

## Overview of Corporate Activities under the Corporate Philosophy System

The Mitsubishi Materials Group Philosophy is  
“For People, Society and the Earth.”

We pursue business operations by applying our corporate resources  
and contributing to the sustainable development of society to realize the  
Corporate Philosophy.

**Vision:** The image of what we want to be

**Governance:** Long-term activities implemented to increase our corporate value through efficient operation that improves our competitive power and profitability and prevents inappropriate and dishonest practices

**Business activities:** Our main operations for sustainable corporate growth

**Foundations for growth:** Initiatives and corporate resources responding to continually changing times and supporting our business activities

**Our Values:** Values we should cherish as daily guidelines toward realizing our Corporate Philosophy and Vision

**Code of Conduct:** Rules we abide by

**SCQDE:** The order of priority in our business decisions, and a guideline that supplements our Code of Contact

Related article ► P.46 Compliance



## Mitsubishi Materials DNA of Transformation

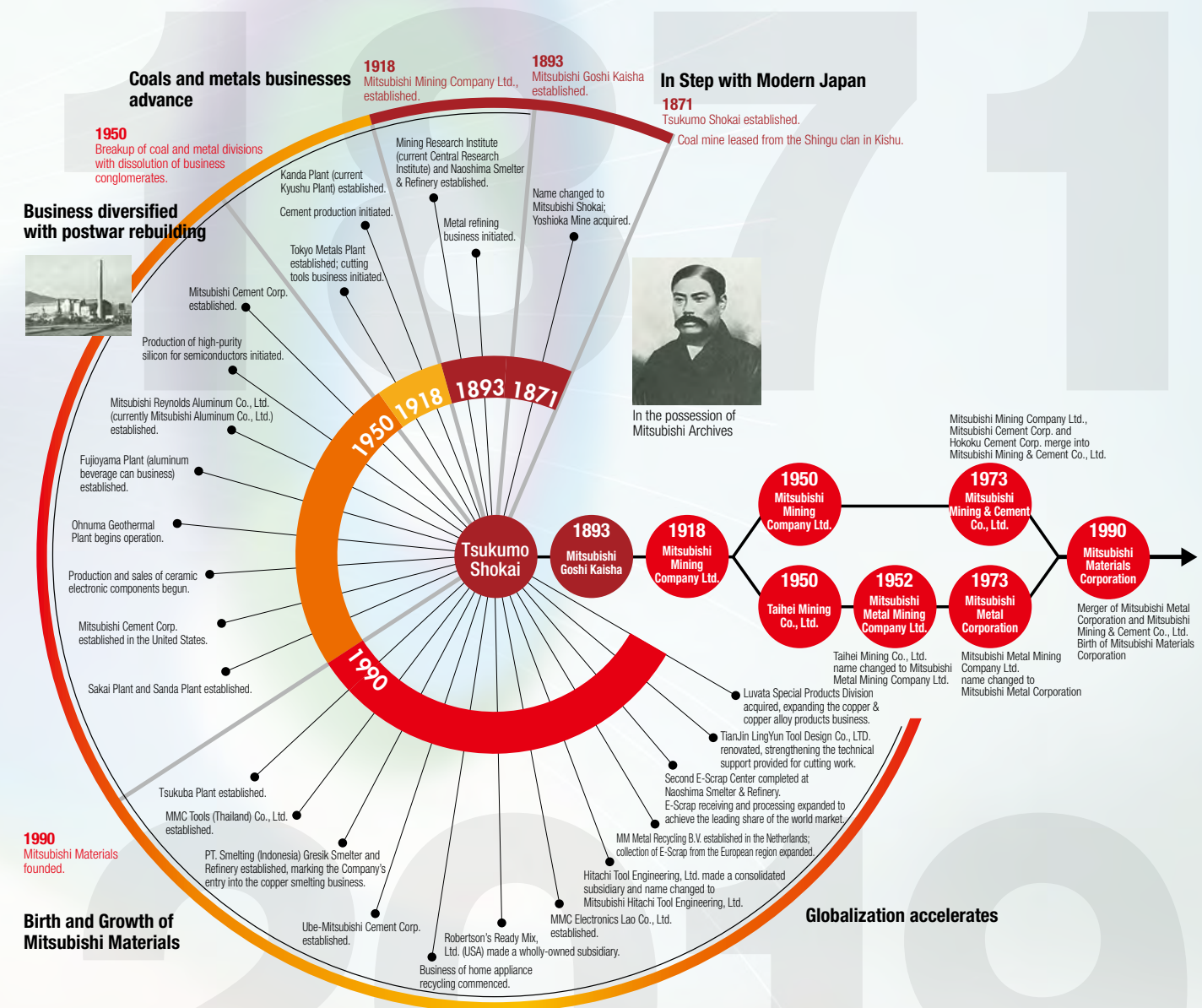
From the past & into the future.

Mitsubishi Materials will achieve “Transformation for Growth”  
by meeting social needs that change with the times.

The Mitsubishi Group was born when Tsukumo Shokai, the forerunner of Mitsubishi Materials Corporation, entered the coal and metal mining business.

For nearly 150 years, the Company has supported Japan’s rapid development as it has grown by diversifying its operations and reforming its business structures to meet social needs that changed with the times.

We will continue our tradition of creating new raw materials, products and solutions, and contribute to the sustainable development of society.





## Business Growth Model

We are committed to creating a sustainable world through materials innovation making use of our unique and distinctive technologies, “for People, Society and the Earth.”

Mitsubishi Materials Corporation is a diversified materials manufacturer operating according to its Corporate Philosophy, “For People, Society and the Earth.” We have been providing superior products in response to increasingly diversified global needs. Through our fair business operations we continue to meet the expectations of our stakeholders and contribute to the sustainable development of society.



### Perception of external environment <10 years from now>

#### Japan

- Super-aged society
- Infrastructure development for disaster prevention and reduction
- Hollowing out of domestic market due to progress of globalization

#### Overseas

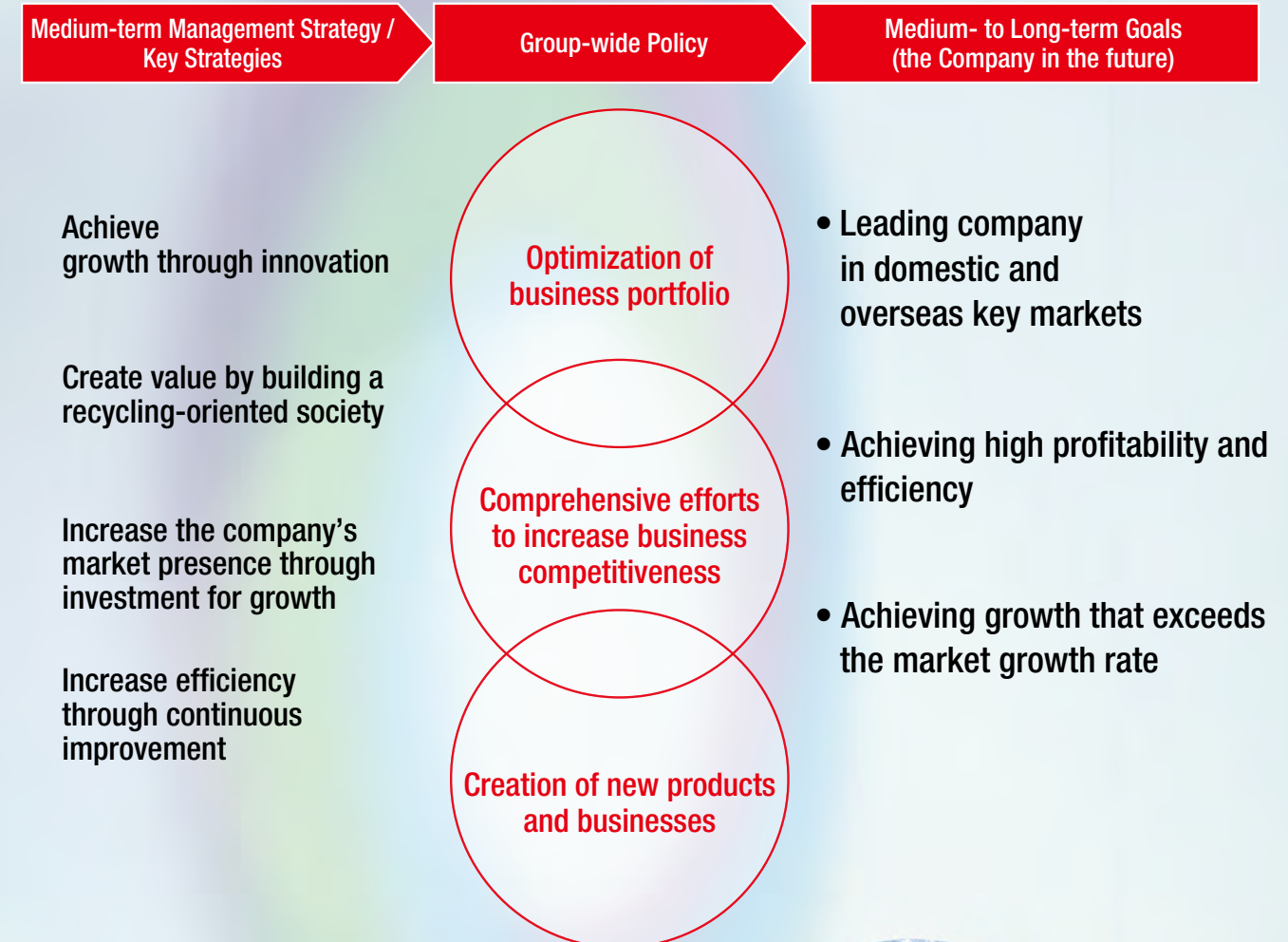
- Changes in international order
- Increase in protectionism
- Growth of demand in emerging countries
- Increase in the need for infrastructure development due to growing population

#### Global

- Increasing environmental consciousness (increase in EVs, recycling needs, etc.)
- Super-advanced information society based on AI and IoT (accelerated speed of change)

## Sustainable Development of Corporate Values

### Transformation for Growth





Business Operations & Sustainable Development Goals (SDGs)

The Mitsubishi Materials Group conducts business on a global scale in a manner that contributes to the Sustainable Development Goals (SDGs) set by the United Nations in a number of areas.

Universal Long-term Goals for the International Community

In September 2015, all 193 members of the United Nations signed onto the 2030 Agenda for Sustainable Development, a plan aimed at combating poverty, inequality and injustice, preserving the global environment and creating a better future in various other ways. As the centerpiece of the Agenda, the SDGs present a vision of the world as it should be by the year 2030. Formulated to replace the Millennium Development Goals (MDGs), toward which the international community had been working for 15 years since 2001, the SDGs are positioned as universal goals to which every country should aspire.



The Group's Business Operations and the SDGs

The Mitsubishi Materials Group is a diversified materials manufacturer—operating according to its Corporate Philosophy, “For People, Society and the Earth.” The Group’s operations are defined further in its Vision: “We will become the leading business group committed to creating a sustainable world through materials innovation, with use of our unique and distinctive technologies, for People, Society and the Earth.”

The United Nations’ adoption of the SDGs has reaffirmed that we have followed an appropriate course in our Group business operations, and have provided us with a perspective from which to assess future long-term risks and opportunities, and to identify the issues we should address and the paths we should follow going forward.

Among the 17 goals comprising the SDGs, numbers 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production), 7 (Affordable and Clean Energy) and 5 (Gender Equality) are of particular relevance to the areas on which we are focusing attention as a Group.

Internal Dialogue Concerning the SDGs

We employ the SDGs as guidelines to help clarify the medium- to long-term needs of the international community (and the global marketplace).

In fiscal 2017, After exploring the SDGs’ relevance to our business and the most appropriate ways for the relevant departments to respond to them in the future, the CSR Dept. communicated its findings to the various business divisions and top management. It also held stakeholders’ meetings that included experts from outside the Group.

Upon analyzing the results of these investigations, the CSR Dept. shared its findings with members of the CSR Committee and related departments. We plan to incorporate this process, which has strengthened awareness of the importance of a long-term perspective to both management and operations, more effectively into our future business activities to facilitate our responsiveness to social issues.

Exploring ways of incorporating the SDGs into Group operations (CSR and related departments)

Communicating with the various business divisions and top management

Convening of stakeholders’ meetings

Analyzing the findings and sharing the results with members of the CSR Committee

We are incorporating the SDG perspective into our strategies for the dual purposes of strengthening our current operations’ competitiveness and creating new products and businesses. We are also working in partnership with various other companies to create value over the medium- to long-term.

Priority Initiatives



Worldwide Supply of Essential Materials for Industry, Innovation and Infrastructure

As a diversified materials manufacturer, our Group supplies the world with indispensable basic materials. Our wide-ranging products, systems and services support infrastructure development and industry worldwide, while at the same time providing a constant flow of innovative solutions to society’s energy and resource conservation and cleaner processing needs.

In addition to conducting wide-ranging product and technological development in our various businesses, the Central Research Institute pursues basic research and development from a medium- to long-term perspective. The Institute deploys an abundance of accumulated technologies to this end, from materials analysis technologies and basic technologies employing computer analysis in support of materials, process and product development to core technologies in such fields as reaction processes, metals, processing, interfaces and thin films. These operations place a special priority on developing environmental products and technologies over the medium term.



Efforts to Increase the Availability of Renewable Energy and Improve Energy Efficiency

Mitsubishi Materials has a long history of supplying renewable energy. We leveraged the technologies accumulated through our mining business to enter the geothermal development business and commenced operation of our Ohnuma Geothermal Plant (Kazuno, Akita Prefecture) in this field in 1974.

We are currently also promoting efforts to harness ground-source heat, which is regarded as a promising new source of renewable energy. We have developed a commercial system that uses heat pump technology to produce heat, and we have already supplied over 100 of these systems to customers in Japan. We are developing technologies with a focus on improving work efficiency as well.

We have set targets for steady improvement by 2020 of energy efficiency at major production plants in each of our businesses.



Contributing to a Recycling-oriented Society from a Global Perspective

In its ongoing concern for assuring the most effective possible use and reuse of the limited resources required for product manufacturing, the Group engages in development of recycling operations in all its fields of business. Besides making careful use of resources and materials supplied by nature, we recycle waste and byproducts in an effort to contribute to creation of a recycling-oriented society.

We have positioned this objective as a key aspect of our Corporate Philosophy, Vision and management strategies with an eye to creating value that can contribute to resolving social issues. We are pursuing ongoing efforts to achieve further advances in recycling technologies, and to develop more efficient collection and processing methods in order to expand the possibilities for resources recycling.



Expanding Opportunities for Female Employees to Maximize their Potential

We are promoting the advancement of women in the workplace as a means of securing a stable domestic workforce despite Japan’s declining birthrate, and of creating new added value from diverse human resources working together.

We consider these efforts to create more opportunities for female employees as part of the reformation of our corporate culture. We are intent on creating a company in which women as well as a diverse selection of other human resources, including seniors, employees with disabilities and people from other countries, can work together effectively and in good physical and mental health.

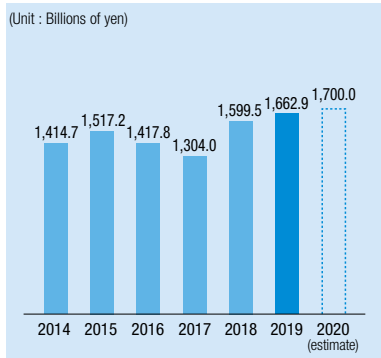
We are determined to keep these efforts from ending as a temporary surge in momentum, but rather to extend their pursuit continuously into the future.

## Performance Highlights

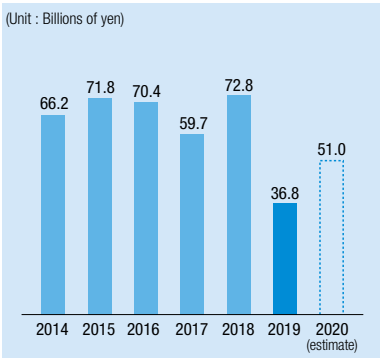
### Financial Performance (Consolidated)

"2020 (estimate)" figures are announced on May 13, 2019.

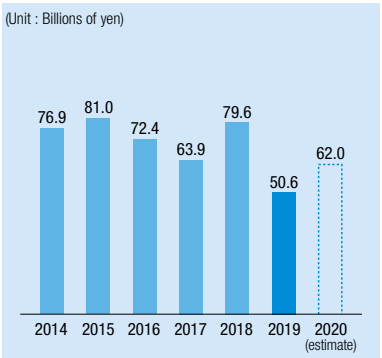
#### Net sales



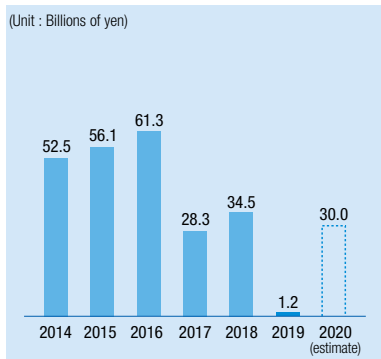
#### Operating profit



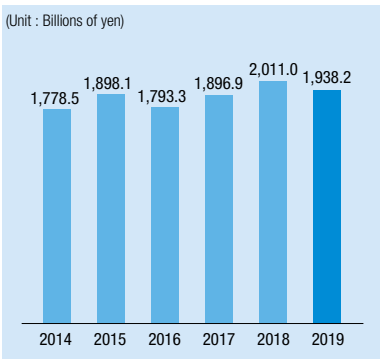
#### Ordinary income



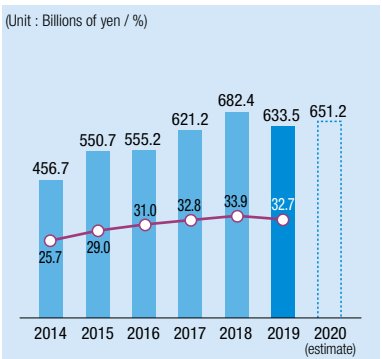
#### Net income attributable to owners of parent



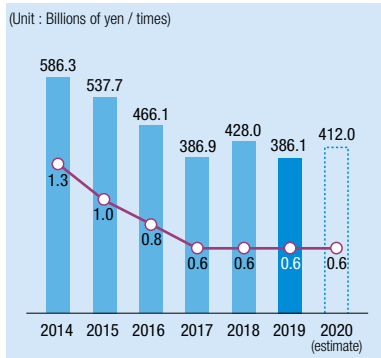
#### Total assets\*



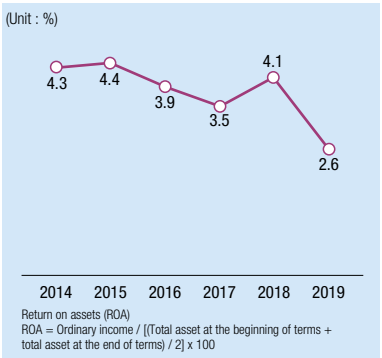
#### Shareholders' equity / Shareholders' equity ratio\*



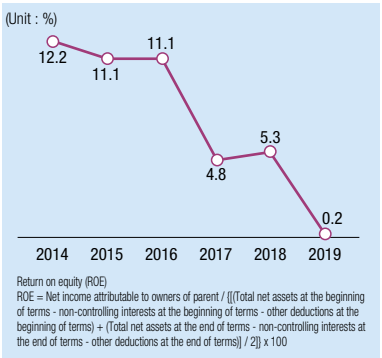
#### Net interest-bearing debt / Net D/E ratio



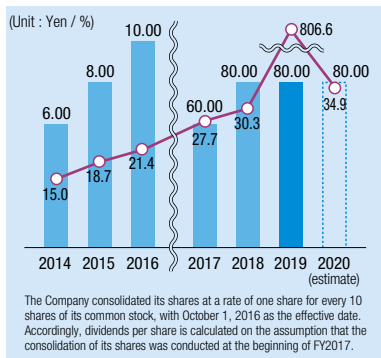
#### Return on asset (ROA)\*



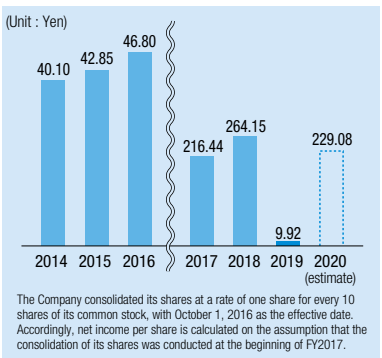
#### Return on equity (ROE)



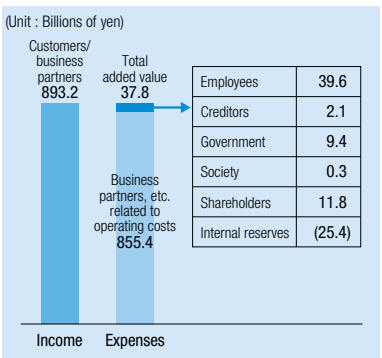
#### Dividends per share / Dividend payout ratio



#### Net income per share

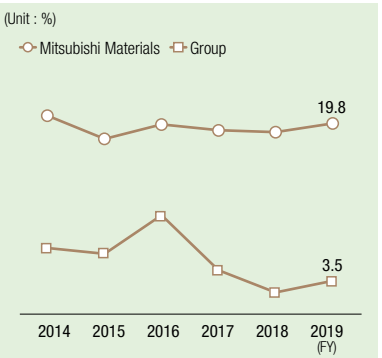


#### Economic added value



### Non-Financial Performance (Non-consolidated unless stated otherwise)

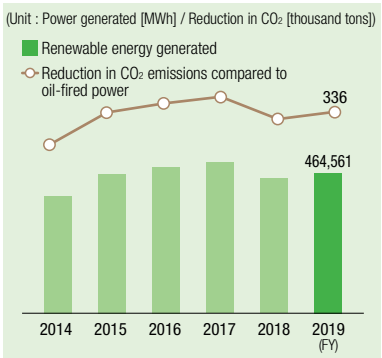
#### Percentage of recycled raw materials used



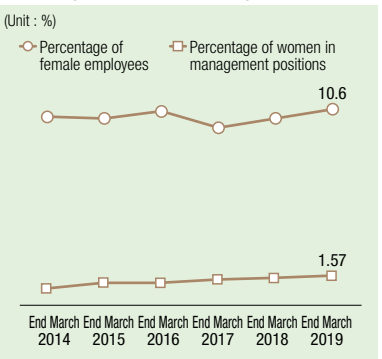
#### Total greenhouse gas emissions



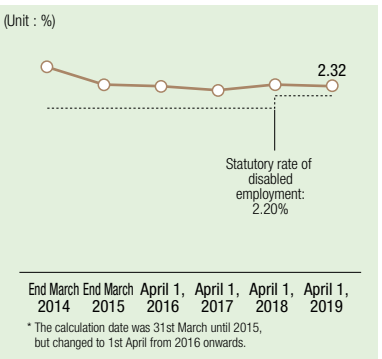
#### Renewable energy generated/Reduction in CO<sub>2</sub> emissions



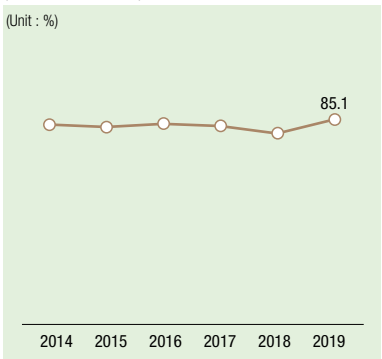
#### Percentage of female employees / Percentage of women in management positions



#### Disabled persons' employment rate

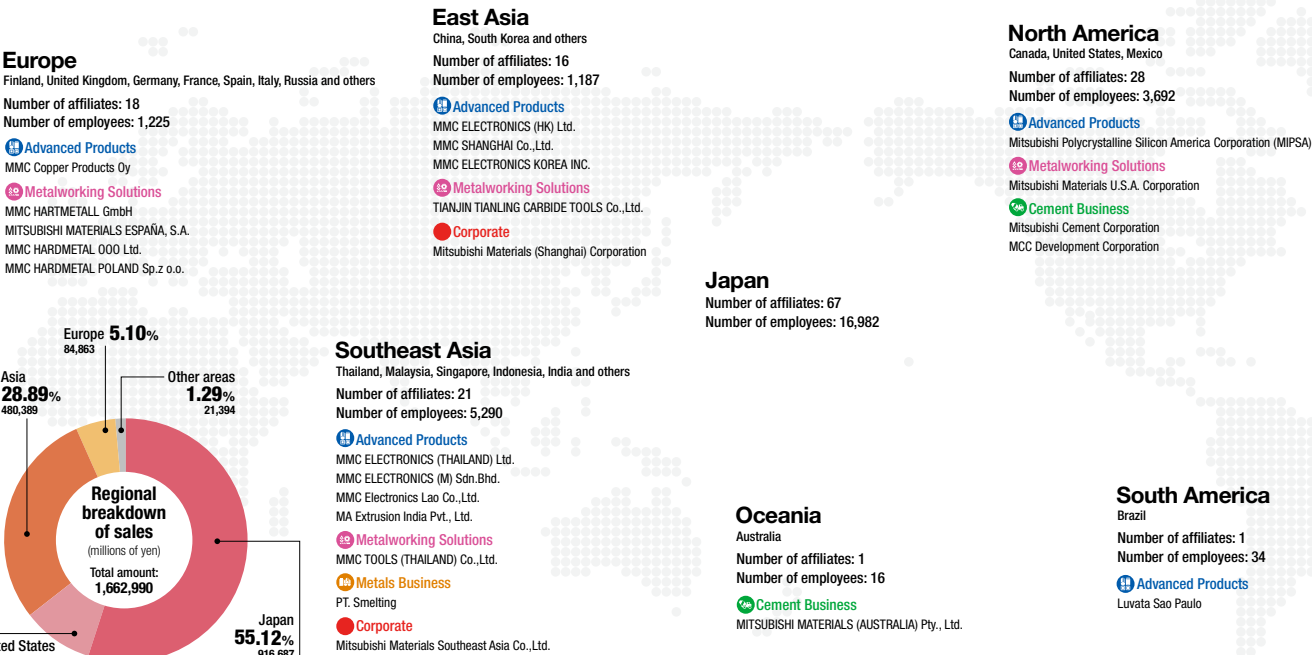


#### Percentage of paid holidays taken (union members)



### Sales by areas / Numbers of affiliates / Numbers of employees

(As of March 2019)



\* The Company has been applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) from the beginning of FY2019. Individual figures related to FY2018 have had the accounting standards applied retroactively.