



Medium-term Management Strategy

Infinity with Will 2025 ~MUCC Sustainable Plan 1st STEP~ (Fiscal 2023 to 2025)

We will strive to improve corporate value by formulating a vision based on business climate projections for around 2030. A top priority will be to lay the groundwork in keeping with prevailing circumstances.

The name uses Mitsubishi UBE Cement's tagline, "Infinity with Will."

<p><i>Mission</i> Continue to support the future of the planet by providing the highest quality with the best technology and services.</p>	<p><i>Value</i> Integrity and Sincerity Teamwork and Group Strength Challenges and Change</p>
<p>Business Climate</p>	<p>Our Vision</p>
<ul style="list-style-type: none"> Domestic market gradually declining High coal prices Southern Californian market growing Carbon neutrality accelerating Environmental protection initiatives Innovative digital technologies progressing Workforce shrinking Export markets deteriorating 	<ul style="list-style-type: none"> Cost leader in the domestic business Continue to grow overseas businesses Carbon neutrality leader Sophisticated value chain Unique technologies for building new value

Vision for 2030

Corporate group with leading technology and high profitability by maximizing the synergistic effects of business integration

Deliver domestic consolidated operating income of at least ¥30 billion and overseas consolidated operating income of at least US\$350 million by expanding domestic and international businesses
Consolidated ROE and ROA of at least 8% and 6%, respectively

Business Policies and Growth Strategies under the Medium-term Management Strategy

1. Strengthening and Cost Reduction of Domestic Cement Business

Become Japan's most competitive cement business by cutting costs, restructuring businesses, and bolstering value chain

- Transact at fair prices
- Become more competitive by optimizing production and logistics
- Tackle energy price hikes by transitioning to a decarbonized society
- Overhaul and rationalize business infrastructure

2. Business Growth in the U.S. and Exploration of New Business Sites

Strengthen vertical integration model based on top share of ready-mixed concrete in Southern California, endeavoring to maximize value and exploring new sites that can be the second core pillar following U.S. businesses

- Cater to growing demand (secure stable supplies of cement and ready-mixed concrete and stable procurement of aggregate)
- Pass on costs
- Become carbon neutral

3. Promotion of Global Warming Countermeasures

Establish and swiftly commercialize advanced

technologies and materialize cement manufacturers' business-oriented decarbonization schemes to cut CO₂ emissions by 40% by 2030 from 2013 levels and become carbon neutral by 2050

(1) Undertake swift energy conversion

Convert thermal energy for firing

- Reach waste-derived fuel ratio of 50% by 2030
- Attain carbon-free fuel ratio of 50% by 2050
- Decarbonize electricity (reduce emissions by 2030 and fully decarbonize by 2050)

(2) Swiftly commercialize carbon dioxide capture and utilization

Position low-cost, high-concentration CO₂ captured from cement production processes as useful resource and establish carbon dioxide capture and utilization business model by 2030

4. Strengthening and Expansion of Domestic Value Chain

(1) Environment and Energy Business

Generate profits by strengthening energy value chain (expand use of thermal energy alternatives and biomass conversion) through the Ube Coal Center, one of Japan's largest such facilities

- Establish and strengthen energy value chain
- Explore affordable fuel (expand sources)

(2) Mineral Resources Business

Stably procure limestone, maximize added value, and minimize costs

- Optimize organizational structure for mining limestone, secure silica resources by developing mines, and secure procurement sources and resources
- Maximize synergies by integrating Ube Material Industries' aggregate and limestone businesses and optimizing group-wide supply structure
- Expand magnesia applications and quicklime sales channels
- Broaden sales of MOS-HIGE fibrous magnesium oxysulfate by expanding automotive applications
- Enhance supply capacity for ultra-high-purity calcium carbonate for multilayered ceramic capacitors

(3) Ready-mixed concrete operations and distributors

Strengthen business infrastructure, generate stable earnings, and form groups that lead their fields and contribute to domestic cement sales strategy

- Restructure directly affiliated ready-mixed concrete operations and distributors
- Leverage alliances to lead areas
- Tap Group human resources
- Capture low-carbon product demand

(2) Human resources

We accept diverse individuals and offer rewarding work environments. We achieve group-wide efficiency by strategically reallocating people.

- Allocating people appropriately: Shift people abroad, to R&D operations, and group companies by enhancing operational efficiency and mobilizing individuals
- Secure and develop specialists in such areas as digital transformation (DX) and global operations
- Adopt job-based employment
- Embrace diversity and inclusion

(3) DX strategy

Leverage digital technology and data to support sustainable growth group-wide by deploying digital infrastructure that supports business transformation and establish a competitive edge by continuing to capture new value creation opportunities

- Develop DX structure to formulate strategies and cultivate talent and streamline and automate operations

5. Enhancement of R&D and Business Management

(1) R&D

Leverage superior development capabilities to innovate technologies and create new value to drive business growth and contribute to a sustainable society

- Global environmental measures: Swiftly acquire technologies to cut and tap CO₂
- Rebuild and strengthen existing businesses: Improve profitability and productivity by deepening and leveraging proprietary technologies
- Create new businesses (strengthen and expand growth areas): Promote development and practical application of proprietary technologies and materials

Contribution to Carbon Neutral Society and Circular Economy

Mitsubishi UBE Cement has made tackling global warming a top Group priority under this medium-term management strategy. It seeks to become carbon neutral group-wide by 2050 by undertaking a business-centric decarbonization framework unique to that of a cement manufacturer. It is drawing on strengths from concentrating core sites in coastal areas of western Japan, where there are large ports, and technologies and supply chains amassed as a conglomerate. The company will pursue new initiatives to become carbon neutral by collaborating with neighboring regions and other industries and become a top runner in its sector.

