Business Groups \times Business Models \times Strategies



Mineral Resources Group



Satoshi Koyama

Satoshi Koyama
Executive Vice President
Group CEO.

- Investment in mineral resources-related assets such as metallurgical coal, iron ore, copper, aluminum, and nickel, as well as project development
- Trading of coal, iron ore, nickel, chrome, lithium, molybdenum, copper/lead/zinc concentrates and metal, tin metal; primary aluminum and secondary alloys, aluminum products, bauxite, precious metals, rare earths, etc.

Group Strengths

- · Ownership of prime assets with world-class competitive cost advantages and quality
- . Solid partnerships with major mining companies and other primary suppliers that leverage our presence in the industry built over many years
- Industry intelligence and presence as an industry player gained through a global customer base cultivated by our trading business, and using this as leverage to identify
 new quality investment opportunities
- Ability to adapt business models to changes in the external environment to foster growth



Relevance of Material Issues to the Business		
Focused Material Issues		Details/Action Plans
	Contributing to Decarbonized Societies	Contributing to the decarbonization of steelmaking through the stable supply of high-quality raw materials and expansion of supply capacity for low-carbon iron sources • Stable supply of high-quality metallurgical coal and iron ore
	Conserving and Effectively Utilizing Natural Capital	Participating in the direct reduced iron (DRI) business Contributing to electrification through the expansion of copper and aluminum supply capacity and the development of raw materials for batteries Maintaining and expanding copper production equity
PĂ;	Promoting Stable, Sustainable Societies and Lifestyles	Promoting bauxite project development Participating in lithium and nickel resource businesses Contributing to the realization of a circular economy by expanding the supply capacity of secondary resources
•	Utilizing Innovation to Address Societal Needs	 Exploring opportunities to participate in the precious metals recycling business Exploring opportunities to participate in the lithium-ion battery recycling business Exploring opportunities to participate in the secondary aluminum business

Awareness of the External Environment Risks Opportunities • Decline in demand for metallurgical coal due to an increase in the proportion of steel produced using steelmaking methods that generate lower CO₂ emissions • Increased demand for copper and raw materials for batteries due to EV development and the popularization of renewable energy power generation facilities



Strategies Under Midterm Corporate Strategy 2024

- To contribute to the decarbonization of the steel industry, we will pursue 1) the potential of direct reduced iron (DRI), which contributes to the expansion of electric furnaces, and 2) precious metals, essential for a hydrogen-based society, while at the same time achieving a stable supply of high-quality metallurgical coal and iron ore
- As a material that supports electrification, we will aim for growth in the copper business by acquiring new prime assets, utilizing new copper recovery technologies, etc., and by focusing on maintaining and expanding production of existing copper assets
- Strengthen our efforts in next-generation resources such as lithium and nickel, raw materials for batteries, and bauxite, a raw material for aluminum
- With an eye toward circular economies, we will work to utilize secondary resources in precious metals, lithium-ion batteries, and aluminum



Progress Under Midterm Corporate Strategy 2024

Start of Production at Quellaveco Copper Mine

Quellaveco Copper Mine is a large-scale, highly cost-competitive copper mine in southern Peru, with reserves of approximately 8.7 million tons and an expected mine life of approximately 36 years. MC is developing the mine with partner Anglo American plc, and started copper concentrate production in 2022. Our Group's equity production volume is currently about 250,000 tons per year, the largest for Japan, but will increase further after the full-scale launch of the mine, with the aim for around 400,000 tons in the future. We will continue our efforts to secure and provide a stable supply of copper, an essential component for the realization of a carbon-neutral society, especially for the advancement of electrification centered on renewable energy and the spread of EVs.



Quellaveco Copper Mine Project (Peru)

Major Growth Drivers

Group EX Strategy

Strengthen efforts in mineral resources, an essential component of decarbonization, and begin the execution of specific projects.

- Stable supply of high-quality metallurgical coal and iron ore
- Pursue the potential of 1) direct reduced iron (DRI), which contributes to the expansion of electric furnaces, and 2) the precious metals that are indispensable for a hydrogenbased society
- Expand our capability to supply next-generation resources essential for electrification
 Start work on secondary resources

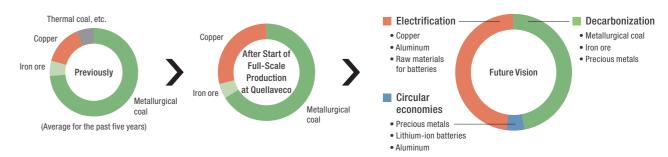
Electrifica

Metallurgical coal, iron ore, raw materials for precious metals batteries

Circular economies (secondary resources)

Precious metals, lithium-ion batteries, aluminum

Profit Structure (excluding trading)



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