

Mineral Resources Group



Satoshi Koyama
Satoshi Koyama
 Executive Vice President
 Group CEO,
 Mineral Resources Group

Summary

- 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
<p>Contributing to Decarbonized Societies</p>	<p>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</p> <ul style="list-style-type: none"> • Stable supply of high-quality metallurgical coal and iron ore • Participating in the direct reduced iron (DRI) business
<p>Conserving and Effectively Utilizing Natural Capital</p>	<p>Contributing to electrification through the expansion of copper and aluminum supply capacity and the development of raw materials for batteries</p> <ul style="list-style-type: none"> • Maintaining and expanding copper production equity • Promoting bauxite project development • Participating in lithium and nickel resource businesses
<p>Promoting Stable, Sustainable Societies and Lifestyles</p>	<p>Contributing to the realization of a circular economy by expanding the supply capacity of secondary resources</p> <ul style="list-style-type: none"> • 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
<p>Utilizing Innovation to Address Societal Needs</p>	

Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> • Decline in demand for metallurgical coal due to an increase in the proportion of steel produced using steelmaking methods that generate lower CO₂ emissions 	<ul style="list-style-type: none"> • 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 hydrogen-based society
- Expand our capability to supply next-generation resources essential for electrification
- Start work on secondary resources

Decarbonization	Electrification	Circular economies (secondary resources)
Metallurgical coal, iron ore, precious metals	Copper, aluminum, raw materials for batteries	Precious metals, lithium-ion batteries, aluminum

Profit Structure (excluding trading)

