addition to developing existing businesses in three sectors, the Business Creation Sector will create new businesses to reinforce and accelerate the pursuit of ambidexterity.

“Exploitation” is to develop existing businesses and maximize their potential. “Exploration” is to forge new businesses and to expand knowledge in uncharted areas for creating new businesses. These two will be balanced by the pursuit of ambidexterity. For the advancement of exploitation, we will evaluate the value of existing businesses based on the two axes of business feasibility and business value for portfolio management and effective allocation of management resources.

In starting the medium-term management plan 2022–2024, we made comprehensive judgements on the business units of the Group by considering the evaluation of future feasibility based on objective data and the initiatives and results of the past medium-term management plans for the 2016–2018 period and for the 2019–2021 period.

In highly feasible businesses, we will seek M&As and partnerships to aggressively use external strength, rather than relying for growth only on our own power, to further expand and develop value. That reinforces our growth strategy by combining synergies within our Group, which are brought about by the organizational reform, and synergies outside the Group.

In April 2022, we established the Business Development Office, which is in charge of carrying out the effort, under the Corporate Planning Department. We also decided that the basic M&A policy should be a programmatic method of executing small-scale M&As in a planned manner in areas where the effects of synergies with existing businesses would be high. The method aims to gain the capabilities required for the long-term strategy in a phased manner, accumulate M&A experience, and improve the effect of integration.

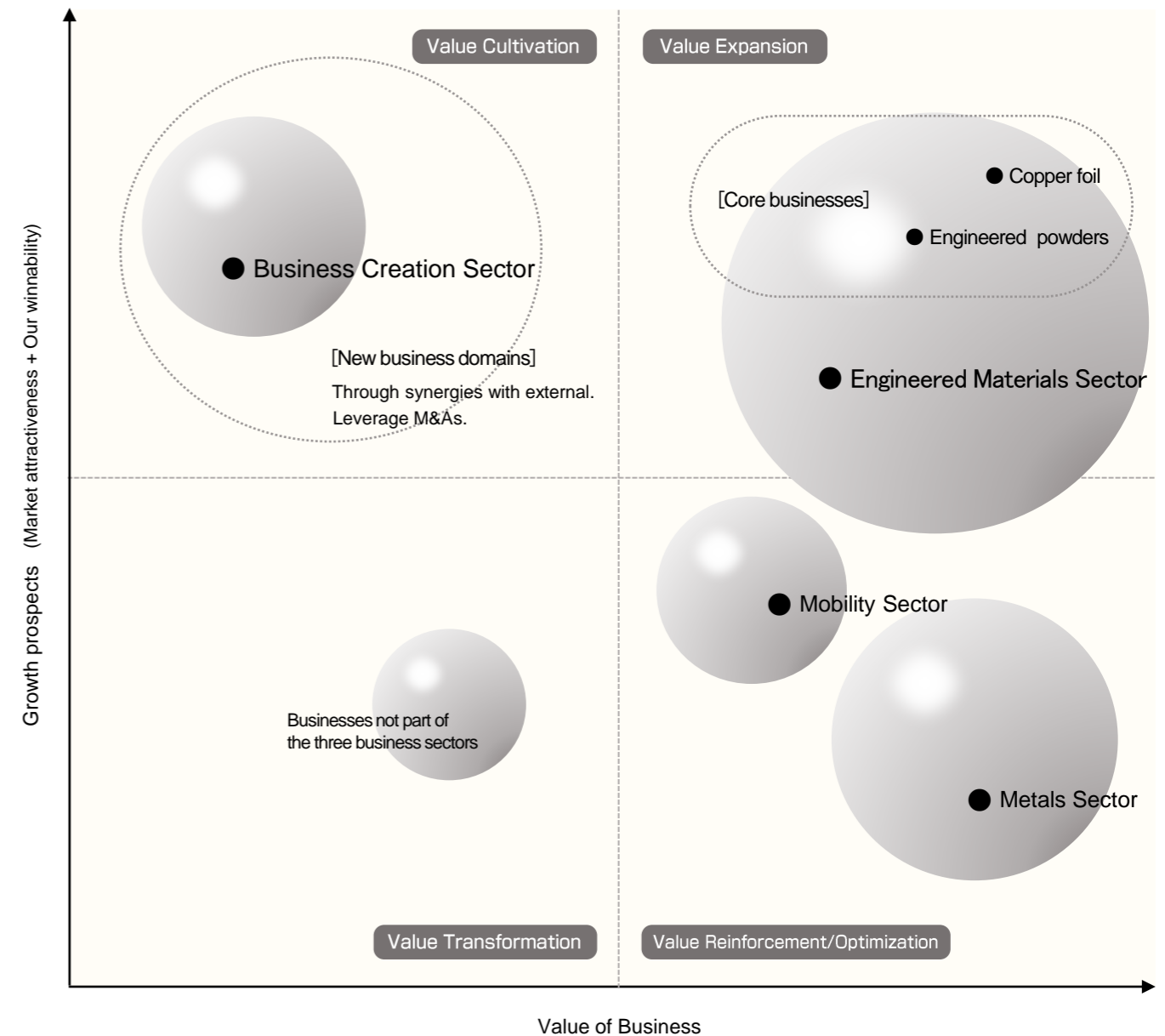
Based on dynamic business portfolio management, we will constantly assess businesses and explore internal and external best owners* for businesses that are categorized for value restructuring.

In the product/market scopes set based on the Purpose, we will continue to bring about innovation by controlling the balance between exploitation and exploration and promote integrated thinking-based management that can continually create financial value and social and environmental values.

* 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 Positioning at the start of the 22 Mid-term Plan



Exploring for new businesses

[Business Creation Sector]

Exploration

Value Cultivation

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.



Tasked with exploration for the entire Mitsui Kinzoku Group, the Business Creation Sector will provide our stakeholders with exciting value to contribute to improving the corporate value of the Group.

To that end, in the three years of the 22 Mid-Term Plan, we will carry out our regular activities, centering on R&D and market co-creation, but on a larger scale than under the previous 19 Mid-Term Plan.

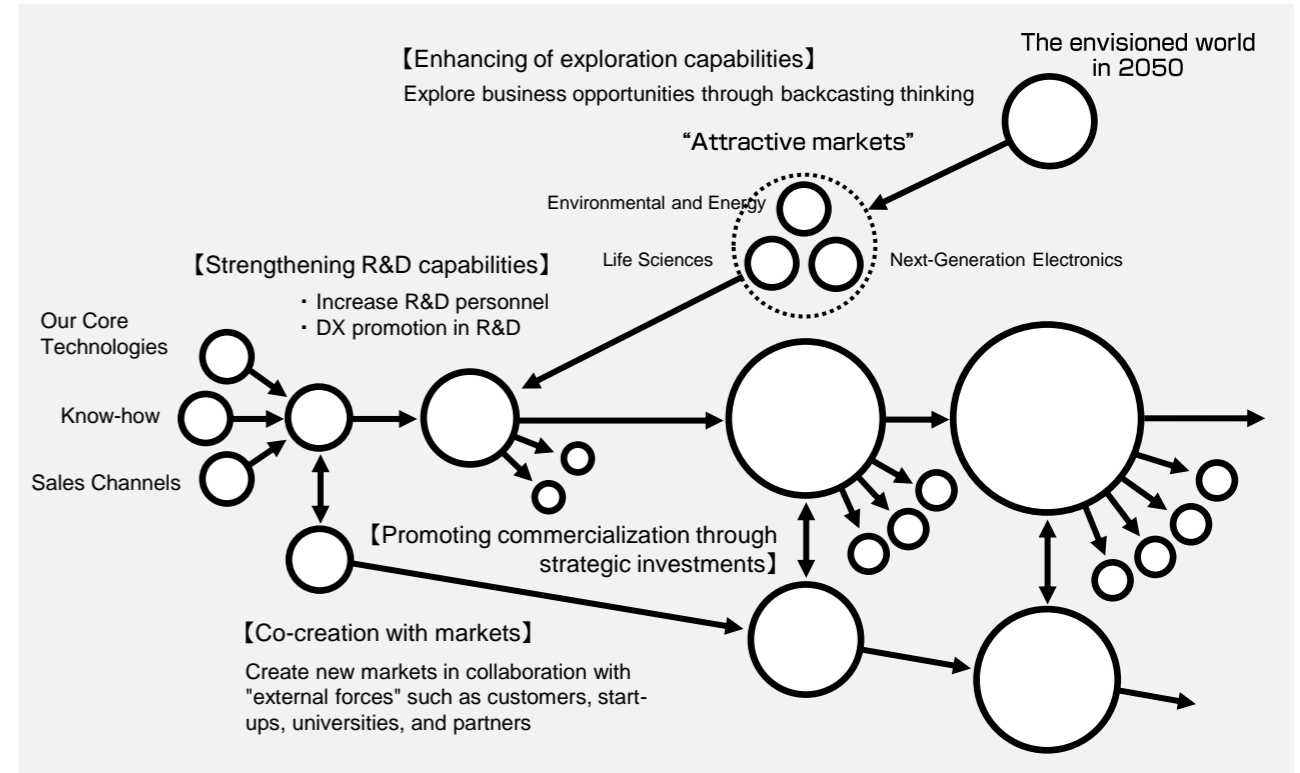
In addition to the three strategies of searching better, strengthening R&D, and strengthening the foundation, we will make active investments to promote the commercialization of existing units.

We will make efforts to establish our sector's value —“excited, energetic, and thorough”— and take on challenges for the growth of our group and for solving global problems.

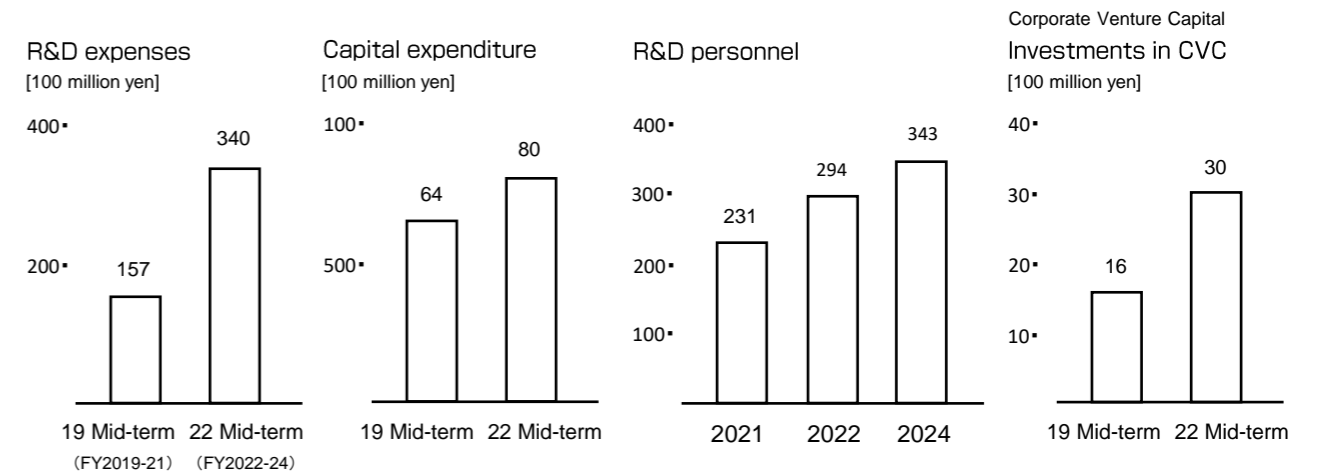
Executive Officer,
Senior General Manager of Business Creation Sector

YASUDA Kiyotaka

Sustainably co-create new businesses



Allocate resources to Business Creation Sector



The Market Co-creation Department drives co-creation with markets and explores and creates business opportunities. The department is working on the creation of potential partnerships that will lead to new businesses by broadening the scope of communication to develop opportunities for co-creation with external contributors.

The R&D Center is responsible for creating new businesses, which will play a core role in the future, through the use of our core technologies and creative research and development (R&D). By conducting R&D activities in line with market trends, the center moves forward with new business creation in a swift and timely manner.

The Production Process Development Department breaks down the new business into highly competitive processes, adopting innovative equipment and production technologies.

We will cooperate with other sectors and the Materials Analysis & Exploration Center to make concerted efforts across the Group for new business creation.

Engineered materials

[Engineered Materials Sector]

Exploitation

Value Expansion

Vision for 2030 (What we should be in 2030)

**FY2030 targets: ¥180 billion net sales,
¥40 billion ordinary income**

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



The Engineered Materials Sector explores customer needs in order to create products that will achieve the No. 1 market share in the world, with the goal of becoming an enterprise that embodies competitive advantage. As our vision for 2030, we have set specific targets for net sales, income, and creation of green products, sustainable products.

We aim to contribute to a more prosperous society and world by creating not only economic value but also social and environmental value. To that end, we will transform our organization, developing a highly engaged workforce and making concerted efforts to create business opportunities. To increase earnings, we will launch new products and expand sales of existing products.

Together with customers, employees, and stakeholders, our sector will work vibrantly, cheerfully, and positively to achieve growth.

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

OKABE Masato

Main Business Strategies

Copper foil

- Prepare to expand MicroThin™ market/applications (1) Enter new markets (2) Fully leverage supply capacity
- Develop, launch, and expand sales of high-performance electrolytic foil

Engineered powders

- Maximize profit from existing products (Sales expansion of copper powders for electronics, abrasives)
- Launch new products (copper powders for 3D printers, rare metal solutions)

PVD materials

- Keep decent margins, overhaul production to reduce costs
- Cultivate future products

Ceramics

- Expand sales of new products (e.g. next-generation setters*)

* Calcined ceramic jigs for electronic parts

ESG Initiatives

Work with Head Office to pave way for producing green products and reaching carbon neutrality by 2050

Opportunities and Risks

- Creation of new demand through technological innovation
- Expansion of demand for high-performance products due to increasingly sophisticated market needs
- Increase in demand due to expansion of markets in emerging economies
- Intensifying price competition due to rise of manufacturers in emerging economies
- Sluggish demand due to spread of infection and rise of protectionism
- Increase in geopolitical risks in procurement of raw materials from overseas

Main High-Share Products

Global share **95%**
For semiconductor package substrates Extremely-thin copper foils with carrier film
Electro-deposited copper foil is used for wiring materials in fine circuits. In particular, Mitsui Kinzoku has a high market share in extremely-thin copper foil. These products contribute to the better performance of electronic products, such as smaller smartphones.

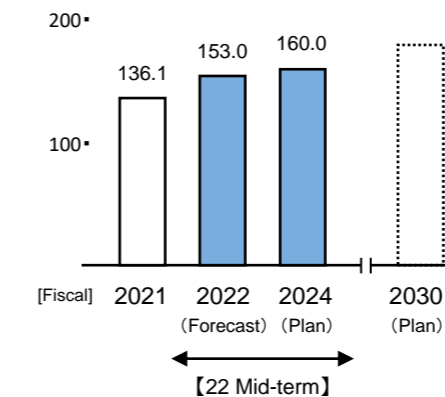
Global share **35%**
For hybrid cars Battery materials (Hydrogen storage alloys)
Mitsui Kinzoku started providing materials for batteries in the 1940s and started developing materials for rechargeable batteries ahead of many other companies. Since the 1990s, we have been supplying hydrogen storage alloys for batteries used in hybrid cars.

Global share **40%**
For glass substrates Cerium oxide-based abrasives
These materials are essential for polishing high-performance glass, such as optical lenses, hard disk glass substrates, and liquid crystal glass substrates. Mitsui Kinzoku's strength lies not only in nonferrous metal materials but also in rare-earth products.

Global share **30%**
For MLCCs (multi-layered ceramic capacitors) Copper powders
Demand for MLCCs has been growing rapidly along with the electrification of automobiles, higher functionality of smartphones, and widespread application of IoT. We contribute to this field by providing materials that help the advancement of MLCCs, such as smaller sizes and larger capacity.

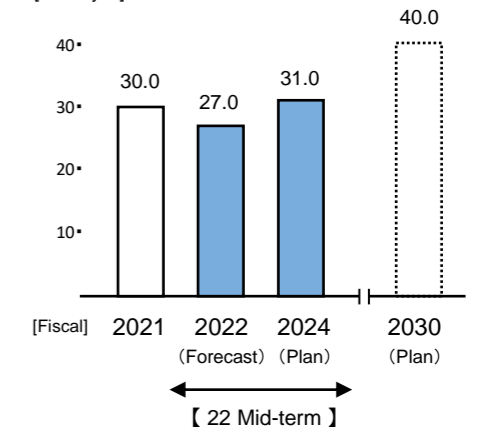
Global share **30%**
For LCDs (liquid crystal displays) ITO sputtering targets
ITO (indium tin oxide) is an essential material in making transparent conductive films for LCDs. We also supply IGZO sputtering targets for thin film transistors.

Net sales of Engineered Materials Sector [Billion yen]



Note: The figure for FY2021 was calculated retroactively for the new sector.

Ordinary income of Engineered Materials Sector [Billion yen]



Note: The plan for FY2030 does not include the impact of inventory.

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 recycling network underpinned by distinctive characteristics, and we continue to explore new mineral resources and renewable energy.



We have continuously improved our smelting and recycling over the years. To respond to a growing need for recycling in line with the development of a recycling-based society, we determined the mission of the Metals Sector to be: provide solutions that help build a sustainable world.

Toward our vision for 2030, we will pursue a more sophisticated recycling network, explore new mining opportunities, reduce CO2 emissions for the development of a decarbonized society, explore renewable energy solutions, and improve digital infrastructures for digital transformation.

While optimizing the characteristics of zinc, lead, and copper smelting networks using diverse processes owned by our Group, mining resources, and renewable energy, we will enhance collaboration and synergies between these to provide unique value.

Senior Managing Director, Senior Managing Executive Officer
Senior General Manager of Metals Sector

TSUNODA Satoshi

Main Business Strategies

Sector-wide

□ Build a sophisticated recycling network based on our diversified smelting assets

Lead & Zinc

- Leverage existing assets to expand business of waste processing
- Improve margins for metals produced from complex ores
- Increase the volume of new lead-based materials being collected and processed to make profit

Copper & Precious Metals

- Improve margins for metals produced from profitable materials
- Reduce costs by improving operations and investing more judiciously

Mineral Resources

- Explore new mining opportunities around Huanzala and Pallca in Peru

ESG Initiatives

To contribute to a decarbonized society, reduce CO2 emissions and explore renewable energy solutions

Opportunities and Risks

- Stable growth of zinc and copper demand in the long run
- Expanding and increasingly complicated needs for resource recycling
- Promotion of the spread of renewable energy
- Fluctuations in market price of metals and exchange rates
- Rise in energy costs
- Accelerated measures to address climate change for carbon neutrality

Main High-Share Products

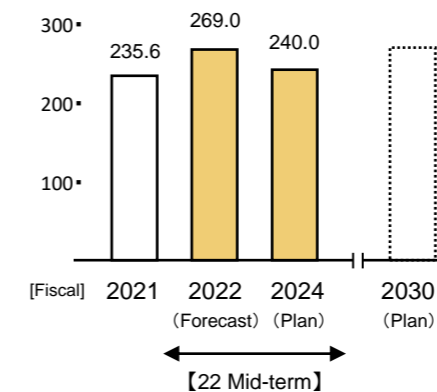
Domestic share **Zinc**
42%
(Top share)
Iron is indispensable to both industry and everyday life. Zinc protects iron from rusting to prolong its life. Zinc is used to plate steel stock and is widely used for rolled copper and die-casting. Zinc is an essential material for society.

Domestic share **Lead**
36%
(Second)
Lead is made from battery scrap and the mineral. Due to its ease of processing, lead is used primarily for lead batteries, as well as solders, lead tube and plates, X-ray shields, and acoustic insulators.

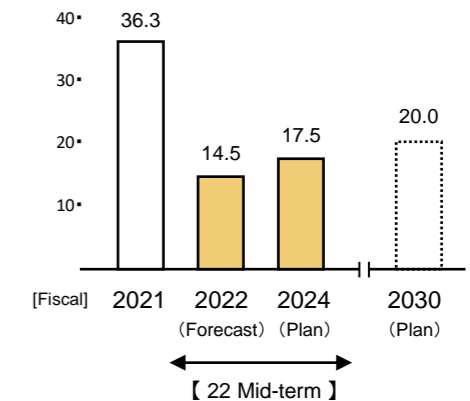
<Main product lineup other than the above>

Electrolytic copper / Zinc base alloy / Antimony trioxide / Gold / Silver / Sulfuric acid / Bismuth / Zinc and lead concentrates / Zinc oxide

Net sales of Metals Sector
[Billion yen]



Ordinary income of Metals Sector
[Billion yen]



Note: The plan for FY2030 does not include the impact of inventory.

Mobility

[Mobility Sector]

Vision for 2030 (What we should be in 2030)

We act as a pioneer of mobility, always making sure of and always creating the best values to be chosen.

New products account for more than 50% of sales, ordinary income trends at ¥20 billion, and there are no product recalls.

Exploitation

Value Reinforcement/Optimization



Recognizing big changes and evolutions in the automotive industry, including CASE, MaaS, and carbon neutrality, as new needs, the Mobility Sector will provide value that serves our customers and contributes to the development of a mobility-based society.

The targets we set for 2030 are: increasing the percentage of new products in net sales, significantly increasing profit, and ensuring that there are no product recalls. To achieve these targets, we will pursue exploitation in technology, manufacturing, and sales; forge new businesses; and pursue synergies over short-, medium-, and long-term cycles.

With the three keywords of enthusiastic “challenge,” “persistence” to make it to the end without giving up, and “speed” of action, we aim to be a mobility pioneer that identifies future value and continues to create it.

Senior Executive Officer
Senior General Manager of Mobility Sector

IGATA Hiroshi

Main Business Strategies

Sector-wide

- Unlock synergies (short-/medium-/long-term)
- Forge new businesses that reflect the changing times

Catalysts

- Keep honing tech prowess to differentiate products
- Streamline production with technology coefficient improvement and DX
- Envisage medium- to long-term scenarios in which we use our strengths to succeed

Mitsui Kinzoku ACT Corporation

- Develop and expand system-related products to shift focus toward systems suppliers
- Make costs more competitive by globally optimizing production and adopting smart factory design

Mitsui Kinzoku Die-Casting Technology Co., Ltd

- Rebuild business, produce optimal profit

ESG Initiatives

Incorporate customers' environmental concerns into our own goals, while trying to reconcile both, develop quantifiable and sustained practices to achieve the goals.

Opportunities and Risks

- Sales expansion of new products through the electrification and automation of automobiles
- Tightening of environmental regulations on fuel efficiency, exhaust gas, etc.
- Rise of new players with changes in the automotive industry
- Decrease in demand and delay in production recovery in the automotive market due to the spread of infection and semiconductor shortage
- Increase in geopolitical risks in procurement of raw materials from overseas

Main High-Share Products

Global share
20%
Door latches for automobiles
Door latches, Mitsui Kinzoku ACT's main products for which it has one of the world's largest market shares, are functional parts that keep doors firmly in place on the vehicle body. They must be strong to ensure passenger safety, as well as ever smaller, lighter, and higher-performance.

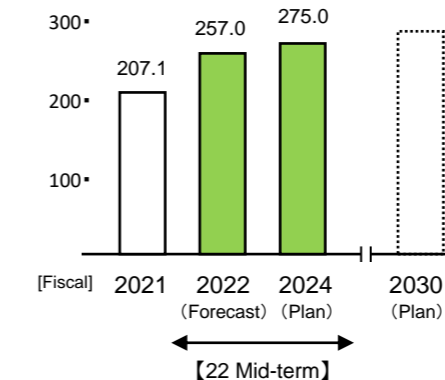
Global share
50%
For motorcycles Exhaust gas purifying catalysts
We help keep the global environment clean by detoxifying substances, such as CO and NOx, that can cause air pollution. We are also increasing the supply of catalysts for four-wheeled vehicles in the global market.

Domestic share
28%
For LED car headlight units Heat sinks
Heat sinks are used for LED headlights to prevent them from losing their brightness because of heat. By ensuring visibility, they contribute to better safety in a wide range of heat sinks, including general die-casting alloys as well as alloys with high thermal conductivity.

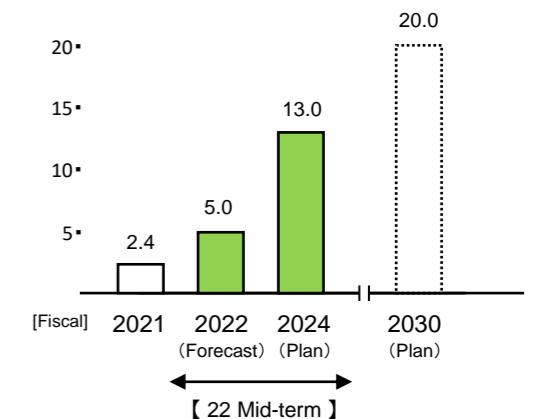
<Main product lineup other than the above>

Automotive functional components / Catalysts for purification of exhaust gases of general-purpose engines / Powder metallurgy products / Metal injection molding products

Net sales of Mobility Sector [Billion yen]



Ordinary income of Mobility Sector [Billion yen]



Note: The figure for FY2021 was calculated retroactively for the new sector.