The Mitsubishi Materials Group publishes its Corporate Social Responsibility (CSR) report to provide stakeholders with information regarding its perspective on and activities in the area of CSR.

Metals Company, one of the in-house operating companies of Mitsubishi Materials, is a member of the ICMM †1 (related article: p.6), which has as one of its objectives promoting sustainable development in the mining and metals industry. By disclosing information on our CSR activities, we aim to promote transparency in our stakeholder communications and demonstrate our accountability in the performance of our mining and metal sector operations. In meeting this objective, we publish this Supplementary Data Book to provide additional information regarding our CSR activities to that contained in the Mitsubishi Materials “CSR Report 2010”.

Information regarding the CSR activities of Metals Company is reported in the Mitsubishi Materials “CSR Report 2010” and this Supplementary Data Book.

†1 ICMM: International Council on Mining and Metals is an organization formed by the world’s leading mining and metals companies, which has a clear commitment to leading sustainable development in the mining and metals sector.
**Period covered by this report**
Fiscal 2010 (Mitsubishi Materials Corporation Fiscal Year: April 2009 to end of March 2010)

**Reporting boundary**
Mitsubishi Materials’ Metals Company and three affiliated smelting companies (Onahama Smelting and Refining Co., Ltd. (Onahama Smelter), Hosokura Metal Mining Co., Ltd (Hosokura Smelter), Indonesia P.T. Smelting (P.T. Smelting))

**Release Date**
October 2010

**Referred Guideline**
GRI (Global Reporting Initiative) Sustainability Reporting Guideline (the 2006 edition) (version 3.0)

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**Plant locations of Metals Company and affiliated smelting companies**

This Data Book, along with the information covered in the Mitsubishi Materials “CSR Report 2010", has been independently assured by KPMG AZSA Sustainability Co., Ltd., with all figures subject to external independent assurance marked with an asterisk**"**. For more details regarding external independent assurance, please refer to p. 75 in the Mitsubishi Materials “CSR Report 2010”.

**Message from Company President**

**Business Outline of Metals Company**

**Metals Company and CSR**

**Environmental Report**
Striving to preserve the environment and combat global warming

**Environment Topics**

**Social Report**
Training and harnessing a diverse range of human resources
Creating safe and healthy working environments
Increasing social and environmental awareness throughout the supply chain
The Linkage Between Business, People, Society and the Earth

Metals Company has the mission of “securing stable supplies of and recycling metals needed by society at competitive prices”. In fulfilling this mission we consider it essential to integrate sustainability into our business activities. Environment and Safety management is integrated into all aspects of our business process, especially in our smelting operations, because of the potential significant impacts on local communities and our employees. We have developed a proprietary smelting process for the production of electrolytic copper, the Mitsubishi Continuous Smelting and Converting Process (the Mitsubishi Process), characterized by its high efficiency, low energy consumption and high performance in terms of minimizing emissions. Two of our domestic and four overseas production plants have already implemented the Mitsubishi Process. Manufacturing processes for other products are also actively implementing measures to meet our target of an annual 1% reduction in energy consumption per unit. Although we are not directly involved in the management of copper mines, to ensure the mines from which we source ore are managed to minimize impacts on the environment and local communities, in fiscal 2010 we established our CSR Procurement Standards and CSR Investment Standards. An assessment of the mines invested and ore suppliers against the standards was implemented with a program established to follow up on findings and perform periodic reassessments.

As mentioned, Metals Company considers it as essential to incorporate sustainable development into our business management and operational activities, considering protecting the environment for future generations and conserving limited resources.

Activities as an ICMM member company

ICMM is an organization formed by leading international mining and metal companies with the objective of promoting sustainable business practices in the mining and metal sector. The ICMM, as an international council of mining and metal industry, aims for industry-wide performance improvement through various activities including environmental conservation, human rights, safety and health, employment issues, local society and cultural preservation for sustainable mining development. Metals Company has been a member of the organization since 2002.

Although Metals Company is not directly involved in the management and development of mines, we support the “10 Principles for Sustainable Development” advocated by the ICMM and are working to minimize our environmental and social impacts in the global supply chain. As an ICMM member company, we will proactively disclose information regarding our activities in this area. Metals Company is now working on the development of new overseas mines, and we will implement projects based on the ICMM principles.

Preservation of Biodiversity and Natural Resources

A key focus of our CSR activities has been ecosystem preservation. An example of our activities in this area (details are mentioned in the later section) is the restoration initiative at Naoshima Smelter & Refinery (Naoshima Smelter, Kagawa Prefecture) where we are working together with the local community to recover the local ecosystem damaged by a mountain fire several years ago. We also actively promote materials recycling business and continue to achieve the highest annual recycling volumes of automotive shredder residue in Japan. In addition, we are participating in a demonstration project on mobile phone recycling and working with local government on the potential for recycling compact household appliances. Metals Company is committed to environmental preservation and resource conservation from now on.

Through this Data Book, we hope our stakeholders gain a better understanding of Metals Company’s CSR activities.

Toshinori Kato
Managing Director
President, Metals Company
Mitsubishi Materials Corporation

(Profile)
2003.6 General Manager, Metals Company
2004.6 Executive Officer, Vice President, Metals Company
2006.4 Senior Executive Officer, President, Metals Company
2008.6 Managing Director, President, Metals Company (current)
With high electrical and thermal conductivity, good workability, high-strength properties, and relatively low-cost, copper is used in a wide range of applications and essential to our daily life. These include electric cabling, copper tubing, electrical components, automobile components and construction materials. Copper is an indispensable material that is widely used in consumer products including automobiles, mobile phones, personal computers, and air conditioners. Recently, it has become an important component in hybrid electric vehicles. Through our mass production technology for oxygen-free copper and copper alloys, with their high levels of electric conductivity, we have become the world’s leading manufacturer of oxygen-free copper in terms of market share.

Comprehensive Manufacturing Capabilities from Copper Smelting to Processing

The metals business of Mitsubishi Materials has a long history of business transformation following the start of operation of Yoshioka Mines in Okayama Pref. in 1873. We have established a vertical value chain structure within our group companies that covers securing ore, smelting and copper-processing. As approximately 75% of electrolytic copper can be processed to nearly finished product through our downstream value chains, our vertical value chain structure combines efficient production whilst improving efficiency in material flow along the supply chain and in scrap processing. This contributes to higher total yield ratios and results in effective utilization and conservation of material resources.

Promotion of Recycling Business

In recent years, Metals Company has made significant efforts towards developing our recycling business to promote the sustainable use of resources. We recover valuable metals (copper, etc.) from shredder residues generated from end-of-life vehicles and electronic home appliances. In addition, we use the combustible fraction of shredder residue as fuel in our furnaces and recover waste heat generated for power generation contributing to reductions in our CO₂ emissions. In Fiscal 2010, we participated in a demonstration project on mobile phone recycling and worked with local government on the potential for recycling compact household appliances. In addition, we have developed and commercialized technologies for the recovery of tin, lead, and indium from scrap materials.

Procurement of Raw Materials and Investment in Overseas Copper Mines

Each year, Metals Company purchases a megaton of copper ore from mines around the world for processing in our plants in Japan, Naoshima Smelter (Kagawa Pref.) and Onahama Smelter (Fukushima Pref.). An additional 0.9 megaton of ore is purchased for our P.T. Smelting operations in Indonesia.

Currently, Metals Company participates in four mine operation and development projects; Los Pelambres Mine (Chile), La Escondida Mine (Chile), Batu Hijau Mine (Indonesia), and Huckleberry Mine (Canada). At La Escondida Copper Mine, we secured an additional interest in the mine in May 2010. Mine development processes generally incorporate 1) site selection, 2) exploration, 3) feasibility study, 4) facility construction, and 5) operation stages. Historically we joined new projects from the feasibility study stage, but under our current strategy we are proactively promoting participation from the exploration stage. We have been participating in the exploration of copper and gold deposits at Namosi, Fiji, jointly with Nittetsu Mining Co., Ltd since 2004, and are currently participating in the re-development project of the Similco Mine in Canada, which stopped operations in 1996.
Material Issues

Mitsubishi Materials has reappraised the key material issues that we consider necessary to address in the future ("material issues"; factors that have the potential to have a significant impact on our corporate value) on a companywide basis. Nine material issues as shown below were identified. In this process, we took into consideration issues impacting the sustainability of society as a whole and the perspectives of our stakeholders. For the details and actions associated with these issues, please refer to “the 2010 CSR Report”.

Mitsubishi Materials Nine Material Issues

1. Promoting internal control
2. Securing resources to guarantee the steady supply of products
3. Contributing to a recycling-oriented society through recycling initiatives
4. Striving to preserve the environment and combat global warming
5. Promoting the environmental technology and products
6. Training and harnessing a diverse range of human resources
7. Creating safe and healthy working environments
8. Increasing social and environmental awareness throughout the supply chain
9. Promoting communication with stakeholders

Metals Company’s business characteristics and material issues

Securing a stable supply of raw materials is critical for our business operations. At the same time, we recognize a need to make procurement and investment decisions in an environmentally and socially responsible manner. We also consider it essential to obtain materials, not only by purchases of ore from mines, but also from recycled materials in order to preserve natural resources. Metals Company undertook action plans in fiscal 2010 in the following areas.

Metals Company: Fiscal 2010 results and Future tasks

1. Securing resources to guarantee the steady supply of products
   - [Target] Increase the ratio of “self-sourced” ore by investing in mines
   - [Fiscal 2010 result] Officially decided to participate in the re-opening of the Similco Mine in Canada. (July 2009).
   - [Future task] Promote participation in exploration projects for new resources.

2. Contributing to a recycling-oriented society through recycling initiatives
   - [Target] Expand the recycling business
   - [Fiscal 2010 result] Made improvements to the burner system of reverberatory furnaces at the Onahama Smelter & Refinery to support the use of fuel obtained from recycled materials.
   - [Future task] Continue to look into collection and recovery of recycled raw materials.

3. Increasing social and environmental awareness throughout the supply chain
   - [Target] Achieve the targets set as an ICMM member
   - [Fiscal 2010 result] Development of the CSR Procurement Standards and Investment Standards, and supporting documentation. (Developed in July 2009)
   - [Future task] Implementation of the Standards.

In this Data Book, we will provide the information relating to the following material issues, which we consider important to Metals Company.

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Striving to preserve the environment and combat global warming</td>
<td>7</td>
</tr>
<tr>
<td>The environmental impact of our operations and steps to reduce our impact.</td>
<td></td>
</tr>
<tr>
<td>2. Training and harnessing a diverse range of human resources</td>
<td>11</td>
</tr>
<tr>
<td>Global human resources management in Metals Company.</td>
<td></td>
</tr>
<tr>
<td>3. Creating safe and healthy working environments</td>
<td>12</td>
</tr>
<tr>
<td>Actions to create a safe and healthy working environment taking into account</td>
<td></td>
</tr>
<tr>
<td>the nature of our operations.</td>
<td></td>
</tr>
<tr>
<td>4. Increasing social and environmental awareness throughout the supply chain</td>
<td>13</td>
</tr>
<tr>
<td>Environmental and social actions in copper ore procurement.</td>
<td></td>
</tr>
</tbody>
</table>
As an ICMM Member

As a member of the ICMM (International Council on Mining and Metals) we promote CSR initiatives within our operations. The ICMM is a global consultative body comprising of major global mining/smelting companies with a key objective of working to improve the environment, health and safety, and human rights performance in the mining and metals industry. The ICMM advocates 10 Principles for Sustainable Development, to which member companies are required to commit.

ICMM 10 Principles for Sustainable Development

01. Implement and maintain ethical business practices and sound systems of corporate governance.
02. Integrate sustainable development considerations within the corporate decision-making process.
03. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
04. Implement risk management strategies based on valid data and sound science.
05. Seek continual improvement of our health and safety performance.
06. Seek continual improvement of our environmental performance.
07. Contribute to conservation of biodiversity and integrated approaches to land use planning.
08. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
09. Contribute to the social, economic and institutional development of the communities in which we operate.
10. Implement effective transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

Position of Metals Company

Metals Company procures copper ore as a raw material from copper mines for its smelting operations. Currently we have invested in four mines outside of Japan and believe that it is our role as a shareholder to support CSR programs at each mine to ensure a long-term stable supply of ore. Specifically, we support environmentally and socially responsible mining operations through measures including confirming compliance with regulations, permits & licenses, and monitoring working conditions at mines. To support mine operations we have strengthened the role of Metals Company in operations, for example by developing and applying our CSR procurement standards and investment standards based on the ICMM Principles of 3, 7 and 9, along with various guidelines regarding sustainable mine development and operations. As Mitsubishi Materials Group, we revised our Code of Conduct to reflect the ICMM 10 Principles and added the following items to our Code of Conduct to respond to the emerging social demands on our company in April 2010.

Additions to Specific Details under the 10 Articles of Our Code of Conduct

• Taking into consideration the sustainable development of society
• Working to create a low-carbon society
• Taking into consideration biodiversity
• Implementing and maintaining sound corporate governance
• Prohibiting child labor and forced labor
• Striving to achieve a work-life balance
• Continually improving occupational health and safety performance
• Ensuring that products are designed, used, reused, recycled and disposed of responsibly

We are planning to roll out its revision in global operations.

ICMM Performance

In 2009, the ICMM conducted a strategic review and assessment on its past performance as part of its process of establishing a new organizational direction, vision, goal and targets. The ICMM established a strategy and action plan from 2010 to 2012 taking into account the findings of the ICMM review. This plan consists of seven targets including improvement of performance related to sustainability, expansion of mining sector’s contribution to society, forecasting change and seeking a fair and consistent policy.
Environmental Management
Metals Company and Environment

Metals company’s operations include nonferrous smelting and copper processing which generate emissions that have a negative impact on the environment. To reduce our impact, we are taking measures including continuing to operate in compliance with environmental regulations, promotion of a more socially and environmentally concerned procurement process for raw materials, implementation of energy saving programs, recycling activities, and measures for biodiversity preservation.

<table>
<thead>
<tr>
<th>Energy and Material Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Input</strong></td>
</tr>
<tr>
<td>Raw materials</td>
</tr>
<tr>
<td>Energy</td>
</tr>
<tr>
<td>Water</td>
</tr>
<tr>
<td><strong>Output</strong></td>
</tr>
<tr>
<td>Products</td>
</tr>
<tr>
<td>Air Emissions</td>
</tr>
<tr>
<td>Wastewater</td>
</tr>
<tr>
<td>Wastes</td>
</tr>
</tbody>
</table>

Environment Regulatory Compliance
Metals Company’s sites in Japan have obtained ISO14001 certification to support environmental management and compliance with the exception of Onahama Plant which is currently preparing for the establishment of an environmental management system and will obtain the certification in February 2011. P.T. Smelting has established an environmental management department working to ensure environmental compliance, with actions including holding monthly environmental committee meetings and performing environmental monitoring. As a result, Metals Company received no administrative measures, for example fines for environmental violations, operational stop orders or revocation of environmental permits in fiscal 2010.

Environmental Accidents
Environmental and Safety performance is considered as a key component in all our mid-term management and our basis for all management strategy. In fiscal 2010, no environmental incidents, for example chemical releases, occurred in Metals Company.

Emission into the Air
The generation of SOx and NOx atmospheric emissions is an unavoidable result of fossil fuel combustion. To minimize atmospheric emissions, each site implements programs such as air emission monitoring (SOx, dust, etc.), regular equipment inspections and dust control.

Effective Utilization of Water Resource
At sites performing smelting and copper processing operations, water is used for many purposes including cooling, production, and drinking. Total water consumption in fiscal 2010 was 293 million m3 of which more than 90% (272 million m3) was sourced from seawater. We promote the installation of wastewater treatment plants, water re-use and installation of closed system to make more effective use of water.

Discharged Water Quality Control
Process wastewater from each site is discharged following on-site treatment. Each site has established their own internal emission standards that are more stringent than legal requirements and strictly control the concentrations of pollutants in discharged water. Sites are also working to protect the water environment through measures to reduce the levels of pollutants in discharged water and strict management of wastewater treatment plant.
Promotion of a Recycling-Oriented Society

Use of Recycled Material

Direct and indirect material consumption in fiscal 2010 was 3,549 thousand tons, of which approximately 399 thousand tons (approximately 11.2%) came from recycled materials and approximately 239 thousand tons from industrial wastes that would otherwise have gone to final disposal.

Metals Company’s operations consume a large amount of natural resources including ore. As part of our resource conservation activities, we are reducing the use of virgin raw materials, and promoting the use of secondary raw materials including scrap of various kinds. Because there are various sources of scraps, we are promoting measures for scrap collection as well as processing.

<table>
<thead>
<tr>
<th>Use of Raw Material and Indirect Material*†</th>
<th>Fiscal 2010 (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sludge</td>
<td>31</td>
</tr>
<tr>
<td>Waste Oil</td>
<td>368</td>
</tr>
<tr>
<td>Waste Acid/ Waste Alkali</td>
<td>349</td>
</tr>
<tr>
<td>Waste Plastics</td>
<td>200</td>
</tr>
<tr>
<td>Wood Wastes</td>
<td>175</td>
</tr>
<tr>
<td>Scrap Metal</td>
<td>0.3</td>
</tr>
<tr>
<td>Grass/ Concrete/ Pottery Wastes</td>
<td>109</td>
</tr>
<tr>
<td>Demolition Wastes</td>
<td>867</td>
</tr>
<tr>
<td>Mixed Wastes</td>
<td>6</td>
</tr>
<tr>
<td>Special Management Industrial Wastes</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>2,128</td>
</tr>
</tbody>
</table>

† The performance of fiscal 2008 and 2009 has been reviewed and the figures have been corrected.

Reduction of Wastes Generation

The total amount of wastes generated was 2,128 t in fiscal 2010. Approximately 41% of this was demolition waste generated from the dismantling of facilities, followed by waste oil and waste acid and alkali at approximately 17% and 16%, and waste plastics accounting for approximately 9%.

We confirmed from reviews of industrial waste manifests that approximately 91% of the total waste generated in fiscal 2010 (2,128 t) was recycled by external waste treatment contractors. Scrap materials generated from our own production processes are reused on-site whenever possible. Scrap materials which cannot be reused are where possible treated at the Mitsubishi Material Group companies or transported to the other smelting companies for recycling as necessary. We try to maximize collection of scrap materials by utilizing the network of existing scrap material processing companies. In cases when it is not possible to recycle scrap materials, materials will be transported to external contractors for final disposal. Through this approach, we reduce the amount of industrial wastes going to final disposal.

† The wastes generated at P.T. Smelting are not included in the figures above, since the amount of wastes are calculated based on industrial waste manifests.
Combat Global Warming
Promoting Energy Saving

In our smelting and copper processing operations, oil, gas and coal are used as primary energy sources, with electricity and steam used as secondary energy sources. Total energy consumption in fiscal 2010 was 13,810 terajoules, a 5.8% reduction from the previous year.

■ Amount of Energy Use*

† Ikuno Plant and Onahama Plant are included in the above amount for retroactive year.
† The energy consumption is converted in Joules using coefficients specified in the Energy Saving Act.

Metals Company has set itself the target of achieving a “1% reduction of unit energy use a year” through the implementation of energy saving programs. In fiscal 2010, we reduced energy use by approximately 10,677 kiloliters of crude oil equivalent, which amounts to JPY348 million. The breakdown of the reduction is summarized below.

■ Energy Saving Results of fiscal 2010

<table>
<thead>
<tr>
<th>Effect</th>
<th>Amount of Money (Million Yen)</th>
<th>Crude oil Equivalent (kl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel switching and utilization of unused energy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onahama Smelter</td>
<td>183.6</td>
<td>5,887</td>
</tr>
<tr>
<td>Improvement of existing facilities/equipments or installation of efficient ones</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akita Refinery</td>
<td>2.7</td>
<td>72</td>
</tr>
<tr>
<td>Naoshima Smelter</td>
<td>110.7</td>
<td>3,508</td>
</tr>
<tr>
<td>Sakai Plant</td>
<td>0.3</td>
<td>7</td>
</tr>
<tr>
<td>Onahama Smelter</td>
<td>10.6</td>
<td>287</td>
</tr>
<tr>
<td>Operation review and management reinforcement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naoshima Smelter</td>
<td>27.2</td>
<td>555</td>
</tr>
<tr>
<td>Sakai Plant</td>
<td>0.2</td>
<td>4</td>
</tr>
<tr>
<td>Hosokura Smelter</td>
<td>0.2</td>
<td>5</td>
</tr>
<tr>
<td>Onahama Smelter</td>
<td>12.3</td>
<td>352</td>
</tr>
<tr>
<td>Metals Company Total</td>
<td>347.8</td>
<td>10,677</td>
</tr>
</tbody>
</table>

† Excluding P.T. Smelting

Key examples in energy saving are summarized as below;
1) Fuel switching and utilization of unused energy sources (Onahama Smelter)
2) Improvement of existing facilities/equipments or installation of efficient ones (Naoshima Smelter)
3) Operation review and management reinforcement (Naoshima Smelter)

Energy Saving at Logistics

In fiscal 2010 total energy use in logistics was approximately 175 terajoules*. Transportation includes ship, truck, and rail movements, with ships accounting for approximately 128 terajoules or approximately 73% of total logistics energy use. The greenhouse gas (GHG) emission from our logistics was 12,228 tons-CO2 eq *

According to statistical data, energy consumption and CO2 emissions per ton-kilometers (t-km) of ships are fourth of those of trucks. The modal shift, a change from truck transport to other forms of transport, is one of the major energy saving measures we have implemented. However, the level of energy saving that can be achieved from the modal shift is reaching its limit. Therefore, our future efforts in this area will be focused on energy savings from ship based transport e.g. managing ship speed to improve unit energy consumption (energy consumption per t-km).

Reducing GHG Emission

The fiscal 2010 GHG emissions of Metals company was 1,210 thousand tons-CO2 eq, approximately 70 % of which was emitted through energy use with the remainder coming from waste disposal and industrial processes.

<table>
<thead>
<tr>
<th>GHG</th>
<th>Fiscal 2010 Emissions (t-CO2 eq)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>Energy Use</td>
</tr>
<tr>
<td></td>
<td>876,812</td>
</tr>
<tr>
<td></td>
<td>Non Energy Use</td>
</tr>
<tr>
<td></td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Wastes</td>
</tr>
<tr>
<td></td>
<td>330,519</td>
</tr>
<tr>
<td>Other GHG†2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,787</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,210,135</td>
</tr>
</tbody>
</table>

†1 Excluding emission from logistics.
†2 The emissions were calculated in accordance with the “Manual on Calculation of GHG Emission and Report” (version 3)
†3 HFCs, PFCs, SF6, CH4, N2O

As the main source of GHG emission is energy use, Metals Company is working on energy saving activities to reduce GHG emissions. For example, the Onahama Smelter, recycles shredder residue (SD) generated from end-of-life vehicles and used home appliances. The smelter initially treated SD by mixing SD with ore in the existing
reverberatory furnaces. In December 2008, as a part of implementing the Mitsubishi Process an S-Furnace was installed upstream of the reverberatory furnaces. This is used primarily for processing ore with the reverberatory furnaces treating SD.

The pulverized coal burner used at the reverberatory furnace, although suitable for ore processing, was not suitable for SD treatment as it required the use of heavy oil in combustion. To overcome this, the burner was changed from direct combustion to indirect combustion resulting in improvements in pulverized coal burner operations. Following a trial period of experimental operation from October 2009, the unit was brought into full operation from December 2009.

Preservation of biodiversity
Preservation and recovery of biodiversity
Efforts in Hosokura mine

At Hosokura mine, the mining and smelting of lead and zinc has been conducted since the early 9th century. Following its mine closure in 1987, Hosokura Metal Mining Co., Ltd, one of our affiliated companies in Kurihara City, Miyagi Prefecture has been working on assessing the natural environment damage caused by the historical mining activities and measures for its recovery. Hosokura Metal Mining has been conducting extensive tree-planting projects in the areas surrounding the mine to promote recovery of the natural ecosystem, and holding the “Hosokura tree-planting ceremony for millennium woods” since 2006 as advised by Dr Akira Miyawaki, a professor emeritus of Yokohama National University. Methods using both dense planting and companion planting are selected for this event. We have planted between 3,000 – 5,000 seedlings of 31 endemic species in Hosokura area, including quercus serrata, quercus crispula, quercus myrsinaefolia, etc. covering an area of over 1,000m² since 2006.

Efforts in Naoshima Smelter
Since natural reserves play a substantial role in biodiversity preservation, production sites nearby national parks are considered to play a key role in terms of biodiversity preservation. In Metals Company, only Naoshima Smelter (a plant area of 1,810 thousand m²) is located adjacent to a national park (Seto Inland Sea National Park). We have established environmental control targets for biodiversity preservation including developing and implementing annual afforestation plans. Afforestation activities started around 1950 which were initially intended for sediment control. However, as part of the rehabilitation process following a fire several years ago, we are promoting the preservation and recovery of the original ecosystem through recovery of onsite vegetation for example by planting endemic hardwoods. To minimize ecological impacts by emissions from our operations, we obtained ISO 14001 certification and implement a thorough environmental management program.

Effective use of biomass energy
Naoshima Smelter promotes afforestation activities and has been commissioned by Kagawa Prefecture to conduct a biomass energy project as a part of the "Eco Island Naoshima Plan". In this project, we grow sunflowers at fallow rice fields in the Tsumuura District, and extract cooking oil from those seeds. This is used by residents in the district and recycled into Bio Diesel Fuel for farm machines or soap. In addition, we created biotope and planted cosmos to enhance the environment and landscape in the surrounding area. We promote these activities in conjunction with local communities.

Sunflower cultivated in fallow field. Extract food oil from sunflower seeds and waste oil is used for fuel, etc.
Human Resources of Metals Company

We are engaged in measures to improve the value of our people, as we recognize that people are important management resources. This policy is declared in the Mitsubishi Material Group Policy. We are also promoting diversity in the workplace in response to the low birth rate and aging society in Japan.

■ Breakdown of numbers of employees at HQs and production sites of Metals Company* (number of people)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>117</td>
<td>0</td>
<td>117</td>
</tr>
<tr>
<td>Full-Time Employees</td>
<td>439</td>
<td>29</td>
<td>468</td>
</tr>
<tr>
<td>Temporary Staff</td>
<td>83</td>
<td>31</td>
<td>114</td>
</tr>
<tr>
<td>Total</td>
<td>639</td>
<td>60</td>
<td>699</td>
</tr>
</tbody>
</table>

† Only Metals Company’s HQs and production sites directly managed by Metals Company

■ Employee Turnover (number of people)

(From January to December 2009)

<table>
<thead>
<tr>
<th>Number of Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>30</td>
</tr>
</tbody>
</table>

† Only Metals Company’s HQs and production sites directly managed by Metals Company

Respect of Human Rights

We respect the basic human rights of all people, work to eliminate discrimination and contribute to the creation of the free, equal, and fair society.

P.T. Smelting in Indonesia is working to prevent child and forced labor, which are sometimes encountered in the developing countries. The company hires employees from candidates who directly apply to the company and confirm ages of applicants by formal IDs or diplomas to ensure that the applicants are above the minimum legal working age in Indonesia.

Overseas Human Resource Development

P.T. Smelting understands that localization is a key component for sustainable development and proactively recruits local people. In July 2010, 488* out of 502 total employees, i.e. 97% of the workforce, were local employees. In addition, the company appoints local people to management positions to motivate employees and promote clear communication of management policies among employees. In July 2010, 25* out of 39 management people above assistant manager level i.e. 64% were locally hired.

P.T. Smelting is also implementing skills development activities; developing annual training plans and providing training in accordance with the plans. Key development areas for employees include corporate wide programs such as quality management, management strategy, finance and safety, as well as operation-related training such as environment / quality management and equipment maintenance, etc. Training programs are established so that employees can take training that corresponds to their job function. We also have various welfare packages including work injury insurance, health benefits, home benefits, and emergency loans, etc for our employees.

In Indonesia, where P.T. Smelting is located, there is a greater risk of restrictions on freedom of association for workers or conducting collective negotiations compared to Japan. Therefore additional measures are required to ensure the protection of workers’ rights. In P.T. Smelting, a labor union has been established in accordance with local regulations. Monthly meetings, in which the company’s management such as managers and above and representatives of the labor union participate, are held to report on operational status and exchange opinions. Additionally, negotiations to revise work agreements are conducted every two years. The Human Resource Division and executive team of the labor union hold discussions about the revision through the year. In fiscal 2010, there were no strikes lasting over one week or shutdown of the plant.
Health and Safety

Development of Health and Safety Management System

We are driving health and safety (HS) activities based on the policies addressing prevention of the occupational accidents and provision of a safe and healthy work environment, and making best efforts regarding the healthcare of our employees. The program to implement Occupational Safety and Health Management Systems (OSHMS) at all production sites of Metals Company was completed in March 2010 with the decision to seek certification influenced by the scale and nature of operations at each site. Naoshima Smelter obtained JISHA OSHMS certification in 2008 which was the first plant to obtain certification among the company.

Risk assessment (RA), an effective tool in accident prevention, is a key component of our OSHMS systems. In all the domestic plants, we have developed a RA program based on the Plan-Do-Check-Act (PDCA) approach.

HS Promotion Activities

Each production site of Metals Company implements safety management applicable to the site-specific safety risk and in line with the Corporate Safety and Health Management Policy. We believe that HS activities should be promoted in cooperation with the labor union and therefore hold a labor union and company management meeting at least once per year. Additionally, we hold HS briefing sessions attended by deputy directors from production sites, share and invite attention to occupational injury information across the company and production sites, and participate in the Safety Committee of Japan Mining Industry Association. P.T. Smelting in Indonesia holds monthly safety meetings with safety officers from each section and contractors, as well as HS plenary meetings.

Regarding employee education, Naoshima Smelter has installed an imitative-risk-experience facility for training purposes, with training provided to all employees and contractors working at the site. As an addition to desk-based training, this approach is very effective in building awareness of the risks and hazards that exist in daily workplace activities, such as working at heights, rotating parts and electrical shock as it allows trainees to experience situations close to real accidents.

Onahama Smelter considers that high levels of safety performance will be maintained through cooperation between the labor union, employees, and contractors working on site. Based on this idea, company executives, representatives of the labor union and the contractors conduct activities to raise safety awareness. An example of this is the distribution of safety information to employees at the plant gates at the start of every month.

P.T. Smelting provides safety training specific to the operations being performed, with all employees participating in fire and evacuation drills.

Risk assessment (RA), an effective tool in accident prevention, is a key component of our OSHMS systems. In all the domestic plants, we have developed a RA program based on the Plan-Do-Check-Act (PDCA) approach.

HS Performance Results

Each of our production sites is implementing risk assessment as a tool to prevent accidents. The safety performance in fiscal 2010 of Metals Company is summarized below. No incidents of occupational disease or explosions/fire occurred in fiscal 2010.

<table>
<thead>
<tr>
<th>Persons injured with lost workdays</th>
<th>Persons injured without lost workdays</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>10</td>
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</table>

Consideration for the Local Community

Considering the health and safety of the local community and responding to local concerns is an essential component of sustainable development. P.T. Smelting conducts its operation in industrial areas where the potential impacts to the community are considered to be low and is not located within the territory of indigenous people or in the adjacent areas where they live. However, the General Affairs Section has established a contact point to respond to any requests or complaints from the local community. At a regional level, activities include making donations to the Sumatra Earthquake victims, support for local libraries (purchasing books and supporting administrative cost etc.), assistance for the expansion of local elementary schools and regional women’s organization. No requests or complaints from the local community were received, and no critical incidents/accidents which may impact the local community occurred in fiscal 2010.
Investment Standards, Procurement Standards

Metals Company purchases about 1.9 million tons of copper ore annually from overseas mines and supplies to our smelters. To secure a long term, stable supply, we have invested in four mines outside of Japan (Los Pelambres Mine and Escondida Mine in Chile, Huckleberry Mine in Canada and Batu Hijau Mine in Indonesia). The ore supply from these mines accounts for approximately 60% of ore processed in our smelters and we are working to increase this number to over 75%. We do not have operational control and management of these mines as our investment is below 50%. From the perspective of CSR supply chain management, we are monitoring the compliance status with regulations, environmental-related standards, permits / licenses, and the working conditions at these mines as well as supporting the mine operations regarding environment and local community issues as a shareholder.

As part of our CSR supply chain management activities, in July 2009 we developed “CSR Investment Standards” to evaluate mines in case of investment and “CSR Procurement Standards” to evaluate external mines i.e. mines in which we don’t invest, from which we purchase ore. The ICMM 10 Principles for Sustainable Development, especially mine related principles (Principle 3, 7 and 9) and various social & environment guidelines for mine development were used in development of the standards. The outlines of both standards are summarized in the column at the right-hand side.

Implementation of the Standards

Between May and June 2010, a questionnaire based on the Standards was sent to the four mines in which we invest and the ten mines from which we purchase ore. We have received a response from all these mines. The data collected will be used to assess the mines’ level of social and environmental consideration and the results of our review will be communicated to the mines. To improve our process for assessing CSR aspects of mine operations, we will periodically review and revise our questionnaire.

Metals Company
Outline of CSR Investment Standards

Protection of basic human rights
Protect the basic human rights of people impacted by business operations. Consult with stakeholders regarding local community issues.

Mining and protected area
Identify and evaluate impacts to cultural heritage and protected areas, and risks to biodiversity at different stages of our business. Develop and implement mitigation measures.

Mining and indigenous people
Understand and respect the society, economy, environment, culture and rights of indigenous people. Conduct social impact evaluation of indigenous people for new mine investments and provide appropriate compensation.

Relationship with local community
Verify if there are any conflicts or lawsuits with local communities. Hold consultation or dialogue to explain business plans.

Environmental Preservation
Conduct Environmental Impact Assessment and obtain appropriate permits. Development of specific plans for reducing the negative environmental impacts of mine development and operation.

Mineral resources and economic development
Sustainable economic development at regional or national level.

Metals Company:
Outline of CSR Procurement Standards

Continual improvement of environmental performance
- Implement environmental management systems focusing on continual improvement
- Reduce negative environmental impacts in mine development and operation
- Consider protection of natural area, and biodiversity
- Consultation with stakeholders on environmental issues

Continual improvement of health and safety
- Implement HS management systems focusing on continual improvement
- Protection of employees and contractors from occupational disaster. Disease prevention measures including local communities
Protection of basic human rights
- Prevention of forced and child labor
- Elimination of harassment and discrimination
- Avoid and compensate for forced resettlement
- Protect indigenous people
- Manage and record complaints and conflicts from stakeholders

Social and environmental considerations in overseas mines
The mines in which Meals Company is involved include ones in operation and in exploration stage. In both cases, aside from verifying compliance with regulatory requirements, various voluntary activities relating to environmental and social aspects are conducted.

Examples of Environmental Protection Activities

Huckleberry Mine (operation stage)
- Water quality monitoring in the wastewater pit
- Acid drainage prevention measures
- Countermeasures for mine closure (maintenance of water quality, structural monitoring of a tailing dam)
- Monitoring of aquatic species living in nearby rivers and lakes
- Measures for sealing water into the tailing dam
- Tree planting around mine facilities

Namosi mining area (exploration stage)
- Water quality monitoring studies of rivers in the area
- Element analysis in sediment and soil
- Biodiversity baseline survey
- Archaeological research

Examples of Activities in Social Aspects

Los Pelambres Mine (operation stage)
- Prioritizing hiring of local people for on-site operations
- Enhancing education and medical care, contributing to the creation of new employment (e.g. construction of vocational training schools, expansion of existing hospital facilities and providing funding to vineyards)
- Enhancing infrastructure by direct funding (e.g. construction of university auditoriums, maintenance of roads, construction of irrigation facilities, conservation of archaeological resources and tree planting)
- Donation to national poverty eradication programs

Namosi mining area (exploration stage)
- Prioritizing hiring of local people
- Sponsorship contract for the local rugby team
- Scholarship system for university students
- Physical and material support for the renovation and relocation of local junior high and nursery schools
- Renovation of a local church
- Maintenance and urgent repairs to local roads
- Supporting emergency personnel from local NPO and donation of AED to the community

Striving to redevelop Similco Mine
Similco Mine in southern British Columbia (BC), Canada, in which our company owns a 25% stake, received construction approval from Environmental Mining Council of BC on April 1, 2010. About 240 people are working at the site on safety-first basis. At the end of June 2010, construction was approximately 20% complete with construction of the concentration plant, storage tunnel, analytical lab, substation, primary crusher, grinder and heavy machinery repair shop, and assembly of heavy machinery such as trucks and installation of power poles. Good relationships with the local community, Princeton City and indigenous people have been established by actively communicating the development plan. An agreement on mining operation with indigenous people living in the project area has been made. The mine is expected to start operations in early June 2011 as planned.
Local Procurement
Metals Company strategically locates production sites close to areas from where raw materials are sourced reducing the environmental impacts associated with the transport of ore. P.T. Smelting in Indonesia purchases 100% copper ore from mines in Indonesia and 50% of auxiliary material and goods within Indonesia thereby contributing to the local economy. In Japan, Onahama Smelter purchases auxiliary material from suppliers located in the same city. About 15 thousand tons per month of calcium carbonate is used as raw material in the production of gypsum, a smelting by-product, all of which is purchased from a neighboring factory. About 2.4 thousand tons per month of silica is used as an auxiliary material in the copper smelting process, of which 100% is purchased locally.

Striving for Materials Stewardship
Materials stewardship is a concept which aims to maximize the value of resources in our society and minimize impacts to people and the environment through the complete life cycle of the resource, such as mining, processing, designing, using and disposing, which is beyond the bounds of an individual business. Put forward by the ICMM, of which we are a member, materials stewardship is attracting a great deal of attention as an essential new approach to CSR, particularly for global mining and metals companies.

Mine site development and Procurement: We strive to implement environmental conservation and contribute to regional development activities in our joint exploration areas (refer to p.14 for details). As part of the procurement process, we assess social and environmental impacts of our invested mines using our CSR Investment Standards, and our CSR Procurement Standards for ore procured from mines with which we have no capital ties (refer to p.13 for details).

Smelting: Our proprietary smelting process, the Mitsubishi Process, enables energy saving and cost reductions in operations whilst minimizing emissions of pollutants and forms part of our goal to manufacture and supply our products with no pollution and high efficiency. In addition, through strict operational controls from smelting to processing within our groups, we can reuse scrap copper as part of our resources conservation approach.

Product design and safety: We develop products containing no heavy metals such as lead, and jointly research with our customers how to maximize the efficient use of copper. We have established “hazardous chemical substance control rules” to control the heavy metal or hazardous substance content of our products, and check the compliance status through quality audits and compliance with rules in daily operations. We will strive to deliver information on safety use to our customers e.g. by
attaching a MSDS (Material Safety Data Sheet) to our products at the time of supply.

**Disposal:** Our recycling operations, one of our core operations driving our commitment toward materials stewardship, aims to create closed loop material flow cycles by extracting valuable metals from shredder residue from end-of-life vehicle and used home appliances. By minimizing the amount of waste going to final disposal, we are aiming to reduce our environmental impact and promote the effective use of resources throughout the material cycle.

**Editorial Note**

We have produced this Supplementary Data Book since fiscal 2010 to communicate the detailed CSR activities of Metals Company. We will positively develop our CSR activities with contribution to society and the environment including ICMM initiatives.
Contact for more information

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