

Business Segment IR Meeting

Mitsubishi Corporation



Industrial Materials Group



Presenters from the Industrial Materials Group

Kotaro Tsukamoto, Group CEO

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Eisuke Shiozaki, Division COO, Carbon Div.

Takao Ishiyama, Division COO, Steel Business Div.

Ko Imamura, Division COO, Performance Materials Div.

Agenda

1. Group overview

- Organizational outline
- Positioning in MC's overall business portfolio
- Products and functions
- Key business investees

2. Group policies

- Business environment and a qualitative review of recent performance
- Management policies
- Basic policy for the Midterm Corporate Strategy period
- Priority growth areas

3. Business overview

- Carbon Div.
- Steel Business Div.
- Performance Materials Div.

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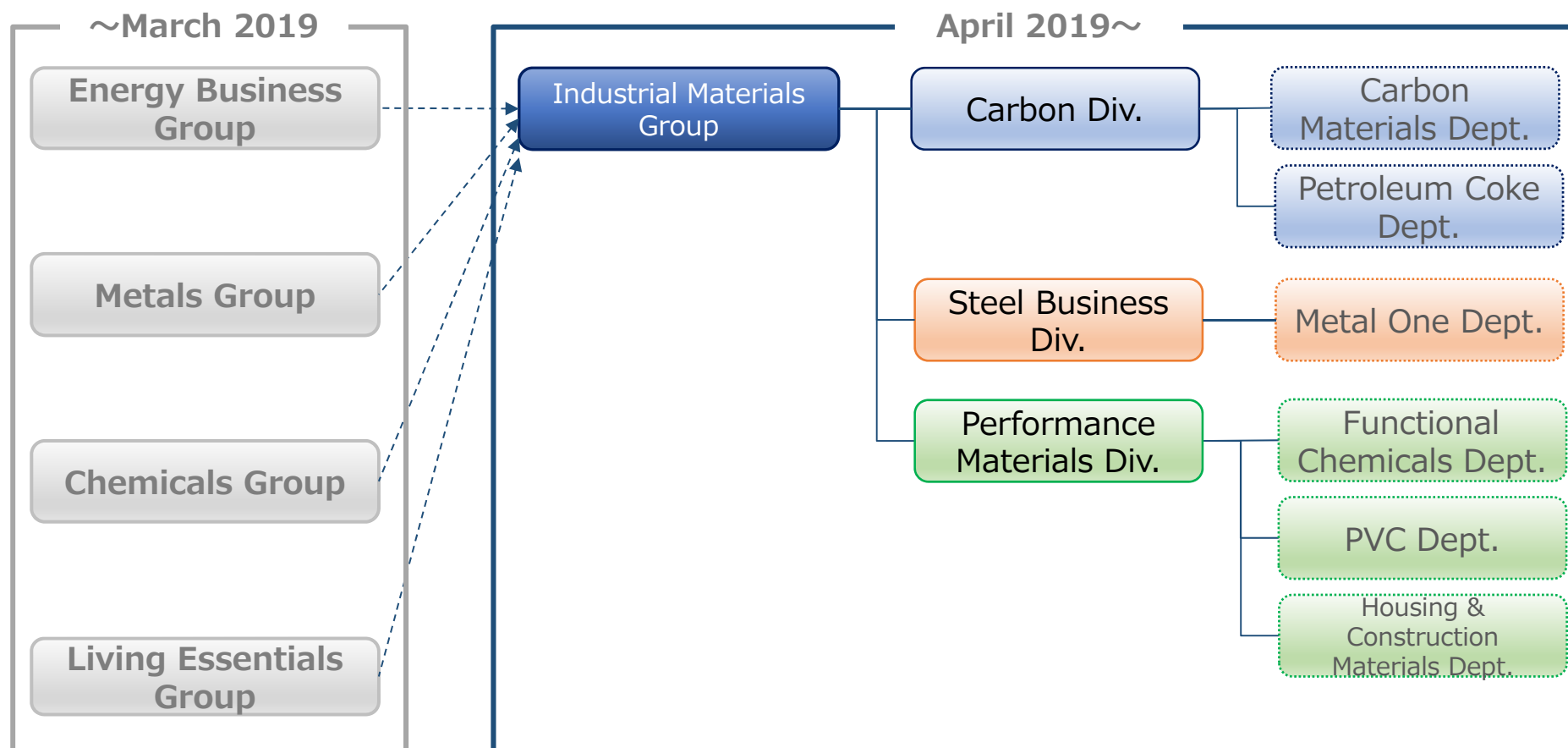
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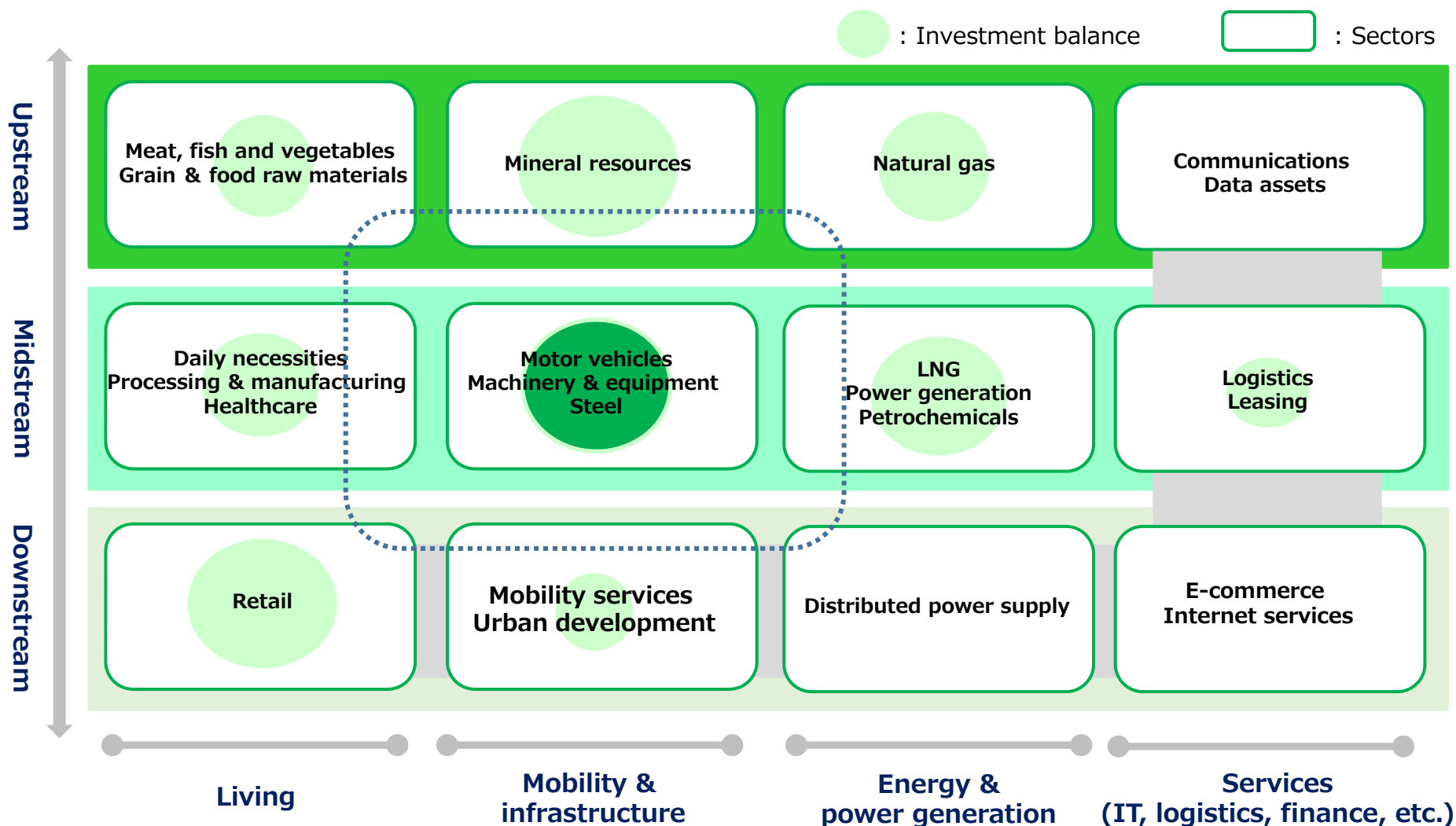
1. Group overview: Organizational outline

Organizational structure



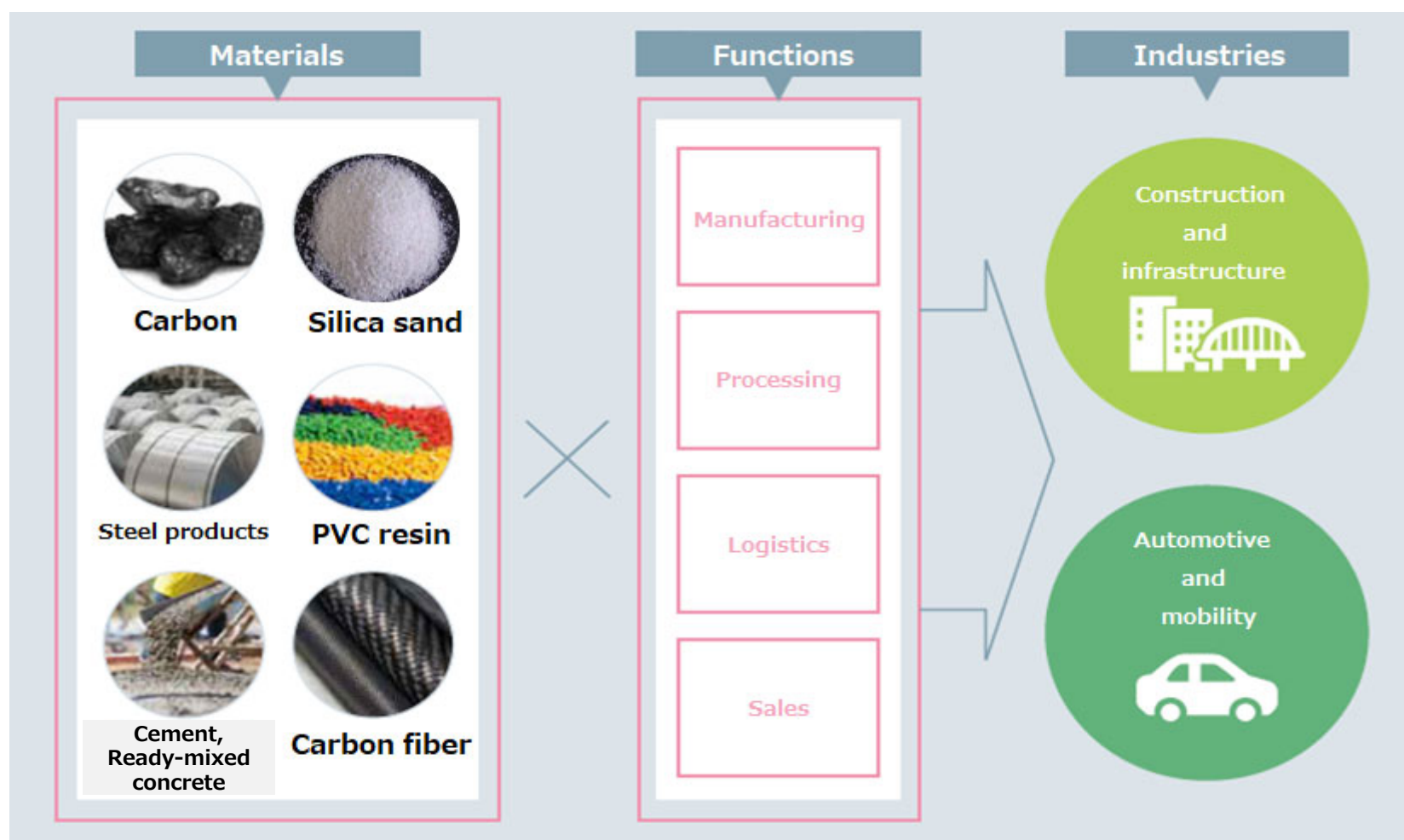
1. Group overview: Positioning in MC's overall business portfolio

The Industrial Materials Group is classified as a “mobility and infrastructure” in a midstream sector.

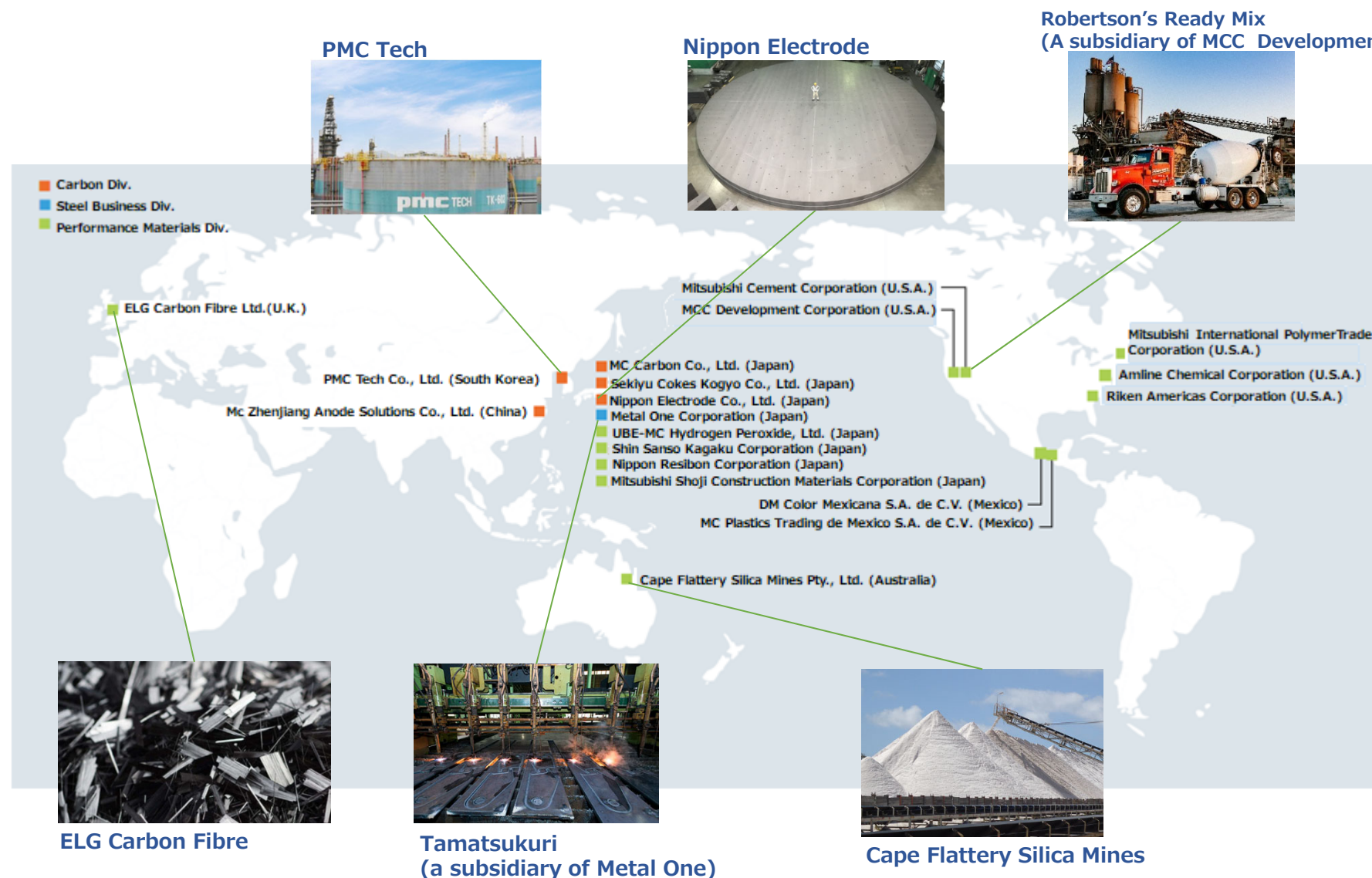


1. Group overview: Products and functions

We engage in product sales, business developments and investments in the automotive & mobility, construction & infrastructure sectors, in which we handle various materials such as carbon, steel products, and many other performance materials.



1. Group overview: Key business investees ①



1. Group overview: Key business investees ②

Carbon Div.

■ Sekiyu Cokes Kogyo Co., Ltd. :

Storage and logistics of petroleum-based needle coke manufactured by JXTG Nippon Oil & Energy

■ MC Zhenjiang Anode Solutions Co., Ltd. (MZAS) :

Manufacture and sales of anodes for aluminum smelting
(a joint venture established by MC and a major Chinese calcined coke maker)

■ PMC Tech Co., Ltd. :

Manufacture and sales of coal-based needle coke (a joint venture established by MC, Mitsubishi Chemical and POSCO Chemical, a Group subsidiary of POSCO which is the largest steel company in South Korea)

■ Nippon Electrode Co., Ltd. :

Manufacture and sales of carbon products, such as carbon-based refractories for blast furnaces and electric furnaces (a joint venture established by MC and Nippon Light Metal Company, Ltd.)

Steel Business Div.

■ Metal One Corporation :

Processing, distribution and sales of steel products (a joint venture established by MC and Sojitz Corp.)

Performance Materials Div.

■ ELG Carbon Fibre Ltd. :

A joint venture between German metal recycling company ELG Haniel GmbH and MC, has commercialized the world's first carbon fibre recycling business

■ Riken Americas Corporation :

A joint venture between Riken Technos Corporation and MC manufactures PVC and elastomer compounds.

■ Cape Flattery Silica Mines Pty., Ltd. :

A subsidiary of MC that owns one of the world's largest silica sand mines located in Australia.
The company has provided silica sand that is the raw material of sheet glass and LCD glass, etc.

■ Mitsubishi Cement Corporation / MCC Development Corporation

Joint venture companies between Mitsubishi Materials Corporation and MC in the U.S.(California etc.) who manufacture and sell cement and ready mixed concrete

■ UBE-MC Hydrogen Peroxide, Ltd.

A joint venture between Ube Industries, Ltd. and MC manufactures who sells hydrogen peroxide.
Hydrogen peroxide is used in a wide range of applications including bleach and water treatment, etc.



PMC Tech



Metal One



Cape Flattery Silica Mines

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2. Group policies: Business environment and qualitative review

External and internal factors

External factors

- **Automotive and mobility :**
Diversifying needs for materials and changes in industrial structure
- **Construction and infrastructure :**
Ongoing macroeconomic growth and labor shortages in developed countries

Internal factors

- **Brokerage-based trading with low growth potential**
- **Lagged behind former business groups with high return businesses, and are still struggling to break through from our conventional position**

Reflection

- ✓ **Shift to Business Management Model, in which we can exercise our leadership.**
- ✓ **Breakthrough from our existing business models for our innovative changes and growth.**

2. Group policies: Management policies

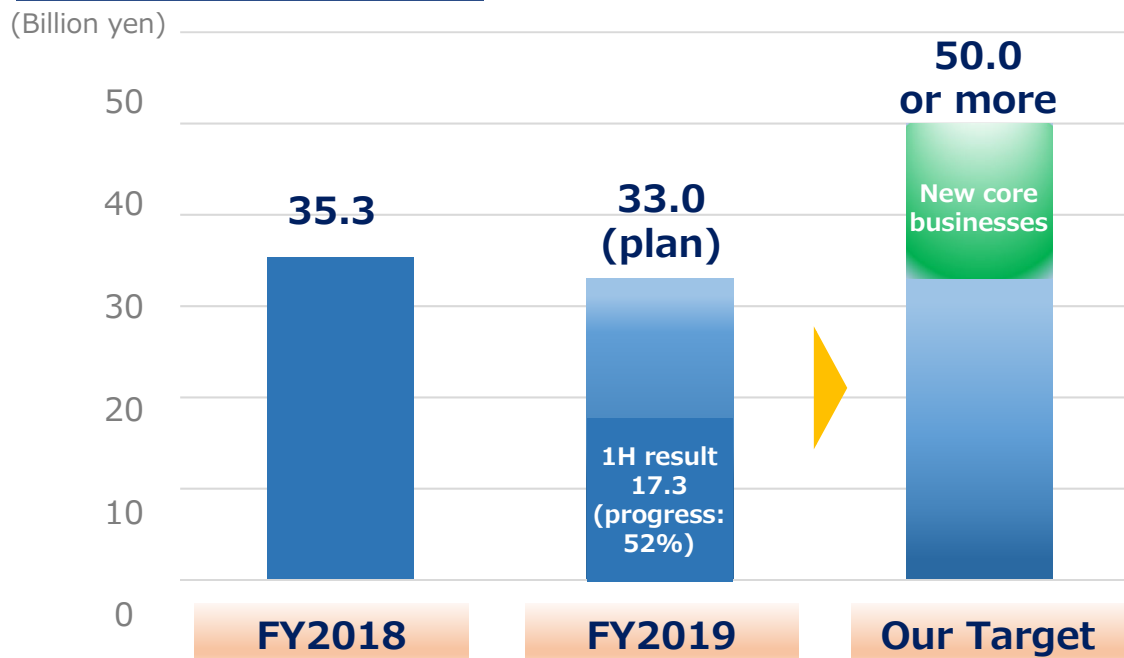
Vision

We commit to create sustainable society through innovative transformation in the material industries.

Mission

Against a backdrop of an increasingly competitive environment, diversifying materials needs are likely to present new business opportunities. Our mission is to redefine the role MC can play in providing solutions to the industries in which it operates and focus resources in areas where the Company can leverage its strengths and capabilities.

Our Target (Consolidated Profit)



End of FY2018:
Consolidated Profits : ¥35.3 bil.

- Improve the quality of profits
 - Create a new core business
- ⇒ Consolidated Profits
¥50.0 bil. or more
(See subsequent pages)

2. Group policies: Basic policy for the Midterm Corporate Strategy period

Basic policy

Proceed the concentration in core competence by taking into account of our leadership and growth potential in our business, and create new businesses through the optimization of management resources.

Concentration in core competence

Selection

Asses peak-out businesses,
low growth trading and assets
with less strategy

Improve the quality of profits in our
business through the optimization of
management resources

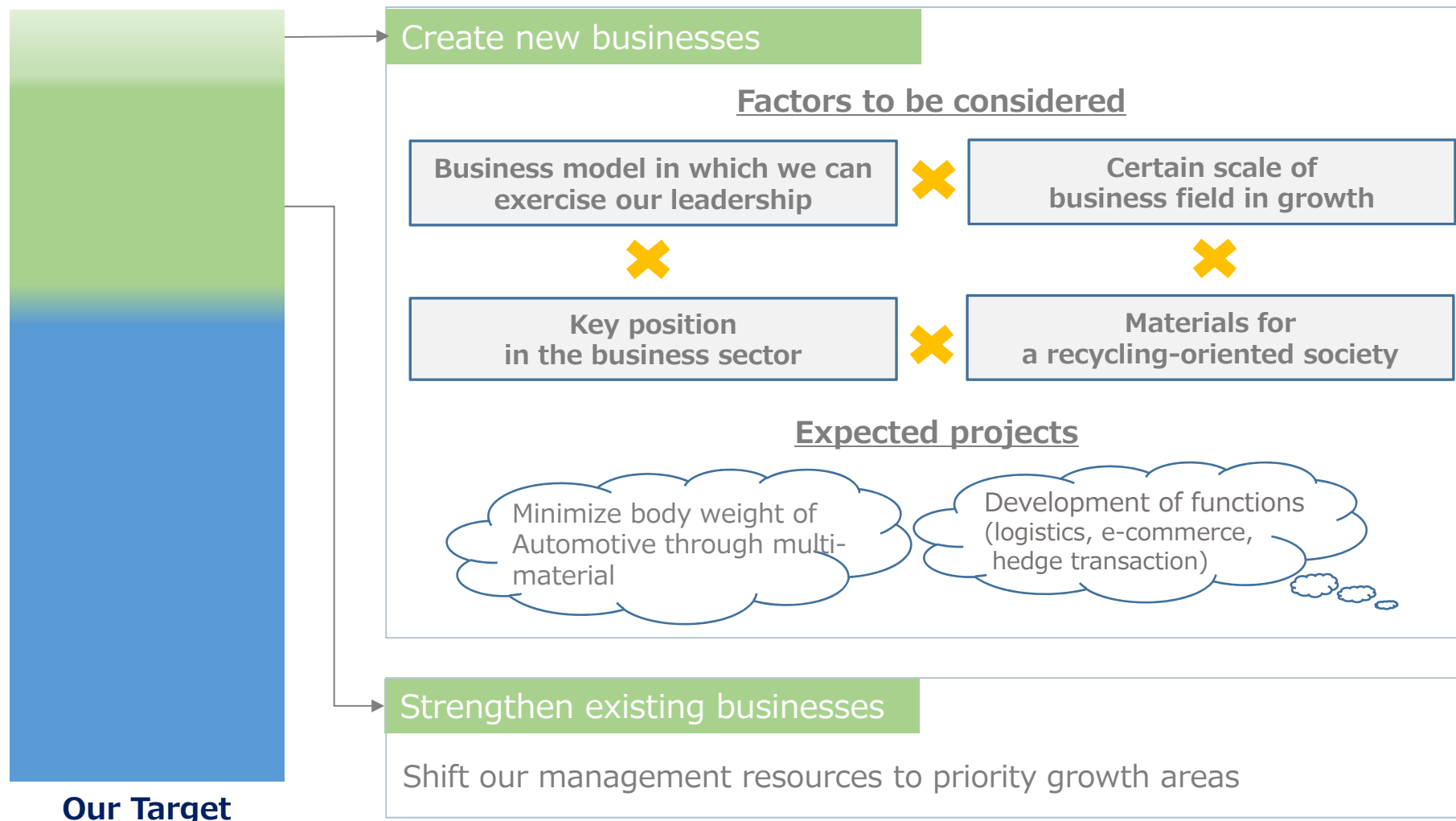
Strengthen our involvement in the
business, in which we have universal
functions and can secure a key position

Tap into new fields in which we can expect
a growth and to exercise our leadership

Concentration

2. Group policies: Priority growth areas

¥50 billion
or more



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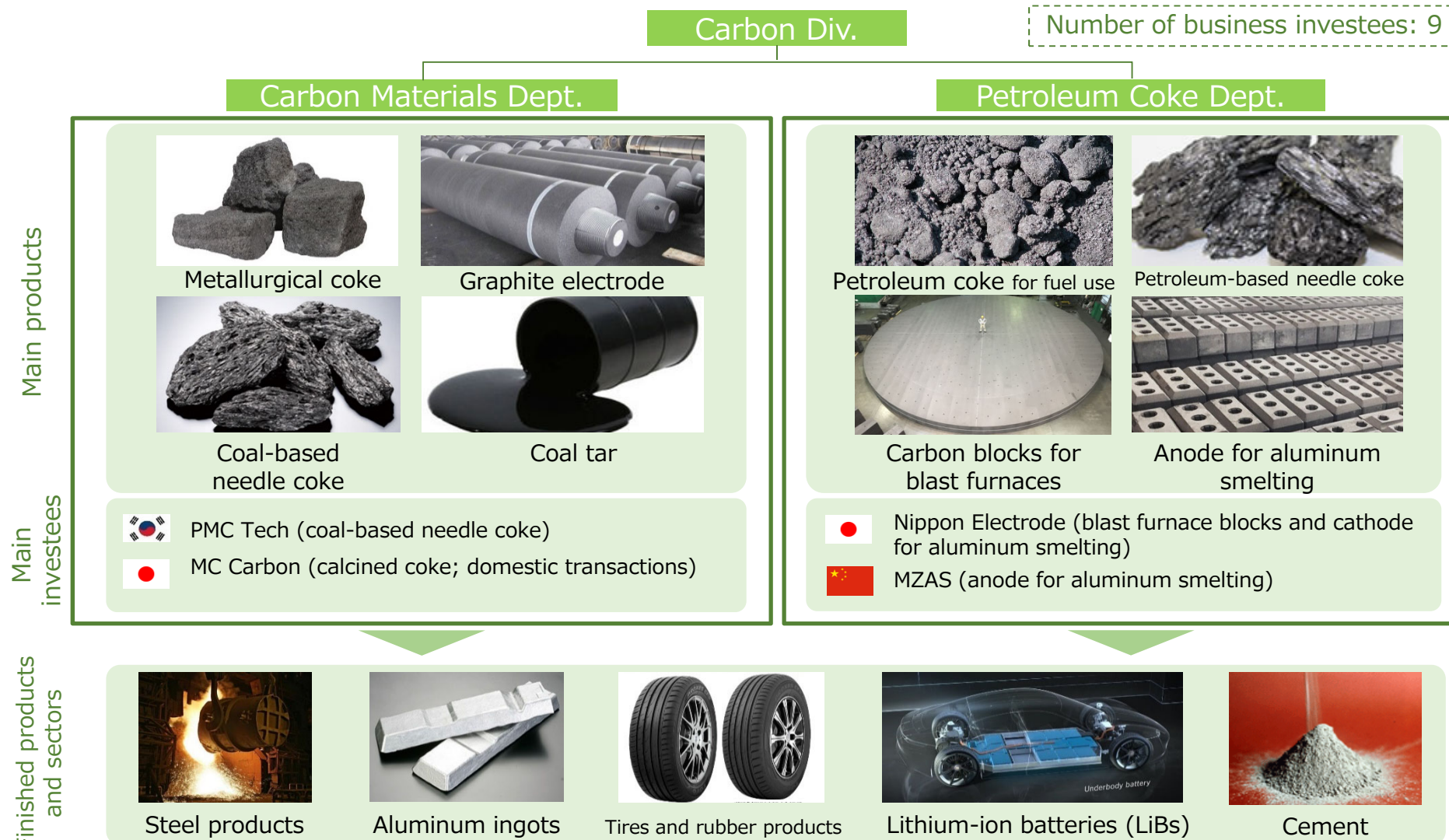
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3. Business overview: Carbon Div. (Outline)

Strong ties in the carbon industry and handles competitive businesses by our global presence in a broad range of sectors, including steel and aluminum.

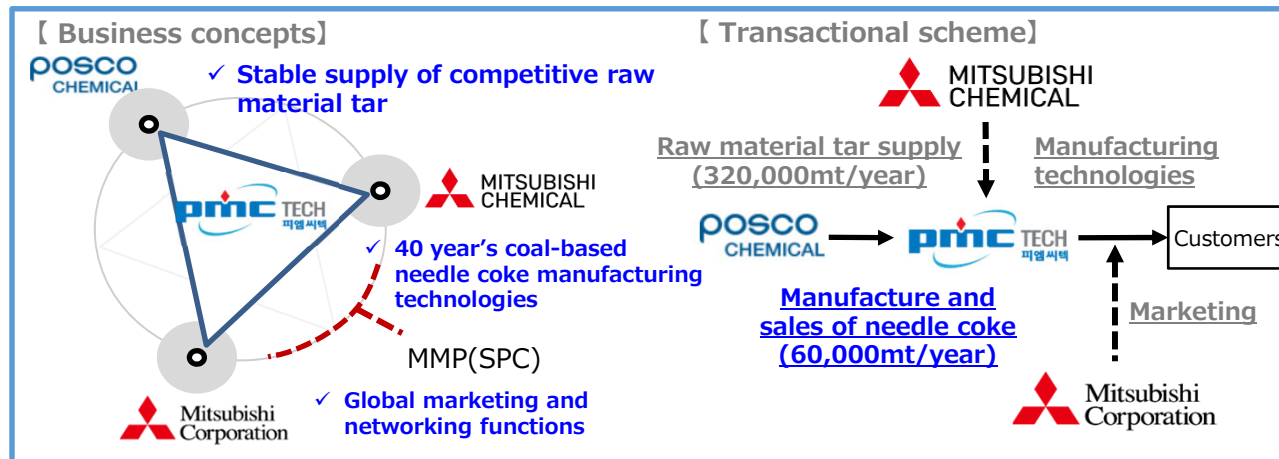


3. Business overview: Carbon Div. (main investee: PMC Tech)

1. Outline

Name	PMC Tech Co., Ltd.
Location	Gwangyang-si, Jeollanam-do, South Korea
Establishment	2012
Shareholders	POSCO Chemical MC Mitsubishi Chemical
Employees	127
Main businesses	Manufacture and sales of needle coke

2. Transactional outline



3. Our functions and strengths (differentiators)

BF: Blast Furnace EAF: Electric Arc Furnace

✓ A consolidation of functions and strengths of three shareholders

POSCO: Competitive and stable supply of raw material tar

(3rd largest crude steel production, excluding Chinese)

Mitsubishi Chemical: 40 year's manufacturing technologies

(One of only two coal-based needle coke manufacturers in the world, excluding Chinese)

MC: Global marketing and networking functions

(Global network through 127 bases and 50-year's marketing expertise)

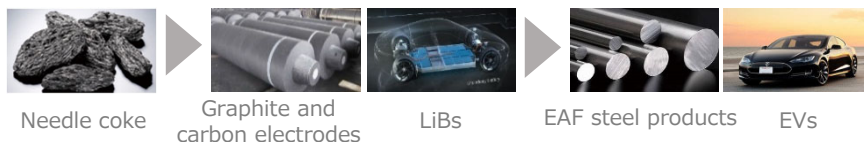
✓ A potential growth by contributing to a recycling-oriented society

Graphite electrode:

essential for the scrap-steel recycling for EAF

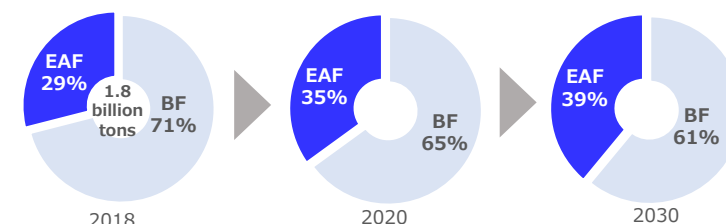
LiB anode:

essential for EVs which become popular by growing environmental awareness



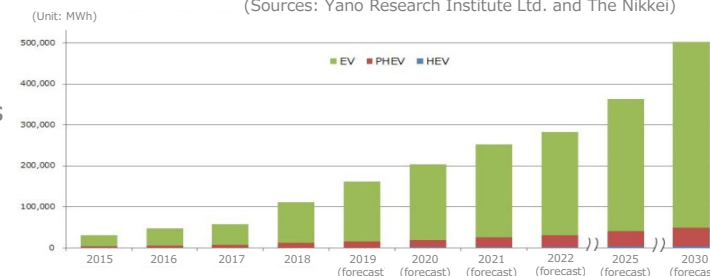
[Mid-and-long term outlook for BF vs EAF ratios]

(Source: "New Policies Scenario" featured in World Energy Outlook 2016 and World Steel Association)



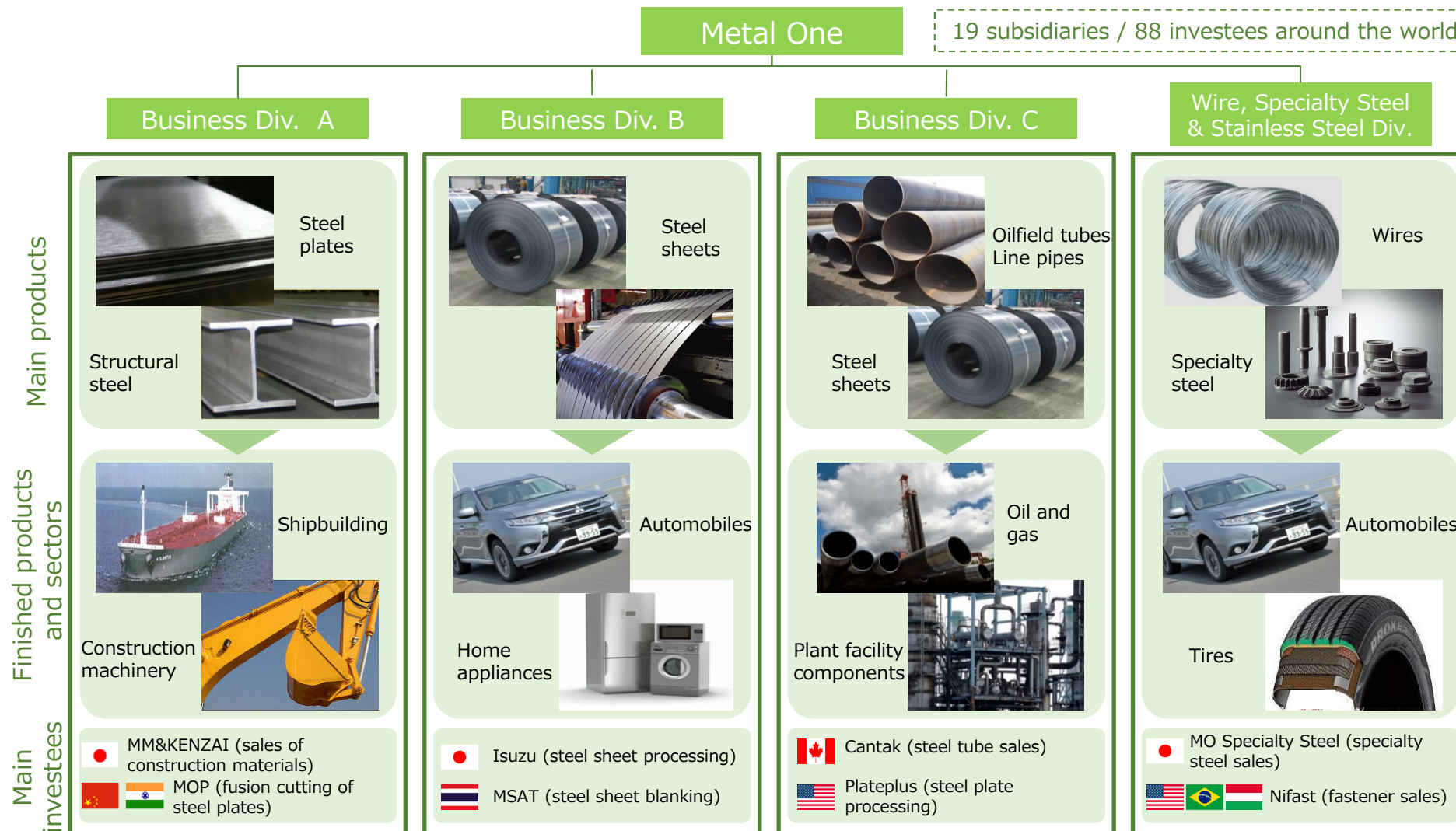
[Outlook of the vehicle-mounted LiB market size]

(Sources: Yano Research Institute Ltd. and The Nikkei)



3. Business overview: Steel Business Div. (outline)

Engage in the distribution and processing of a broad range of steel products through Metal One (an integrated steel trading company that is 60% owned by MC).



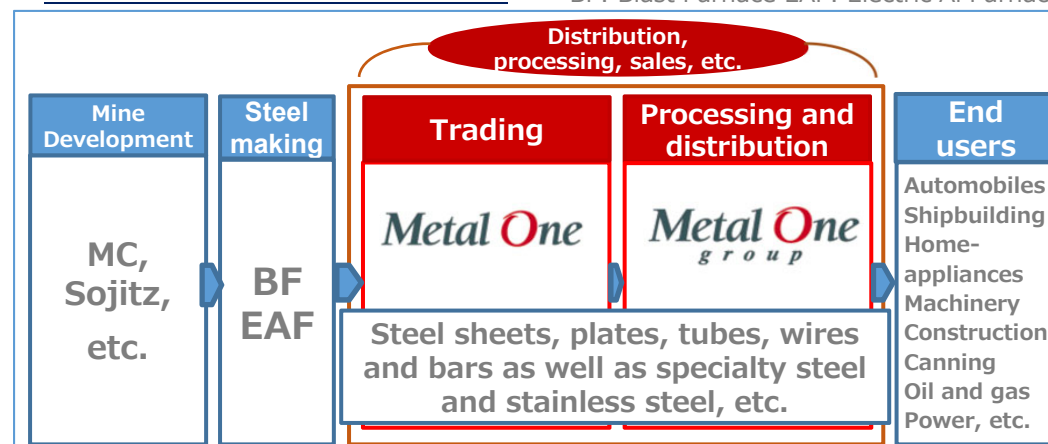
3. Business overview: Steel Business Div. (main investee: Metal One)

1. Outline

Name	Metal One Corporation
Location	Marunouchi, Chiyoda-ku, Tokyo
Capital	¥100 billion
Establishment	2003
Shareholders	MC (60%) and Sojitz (40%)
Employees	Approx. 1,100 (non-consolidated) Approx. 10,000 (consolidated)
Main businesses	Distribution and processing of steel products

2. Transactional outline

BF: Blast Furnace EAF: Electric Arc Furnace



3. Our functions and strengths (differentiators)

■ Broad network in a wide range of industries

100,000 customers all over the world, mainly in the automotive, construction, industrial machinery, electrical equipment industries etc.

■ Competitive distribution and processing functions in the steel value chain

Provide integrated services in a broad range of process from procurement, distribution, inventory to various processing as well as welding and painting

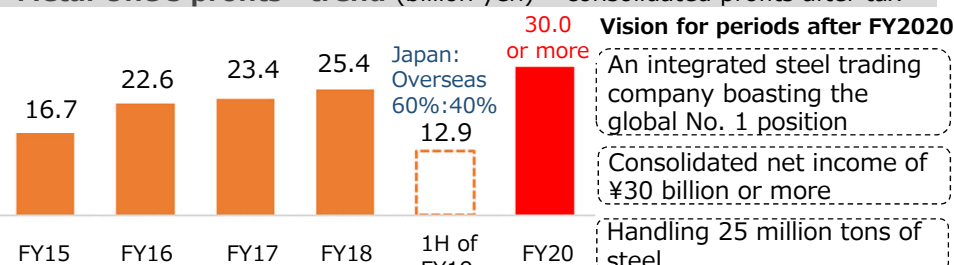
■ A strong global network

More than 140 offices in Japan and overseas

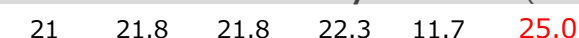
■ Collaboration between shareholding companies

Collective capabilities backed by the combination of extensive intelligence supported by both MC and Sojitz

Metal One's profits* trend (billion yen) *consolidated profits after tax

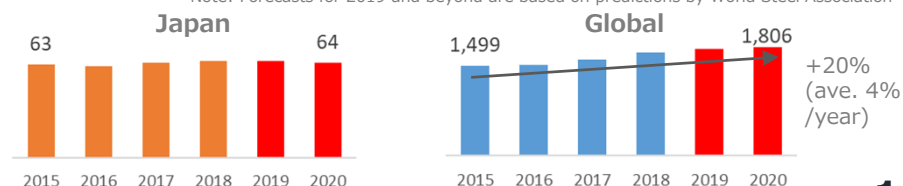


Volume steel handled by Metal One (million tons)



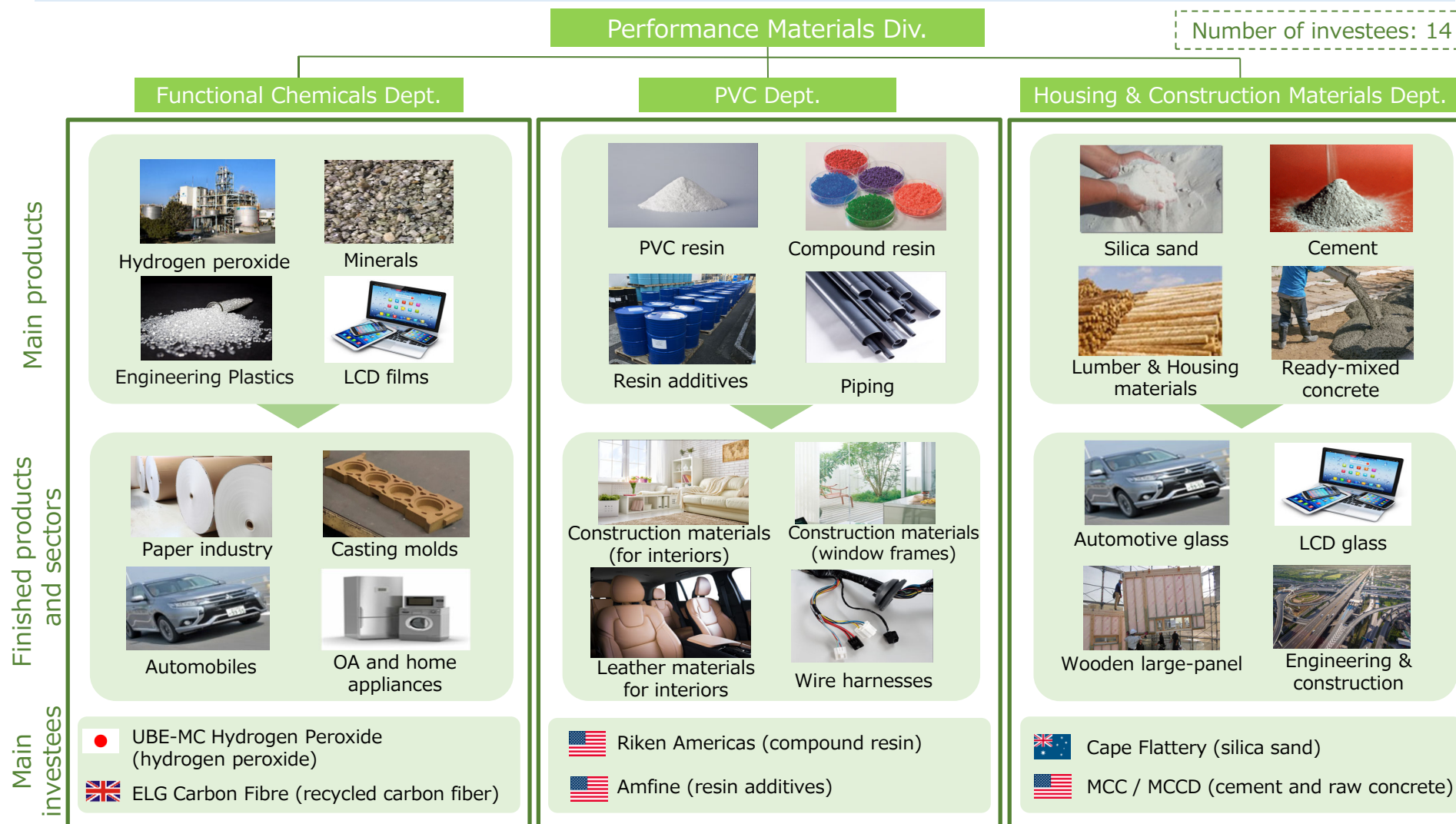
Trend and forecasts for steel demand (million tons)

Note: Forecasts for 2019 and beyond are based on predictions by World Steel Association



3. Business overview: Performance Materials Div. (outline)

Operate and develop performance materials businesses utilizing our broad connections and extensive line up of products related to industries such as automotive, construction and infrastructure.

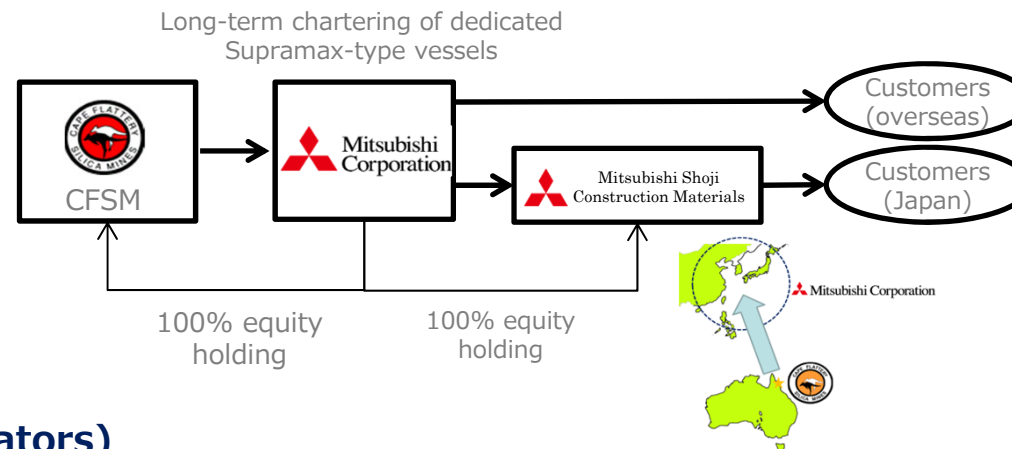


3. Business overview: Performance Materials Div. (main investee: Cape Flattery)

1. Outline

Name	Cape Flattery Silica Mines Pty Ltd.
Location	Cairns, Queensland, Australia
Capital	AUD 4.4 Million
Establishment	1967
Shareholder	MC (100%)
Employees	Approx. 90 (approx. 40% are indigenous people)
Main businesses	Mining, refining and sales of silica sand

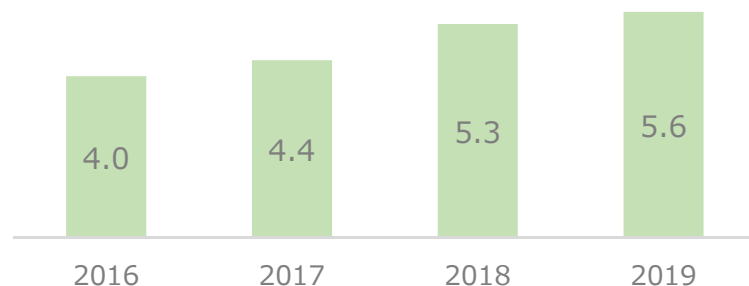
2. Transactional outline



3. Our functions and strengths (differentiators)

Cape Flattery has one of the world's largest reserves of silica sand and provides its Asian customers with stable supply with high quality. Delivers over 2.5 million tons annually, and its share in seaborne Asian market (mainly Japan/China/Taiwan/South Korea) is more than 40%. A survey shows that Asian demand for silica sand will increase approx. by 4% p.a., suggesting a stable increase in demand going forward. Cape Flattery also proactively engages in CSR and sustainability initiatives, including coexistence with local communities and addressing environmental concerns.

Demand for imported silica sand in Asia (million tons)



Prepared by MC based on import statistical custom clearance data issued by authorities in Japan, China, Taiwan and South Korea
Note: The figure for 2019 is a hypothetical 12-month projection based on actual data for the first nine months.

Stable supply and quality

- Abundant reserves
- High-grade products with stable quality



Coexistence with local communities with environmental awareness

- Proactively recruiting indigenous people, etc.
- Reinstating topsoil and planting trees after mining



(Forward-Looking Statements)

This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the Company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices. Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.