



INDUSTRIAL MATERIALS GROUP

OUR VISION

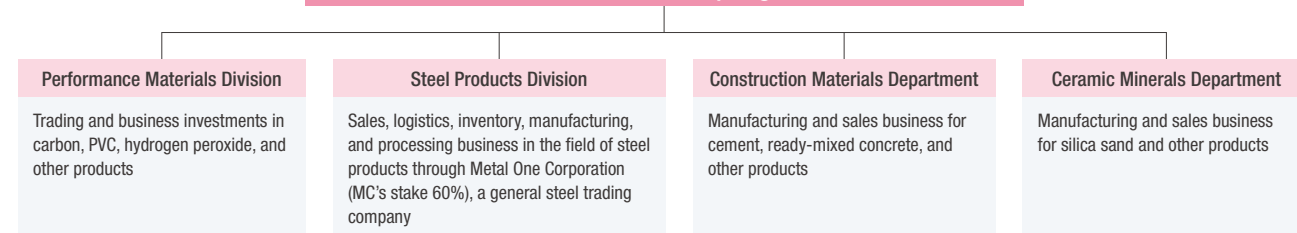
Our Group aims to create a sustainable society through innovative transformation in the material industries.

Kotaro Tsukamoto

Executive Vice President
Group CEO, Industrial Materials Group



Industrial Materials Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> Decline of existing business models due to innovation in digital technologies, etc. Deterioration of supply and demand for handled materials due to tighter regulations for industries against a background of low-carbon/decarbonized societies 	<ul style="list-style-type: none"> Increase in demand for silica sand, etc. in conjunction with the expansion of renewable energy Increase in demand for carbon materials, etc. in conjunction with the spread of electric furnaces for steelmaking and electric vehicles (EV) Increase in new business opportunities originating in materials due to higher environmental value Innovation in the materials industry through the use of digital technologies

Strengths of the Industrial Materials Group

- Long-existing relationships with highly competitive materials manufacturers
- Global knowledge and network in the materials industry, accumulated through entry into the manufacturing and logistics businesses
- High market share in the Japanese steel processing and distribution industry through Metal One Corporation, with a sales network of over 140 offices and subsidiaries in Japan and overseas

Elements of the Midterm Corporate Strategy 2021

Against a backdrop of an increasingly competitive environment, diversifying material 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 it can leverage its strengths and capabilities.

Progress for the fiscal year ended March 31, 2021

- Steadily promoting a bold shift in management resources to business fields that can demonstrate independence and are expected to grow
- Considering and promoting higher efficiency and functionality by using digital technology for the globally expanding materials production and distribution platforms
- Expanding MC's stock of functions to solve common issues facing the materials industry, such as lighter loads, recycling and reducing environmental impact

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

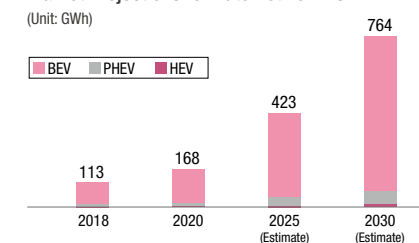
(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 Metal One Corporation*	60.00	13.5	14.0	15.3	11.8	3.9
2 Mitsubishi International PolymerTrade Corporation (US)	100.00	0.5	0.7	0.7	0.6	0.4
3 CAPE FLATTERY SILICA MINES PTY. LTD. (Australia)	100.00	0.9	0.4	0.7	0.4	0.5

*Equity in earnings of Metal One Corporation has been calculated in accordance with J-GAAP through the fiscal year ended March 31, 2017 and IFRS since the fiscal year ended March 31, 2018.

PERFORMANCE MATERIALS DIVISION

Market Projections for Automotive LiBs



Source: Yano Research Institute Ltd., "Global Automotive Lithium-ion Battery Market: Key Research Findings 2021" (released March 16, 2021)

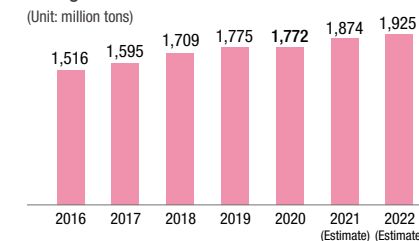
PMC Tech Co., Ltd.

PMC Tech is a joint venture of Posco Chemical Co., Ltd., Mitsubishi Chemical Corporation, and MC for the manufacturing and sale of coal-based needle coke, a raw material used in graphite electrodes and lithium-ion battery (LiB) anodes. The aim of this business is to capture the growth of revenue and the increased market for graphite electrodes and LiB together with the medium- to long-term trend toward the adoption of electric furnaces for steelmaking and EVs.



STEEL PRODUCTS DIVISION

Changes in the Demand for Steel



Source: World Steel Association

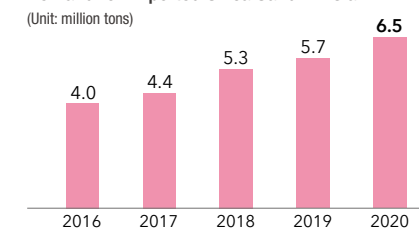
Metal One Corporation

Metal One (a joint venture of MC and Sojitz Corporation) processes, distributes, and sells steel products and has over 140 bases worldwide. In response to the projected growing demand for steel based on population growth and economic growth in emerging markets, Metal One seeks to expand revenue by reinforcing overseas businesses.



CERAMIC MINERALS DEPARTMENT

Demand for Imported Silica Sand in Asia



Source: Trade statistics of countries in Asia

Cape Flattery Silica Mines Pty., Ltd.

Cape Flattery operates the world's largest reserves of silica sand and manufactures as well as sells high-quality silica sand as a raw material for glass. Its annual shipment volume has the top share of seaborne trade within Asia. Looking toward the future, the company seeks to boost profits in these markets with high growth potential through sales of glass for solar power generation.

