



INTEGRATED REPORT 2025

MITSUBOSHI BELTING LTD.



**If there were no belts in the world,
could the world “go around” properly?**

Mitsuboshi Belting has supported society with belts and their power of transmission and conveyance. Belts make engines run, make factories operate, and link cities to people’s lives. Their tireless, behind-the-scenes power has been a cornerstone of industry and people’s lives and a beacon of the future.

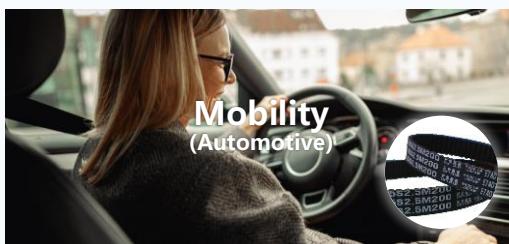
Nowadays, time flies at an accelerating speed, with the various challenges humanity faces becoming more and more complicated. Nevertheless, we know that the products we create have the power to drive people to overcome various challenges and change the future.

We have handed down our founding philosophy, “To make products with sincerity,” and remained devoted to creating high-performance, high-precision, high-quality products. Let’s leverage our technological and development capabilities to create a virtuous cycle of happiness for society, the world, and the future.

**It is not someone else who makes the world go around,
but it is us. We are making the world go around, together with
others.**

Make the world go around!





Mobility (Cars)

In addition to rib belts for internal combustion engines and fan drives, applications of belts for electric power steering units and timing belts for power sliding doors are expanding for use in EV vehicles.



Mobility (Motorcycles, ATVs/UTVs)

Our speed change belts have excellent heat resistance and durability, high transmission efficiency, and smooth stepless speed change. They are used not only on scooters but also on many all-terrain vehicles (ATVs) and utility terrain vehicles (UTVs).



Agricultural Machinery

Our V-belts and speed change belts for agricultural machinery contribute to more efficient agricultural operations and improved harvesting efficiency due to their superior durability. Since loading conditions vary depending on the area where the belts are used, many specifications with various features such as flexibility and heat resistance are available in our lineup.



Robots, machine tools, logistics equipment

Our various timing belts with high transmission efficiency and positioning accuracy as well as durability contribute to the realization of automation in factories and distribution warehouses. Our lineup also includes distinctive specifications, such as belts with transmission capacity equivalent or superior to that of metal chains.



ATMs and monetary equipment

Our flat belts for banknote conveyance provide high durability and smooth conveyance performance, enabling accurate and rapid processing of banknotes and contributing to improved ATM reliability.



Home appliances

Our various drive belts are used in washing machines, fully automatic coffee machines, baking machines, and robot vacuum cleaners. In each machine, the belt has excellent durability, and its life is longer than the life of the machine.



Office equipment (Copiers, multifunction devices, printers)

Our compact timing belts support high-precision operation and ensure high-quality printing. They are also quiet, contributing to the realization of a quiet and comfortable office environment.



Environmental & Energy Systems

Many of our various drive belts are also used in environmental fields, such as wind power generators and solar panel manufacturing equipment. Through the provision of these belts, we also contribute to improving the environmental value of society.



Food processing machinery

The most essential requirements for food manufacturing and processing lines are safety and hygiene. Our resin food conveyor belts, available in a wide range of specifications according to the item to be conveyed, support food safety.



Final disposal sites

Our waterproofing and impervious materials boast superior impervious and weatherproof properties. Featuring a high level of imperviousness, they are widely used in reservoirs and final disposal sites, preventing soil contamination and thereby contributing significantly to reducing adverse impacts on the global environment. (Photo: An extensive park built on the site of a former disposal site)



Roof waterproofing solutions

Our roof waterproofing products are used on the roofs of various buildings, including gymnasiums, factories, and collective housing. Their excellent waterproofing properties last long. With soundproofing and vibration-damping effects as well, they reduce the sound of rain and other noises. They also prevent a temperature increase in the attic, thereby helping reduce the operating rate of air conditioners and contributing to mitigation of global warming.



Semiconductors and electronics

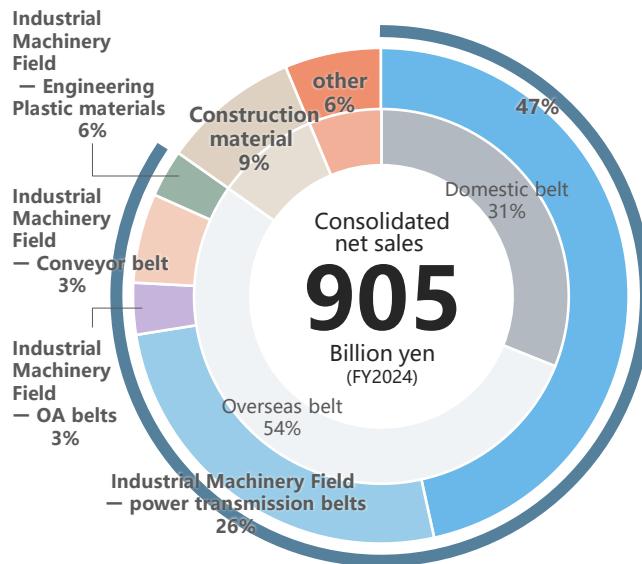
Our proprietary electronic materials and paints, including silver nanoparticle dispersions, are used in large-scale data centers and EVs, for example. Their scope of applications encompasses the entire electronics industry. As key materials in the cutting-edge electronics field, our products support our customers in their efforts toward further technological innovation.

Mitsuboshi Belting: Supporting People's Lives

Our products are used in a wide variety of machines, devices, and equipment, including cars, motorcycles, office equipment such as printers, ATMs, cash registers, and various home appliances such as washing machines and coffee machines. Mitsuboshi Belting's products continue to play a quiet role in our daily lives today.

The Business of Mitsuboshi Belting

Consolidated net sales by segment*



 Arc along the circumference of the pie graph: Sales from the belt business (composition ratio: 85%)

* Fiscal year ended March 2025

Automotive Parts Field (four- and two-wheel automobiles, ATVs, onboard electric units, etc.)

This segment manufactures and markets high-performance belts used in engine auxiliary drives, motorcycle transmissions, etc. Embodying Mitsuboshi Belting's advanced technological capabilities, the products of the segment meet strict quality requirements and are used by global automobile manufacturers. Furthermore, in recent years, the accelerating shift to EVs has broadened applications of our automotive belts to include novel kinds of drives, such as electric power steering (EPS) units and other electric units.

Industrial Machinery Field – Power Transmission Belts

This segment manufactures and markets power transmission belts that work as the heart of power transmission in machinery used in a variety of industrial fields, including agricultural machinery, injection molding machines, and machine tools. It offers a wide variety of belts with different specifications to suit diverse applications, including belts that are not only durable but also have high transmission efficiency and positioning accuracy.

Industrial Machinery Field – OA Equipment Belts

This segment manufactures and markets high-precision belts for mechanisms that must operate precisely, such as carriage drives in printers and multifunction devices and bill feeders in ATMs. These products also feature excellent quietness, contributing to quiet and comfortable office environments.

Industrial Machinery Field – Conveyor Belts

This segment manufactures and markets resin and rubber conveyor belts used in manufacturing and processing lines at food factories, as well as at airports, logistics warehouses, and other locations. These products support food safety and efficient logistics, ensuring the stability of social infrastructure.

Industrial Machinery Field – Synthetic Resin Materials

This segment manufactures and markets not only various engineering plastic materials but also high-precision components, such as gears and rollers that suit a variety of applications. As components that underpin the enhanced efficiency and reliability of equipment, these products meet the diverse needs of the industrial machinery industry.

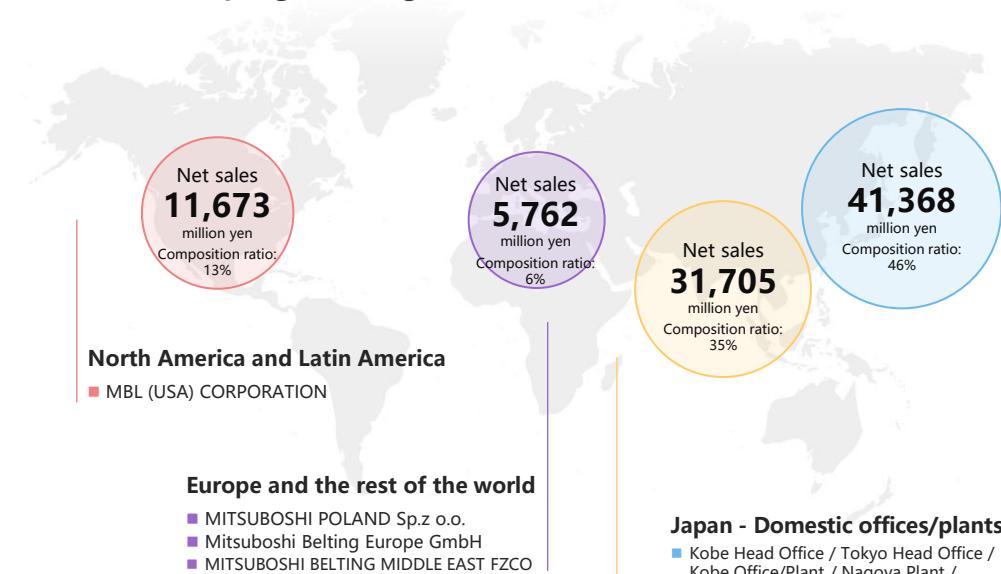
Construction Materials Field

This segment manufactures, markets, and installs building waterproofing sheets, civil engineering impervious sheets, and related products used at schools, housing complexes, factories (in the construction sector), and waste disposal sites (in the civil engineering sector).

Other

This segment deals in equipment machines, products purchased from other companies, engineering plastic materials and processed products, structural foam molded products, and electronic materials, as well as being engaged in the service business. It also covers novel products, including metal nanoparticle applications.

Net sales by region and global business base



Europe and the rest of the world

- MITSUBOSHI POLAND Sp.z o.o.
- Mitsuboshi Belting Europe GmbH
- MITSUBOSHI BELTING MIDDLE EAST FZCO

Asia

- MITSUBOSHI OVERSEAS HEADQUARTERS PRIVATE LIMITED
- PT. MITSUBOSHI BELTING INDONESIA
- PT. SEIWA INDONESIA
- PT. MITSUBOSHI BELTING SALES INDONESIA
- STARS TECHNOLOGIES INDUSTRIAL LIMITED
- MBL SHANGHAI INTERNATIONAL TRADING CO., LTD.
- SUZHOU MITSUBOSHI BELTING CO., LTD.
- MOI TECH HONG KONG LIMITED
- MITSUBOSHI BELTING-INDIA PRIVATE LIMITED
- MITSUBOSHI BELTING VIETNAM CO., LTD.
- MITSUBOSHI BELTING KOREA CO., LTD.

Japan - Domestic offices/plants

- Kobe Head Office / Tokyo Head Office / Kobe Office/Plant / Nagoya Plant / Shikoku Plant / Shiga Plant / Ayabe Production System Development Center / Sapporo Sales Office / Fukuoka Sales Office / Hiroshima Sales Office

Japan - Affiliated companies

- Mitsuboshi Belting Sales Co., Ltd. (Number of offices: 30 locations)
- Mitsuboshi Cord Co., Ltd.
- Mitsuboshi Belting Conveyor Co., Ltd.
- Mitsuboshi Belting Kohki Co., Ltd.
- Mitsuboshi Belting Giken Co., Ltd.
- Neo-roofing Co., Ltd.
- Mitsuboshi Butsuryu Kohsan Co., Ltd.
- Mitsuboshi Belting CHEM Co., Ltd.
- M.B.L. Sogo Support Co., Ltd.
- MM Court Co., Ltd.

CONTENTS

MITSUBOSHI INTEGRATED REPORT 2025



About the cover image
Using blue, the corporate color of Mitsuboshi Belting, as a base color, the cover image represents the speed and powerfulness of the company's initiatives to achieve its 2024 Mid-Term Business Plan, which is positioned as a "period of accelerated growth."

SECTION 00 Overview

A concise summary of basic information about the Mitsuboshi Belting Group

SECTION 01 Top Message

What kind of future do we at Mitsuboshi Belting aim to create? How will we create value and move forward together with society? —Our top management elaborates on our strategy for sustainable growth.

003 at a glance

006 Top Message

SECTION 02 Our History and the Source of Our Value

Since its founding in 1919, Mitsuboshi Belting has contributed to industrial development and solutions to social issues by developing products that meet the needs of the times. This section introduces the history of our Group and our corporate culture of working on co-creation with society.

011 Founding Spirit and Philosophy System
012 The Journey of Value Creation
015 Feature Page(1)
The Corporate Vision of Mitsuboshi Belting

SECTION 03 What Value Do We Wish to Create?

Amid diversifying market and social needs and accelerating technological innovation, companies are required to constantly create new value. What value does the Mitsuboshi Belting Group provide to help realize a sustainable society? How will it strengthen its corporate competitiveness? This section details specific initiatives aimed at increasing our corporate value.

017 Value Creation Process
018 Three Strengths We Have Cultivated
019 Mid-Term Business Plan
022 Feature Page (2)
New Growth Opportunities Arising from the EV Transition
023 Message from the Director in Charge of the Finance Department
024 Business Strategy by Segment
028 Human Resources Strategy
035 Sustainability Strategy
038 Feature Page (3)
"Roundtable Discussion by Employees"
[Development of Eco-Friendly Products]

SECTION 04 Management Foundation for Our Value Creation

Achieving sustainable growth over the medium to long term requires the Mitsuboshi Belting Group to build a robust management foundation. This section details our initiatives to build and strengthen the Group's governance system, as well as specific measures to address our identified material issues, including human rights and the environment.

042 Respect for Human Rights
044 Value Chain Management
046 Initiatives Related to Climate Change
051 Initiatives for Biodiversity Conservation
054 Initiatives for Water Resources Conservation
057 Corporate Governance
062 Board of Directors and Executive Officers
064 Risk Management
066 Compliance
067 Stakeholder Engagement

SECTION 05 Data Section – Financial and Non-financial Performance

This section introduces the Mitsuboshi Belting Group's business performance and the progress of its value creation initiatives through financial and non-financial data.

069 Financial Data
070 ESG Data
071 Company Overview/ Stock Information

Navigation buttons

- [Return to the table of contents \(this page\)](#) [Return to the previous page](#) [Go to the next page](#)
- [Go to a related page in this report](#) [Go to a related page on our website](#)
- [Each page has a section guide on the right. Click on a section title to go to the relevant page. \(Some pages do not have a section guide.\)](#)

SECTION

01

TOP MESSAGE



“ ”

We view ongoing drastic changes in the market environment, including the automotive industry's shift to EVs, as an ideal growth opportunity. Based on the experience we have developed since our founding and our manufacturing capabilities in both development and production, we will continue to develop products that accommodate market changes, thereby steadily enhancing our sustainable corporate value.

Hiroshi Ikeda

President
Mitsubishi Belting Ltd.

Belts conveys us to the future of industry

For over 100 years since its founding in Kobe in 1919, Mitsuboshi Belting has contributed to the industrial development of Japan and the world with its belts' power of conveyance and transportation and its construction materials' power of protection. Belts, which constitute our main business area, are a kind of machine component, just as bearings and mechanical seals are, and many of the readers of this report may have little opportunity to see them. To help you understand more about our company, I would like to start by explaining what belts and belting are, the latter of which is part of the name of our company, focusing on their roles and value.

The role of a transmission belt is to efficiently and stably transmit power, or driving force, to an intended location through rotation caused by a power source, such as a motor or engine. Transmission belts are the core of drive that coordinates the operations of various parts inside a wide variety of equipment, including automobiles, motorcycles, agricultural machinery, industrial robots, manufacturing equipment, and household electrical appliances. At the same time, they are also essential components of machine tools and assembly equipment, which produce these pieces of equipment, providing a foundation for manufacturing. This remains true even with electrified automobiles and machines with advanced, state-of-the-art technological features; such machinery or equipment will be completely out of operation if a single belt in it breaks.

Since our founding in 1919, we have been sincerely tackling each and every issue faced by our customers and society and contributing to the reduction of energy loss and the extension of equipment lifespans by optimally designing our products and selecting appropriate materials according to their application or the environment of their use. We have therefore continued to provide a range of products that deserve to be called "quiet but strong behind-the-scenes supporters of industry."

Review of FY2024

We have now completed the first year of our 2024 Mid-Term Business Plan and are taking steady forward steps to implement second-year measures, aiming to achieve the business strategies defined in the plan. The 2024 Mid-Term Business Plan is positioned as the second phase of our journey toward the FY2023 "Target Position": "Establish a resilient corporate structure." This phase is defined as a "period of accelerated growth," but the business environment is changing even more drastically and rapidly, with soaring raw material, logistics, and labor costs and growing global geopolitical risks, added to by the U.S. high tariff policy and other factors. Amid this environment, we believe that what we will do during the three-year period of the current Mid-Term Business Plan will be a key determinant of the possibility of our future growth, that is, how we will be able to continue to increase our corporate value while maintaining our resilience to change.

Under these circumstances, in FY2024, we achieved a revenue of 90.5 billion yen, an increase of 6.5 billion yen (7.7%) year on year, which has been a record high since our sales of the Automotive Components Division^{*1}, and an operating income of 8.9 billion yen, an increase of 1.2 billion yen (15.1%) year on year.

The main factors behind these increases in revenue and operating income were the outcomes of various measures that we have implemented since the previous Mid-Term Business Plan period. The key factor behind the revenue increase was the steady progress we had made in the Automotive Parts Field in expanding sales of electrification-compatible products, including belts for EPS,^{*2} to respond to electrification. The most contributing factor behind the operating income increase was our successful countermeasures against negative factors such as the sharp rise in raw material, logistics, and labor costs, including reorganizing our production system. These favorable factors helped minimize the risks of decreases in revenue and operating income.

Meanwhile, in terms of capital efficiency, we have been making sustained efforts to improve our profitability and balance sheet in pursuit of our capital policy focused on enhancing corporate value, as we announced in May 2022 along with the FY2030 "Target Position." We believe that these efforts have earned a certain degree of recognition from the stock market. Our stock price has more than doubled since then, and our price-to-book ratio (PBR) has remained above 1.0. As advised by investors, we view a PBR of 1.0 as a stage we pass through in our ongoing efforts to further enhance our corporate value.



*1 In September 2006, Mitsuboshi Belting Ltd. handed over all its shares in Mitsuboshi Belting Kaseihin Co., Ltd. (then a wholly owned subsidiary of the company), a manufacturer and seller of automotive interior and exterior components, to International Automotive Components Group Japan, LLC (IAC Group Japan, Delaware, U.S.).

*2 Electric power steering

Return on equity (ROE) has so far remained higher than our perceived cost of equity (COE), but we recognize the need to adopt measures to further increase ROE.

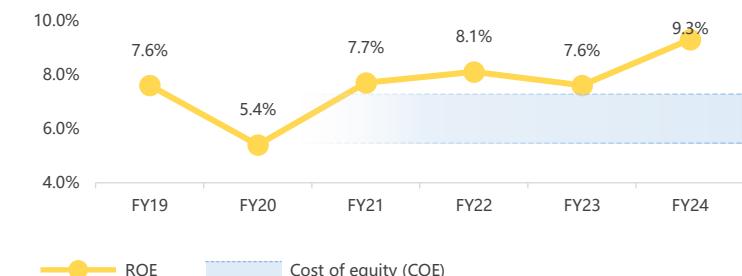
Before I assumed the position of president, our company had promoted a capital policy centered on strengthening its financial position. That was not necessarily a wrong choice from the perspective of building a stable management foundation, but we had a relatively high amount of cash on hand and equity, which required improvements from the perspective of capital efficiency. We are now working to appropriately allocate these accumulated management resources to strategic investments and the acquisition of growth opportunities while securing working capital so that we can flexibly respond to drastic changes in the external environment. By doing so, we aim to further improve capital efficiency with a view to achieving a KPI target of ROE of 10% by FY2030 and a broader equity spread.

Cost of equity (COE)

$$\text{Risk-free rate} + \beta \times \text{Equity risk premium} = \text{COE}$$

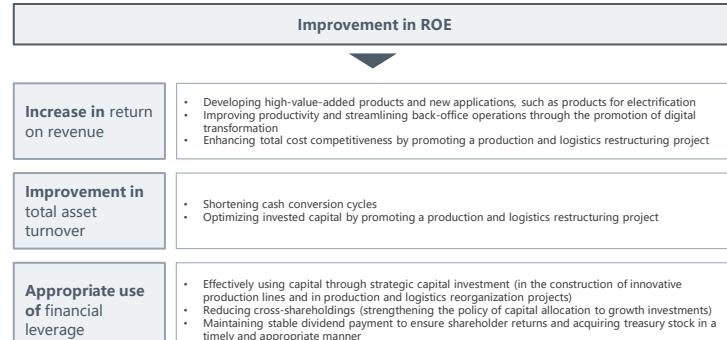
Set based on 10-year government bond yield Sensitivity of the company's stock to the Tokyo Stock Price Index (TOPIX) Expected return on Japanese stocks The company's COE estimated based on the Capital Asset Pricing Model (CAPM) 5.5 ~ 7.5%

ROE



Performing management conscious of cost of capital and the stock price

To maximize corporate value over the medium to long term by achieving constant ROE growth and a broader equity spread, we are implementing specific approaches to each of the three metrics of net profit margin, total asset turnover, and financial leverage.



Strengthening IR activities: Building relationships of trust with capital market; optimizing COE; achieving a broader equity spread

First, achieving constant growth toward the future requires us to further increase our earning power, which is a source of our competitive advantage. We will strategically utilize our “three strengths” to resolve social issues in accordance with the changing external environment and to strengthen the structure of our core business.

In the business environment surrounding us, worldwide efforts to achieve carbon neutrality are accelerating, particularly in the automotive industry, with the electrification of mobility now reaching a critical turning point. In addition, particularly in Japan, the declining working population has caused rapidly surging demand for labor-saving and automation in the manufacturing and logistics fields. Moreover, from the perspective of realizing a sustainable society, social demand for not only more efficient production facilities and machinery but also more environmentally friendly products has also been growing.

▶ P.18: Three Strengths We Have Cultivated

In response to these trends in the external environment, we focus on developing high-value-added products in each segment and are accordingly making proactive investments in production facilities. In particular, for electrification-compatible products for four- and two-wheeled vehicles, we have long been discussing strategies in anticipation of a further shift to EVs, and our efforts are producing desirable outcomes in expanding sales of a product lineup that the 2024 Mid-Term Business Plan positions as a priority strategic area. We will continue our efforts to increase our earning power by expanding our lineup of high-value-added products and improving efficiency through capital investments in production facilities.

To improve total asset turnover, we also devote efforts to shortening the cash conversion cycle (CCC). In particular, we recognize optimizing inventory assets and improving inventory turnover as one of the challenges we must solve. We are therefore taking steady steps to solve it in alignment with our reorganization project for the production and logistics systems.

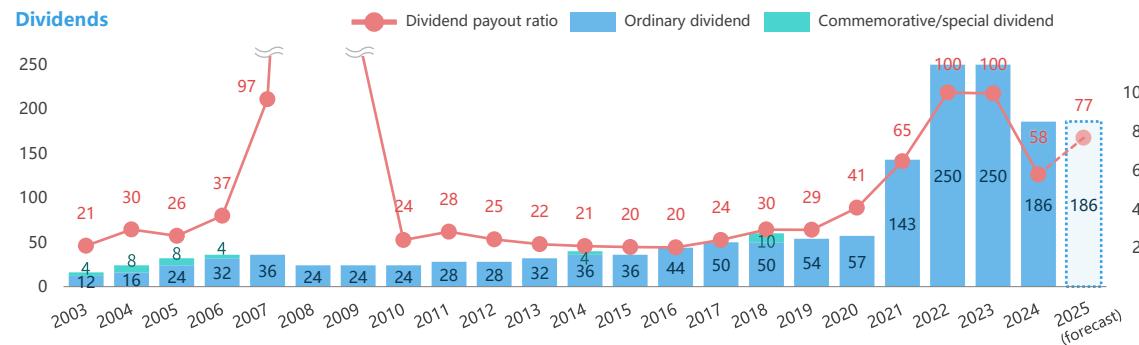
To appropriately utilize financial leverage, we are making efforts focused on efficient capital allocation. Specifically, as part of our asset selection and concentration measures, we have been promoting reduction of our cross-shareholdings, and we will allocate our acquired resources to strategic investments in growth fields. Furthermore, from the perspective of improving capital efficiency and maximizing shareholder value, we will enhance shareholder returns through stable dividend payments and also flexibly purchase treasury stock.

Capital investment (asset basis | unit: 1 billion yen)



Main capital investment targets

- Reorganization of production and logistics systems
- Enhancement of systems related to the business foundation
- Solar power generation facilities and other facilities for carbon neutrality
- Testing and research
- Human capital



Aiming to become an employer of choice

We believe that achieving sustainable growth and continuing to provide solid value to society requires us to place the ambition and growth of each and every Mitsuboshi Belting Group employee at the center of our management. In this belief, we have positioned strengthening human resources strategy as one of the most important challenges to be solved in the 2024 Mid-Term Business Plan.

In FY2024, we introduced a new talent management system to promote visualization of our Company-wide talent portfolio and strategic human resource allocation. This system is aimed at providing us with a more thorough understanding of each employee's skills, experience, values, career development vision, etc, thereby combining organizational growth with individual career development. Additionally, as a mechanism for supporting employee career ownership, we have also launched a job matching system, whereby employees can express their desire for job transfer based on their desired career path.

In terms of human capital management, the low ratio of female managers and a significant gap between employees in the engagement score have now posed us major challenges. We believe that employee engagement is not simply about treatment and evaluation, but it depends largely on their sense of achieving personal growth and making a meaningful contribution at work to society. In this belief, we are committed to creating a workplace environment that helps bring out the intrinsic motivation of each employee while designing and implementing appropriate personnel systems. We believe that managers should play an important role in achieving this by supporting each department member in their efforts toward self-realization and satisfaction in their daily work. We are therefore focusing our efforts on increasing the quality of management performed by managers.

I believe that another goal we should aim for through the promotion of human capital management is to make Mitsuboshi Belting a company that each and every employee can be proud to work for. Aiming to ensure both the company's sustainable growth in corporate value and its employees' pride at working for it, we continue our efforts in human capital management.

▶ P. 25: Human Resources Strategy

▶ P. 35: Sustainability Strategy

▶ P. 67 Stakeholder Engagement

Initiatives for ESG management as a growth strategy

In an age where sustainability is directly linked to corporate growth, we do not simply respond to environmental and social concerns; we position them as an important element of management and are steadily moving forward toward realizing sustainability management.

Our environmental initiatives include not only disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and the calculation of Scope 3 emissions but also the development of environmentally friendly products from the perspectives of both risks and opportunities. We believe that our proprietary technologies, including highly efficient power transmission belts and belts with a high content of biomass material, can make a significant contribution to this field, where achievement of both social and economic value is required. We therefore hope to steadily expand the potential of our technologies in our future initiatives. The Sustainability Council regularly reports on these sustainability-related growth strategies to the Board of Directors, which actively discusses those strategies.

To strengthen governance, we have incorporated investor and shareholder feedback provided to us at IR and SR meetings into our management, resulting in initiatives such as introducing a performance-linked compensation system and reducing cross-shareholdings. We place high importance on building relationships of trust with the capital market through IR activities, especially from the perspective of optimizing COE, and we will continue to promote active dialogue with investors.

Message to all stakeholders

We recognize ongoing drastic changes in the market environment, including the accelerated shift to EVs in the automotive industry, as growth opportunities, instead of risks. Leveraging the technology and knowledge we have cultivated since our founding, as well as our manufacturing capabilities in both development and production, we will continue our efforts to develop products that meet market needs with the aim of steadily increasing our sustainable corporate value.

Also, I believe that these efforts have been driven by nothing but changes in the awareness and behavior of each and every employee. Making the Mitsuboshi Belting Group a corporate group whose employees all can achieve personal growth through their work and be proud of working for it—this is the corporate culture transformation we are currently committed to and the foundation for our future.

We hope that you await successful outcomes of our efforts toward growth and transformation, and we are sincerely looking forward to your continued support.



02

Our History and the Source of Our Value

- 011 Founding Spirit and Philosophy System
- 012 The Journey of Value Creation
- 015 Feature Page(1) The Corporate Vision of Mitsubishi Belting

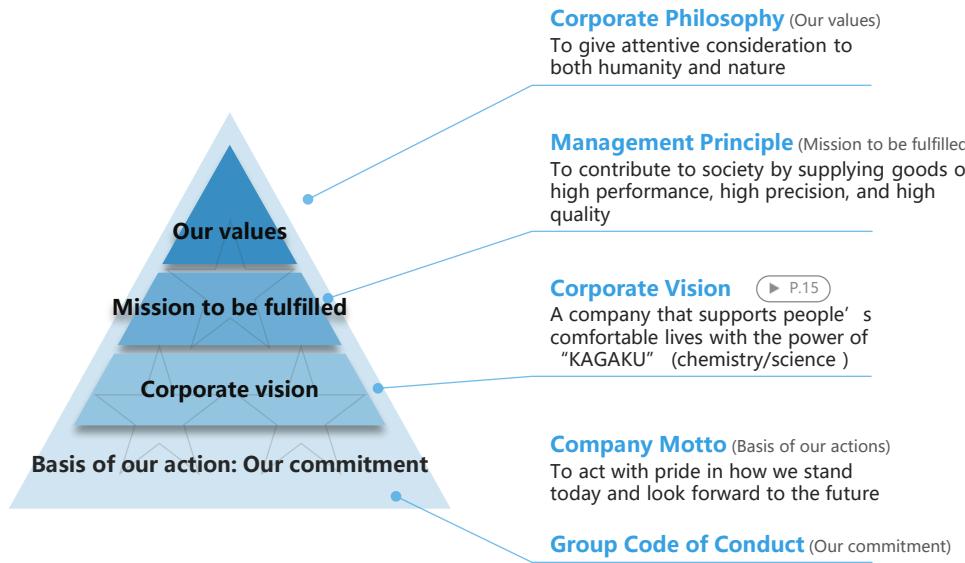
Founding Spirit and Philosophy System

Our corporate culture of quality-first DNA and social cohesion, which has been passed down since the company's founding

In 1919, Mitsuboshi Shokai was founded by Genzo Oda, Shinjiro Nakamura, and Kusukichi Kojima. Since then, our company, which began with the production of cotton belts, has expanded its product line and business domain in response to the social issues and conditions of the times and has contributed to the development of society through both "conveyance" and "transportation."

The spirit of quality first and the corporate culture of coexistence and collaboration with society are still deeply rooted in the Mitsuboshi Belting Group.

Philosophy System of Mitsuboshi Belting



The full text of the Group Code of Conduct is available on our corporate website.



Founder Genzo Oda

Founding spirit in 1919

- To make products with sincerity.

In 1919, Mitsuboshi Belting (company name at the time of its founding: Mitsuboshi Shokai) began its history as a cotton belt manufacturer. During this period of Japan's industrial boom, Mitsuboshi Shokai contributed to the development of modern industries such as steel, industrial machinery, and nonferrous metals through power transmission by belts.

The corporate philosophy of the company at the time of its founding was "To make products with sincerity" and "To walk steadily, step by step."

This is where Mitsuboshi Belting's DNA, which continues to this day, began. For more than 100 years since our founding, we have been honestly committed to "manufacturing quality and selling quality."



The Shikoku Plant upon completion (1947)

Quality-first DNA

"Considering the 100-year life of the business, no compromise is allowed. We will firmly adopt a quality-first policy."

In 1945, after the end of World War II, Japan's infrastructure was devastated by the war and society was in dire straits. Mitsuboshi Belting (then known as Mitsuboshi Chotai), which decided to resume production, said: "With supplies extremely depleted, customers will jump at the chance to buy our products, even if the quality is a little lower. Is it better to start mass production for such people and try to make a profit? Or, should we maintain our traditions and focus on quality? Considering the 100-year life of the business, no compromise is allowed. We will firmly adopt a quality-first policy."

Even in times of turmoil, the spirit of valuing quality was preserved, and Mitsuboshi Belting's business continues to this day.

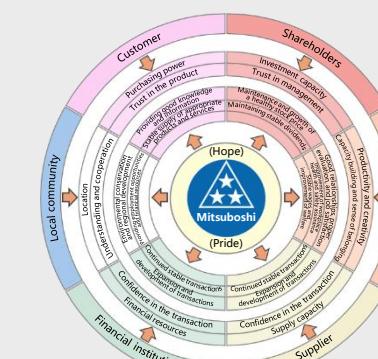


Diagram of the corporate philosophy in 1965

A corporate culture that advances hand in hand with society

"All stakeholders involved, with Mitsuboshi at the core, act with pride in Mitsuboshi today and with faith in the hope for Mitsuboshi tomorrow."

In 1965, Mitsuboshi Belting took the 45th anniversary of its founding as a turning point to review its corporate philosophy, and the above philosophy was established.

Mitsuboshi Belting considers its shareholders, customers, financial institutions, suppliers, employees, and local communities as "all stakeholders" in its business and seeks to improve economic and social value through collaboration with them. Mitsuboshi Belting has been engaged in such business management since the 1960s.

This corporate philosophy from 1965, which has since been partially revised to become our current company motto, has long been passed down as the backbone of Mitsuboshi Belting's sustainable development, which aims for harmonious business operations.

History of Mitsuboshi Belting (1)

~ The birth of Mitsuboshi Belting and the beginning of its co-creation business ~

Since our founding in 1919, we have developed through a management policy that emphasizes quality-oriented manufacturing and partnerships with distributors. We have expanded our business domain and product lineup over time. The high quality of our products was recognized in both domestic and international markets, and we established ourselves as a leading company in the industry.

Social conditions

1919

- The period of industrial emergence in modern Japan

1930

- The Wall Street Crash and the Great Depression

1940

1950

1950

- Japan's period of rapid economic growth
- The expansion of motorization

1960

- Rapid increase in infrastructure needs
- Increased urbanization and population concentration

The path walked by Mitsuboshi Belting

1919

Underpinning the industrial development of modern Japan

Six months after its founding, the company began manufacturing rubber belts, which were an advanced product at the time. The selling point of Mitsuboshi Belting products was their strong adhesion. Genzo Oda himself went to customers and used a nail puller to demonstrate the belt's adhesive strength.

During this period of Japan's industrial boom, our products were used in spinning, steelmaking, paper manufacturing, coal, and many other industries and machines, contributing to the development of modern Japanese industry through the power of belts to "convey" and "transport."



Coal washing machine using a flat belt (machine for the process of washing coal to remove impurities)



Received a large order for conveyor belts (1940)

1938

Foundation of co-creation business

In 1938, for the first time since the company's founding, all of our distributors were brought together for the National Mitsuboshi Meeting. At the meeting, the company explained its sales policy centered on distributors and presented a statement of coexistence and co-prosperity between distributors and manufacturers.

From the very beginning to the present, we have consistently adopted a management policy of valuing partnerships with our distributors. The foundation of our "co-creation business," which is one of our strengths, had already been laid in the early days of our company.



The 1st National Mitsuboshi Meeting (March 1938)

1959

The neon tower, a symbol of partnership

As a gift, leading distributors throughout Japan kindly offered to donate a neon tower, which was installed on the plant roof, to commemorate Mitsuboshi Belting's 40th anniversary with something. The neon tower was completed on April 22, 1959, with the main body 40 meters high and 55 meters above the ground. At the presentation ceremony, the words "Mitsuboshi Belting and Mitsuboshi Tire" lit up the neon tower in brilliant colors, and the tower continued to shine in the Kobe sky for the next 61 years as a symbol of the co-creation-type business between distributors and Mitsuboshi Belting.



(The neon tower survived the Great Hanshin-Awaji Earthquake of January 17, 1995. However, even with seismic reinforcement, the tower had inevitably deteriorated, and in May 2020, we decided to dismantle and remove the tower due to shear deformation, placing the highest priority on safety in light of the recent severe typhoons and other disasters. The neon tower has been dismantled, but our partnership with distributors remains unchanged to this day.)

1960

Contributing to the development and expansion of infrastructure in Japan and abroad

With Japan's rapid postwar economic recovery, demand for electric power rose rapidly, and serious power shortages became a social problem. The Kurobe No. 4 Dam of the Kansai Electric Power Company, completed in 1963 in the Kurobe Gorge in northeastern Toyama Prefecture, attracted much attention as a symbol of Japan's economic independence.

Mitsuboshi Belting supplied a large quantity of conveyor belts for this power supply development work and also participated in many dam projects constructed throughout Japan. The conveyor belts we delivered were used to transport materials such as cement and gravel and to transport industrial waste from construction sites, all of which were completed without incident, earning us the name "Mitsuboshi of Conveyors."

In addition to the power supply development business, Mitsuboshi Belting responded to increased demand in many other fields during the period of Japan's rapid economic growth, including coal, mining, steel, and civil engineering and construction, contributing greatly to the development and expansion of Japan's infrastructure during the period of Japan's rapid economic growth.



Mitsuboshi conveyor belt installed in the Omachi Tunnel of the Kurobe No. 4 Dam

During the period of Japan's rapid economic growth, rapid urbanization led to a rapid increase in housing demand and a shortage of land for residential land. To secure land for housing sites, construction work was carried out in various regions of Japan to cut down mountainous areas and transport earth and sand to reclamation sites.

In 1963, in a project in the Kobe coastal area, we supplied the world's widest conveyor belt (2.1 m) at that time. In the same year, we also began production of Japan's first conveyor belt using steel wire for the core and delivered it to steel mills.



A major undertaking in the Kobe coastal area, which was described as "Mountains go to the sea" (1963-2007)

History of product development



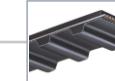
Early rubber belt (flat belt)
(Production began in 1920)



Conveyor belt
(Production began in 1936)



V-belt
(Production began in 1940)



Timing belt
(Production began in 1957)



Rubber sheet waterproofing material
(Production began in 1962)



Steel wire conveyor
(Production began in 1963)



Raw edge belt
(Production began in 1962)



Polyurethane belt
(Production began in 1968)



Civil engineering field
(Entered in 1971)

~ Building a global system ~

As Japan entered a period of rapid economic growth, the Mitsuboshi Belting Group also expanded its business both domestically and internationally through technological innovation, improved production capacity, and expansion into global markets.

With a continuous focus on quality, Mitsuboshi Belting's products captured demand in the car and industrial machinery fields, further solidifying the Group's position.

Active investment in new technologies and research and development led to diversification of the product lineup, efficiency improvement, and higher quality, as well as development of products with reduced environmental impact in light of social issues.

Social conditions

1960

- Rapid increase in infrastructure needs
- Increased urbanization and population concentration

1970

- Photochemical smog
- Environmental pollution issues
- Oil crisis, enactment of the Energy Conservation Law

1980

- Globalization

The path walked by Mitsuboshi Belting

1960

■ Technical cooperation with DAYCO

At the time, Mitsuboshi Belting's V-belts were highly regarded in Japan, but internationally they were still inferior. The world's highest level was in the United States. The Dayton Rubber Company (later renamed Dayco Corporation) held the top share of the V-belt market in the United States. Believing that the introduction of technology from developed countries was essential for Mitsuboshi Belting to become a global leader, Mitsuboshi Belting began negotiations with DAYCO.

Although there were some difficulties in obtaining approval from the Ministry of International Trade and Industry after the tentative signing of the technical tie-up, the official signing of the technical tie-up with DAYCO took place in September 1960, which greatly contributed to our subsequent technological innovation and rationalization of the production process. (Contract terminated in 1981)



Dayton type V-belt (black) and earlier bengara-dyed V-belt (red)
(Mitsuboshi Belting products)

1960

■ Entry into the building waterproofing and civil engineering markets

During the 1950s and 1960s, the rapid growth of the Japanese economy was accompanied by a surge in large-scale public works projects and construction using concrete. As part of our business diversification, we began to enter the building waterproofing materials market by leveraging our rubber base technology. Since its launch in 1962, we have expanded our product lineup by changing materials and specifications and have also entered the civil engineering field. Today, our waterproofing sheets are used in reservoirs, irrigation canals, and final waste disposal sites, contributing to the prevention of environmental pollution and the preservation of biodiversity.



Waterproofing of the roof of the Prime Minister's Office
(1963)



Irrigation canal project in Iraq
(1978)

1970

■ Contribution to the reduction of air pollution

At that time, air pollution problems caused by exhaust gases from the rapid spread of cars became apparent, and there was a strong demand for significant improvements in heat resistance, durability, and other qualities in car belts as a countermeasure against exhaust gases. The required belt life was increased from 20,000 km to 80,000 km. At the time, such technology was not available even in the United States, a country with advanced belt technology, but in 1976, as a result of the desperate efforts of our engineering department, a 50,000-mile non-adjustable raw-edge belt was completed. Our

technology contributed greatly to the expansion of motorization and the reduction of air pollution in Japan.



Car belts used in harsh conditions

1980

■ Establishment of a global production system

Mitsuboshi Belting began exporting in 1937, but in the early 1970s, the company developed a long-term overseas strategy to establish the Mitsuboshi Belting brand globally and penetrate the market. The road to becoming a global leading company in the industry began at this point.

Starting with the establishment of a base in the United States in 1973, we have expanded our global bases to the Netherlands and Singapore (both in 1977), Austria (1981), the Philippines (1984), Thailand (1987), and Indonesia (1988), and by 2024, we will have grown into a global company with 15 bases in 10 countries.

In our overseas expansion, based on our corporate philosophy (at the time), "All stakeholders involved, with Mitsuboshi at the core, act with pride in Mitsuboshi today and with faith in the hope for Mitsuboshi tomorrow," we have developed our business with an emphasis on building partnerships with distributors in each overseas location, rather than simply pursuing expansion of scale and profit. The first Overseas Distributors Conference was held in 1974, bringing together distributors from around the world at the Head Office. Since then, the conference has been held continuously as a venue for strengthening partnerships with distributors, and the 17th Global Distributors Conference is scheduled to be held in 2024.

■ Introduction of the in-house developed system M88

In the midst of the transformation of manufacturing production systems through the use of IT in the 1990s, Mitsuboshi Belting was one of the first companies to develop and introduce an in-house system ("M88 System") for online sales, logistics, purchasing, and payment operations in 1988. The M88 system was the first in the Kansai region to use a relational database for business use that makes it easy for non-experts to add and change data and has facilitated the rationalization and efficiency of business operations by eliminating duplication of work.

In addition, with the introduction of the M88 system, a data transmission network was established, which enabled centralized management of plant production data, real-time information sharing, and seamless adjustment of production plans and transfer of production among the plants. This contributed to uniform production volume and improved quality at the plant, which led to enhanced competitiveness in the global market.

History of building a global structure (1970-1990)



1973
United States: MBL (USA) CORP.
Canada: M.B.L. SALES LTD.



1977

Netherlands: MBL (Europe) B.V.
Singapore: Mitsubishi Belting (Singapore) Pte. Ltd.



1979



Singapore: Mitsubishi Industrial Fabric (Singapore) Pte. Ltd.



1981

Austria: Semperit-MBL GmbH



1984

Philippines: Mitsubishi Belting Philippines Corp.



1987

Thailand: Mitsubishi Belting (Thailand) Co., Ltd.



1988
Former West Germany: MBL Antriebstechnik Deutschland GmbH
Indonesia: P.T. Mitsubishi Belting Indonesia

~ To “establish a strong corporate structure resilient to change” and “become a company that supports people’s comfortable lives through the power of ‘KAGAKU’ (chemistry/science)” ~

As globalization and digitalization progress and environmental considerations become prerequisites for business, the Mitsuboshi Belting Group is actively working to strengthen its international competitiveness, improve the functionality and energy efficiency of its products, and expand into new markets. The Mitsuboshi Belting Group will also continue to develop a variety of initiatives to respond to changing social issues and needs, such as the development of environmentally friendly products for the realization of a sustainable society and the improvement of production processes through the use of IT technology.

Social conditions

1970

- Photochemical smog
- Environmental pollution issues
- Oil crisis, enactment of the Energy Conservation Law

1980

- Globalization

1990

- Hunger and food crisis

- Internet diffusion and IT advancement
- Population decline, low birthrate and aging society
- Industrial automation

2000

- Climate change and environmental issues

2010

- A period of great change in the mobility field
- Accelerating sustainability efforts

The path walked by Mitsuboshi Belting

1980

■ Towards the realization of highly efficient and clean transmission

The oil crisis of the 1970s triggered the enactment of the Energy Conservation Law and other related legislation in Japan, which led to the demand for more efficient and cleaner belt transmission. Mitsuboshi Belting has been expanding its product lineup to meet such social demands.

Mitsuboshi Belting began developing V-ribbed belts (our product name: Ribstar Belt) as a highly efficient product that contributes to energy conservation. The Ribstar Belt combines the two advantages of the transmission performance of the V-belt and the flexibility of the flat belt, improving power transmission by nearly 50% compared to the conventional V-belt. The high flexibility of the belt also contributes to engine downsizing and thus greatly contributes to fuel economy improvement by reducing vehicle weight.

Compared to chains and gears, timing belts, which do not use oil and can achieve clean transmission with less noise, have expanded applications in the car, large industrial machinery, precision equipment, and OA fields, and in response, we have developed new products with new tooth shapes that achieve more efficient transmission. Our timing belts have been adopted mainly by domestic and foreign car manufacturers because of their superior fatigue resistance and resistance to driving on snow-covered roads.

1990

■ Contribution to solving food problems and hunger

Since the 1990s, hunger in the world has become a serious social issue due to population growth and climate change. One of the typical application areas for Mitsuboshi Belting’s transmission belts is agriculture. The environment in which belts are used in agricultural machinery is extremely harsh, and the downtime that occurs when belts used in combine harvesters and other equipment break due to the entrapment of foreign matter or large load fluctuations is one of the factors that hinder the efficient harvesting of grain and crops. Since the 1990s, Mitsuboshi Belting has been expanding its AG Series lineup of V-belts designed specifically for agricultural machinery applications that can withstand such harsh environments, and these belts are widely used in a variety of agricultural machinery worldwide, from small to very large machines.

Mitsuboshi Belting’s V-belts for agricultural machinery, which demonstrate excellent durability in a wide variety of agricultural machinery, contribute to improved grain and crop harvesting efficiency.

■ Our products support industrial automation

In the 1990s, advances in information technology and other factors led to the automation of plant production lines and distribution centers. Mitsuboshi Belting is developing and expanding new belt lineups to meet these industrial requirements and contributing to industrial automation by supplying a wide variety of products.

Product examples

Photo graph	Series name	Application examples
(1)	Star Max	Printer carriage drive
(2)	Mega Torque G.U	Injection molding machines, machine tools, press machines, medical equipment, etc.
–	Mega Torque EX	Semiconductors (liquid crystal devices), industrial robots, etc.
(3)	Neoflex Start UF	Food factory
–	Logi Star	Warehouses, logistics centers, airports, etc.

2000

■ Expansion of product lineup that contributes to environmental value enhancement

In the 2000s, the trend that led to the subsequent adoption of the SDGs was a strong call for balancing economic growth with environmental protection. Mitsuboshi Belting develops products that meet the needs of the times and expanding its lineup of environmentally friendly products in the fields of mobility, general industry, and construction materials, thereby contributing to the enhancement of environmental value through the provision of its products.

Examples of environmentally friendly products:

- TG belt with reduced environmental impact ... (Photo (4) below)
- Energy-saving V-belt ... (Photo (5) below)
- V-ribbed belts that contribute to improved fuel economy ... (Photos (6)/(7) below)
- Large TG belts for wind power generators, etc. ... (Photo (8) below)



2010

■ Expansion of new product lineup in the mobility area

The car industry is undergoing a once-in-a-century transformation. To accomplish our own future transformation and contribute to the realization of a decarbonized society through the electrification of mobility, we are expanding our new product lineup in this area.



The use of our belts in electrification units installed in EV vehicles, such as EPB (Electric Parking Brake/photo (10) below), PSD (Power Sliding Door/photo (11) below), EPS (Electric Power Steering/photo (12) below), and timing belts for rear wheel drive of electric motorcycles (photo (9) below), is also expanding.

Seeing this period of change as an opportunity, we will continue to develop new products that match the trends of the times and contribute to the realization of a decarbonized society through the widespread use of electric vehicles.

History of product development



Resin conveyor belt
(Production began in 1979)



Timing belt - STPD tooth profile
(Production began in 1980)



Ribstar belt
(Production began in 1981)



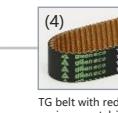
Ultra-micro pitch TG Belt
(Production began in 1990)



High torque TG belt
(The lineup has been gradually expanded since 1994)



Resin conveyor belt New series
(The lineup has been gradually expanded since 1996)



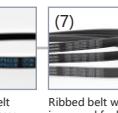
TG belt with reduced environmental impact
(Production began in 2002)



Energy-saving V-belt
(Production began in 2003)



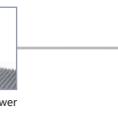
Stretch ribbed belt
(Production began in 2009)



Ribbed belt with improved fuel economy specifications
(Production began in 2011)



TG belts for wind power generator
(Production began in 2013)



For rear-wheel drive motorcycle TG Belt
(Production began in 2008)



TG belt for EPB
(Production began in 2014)



For PSD actuator TG Belt
(Production began in 2015)



TG belt for EPS drive
(Production begins in 2016)

* Timing belt is abbreviated as TG belt.

What is Mitsuboshi Belting's "Corporate Vision?"

A company that supports people's comfortable lives with the power of "KAGAKU"

Although you may not often see our products directly, Mitsuboshi Belting products are used in a wide variety of machines and equipment, including cars, motorcycles, office equipment such as printers, ATMs, cash registers, and various home appliances such as washing machines and coffee makers.

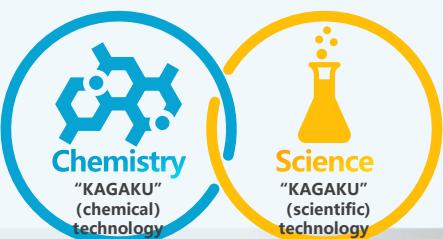
Our products may be small, but no machine or piece of equipment can function without our belts.

"Every one of Mitsuboshi Belting's products supports people's lives." It is with this spirit that we approach manufacturing.



What is the power of "KAGAKU" (chemistry/science)?

Since our founding in 1919, we have accumulated and developed a vast amount of technical knowledge and expertise through solving our customers' problems and social issues, and the foundation of this knowledge and expertise is our "KAGAKU" technology.



What is "KAGAKU" technology?

To improve the functionality of rubber, the main constituent material of our products, advanced "chemical" technology is essential to select polymers and additives and to control chemical reactions such as cross-linking. In addition, "scientific" technologies such as materials engineering and structural analysis are indispensable to analyze and evaluate what material properties are necessary to satisfy the required quality of the product.

Based on these factors, one of our strengths, our technological capabilities, is expressed as the power of "KAGAKU."

"Comfort" created by Mitsuboshi Belting



03

What Value Do We Wish to Create?

- 017 Value Creation Process
- 018 Three Strengths We Have Cultivated
- 019 Mid-Term Business Plan
- 022 Feature Page (2) New Growth Opportunities Arising from the EV Transition
- 023 Message from the Director in Charge of the Finance Department
- 024 Business Strategy by Segment
- 028 Human Resources Strategy
- 035 Sustainability Strategy
- 038 Feature Page (3) “Roundtable Discussion by Employees”
[Development of Eco-Friendly Products]

Value Creation Process

Since its establishment in 1919, the Mitsuboshi Belting Group has built its unique strengths by sincerely addressing each and every one of its customer's needs and society's issues.

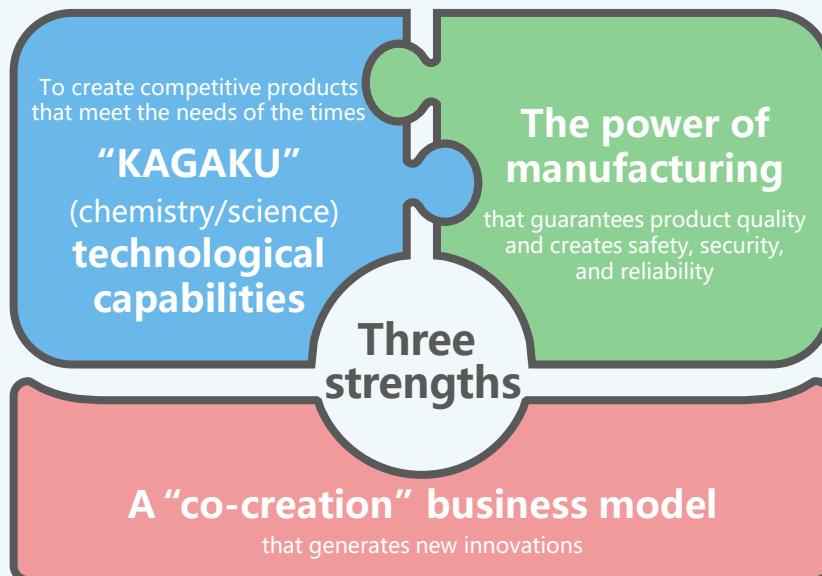
By executing a growth strategy that leverages our three strengths - our technological capabilities that we have refined, our manufacturing capabilities that ensure product quality and a stable supply, and our co-creation business model - we will work to create further social value and sustainably enhance our corporate value to realize our "Corporate Vision."

Strengths and competitive advantages

P.18

Driving force for value creation

cultivated over 100 years of history:



Strategy

P.19

A growth strategy to realize the Corporate Vision

we aim to achieve to experience sustainable growth for the next 100 years

We will strive to achieve sustainable growth by continuing to meet the changing needs of society as the times change and to further strengthen our "Three Strengths," which serve as our driving force.

Fostering a corporate culture that fosters innovation
Reforming the corporate culture to embrace challenges

Driving force to capitalize on and develop strengths.
Cultivation of change-promoting personnel

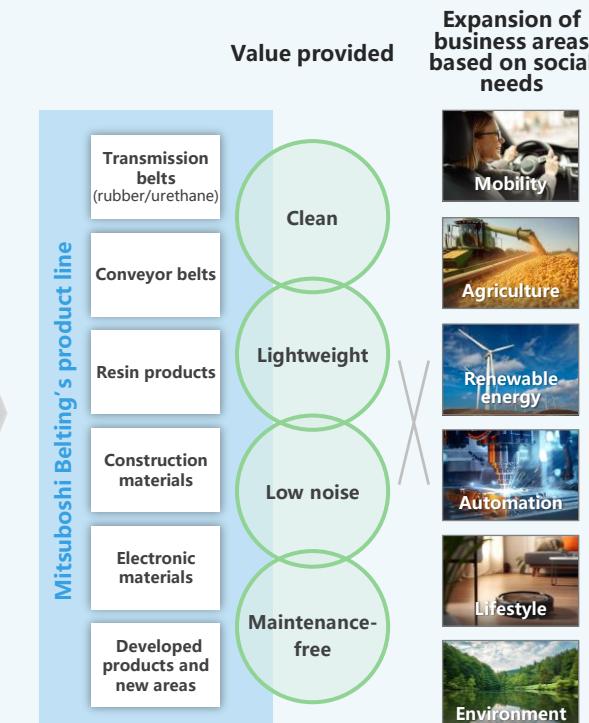
Solving social issues through business (creating business opportunities)
The evolution of ESG management

Milestones toward the realization of the "Corporate Vision" :

- Profitability Net sales: 100 billion yen
Operating profit: 3 billion yen
- Capital efficiency ROE: 10%
- ESG: Contributing to the realization of a sustainable society (Improvement of social, environmental, and economic value)

P.24 Business Strategy by Segment

OUTPUT



Corporate Vision

P.15

A company that supports people's comfortable lives with the power of "KAGAKU"

Customer

Partners in solving social issues
Stable supply of safe and reliable products

Coworkers

A company that offers personal growth, job satisfaction, and happiness in life

Environment and society

Contribution to the realization of a decarbonized society
Contribution to a safe and secure society
Contribution to manpower saving and population problems

Co-creation partners

Partnerships that foster innovation
Creating opportunities for joint growth

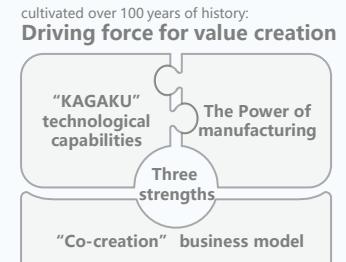
Shareholders and investors

Improving corporate value and maximizing shareholder value
Improving management transparency and capital efficiency

Our Strengths

Three Strengths We Have Cultivated

The strengths of the Mitsuboshi Belting Group have been handed down through more than 100 years of accumulated experience and technology. We are committed to taking on new challenges for the next 100 years, with our three strengths as the driving force for value creation.



1 "KAGAKU" technological capabilities

To create competitive products that meet the needs of the times

- Mitsuboshi Belting has been engaged in the research and development of "KAGAKU" (chemistry/scientific) technology through the development and manufacture of industrial belts and other products. To improve the functionality of rubber, the main constituent material of our products, advanced "chemical" technology is essential to select polymers and additives and to control chemical reactions such as cross-linking. In addition, "scientific" technologies such as materials engineering and structural analysis are indispensable to analyze and evaluate what material properties are necessary to satisfy the required quality of the product.
- Since our founding in 1919, we have accumulated a vast amount of technological knowledge and expertise through our sincere efforts to address each and every customer's needs and social issue, and we are boldly taking on the challenge of creating social innovations by making full use of these "KAGAKU" technologies. Accumulated technical knowledge and expertise include, for example, factors that control product performance, our proprietary material technologies, and product evaluation and analysis technologies.
- We have a broad and deep understanding of all the factors that control product performance, such as rubber compounding, other material combinations, shapes, and where and how changes can be made to the product to achieve the desired result. Another of our strengths is our product evaluation and analysis technology, which involves comprehensive and multifaceted simulation and testing of these developed products from the customer's perspective.
- We are able to propose optimal systems based on the customer's purpose of use and conditions because we have a great advantage in these "KAGAKU" technologies.

2 The power of manufacturing

to create safety, security, and trust

- Equally important as the technological capabilities to develop superior products is the manufacturing capability to reliably and stably produce those products and guarantee high quality. We have earned the trust of our customers as one of the few manufacturers that can provide a high level of quality assurance through a management system that guarantees the same quality no matter where in the world our products are manufactured.
- One of the major factors that enable us to ensure the same level of quality as our mother plants in manufacturing on a global basis is that the main production facilities used in all of our domestic and overseas plants are designed and manufactured in-house by the Engineering Division.
- Our in-house designed and manufactured production facilities enable us not only to maintain the same quality globally but also to easily customize our manufacturing processes to meet the diverse needs of our customers, enabling us to respond quickly and flexibly to customer demands and market changes.
- In addition to the production facilities mentioned above, we have belt evaluation facilities on a scale unparalleled for a manufacturer of intermediate consumer goods to meet our own strict quality assurance standards, and our belt evaluation facilities play an important role in evaluating the performance of our products from the development stage for our customers in various industries.
- One of our global policies is to expand our overseas operations through independent financing, which has enabled us to aggressively expand our state-of-the-art manufacturing facilities on a global scale.

3 "Co-Creation" business model

that generates new innovations

- Belts, our main product, play a role in transmitting power from a power source in various machines and are an important component of any power transmission system. No matter how sophisticated a machine is, if the movement of a single belt used stops, the machine itself will stop functioning. Our products and technologies demonstrate their value when applied to machines, and we have been developing new business areas by utilizing the technologies we have accumulated over the years and collaborating with our customers and partners.
- Since our inception, we have valued partnerships with our distributors in our business activities. By working with distributors to identify market needs, we create new business opportunities that we would not be able to uncover on our own, and by responding flexibly and quickly to each project, we provide optimal solutions to our clients. "Co-creation" with our distributors is one of the sources of our competitiveness that further strengthens our strengths and supports sustainable growth.
- Through our customer-oriented sales activities, we have accurately grasped the issues faced by our customers, and as a result of our numerous technological developments, we have created new products and solutions in collaboration with our customers, supporting manufacturing and people's lives in the manufacturing industry throughout our long history. This includes many things such as groundwater pumping pumps and irrigation pumps that would have a significant impact on people's lives if the belt were to lose its function.
- We will promote corporate growth and value creation by anticipating changes in world trends through innovation initiatives with academic institutions and by providing society our own solution capabilities.

2024 Mid-Term Business Plan

(FY2024~2026)

Phase 2 towards realizing our FY2030 “Target Position” :
Growth acceleration period

May 14, 2024

Announcement of 2024 Mid-Term Business Plan

The 2024 Mid-Term Business Plan marks the second phase of our journey toward the FY2030 “Target Position.”

Building on our achievements in the previous Mid-Term Business Plan, which was defined as a “period for strengthening the foundation,” we position the current Mid-Term Business Plan as a “period of accelerated growth” and are implementing measures for further growth. We hope to take advantage of the Japanese government’s ongoing increased focus on the policy of promoting the growth of medium-sized companies as a golden opportunity for us to accelerate our growth. We are therefore promoting our initiatives with a view to reaching the FY2030 “Target Position” earlier than planned.

Guided by our Corporate Philosophy, “To give attentive consideration to both humanity and nature,” we promote the creation of a company that can contribute to the realization of a sustainable society through its business activities and aim for management that is trusted by all stakeholders.

FY2030 “Target Position”

Establish a strong corporate structure resilient to change

Profitability

Net sales

100
billion yen

Operating profit

13
billion yen

Capital efficiency

ROE

10%

Shareholder returns Capital investment

Promoting capital policy to enhance corporate value over the medium to long term

Human resources strategy

Cultivation of change-promoting personnel

ESG

Contributing to the realization of a sustainable society (Improvement of social, environmental, and economic value)

- Further improve profitability by strengthening the core business structure
- Investment in new growth areas where sustainable growth is possible
 - Strengthen the development and sales system for environmentally friendly products
 - M&A and open innovation
- Strengthen the financial position to further improve capital efficiency

- Actively invest in research that will lead to the realization of a sustainable society and in the development and production systems of high-performance, high-precision, and high-quality products that will bear the next generation.
- Enhance shareholder returns by securing funds for growth investments
- Enhancement of the personnel affairs system, education system, and workplace environment so as to enable maximization of “individual” capabilities
- Foster a “corporate culture” that respects diversity and values new ideas and a challenging spirit that is not afraid of change

- Proactively address environment-related social issues
 - “Toward carbon neutrality by 2050”
 - CO₂ emission reduction target value for FY2030: 46% reduction compared to FY2013 (Scope 1&2 at 8 sites in Japan)
- ESG evaluation: Obtain the highest rank under global standards

* The assumed exchange rate is 1 USD = 115 JPY.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

- Value Creation Process
- Three Strengths We Have Cultivated
- Mid-Term Business Plan**
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
 - Human Resources Strategy
 - Sustainability Strategy
 - Feature Page (3) “Roundtable Discussion by Employees”

- 04. Management Foundation for Our Value Creation
- 05. Data Section

Review of the 2021 Mid-Term Business Plan

In May 2022, we announced our FY2030 "Target Position" and reviewed our "2021 Mid-Term Business Plan" formulated during the coronavirus pandemic. The results against the KPIs for FY2023, the final year of the previous Mid-Term Business Plan, are as follows.

Profitability was boosted by the weak yen on net sales, but profits declined due to the impact of market inventory adjustments on sales of belts for the highly profitable aftermarket, which support the Group's core business. This is the main reason why operating profit did not reach its target.

In FY2022 and FY2023, we set the dividend payout ratio at almost 100% and repurchased our own shares, as disclosed. We also reduced our policy shareholdings as planned. However, the recent rise in the market price of policy shareholdings and the depreciation of the yen have increased the value of foreign currency assets of consolidated subsidiaries, resulting in an increase in capital, and as a result, ROE was slightly below our target. Regarding the amount of capital investment, we have decided to begin investing 22.8 billion yen over a three-year period and are making payments as appropriate.

With regard to ESG, we have steadily and promptly implemented various measures to enhance environmental value through our business activities, and as a result, we were able to achieve our CO₂ reduction targets, in particular, at a level far exceeding our KPI. In addition, we have been able to achieve concrete results in areas other than the environment, such as strengthening stakeholder engagement and supply chain management. These efforts have been well received, and third-party evaluations related to ESG have improved significantly.

2021 Mid-Term Business Plan, key indicators

		FY2023 KPI target	FY2023 KPI performance
Profitability	Net sales	80 billion yen	84 billion yen
	Operating profit	8.3 billion yen (11% or more)	7.7 billion yen (9.2%)
Capital efficiency	ROE	8%	7.6%
	Sales amount of cross-shareholdings	Over 1.5 billion yen (medium-term plan period)	1.5 billion yen (medium-term plan period)
Capital expenditures	3-year capital investment limit	23 billion yen	22.8 billion yen
Shareholder returns	Dividend payout ratio	FY2021	65%
		FY2022	100%
		FY2023	100%
ESG	CO ₂ emission reduction target value	More than 22%	35%*
	External evaluation	Reference: FY2022 results (CDP: C rank) (FTSE: 1.8)	CDP: B rank FTSE: 2.8
Assumed exchange rate		1 USD = 115 JPY	Average during the period 1 USD = 144.6 JPY

* Partial use of Scope 1 & 2 FY2022 emission coefficients for 8 sites in Japan

2024 Mid-Term Business Plan

To further increase corporate value, we will develop and implement strategies based on the two pillars of "profitability improvement" and "balance sheet management."

KPI for FY2026 (final year)

We positioned the 2024 Mid-Term Business Plan as the second phase or "Growth Acceleration Period" toward our FY2030 "Target Position" and set KPIs for FY2026, the final year of the plan.



FY2026 KPI
91.5 billion yen
10.5 billion yen (11.5%)
9%
5 billion yen (current medium-term plan period)
20 billion yen
DOE guideline Approximately 5.4%
(Dividend per share: 180 yen or more)
40%*
—
1 USD = 130 JPY

* Base year: FY2013 / Scope: Scope 1 & 2 of eight domestic bases

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
 - Value Creation Process
 - Three Strengths We Have Cultivated
 - Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
 - Human Resources Strategy
 - Sustainability Strategy
 - Feature Page (3) "Roundtable Discussion by Employees"
 - 04. Management Foundation for Our Value Creation
 - 05. Data Section

Initiatives to improve corporate value

As mentioned above, in the "2024 Mid-Term Business Plan," which is the second phase toward the FY2030 "Target Position," we will continue to promote various initiatives to enhance corporate value. We will develop strategies based on the two pillars of "profitability improvement" and "balance sheet management."

Regarding the first pillar, "improvement of profitability," we have set "strategic strengthening of human resources" as the most important issue during the current Mid-Term Business Plan period. We hope to create a great driving force for improving profitability by multiplying the abilities of diverse people, not only from the Mitsubishi Group but also from outside. We believe that this will create a change in our corporate culture and become the foundation for our company to go from a 100-year company to a 200-year company.

In the area of "technology development enhancement," we will identify existing technological assets and link them to the development of high-value-added products and new applications. In the area of Green Transformation (GX), the public and private sectors are expected to invest more than 150 trillion yen over the next 10 years, and it is necessary to focus on the ever-expanding environment-related market. Our engineering department is strong in its ability to quickly develop products that match the requirements of customers such as car manufacturers. By combining our strength of "technical capabilities to create competitive products that meet needs" with open innovation, we aim to evolve our new product development capabilities to create new markets.

In the second pillar, "Balance Sheet Management," we set three strategies: "Invest in Growth and Strengthen Management Base," "Improve Asset Efficiency," and "Shareholder Returns."

During the current Mid-Term Business Plan period, we will aggressively invest funds in "Invest in Growth and Strengthen Management Base." Basically, we will continue our efforts from the previous medium-term plan, but we would like to link them to the realization of "innovative production lines" and "construction methods that contribute significantly to the promotion of decarbonization," for which we can expect significant investment effects.

Regarding shareholder dividends, our policy is to "maintain dividend stability."

First pillar: Improving profitability



Reinforcement of a human resources strategy

- Introduction of an employee stock ownership plan
- Promotion of talent management (visualization of human resources)
- Human resource development (reskilling, IT human resource development)
- Creating a rewarding workplace (environmental improvement, health management, workstyle reform, and empathy with the philosophy)
- New ideas and a change in corporate culture through the promotion of DE&I and the use of external human resources

▶ P.28 Human Resources Strategy



Promoting digital transformation (DX)

- Increase in productivity by introducing AI
- Improved efficiency of indirect department operations
- Speed up new product development and reduce man-hours
- Identification and resolution of key issues through a new cost management system



Strengthening technological development

- Utilization of technological assets (development of value-added products and new applications through deep cultivation of core technologies)
- Promotion of GX (development of environmentally friendly products and construction methods focusing on decarbonization-related technologies)
- Promotion of open innovation



Business portfolio optimization

- Promotion of M&A strategies
- Building a business portfolio analysis system
- Realize both total cost reduction and the Business Continuity Plan (BCP) by reorganizing production and logistics centers



Co-creation business Strategy promotion

- Promotion of co-creation-type business focusing on customer value

▶ P.24 Business Strategy by Segment

Pillar 2: Balance sheet management



Investment in growth and strengthening of management base

- Building innovative production lines
- Reorganization of production and logistics (second step)
- Investment in new markets, digital transformation, R&D, and M&A
- Promotion of decarbonization
- Upgrading of aging facilities and buildings



Improved asset efficiency

- Reduction of policy shareholdings
- Shortening cash conversion cycles



Shareholder returns

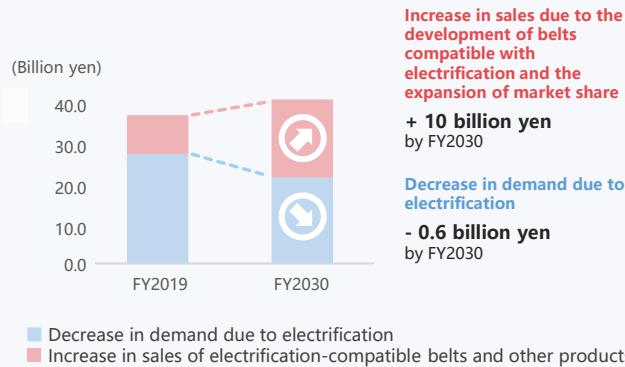
- Maintaining dividend stability
DOE target: approx. 5.4% (dividend per share: 180 yen or more)
- Flexible acquisition of treasury stock using surplus funds after comprehensive consideration of the business environment and other factors

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
 - Value Creation Process
 - Three Strengths We Have Cultivated
- Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
 - Human Resources Strategy
 - Sustainability Strategy
 - Feature Page (3) "Roundtable Discussion by Employees"
- 04. Management Foundation for Our Value Creation
- 05. Data Section

Next Growth Opportunity Brought by the Advancement of an EV Shift in Mobility

The Mitsubishi Belting Group views the trend toward an EV shift in automobiles and other forms of mobility as a significant opportunity, rather than a risk, and is committed to developing new products that align with the advancement of vehicle electrification, as well as expanding sales of those products.

It is forecast that, by FY2030, the Group will experience a decrease of approximately 6.0 billion yen in demand for its power transmission belts for internal combustion engines from the FY2019 level. Meanwhile, for the same period, we expect to achieve an increase of approximately 10.0 billion yen in revenue due to increased sales of timing belts for electric units, such as electric power steering (EPS) units and power sliding door (PSD) units, and belts for rear-wheel drives of electric motorcycles.



Features required especially for EVs and the advantages of Mitsubishi Belting



Quietness and low vibration

Since EVs themselves emit no engine noise, their components are required to be quieter than in conventional vehicles.

There are belt-driven and gear-driven types of EPS units, the former of which has an overwhelming advantage in quietness over the latter. Furthermore, our proprietary vibration analysis technology and vibration-proof structural design effectively suppress resonance, resulting in a high level of quietness of those units.



Small size, light weight, and compactness

Since EVs have to accommodate large-capacity batteries, each onboard unit must meet the essential requirement of not occupying much space and being lightweight.

We have achieved a reduction in both the size (width) and weight of belts through structural optimization technology for components using highly strong fibers, such as carbon and aramid fibers, contributing to the overall lightness and energy efficiency of a wide variety of electric units.



High durability and longevity

Belts for EPS units are required to be so extremely durable that they can endure repeated torque generated when vehicles are steered.

Our proprietary compound design technology, which enables the production of higher-performance and stronger rubber, has freed our electrification-compatible belts from the need for maintenance throughout vehicle life time.

“Quietly and Lightly, Anywhere”

Mitsubishi Belting's products that contribute to more widespread sustainable mobility, including EVs



Timing belts for EPS drive (for four-wheel vehicles)

A belt-driven EPS unit applies assist power directly to the steering rack, reducing inertia and friction generated by steering operations. In addition, a motor in it is driven only when steering force needs assist, thereby optimizing the EPS unit's energy consumption compared with conventional ones. Furthermore, belt-driven EPS units boast a more direct feeling of steering and prompter response, contributing to comfortable and efficient steering.



Timing belts for PSD drive (for four-wheel vehicles)

Step-type PSD units, driven by a timing belt, are highly durable due to their simple structural design and help secure extra space inside the doors, thereby contributing to greater freedom in vehicle design. Helping reduce the number of necessary components, this type of PSD unit has a great cost advantage and is highly regarded as a system that combines excellent functions and economies.



Timing belts for rear-wheel drive (for electric motorcycles)

As a driver of the rear wheel, a timing belt is lighter and more flexible than a chain, and its high-precision meshing reduces drive loss, greatly contributing to higher efficiency in electricity consumption. The timing belt helps eliminate the need for regular maintenance, such as lubrication and tension adjustment, which the chain-driven rear wheel would involve, while also significantly reducing noise during running. It therefore contributes to enhancing the comfortability and environmental performance of electric motorcycles.

Message from the Director in charge of the Finance Department

We will promote our initiatives to reach the FY2030 "Target Position" by performing management that is conscious of cost of capital and by strengthening our financial position so that we will be able to generate returns sustainably.



Toshimi Kumazaki
Director and Senior
Managing Executive Officer

Overview of FY2024 financial performance

The Mitsubishi Belting Group has set KPI targets, including those for profitability and capital efficiency, to achieve the FY2030 "Target Position": "Establish a resilient corporate structure." We are currently promoting specific initiatives to achieve those respective targets.

In the fiscal year ended March 31, 2025, we faced high uncertainties in the external environment, such as fluctuations in foreign exchange rates and raw material prices and geopolitical risks. However, we achieved increases in both revenue and operating income. The increase in operating income could be attributed to the weak yen to a certain extent, but the most contributory factor to it was the Group's own organic growth. In FY2024, we enjoyed the desirable outcomes of the measures defined in the 2024 Mid-Term Business Plan. We will continue to promote the initiatives to improve our profitability and balance sheet in line with our capital policy focused on enhancing corporate value.

Toward optimizing the business portfolio

Our core business is the manufacture and sale of transmission belts. We provide a diverse lineup of products to meet demand for a wide range of applications from car manufacturers and other customers around the world. This business environment requires us to optimize our business portfolio.

The mission of a company is to achieve sustainable growth and maximize profits.

Now that our initiative to construct a business portfolio analysis system, which was launched in 2022, has been completed, we are currently renovating the system to improve its numerical precision. Toward the future, we aim to enhance the system so that it will help analyze and evaluate the profitability and strategic importance of each of our businesses, as well as the growth potential of the relevant market. We will use the analysis results to identify which businesses we should strengthen, downsize, or withdraw from in order to adopt a "selection and concentration" approach toward investment and resource allocation.

We will aggressively invest in businesses that need to be strengthened, thereby promoting innovation and market expansion. Meanwhile, we will devise measures to address inefficient or low-profit businesses, including resource reallocation and even withdrawal. M&A and open innovation, as discussed below, can help increase the diversity of a business portfolio and diversify risks. They will also enable us to gain access to new technologies and new markets to build a competitive advantage.

Finally, we will promote Company-wide cost reduction and efficiency enhancement to further improve our profit margin. This involves optimizing the entire range of our supply chains, from raw material procurement to product supply, improving production processes, and reducing administrative costs.

Business portfolio optimization requires a continuous process of responding flexibly to market fluctuations with a view to maximizing corporate value. As the General Manager of the Production Division, I also supervise the manufacturing department, bearing the responsibility to lead this process and support the sustainable growth of the company. We will continue to strive to maximize corporate value through strategic decision-making and meticulous financial management.

Growth investments and financial strategies

The 2024 Mid-Term Business Plan, announced on May 14, 2024, is positioned as a period of accelerated growth, a stage that follows the previous period for strengthening the foundation. As the officer in charge of the Finance Department, I intend to verify that our financial strategy for the three-year period of the plan is consistent with the 2024 Mid-Term Business Plan's vision of growth investments. Since we revised our previous Mid-Term Business Plan in May 2022, we have practiced management conscious of cost of capital and the stock price. We recognize that our average cost of equity (COE) over the past five years has been about 5.5 to 7.5%, and we are committed to maintaining and further improving our ROE well above this level of COE. We aim to achieve ROE of 10% and further improve the price-to-book ratio (PBR) by FY2030.

During the period of the 2024 Mid-Term Business Plan, a cumulative total of 55.0 billion yen will be used as funds for cash allocation, with 45.0 billion yen from operating cash flow, 5.0 billion yen from sales of cross-shareholdings (investment securities), and 5.0 billion yen from surplus funds. We plan to maximize corporate value by allocating the funds at appropriate times to growth investments for strengthening the business foundation, shareholder returns, M&A, open innovation, repurchase of treasury stock, etc.

We believe that investment in M&A and open innovation is particularly important to further accelerate future growth. In February 2023, we acquired a civil engineering waterproofing business in the construction materials business, and in December 2024, we began investing in venture funds. Our basic approach to M&A is targeting businesses that are expected to produce synergistic effects with our existing businesses, and we do not consider targeting high-risk, high-return businesses or businesses unrelated to our existing businesses, in principle.

Every time we have an investment plan, we will carefully assess the possibility of future return on investment and decide whether or not to proceed with the plan.

In terms of financial soundness, we have received a certain level of recognition from financial institutions and other stakeholders, and we will continue to be conscious of the soundness of our balance sheet. We maintain an equity ratio of over 70% and a strong financial base with a current ratio of over 300%, but if we need funds, we will raise them in a timely manner.

Under the 2024 Mid-Term Business Plan, we are focusing on operating an employee stock ownership plan (MISA)* as one of our human capital strategies and shortening our cash conversion cycle (CCC) to improve asset efficiency, with the aim of further enhancing corporate value.

* Abbreviation for the "Mitsubishi Individual Shares Award"

● Reduction of cross-shareholdings

The 2024 Mid-Term Business Plan for FY2024 to FY2026 sets a target of selling cross-shareholdings worth 5.0 billion yen during the period of the plan. In FY2024, we sold cross-shareholdings worth 3.5 billion yen in two companies. As a result, the ratio of cross-shareholdings to consolidated net assets fell from 23.0% to 16.8%. We will continue to work to reduce cross-shareholdings with the aim of improving capital efficiency and increasing corporate value.

● Repurchase of treasury stock

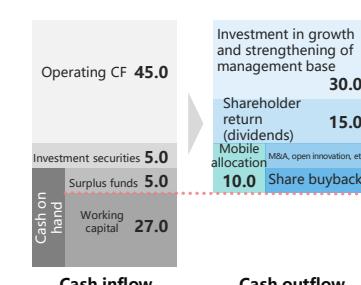
The 2024 Mid-Term Business Plan for FY2024 to FY2026 envisions that we will repurchase treasury stock of 3.0 billion yen during the period of the plan. In FY2024, we repurchased treasury stock of 1.0 billion yen. We will continue to repurchase treasury stock at appropriate times with the aim of enhancing shareholder returns and improving capital efficiency.

● Shortening of our cash conversion cycle (CCC)

In FY2022, the world experienced major disruptions in logistics networks, including container shortages caused by rapid economic recovery from the COVID pandemic, as well as strikes on the U.S. West Coast. Despite this situation, we conducted inventory operations aimed at fulfilling our responsibility to supply our customers, resulting in an excess inventory. In addition, in FY2023, rapid interest rate hikes and economic slowdowns in various countries led to a decline in the liquidity of market inventories. Consequently, the inventory turnover period increased, resulting in an extended CCC.

Given an ongoing improvement in the liquidity of market inventories, we hold regular discussions between related departments and are accelerating our efforts to return to an appropriate inventory level during the current Mid-Term Business Plan period.

Cash Allocation (2024 Mid-Term Business Plan period | Unit: billion yen)



Cash inflow

Cash outflow

* This is an estimate based on payments, so it does not match the capital investment amount in the medium-term management plan (20 billion yen).

To our shareholders and investors

Returning profits to shareholders is one of our important management policies. We have adopted a basic policy of enhancing shareholder returns while securing funds for growth investments.

The 2024 Mid-Term Business Plan uses dividend on equity (DOE) as the indicator for shareholder returns, in place of the dividend payout ratio, which was used in the previous Mid-Term Business Plan.

Although the dividend payout ratio is generally used as an indicator for profits returned to shareholders, profit attributable to owners of parent is subject to wide fluctuations. We have determined that DOE, which is an overall indicator of return on equity from a shareholder perspective and the willingness to pay dividends to shareholders, is consistent with our capital policy. Specifically, we have set a KPI target of DOE of approximately 5.4% and a dividend per share of at least 180 yen. The annual dividend for the fiscal year ended March 2025 was 186 yen per share.

For the current fiscal year ending March 2026 as well, we plan to pay an annual dividend of 186 yen per share. However, enhanced business performance will lead to an increase in net assets, which will boost the dividend steadily and progressively. We will continue to make aggressive growth investments and fully implement profitability enhancement measures one by one, thereby improving capital efficiency. This will enable us to achieve progressive payment of dividends and enhance the return of profits to our shareholders and investors. We therefore hope to satisfy your expectations for our future efforts.

Business Strategy by Segment

Automotive Parts Field

Business overview

We have a long history of car belts and related products. Starting with raw edge belts, which we began producing in 1962, we have expanded our product line to include V-ribbed belts and timing belts for OHC (overhead camshaft) drives, contributing to the expansion of motorization in Japan and abroad.

In the car belt industry, the history of product development has been a struggle to solve social issues, such as air pollution caused by exhaust gas (1960s) and the demand for energy conservation and fuel efficiency improvement triggered by the oil crisis (1970s). In the 2000s and beyond, when new technological developments such as vehicle electrification and autonomous driving progressed, we have been expanding our product lineup to contribute to the realization of a decarbonized society through the electrification of mobility, such as timing belts for electric parking brakes and electric power steering units that are also used in EV vehicles.

Primary selling industries

Major domestic and international car and motorcycle manufacturers, and multi-purpose four-wheeled vehicle (powersports) manufacturers

Major products



Electrification compatible products

- For four-wheeled vehicles
 - Timing belts for EPS drive for four-wheeled vehicles
 - Timing belts for PSD actuators
- For two-wheeled vehicles
 - Rear-wheel drive timing belts for motorcycles



Conventional products for four-wheeled vehicles

- Timing belts for overhead cam drive
- Oiled belts
- V-ribbed belts
- Raw edge V-belts
- Alternator damper pulley
- Auto tensioner



Conventional products for motorcycles and power sports

- Variable speed belts
- Timing belts

Strengths

- Through many years of business with vehicle manufacturer customers, we have not only technical knowledge of transmission belts in the car sector but also extensive knowledge and manufacturing infrastructure, including manufacturing processes, quality control, and supply chain optimization.
- In addition to a broad lineup of belt specifications, we can develop and propose products that meet the specific needs of our customers. We can accurately respond to customer problem solving by designing and manufacturing based on the special requirements of car parts.
- In the area of electrification products, we were among the first to enter the market for timing belts for electric units for EPS*1 and PSD*2 in four-wheeled vehicles. With over 10 years of experience, we have established specifications that are both functional and durable. To accurately evaluate the required performance and ensure reliability, we also focus on the development of testing environments.
- The reduced weight and increased energy efficiency of the transmission belt contributes to improved fuel efficiency of the entire vehicle.

Our product lineup includes ICE*3, EVs, FCVs*4, and all other types of mobility.

Risks and opportunities

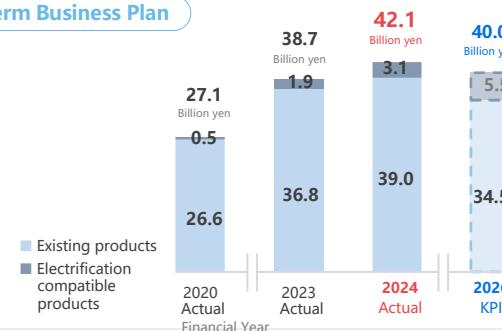
- The global trend toward electrification is not limited to four-wheeled vehicles; the market for electric two-wheeled vehicles is growing rapidly. Opportunities for the adoption of rear-wheel drive timing belts, which are quieter and lighter, are increasing for electric motorcycles.
- While the number of vehicles owned in developed countries is decreasing due to the spread of car sharing, demand for leisure activities such as ATVs and boats is increasing due to a change in thinking that emphasizes work-life balance and leisure time. We aim to expand sales by ensuring that we can meet the demand for power sports belts.
- One potential risk is a decline in demand for ICE car belts due to the increasing electrification of vehicles. However, we expect sales growth to exceed the decline in sales of ICE belts due to sales expansion of electrification-compatible products such as EPS belts and expansion of our market share in the global aftermarket.

Future strategies

- We will seize the opportunity presented by the revolutionary period in the mobility industry, including electrification, to develop and expand sales of EPS belts, high-value-added system products for auxiliary equipment drive (for M-HEV*5), and rear-wheel drive products for motorcycles, multi-purpose four-wheel vehicles, and personal mobility vehicles.
- We will expand sales of our products in the global market, especially in emerging countries, and in the aftermarket for four-wheeled and two-wheeled vehicles, leveraging the quality reliability of our products built up through our thorough QMS (quality management system) on a global basis.

Segment overview and KPI target for the final year of the Mid-Term Business Plan

In the Automotive Parts Field, sales of products for new automotive models in Japan remained at the same level as the previous fiscal year, while demand for replacement parts for trucks also remained strong. Also, the segment achieved good sales of drive belts for electric units (EPS units, etc.) and rear-wheel drive belts for electric motorcycles, which the segment is focusing on as part of its business strategies under the 2024 Mid-Term Business Plan. Despite the impact of production adjustments for multi-purpose four-wheel vehicles in the U.S. on some portions of the segment, it has made steady progress in its strategic initiatives both in Japan and overseas, resulting in an increase in overall sales.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

- Value Creation Process
- Three Strengths We Have Cultivated
- Mid-Term Business Plan
- Feature Page (2) New Growth Opportunities Arising from the EV Transition
- Message from the Director in Charge of the Finance Department

Business Strategy by Segment

- Human Resources Strategy
- Sustainability Strategy
- Feature Page (3) "Roundtable Discussion by Employees"

- 04. Management Foundation for Our Value Creation
- 05. Data Section

*1 EPS : Electric power steering
*2 PSD: Power Slide Door
*3 ICE : Internal combustion engine
*4 FCV : Fuel cell electric vehicle
*5 M-HEV : Mild Hybrid Electric Vehicles

Industrial Machinery Field

Business overview

Our business began with the production of cotton flat belts for transmission. Six months after the company's founding, we began producing rubber belts, and during the period of Japan's industrial boom in the 1920s and 1930s, our belts were used in many industries and machines, including spinning, steelmaking, paper manufacturing, and coal production, contributing to the development of modern Japanese industry.

Since then, we have expanded our production lineup to include V-belts, timing belts, raw edge belts, and ribbed belts and have expanded our business domain with the power of "conveyance" and "transportation" as well as solutions to the social issues of the times. Our customers in the industrial machinery field cover a very wide and diverse range of industries. We will strive to accurately grasp various customer needs in the changing socioeconomic environment and develop products in a timely manner to increase our global market share and improve our brand power.

Primary selling industries

Agricultural machinery, injection molding machines, machine tools, spinning machines, industrial robots and automation equipment, various home appliances, OA equipment, logistics machinery, etc.

Major products



Industrial power transmission belts and related products (transmission)

- V-belts for general industry / agricultural machinery
- Timing belts for general industry
- Urethane belts
- Flexstar® belt
- Pulleys, couplings
- Variable speed belts And many more



Conveyor belts

- Resin conveyor belt Tailorbelt®
- Mammaline® for food transport
- LOGISTAR® for logistics purposes
- FREESPAÑ™ resin timing belts
- START™ rubber conveyor belts
- Conveyor system products And many more



Engineering Plastic materials and processing

- Cast Nylon CN
- Ultra-High Molecular Weight Polyethylene UHMW
- Clean-PE Series
- Polyacetal POM
- Polyetheretherketone (PEEK)
- Vespel® And many more

Structural foam (SF) molding

- SF molded products

Strengths

- As a specialized belt manufacturer in business for more than 100 years, we have technical knowledge and expertise in the "conveyance" and "transportation" of belts, including our proprietary material technologies and product evaluation and analysis technologies.
- We also realize optimal system proposals based on the customer's intended use and conditions through our product evaluation and analysis technologies that conduct multifaceted simulations and tests from the customer's point of view.
- Through collaboration with a wide variety of customers, we offer a broad lineup of specifications for each of our products. In addition to energy-saving, high-efficiency, heat-resistant, and oil-resistant specifications, in recent years, we have also focused on the development of environmentally friendly products with less environmental impact, using biomass-derived or recycled raw materials.

Risks and opportunities

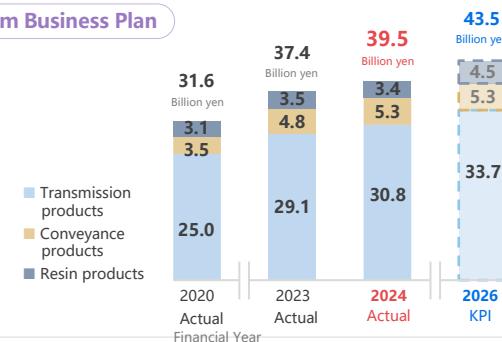
- Growing awareness of climate change and environmental conservation has led to a shift from hydraulic to electric drive systems in various industrial machinery, increasing the preference for clean and highly efficient timing belts that do not use oil.
- The demand for various labor-saving and automated equipment is increasing due to the declining workforce and restrictions on working hours, especially in the Japanese market. We support our customers' product development with a full lineup of belts for "conveyance" and "transportation."
- Efficient harvesting of grain is required to solve hunger, one of the 17 goals of the SDGs, and demand for our high-efficiency, high-load belts for agricultural machinery is expected to increase.
- Potential risks include intensifying competition with competing manufacturers in Japan and overseas. However, through business activities that leverage the aforementioned strengths, we will strive to differentiate our products with one-of-a-kind products and contribute to the realization of innovation in society.

Future strategies

- We aim to improve social value as well as economic value by formulating and implementing specific measures to address social issues.
- In view of changes in the external environment, we will focus on the agricultural machinery field, robots and other automated equipment and logistics equipment field, environment-related equipment field, and domestic and overseas repair markets as our future business areas of focus, and we will also focus on expanding our lineup of environmentally friendly products for the next generation.

Segment overview and KPI target for the final year of the Mid-Term Business Plan

In the Industrial Machinery Field, sales of timing belts for injection molding machine manufacturers and robot manufacturers remained firm in Japan. Sales of products for the agricultural market were also strong due to growing demand for replacement parts for harvesting machinery in overseas markets and the successful launch of new products. Sales of both rubber conveyor belts for heavy loads and resin conveyor belts for use at food factories remained good. Meanwhile, sales of synthetic resin materials for liquid crystal manufacturing equipment and the Chinese general repair market remained sluggish due to the impact of adjustments to inventories in the market in response to the economic downturn. However, the Industrial Machinery Field as a whole achieved an increase in revenue.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
 - Value Creation Process
 - Three Strengths We Have Cultivated
 - Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
- Business Strategy by Segment
 - Human Resources Strategy
 - Sustainability Strategy
 - Feature Page (3) "Roundtable Discussion by Employees"
- 04. Management Foundation for Our Value Creation
- 05. Data Section



Construction Materials Field

Business overview

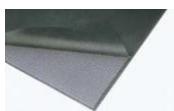
The first step in the history of this business was the production of butyl rubber sheet waterproofing materials in 1962, during the construction rush of Japan's high economic growth period. In 1965, we developed a rubber sheet waterproofing material made of EPDM, which is resistant to climate change, highly durable, highly functional, and high-performance, and the high rate of economic growth at the time provided a tailwind that led to a dramatic increase in our adoption. Later, applying our experience in architectural waterproofing, we expanded our business into the field of impervious sheets for reservoirs and waterways, and our waterproofing and impervious sheets are now widely used in the construction of industrial waste disposal sites.

In the field of construction materials, we have been expanding our business domain with the mission of "protecting" buildings from water and protecting the natural environment in response to the social issues of the times. We will continue to strive to improve environmental value through the provision of high-quality waterproofing materials.

Major customers and applications

Schools and school gyms, factories, housing complexes, commercial facilities, railroad and road bridges, underpasses, reservoirs, waste disposal sites, and underground storage facilities

Major products



Waterproofing materials for construction

Waterproofing methods

- Neo Roof E exposed waterproofing method
- NEW-BRANE mechanically fixed exposed waterproofing method
- Rib roof/Stage roof/Bolt cap/Fastback/Neo coat AG, etc.

Products

- Sheet waterproofing materials and related subsidiary materials
- Coated waterproofing materials and related subsidiary materials
- Other subsidiary materials

Impervious materials for civil engineering

Impervious sheets

- Mizusheet Series
- Dispiliner Series

Protective agents

- Mighty Mat Series

Self-healing materials, sub-materials, etc.

- Mighty Barriers (self-healing material)
- Neo Bond, Neo Joint Primer and other subsidiary materials
- Disc fixation (new technology)
- Spark inspection (new technology), etc.



Strengths

- For more than 60 years, as a manufacturer of waterproofing and impervious materials, we have been practicing "protection" and refining our product technologies and construction techniques. As a result, we have earned the trust and confidence of our clients and built up an extensive track record.
- We started collaboration with installation agencies at the same time we started production of sheet waterproofing materials, and this has enabled us to improve installation techniques and integrate product development.
- One of our strengths in this business is our ability to make strong proposals backed by our accumulated technology and track record. In the construction and civil engineering fields, we will continue to improve the "protective" power of our waterproofing and impervious sheets.

Risks and opportunities

- With the increasing complexity of building shapes and the shortage of workers or aging of workers, there is an increasing preference for our waterproofing and impervious materials, which are easy to install.
- One of the measures of the government of the Ministry of Land, Infrastructure, Transport and Tourism is to "extend the service life of buildings," and our EPDM sheet waterproofing material is a product that can greatly contribute to the realization of this policy, and we expect demand for this product to increase in the market in the future.
- As society as a whole becomes increasingly aware of the need to preserve the natural environment and improve the living environment, our ability to make proposals and our construction know-how, backed by our wealth of experience, give us a significant competitive advantage over our competitors.
- Potential risks include intensifying competition with competing manufacturers and compliance with various laws and regulations. We will implement value-added business development by leveraging our proprietary technologies and proposal capabilities.

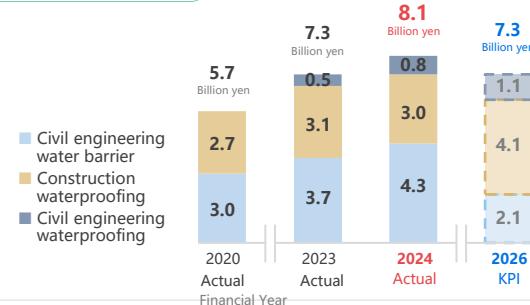
Future strategies

- We will continue to develop our business of "protecting" buildings from water and protecting the natural environment and enhance social and environmental value through our business activities.
- Focusing on the infrastructure maintenance market, we will actively engage in the maintenance market for road maintenance, water supply and sewage facilities, etc.
- We will also develop and expand sales of products and construction methods to address the shortage of construction workers and provide stakeholders with a safe and secure environment.

Segment overview and KPI target for the final year of the Mid-Term Business Plan

Sales of waterproofing construction materials decreased due to labor shortages at construction sites. Our civil engineering impervious materials were used in huge construction projects, such as those for waste disposal sites, resulting in an increase in their sales. In addition, the civil engineering waterproofing business, which the company acquired in February 2023, achieved a sales increase due to an increase in orders for products to be used in large public works projects.

* Within the period of the 2021 Mid-Term Business Plan, the amount of sales has temporarily increased significantly due to the acquisition of several very large properties in the field of civil engineering waterproofing, the acquisition of a civil engineering waterproofing business, and the advance of construction work due to the 2024 construction industry issue.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

- Value Creation Process
- Three Strengths We Have Cultivated
- Mid-Term Business Plan
- Feature Page (2) New Growth Opportunities Arising from the EV Transition
- Message from the Director in Charge of the Finance Department

Business Strategy by Segment

- Human Resources Strategy
- Sustainability Strategy
- Feature Page (3) "Roundtable Discussion by Employees"

- 04. Management Foundation for Our Value Creation
- 05. Data Section

Electronic Materials and Developed Products Fields and New Fields

Business overview

Our electronic materials-related products are conductive materials with electricity-transmitting properties created through years of research and development activities related to functional material formulations and nano-area dispersion technologies. Unlike our core belt business, this product is offered to the market as a new commercial product in the electronics field.

We aim to create a new brand value for Mitsuboshi Belting by adding "conveyance" as electronics to the power of "conveyance" and "transportation" of belt products.

Primary selling industries

All electronics industries related to information technology, electrification, energy saving, and resource saving

Semiconductor packages, passive electronic components, thick film circuit boards (for automotive, communication, light sources, heaters), etc.

Major products



Various kinds of baked molding pastes

- Conductive paste (Ag-based, Cu-based, CuAgTi-based)
- Resistance paste
- Insulating and protective glass paste
- Active metal paste (CuAgTi-based)



Thick film/via filling solution ^{1,2}

- Thick film/ultra thick film printed circuit board (TPC)
- Double-sided conductive (via-filled) substrates



Silver nanoparticle application products

- Silver Nanoparticles MDot®
- Conductive paste compounding material
- Luster pigment for mirror surface decoration
- For printed electronics
- Conductive paste/ink
- Conductive silver paste for passive components
- Sintering paste for semiconductor bonding

Strengths

- We can provide one-stop thick film solutions^{*1} with our extensive lineup of firing-type pastes that utilize our proprietary paste compounding technology.
- We have a lineup of high-quality silver nanoparticles with excellent applicability as paste compounding materials and decorative luminous materials, and we mass-produce and supply them with stable quality by adopting our independently developed silver nanoparticle generation process.
- By combining our proprietary paste blending technology and silver nanoparticles, we can demonstrate our customization capabilities and respond quickly and effectively to our customers' unique quality requirements.

Risks and opportunities

- The development of next-generation mobile communication networks that support the proliferation of IoT is creating significant business opportunities with the emergence of innovative new technologies such as generative AI. We aim to expand sales by proposing via-filling solutions^{*2} to meet the rapidly growing demand for communication IC packages due to the development of next-generation mobile communication networks.
- The progress of electrification (EV) as mobility adapted to the global environment will create new demand for in-vehicle electrical components in the future. We will develop silver nanoparticle-applied products that contribute to improved thermal management^{*3} of heat-dissipating circuit boards for automotive power modules, which is indispensable for this progress, and to improved performance and reliability of semiconductors and passive electronic components.
- From a carbon-neutral perspective, various end-applications that lead to energy and resource conservation are expected to emerge in mobility other than the automotive field and home appliances. With the motto of supporting our customers' design and development from an electronic materials perspective, we will propose thick film solutions utilizing various unique firing-type pastes to capture new demand.
- The electronic materials market is expected to see stable in-vehicle demand due to the future progress of EVs. On the other hand, the market is dominated by short-term intensive demand represented by smartphones, PCs, mobile terminals, and data centers and is characterized by extremely volatile ups and downs. We will diversify our sales activities against such potential risks by developing development activities with less bias through continuous information gathering on the quality of customer requirements.

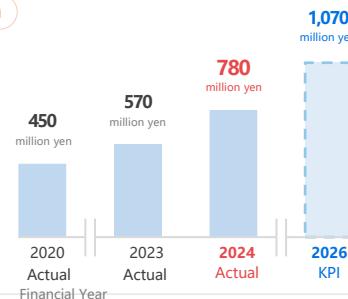
Future strategies

- Due to changes in social conditions and the external environment, various social issues are likely to emerge in the future, and we can expect to see technological innovations involving a variety of electronic approaches to solving these issues. We see these changes as an opportunity to capture new demand and aim to increase our corporate value both socially and economically in the electronics field as well, by developing and marketing products that contribute to "informatization," "electrification (EV)," "energy and resource conservation," and many other areas.

Segment overview and KPI target for the final year of the Mid-Term Business Plan

In the Electronic Materials Field, sales increased due to large orders for processed circuit boards for data centers and the acquisition of new customers both in Japan and overseas for conductive paste materials for semiconductors.

In the New Fields, we have begun to create new businesses by investing in venture funds as a stepping stone for future growth.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

- Value Creation Process
- Three Strengths We Have Cultivated
- Mid-Term Business Plan
- Feature Page (2) New Growth Opportunities Arising from the EV Transition
- Message from the Director in Charge of the Finance Department
- Business Strategy by Segment**
- Human Resources Strategy
- Sustainability Strategy
- Feature Page (3) "Roundtable Discussion by Employees"

- 04. Management Foundation for Our Value Creation
- 05. Data Section

^{*1} Thick-film solution refers to an approach to electrode and wiring pattern design that uses a thick-film method to form conductors by coating paste materials, rather than thin-film methods such as vapor deposition or sputtering, which are conductor formation methods.

^{*2} Via filling solution is a circuit design solution by filling conductor paste into micropores (via) of ceramic substrates to add double-sided conductivity and heat dissipation to the substrate.

^{*3} Thermal management is a thermal management technique to improve the performance and life of electronic equipment by controlling the heat generated from semiconductors and electronic components.

Human Resources Strategy

Basic concept

Mitsubishi Belting Group recognizes that “human resources” are the most important source of growth for our company to achieve sustainable growth as well as to enhance social value in the future and has set forth the following “human resources strategy” in its FY2030 “Target Position.”

We hope to create a major impetus for improving profitability by combining the abilities of a diverse group of people, including not only Group employees but also external personnel.

Cultivate human resources to promote transformation

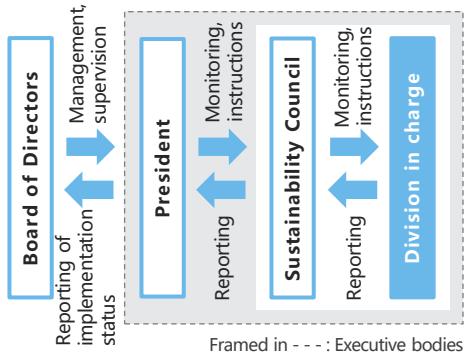
- Enhance the personnel affairs system, education system, and workplace environment so as to enable maximization of “individual” capabilities
- Foster a “corporate culture” that respects diversity and values new ideas and a challenging spirit that is not afraid of change



System for promoting human capital management

In the Group, strategies and policies on human resource development and the improvement of the working environment are formulated by promotion organizations established for respective roles and then deliberated on by the Sustainability Council from diverse perspectives. Once approved, those strategies and policies are reported to the Board of Directors. We therefore have a system in place to ensure strategy and policy implementation throughout the company with the involvement of management.

System for promoting human capital management



Also, to facilitate improvements in the workplace environment and productivity throughout the company, we have established the Work Style Reform Promotion Committee, chaired by a director. Comprising members selected in consideration of diversity in terms of gender, age, job, and grade, this committee aims to formulate and quickly implement measures that match the realities of the field through cross-organizational collaboration. This committee specifies challenges to be solved, target divisions, and targets, monitors the progress of countermeasures, and gives instructions on review of the measures as needed. The progress and results of these initiatives are reported to and discussed by the President and the Sustainability Council, and the details of the discussions are reported to the Board of Directors. We therefore ensure both governance and the effectiveness of the measures.

Furthermore, from the perspective of promoting human capital management, we have identified reinforcement of human resources strategy as one of our material issues. Based on this, we have established a promotion organization for each measure to ensure its strategic and cross-departmental implementation. Each promotion organization regularly reports on the progress and results of the relevant measure to the Sustainability Council, which then monitors and evaluates the details of these reports.

The risk management processes for reinforcement of human resources strategy and for initiatives related to climate change are operated in the same framework. In FY2024, as a result of deliberations by the Risk Management Committee, no significant risks related to human capital management were identified. Meanwhile, for reinforcement of human resources strategy, which has been identified as a material issue in ESG management, as mentioned above, the Sustainability Council sets KPI targets for the respective measures and promotes their effective implementation under a monitoring system.

Roles in human capital management and departments in charge

Role	Promotion organizations:
Personnel affairs system, including transfer, compensation, and evaluation Diversity, Equity & Inclusion	Personnel Department
Human resource management, training, and reskilling	Personnel Development Office DX Promotion Office
Workplace environment management, including health and safety and health management	General Affairs Department
System management related to workplace environment management	Safety and Environment Management Department
Creation of a rewarding workplace, etc.	Work Style Reform Promotion Committee

Targets and implementation system

Promotion organizations and KPI targets for respective challenges related to the material issue "reinforcement of human resources strategy"

Issues to be addressed	Measures to address issues	Promotion organizations	KPI
Promotion of DE&I	Increase in the ratio of female managers	Personnel Department	Female manager ratio (Section Chief) FY2026: 5% or more FY2030: 10% or more (Mitsuboshi Belting only)
Promotion of human capital management	Improved employee engagement	Work Style Reform Promotion Committee	Score improvement targets FY2026: 10% improvement FY2030: 13% improvement

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create**
 - Value Creation Process
 - Three Strengths We Have Cultivated
 - Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
- Human Resources Strategy**
 - Sustainability Strategy
 - Feature Page (3) “Roundtable Discussion by Employees”
- 04. Management Foundation for Our Value Creation
- 05. Data Section

Human capital risks and opportunities

As for Mitsubishi Belting Group companies in Japan, we have summarized the impact of risks and opportunities on business activities on the assumption that future changes in the external environment will include a decline and aging of the working population and the spread of human capital management.

Declining working population and the aging workforce are common issues to all Japanese company management, and in addition, the Japanese members of the Mitsubishi Belting Group have become aware that the low ratio of female employees and managers. In particular, improving employee engagement, which we have been surveying since FY2023, can directly revitalize business activities, and therefore, measuring, monitoring, evaluating and improving employee engagement are important elements in business activities. We also believe that by using it to set goals for personnel and general affairs measures, which has been difficult until now, the efficacy of the measures will be clarified so that personnel and general affairs activities can become more efficient.

Type	Driver	Impact	Impact on business		Measures / Strategies	Time frame	
			Risks	Impact	Opportunities		
External	Policy Legal regulations	Various laws and regulations aimed at protecting human rights or improving working environments or responding to the declining birthrate and aging population, diversification, and work style reform	Large	<ul style="list-style-type: none"> Loss of credibility and decline in social value due to non-compliance with laws and regulations and compliance incidents Increase in expenses required for system operation 	<ul style="list-style-type: none"> Improvement of labor productivity by improving employee engagement Improvement of corporate value through legal compliance and appropriate disclosure of information 	<ul style="list-style-type: none"> Establishment of a compliance management system and implementation of monitoring and evaluation Reinforcement of the website management system 	Short to long term
	Promotion of human capital management		Large	<ul style="list-style-type: none"> Lost opportunities for improvement due to continuing with the old management style Decline in corporate value due to failure to implement human capital management 	<ul style="list-style-type: none"> Improving labor productivity through human capital management Improvement of corporate value through appropriate disclosure of information 	<ul style="list-style-type: none"> Promotion of human capital management Reinforcement of the website management system 	Mid to long term
	Population composition	Declining working population Declining birthrate and aging population Foreign workers	Medium	<ul style="list-style-type: none"> Decreased labor productivity due to reduced abilities of hired personnel Deterioration of profitability due to increased social security burden 	<ul style="list-style-type: none"> Increased profitability through automation and operational improvements Improvement of labor productivity by improving employee engagement 	<ul style="list-style-type: none"> Reform the personnel system Improvement of labor productivity by utilizing DX and hiring diverse personnel Execution and monitoring of employee engagement improvement measures 	Med to long term
Internal	Personnel composition (Diversity)	Age, gender, nationality, race, religion, language, etc.	Large	<ul style="list-style-type: none"> Loss of opportunities for change and decline in business sustainability due to loss of diversity Loss of credibility and decline in social value due to loss of diversity and human rights incidents Reduced earnings due to increased fixed costs 	<ul style="list-style-type: none"> Creation of opportunities, maintaining sustainability, and increasing profitability due to maintained diversity Gaining credibility and increasing social value through maintaining diversity and timely and appropriate information disclosure 	<ul style="list-style-type: none"> Promotion of human capital management Execution and monitoring of employee engagement improvement measures Performing and improving human rights due diligence activities System design that also accommodates minorities Reinforcement of the website management system 	Med to long term
	Personnel affairs	Legal regulations Personnel composition Human rights protection	Large	<ul style="list-style-type: none"> Decreased employee engagement and declined labor productivity due to system deficiencies and insufficient management Occurrence of incidents, such as human rights violations, non-compliance, etc. 	<ul style="list-style-type: none"> Improved employee engagement and labor productivity due to adoption and thorough implementation of appropriate systems Gaining credibility and increasing social value through timely and appropriate information disclosure 	<ul style="list-style-type: none"> Reform the personnel system Job matching Talent management Employee stock ownership plan Promotion of human capital management System operation management using employee engagement as an evaluation indicator Performing and improving human rights due diligence activities Reinforcement of the website management system 	Short to long term
	Health and safety	Legal regulations Personnel composition	Medium	<ul style="list-style-type: none"> Decreased employee engagement and declined labor productivity due to system deficiencies and insufficient management Increase in occupational accidents, illnesses, and other safety and health incidents 	<ul style="list-style-type: none"> Improved employee engagement and labor productivity due to adoption and thorough implementation of appropriate systems Gaining credibility and increasing social value through timely and appropriate information disclosure 	<ul style="list-style-type: none"> Expansion of the occupational safety system Obtained third-party certification (ISO45001) for health and safety management system Reviewing the system to accommodate minorities Reinforcement of the website management system 	Short to long term
	Education	Legal regulations DX/Reskilling Promotion of human capital management Internal systems	Medium	<ul style="list-style-type: none"> Occurrence of compliance or human rights incidents due to insufficient familiarization of legal restrictions Increased expenses due to improved education content Decreased labor productivity and failed human resources strategy due to insufficient education 	<ul style="list-style-type: none"> Improvement of corporate value through legal compliance and appropriate disclosure of information Improvement of employee engagement and labor productivity due to enriched education content Improvement of labor productivity and reduced fixed costs due to DX utilization 	<ul style="list-style-type: none"> Education activities in line with the personnel portfolio Development and introduction of DX education program Reinforcement of the website management system 	Short to long term

00. Overview
01. Top Message
02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

Value Creation Process

Three Strengths We Have Cultivated

Mid-Term Business Plan

Feature Page (2) New Growth Opportunities Arising from the EV Transition

Message from the Director in Charge of the Finance Department

Business Strategy by Segment

Human Resources Strategy

Sustainability Strategy

Feature Page (3) "Roundtable Discussion by Employees"

04. Management Foundation for Our Value Creation

05. Data Section

To be a company that makes employees' hearts "beat" with excitement and their tomorrows "bloom"

In order for companies to achieve sustainable growth in Japan, where the working population is declining, it is essential to be a company that is "chosen by human resources." In order to be a company of choice, we define the factor for maximizing the individual strengths of each and every employee of our group as "making employees' hearts beat with excitement and their tomorrows bloom," and we are working on a variety of initiatives to achieve this.

"Hearts beat with excitement"

We define "hearts beat with excitement" as a positive attitude toward challenges, with employees having a strong sense of motivation and accomplishment in their work.

"Tomorrows bloom"

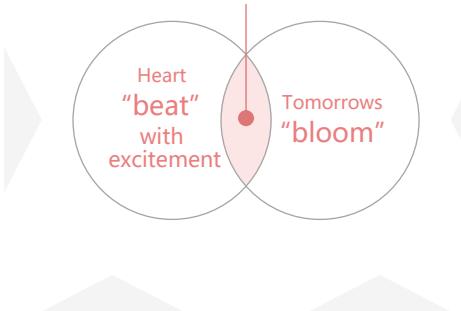
We define "tomorrows bloom" as a state in which employees have high expectations for their own careers and future and work while feeling a sense of personal growth every day.

Human resource strategy of Mitsubishi Belting

Promotion of DE&I

Our corporate philosophy of "To give attentive consideration to both humanity and nature," expresses our desire to be an organization that respects the human rights, personality, and individuality of each and every employee and that fully demonstrates these qualities. We aim to be a company where the abilities and diverse personalities of each and every employee with different roots and backgrounds in terms of age, nationality, and gender are fully realized.

Maximizing individual power X Synergy as organizational strength



Reforming the corporate culture to embrace challenges

In the current business environment, where the future is highly uncertain and the outlook is difficult to predict, we must be willing to explore new approaches, rather than sticking to conventional methods. We are working to foster a new corporate culture that is not afraid of change by introducing a system that supports and praises the "challenges" of all employees.

Human resources management Development and reskilling

To support sustainable corporate growth, it is essential to build a human resource portfolio in which diverse personalities can thrive, and we are working to rebuild our talent management system to realize our "Target Position." We also focus on expanding education, training, and reskilling to improve the skills and career development of each employee.

Creation of a rewarding workplace

To encourage each employee to maximize his or her "individual" potential, we strive to create a rewarding workplace from two perspectives: "ease of work" and "provision of opportunities for self-realization and growth." We are also actively working to expand various systems to achieve a better work-life balance for each of our employees.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?**
 - Value Creation Process
 - Three Strengths We Have Cultivated
 - Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
 - Human Resources Strategy**
 - Sustainability Strategy
 - Feature Page (3) "Roundtable Discussion by Employees"
- 04. Management Foundation for Our Value Creation
- 05. Data Section

Reforming the corporate culture to embrace challenges

Restructuring of the personnel system

We regard "fostering a 'corporate culture' that values new ideas that respect diversity and a spirit of challenge without fear of change" as a top priority management issue and are working on various measures to realize our "Target Position."

As a measure to foster a "corporate culture that values the spirit of challenge" as mentioned above, we have been working to revise our personnel system since FY2022. The new personnel system incorporates competency assessment to encourage employees to take on challenges more proactively and to appropriately evaluate not only results but also their attitude and processes. We have also revised the framework for human resource development, including the criteria for appointment to supervisory and managerial positions, to enable young employees to grow quickly through a variety of career paths. We will continue our efforts to create a personnel system that maximizes the power of each individual.

Job matching (internal recruitment system)

We believe that in order for diverse personalities to be maximized and for these personalities to be utilized as an organization, it is necessary to have a system that supports the proactive "challenge" of our employees. Based on this idea, we are introducing a job matching system to provide employees with opportunities to raise their hand to take on the challenges of the work they want to do. Through this program, we expect to increase employee engagement by realizing their career plans.

Human resource management, training, and reskilling

Capability development programs

We operate a variety of capability development programs, including training for new employees and initial workers, hierarchical training in line with changes in roles, and training for specialists according to the nature of their duties (see table on the right).

These capability development programs are planned and executed annually by departments or designated organizations, based on the skills matrix, and after evaluating their effectiveness, they are rolled out into activities for the following fiscal year.

Training the next generation of leaders

We send our executive candidates to outside management training programs to develop the next generation of leaders who will lead the company through successful change. By learning logical thinking skills and all aspects of management, including "people," "things," and "money," participants can develop a general management perspective and also compete with participants from different industries in a competitive environment, which can stimulate them and help them improve themselves. Networking with participants across industries has been a valuable asset.

Overseas training system

To develop human resources who can work globally, we send trainees to universities in four countries: the U.S., Germany, China, and Thailand. In addition to providing an environment in which participants can focus on language acquisition, the training in the destination countries is a unique opportunity to cultivate diverse perspectives through cross-cultural exchange, which is rarely experienced in Japan. After completing the training, participants are expected to be active in their own departments as human resources with a global perspective and may also take on the challenge of working at overseas bases, depending on their career plans.

Digital transformation training

We are aware that in Japan, addressing the declining working population is important in continuing our business. Amid a declining workforce, we are promoting Digital Transformation (DX) to improve productivity and automation and are working to promote measures to control or reduce the increase in the number of personnel required for business expansion.

Total number of participants in DX training programs (unit: person)

Programs	FY2022	FY2023	FY2024
DX training	33	763	558

Training programs that support autonomous relearning

Every two months, employees are asked to raise their hand to attend the course, and the company pays for the entire cost of the course. The program is offered in an e-learning format and can be taken during working hours with the approval of the head of the organization, allowing participants to learn in a way that fits their individual lifestyles. Since the system began in FY2022, a total of 221 employees and 3,442 hours (15.6 hours per person) of learning opportunities have been provided to help employees improve their skills.

Total number of participants in e-learning training programs (unit: person)

Programs	FY2022	FY2023	FY2024
e-leaning	140	81	74

Table) List of capability development programs

Rank	Rank-based education	Specialized education	Monozukuri /DX	Global personnel education	Self-development, etc.
Upper management Managers	Executive school Middle management program New managerial / professional position training Human assessment training	AOTS overseas Practitioner training	Tokusei Juku	Distance education	
Supervisor	Assistant Manager Training Team Leader Training	Mitsuboshi academy	e-leaning		
Mid-level employees Junior employees	Critical Thinking Training Leadership training Third-year training	Voluntary maintenance Personnel training	Overseas training Star training (see page 34)	Online language training	Skill-improvement seminar for Presentation
New employees	New employee training Follow-up training Step-up training Business etiquette training Communication and Stress-Management Training PC/office training Basic training in products / materials Business documents / bookkeeping Sustainability / SDGs Sales / Technology / Head Office Training Safety education Plant training	Problem-Solving Training at production sites Basic training in quality control QC certification Overseas locally hired Employee training Digital Transformation training	Training prior to Overseas assignment Networking for Early-career Employees Skill-improvement seminar for working women Line Care Training		

Specialized professional education in each department

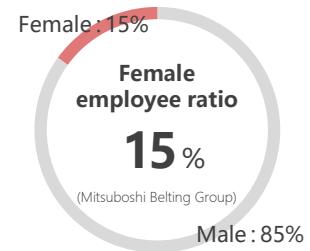
Promotion of DE&I

Supporting female empowerment

We aim to be a company where the abilities and diverse personalities of each and every employee with different roots and backgrounds in terms of age, nationality, and gender are fully realized.

In terms of gender diversity, we have a small percentage of female employees and female managers*, which we recognize as one of the challenges in our diversity. To improve this situation, we are actively recruiting women and expanding various systems to achieve a better work-life balance for each employee to promote the success of all employees regardless of gender.

* FY2024 results: Ratio of female managers: 3.4% (Mitsubishi Belting non-consolidated)
Materiality KPI: Ratio of female managers: FY2026: 5% or more, FY2030: 10% or more (Mitsubishi Belting non-consolidated)



Active participation of multinational human resources

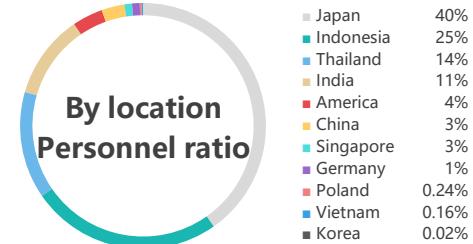
Mitsubishi Belting Group is a global company with production and sales in 15 locations in 11 countries, with more than 50% of its net sales and production volume coming from overseas locations. Of the approximately 4,500 employees worldwide, about 60% are foreign nationals.

To ensure that these diverse human resources can maximize their capabilities, we will work to secure and develop human resources suited to local cultures and values, with the aim of strengthening our competitiveness on a global basis.

Active participation of senior human resources

The aging of employees is one of the major challenges in the management of Japanese companies. In addition, with no progress being made in addressing the issue of declining birthrates, the success of senior human resources is an essential issue for securing a source of competitive advantage for companies. Employment until the age of 70 is becoming commonplace nowadays, and we are in need of measures that take advantage of the "experience" of senior human resources while canceling out the disadvantages of "physical decline" and "obsolescence of technology."

We are working to support the active participation of senior human resources from two perspectives: (1) maintenance of health and (2) reskilling.



Welcome back system (alumni recruitment system)

We are introducing a system to rehire retirees who have left the company due to life events or to pursue their own career plans.

By having former employees who have a deep understanding of our corporate culture and operations leave our company and return with a different perspective, we hope to create opportunities to leverage their experience and knowledge and for the company to gain new insights into our strengths and challenges.

Employment of people with disabilities

We have installed wheelchair ramps and handicapped-accessible restrooms to provide a safe working environment for people with disabilities.

In addition, we are striving to increase the employment of people with disabilities, and the employment rate of people with disabilities in FY2024 was 2.1%. We will continue to strive to increase the employment of people with disabilities to comply with the statutory employment rate.

We will continue to strive to be a company where everyone can work comfortably and where a diverse workforce can thrive.

Rate of employees with disabilities

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1.7%	1.5%	2.4%	2.2%	1.9%	2.1%

* The statutory employment rate is 2.2% from April 2018, 2.3% from March 2021, 2.5% from April 2024, and 2.7% from July 2026.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

Value Creation Process

Three Strengths We Have Cultivated

Mid-Term Business Plan

Feature Page (2) New Growth Opportunities Arising from the EV Transition

Message from the Director in Charge of the Finance Department

Business Strategy by Segment

Human Resources Strategy

Sustainability Strategy

Feature Page (3) "Roundtable Discussion by Employees"

04. Management Foundation for Our Value Creation

05. Data Section

Creation of a rewarding workplace

Work Style Reform Promotion Committee

To realize diverse and flexible work styles with a good work-life balance, the company has established the Work Style Reform Promotion Committee, chaired by a director and composed of members who are aware of diversity (gender, age, occupation, and job classification), for the purpose of implementing and promptly spreading measures across the organization to improve the workplace environment and productivity. This Committee establishes implementation challenges, target divisions, countermeasures and goals, monitors and evaluates the implementation status of the countermeasures, and instructs specific changes to the measures as needed. These activities are reported to the President and the Board of Directors for deliberation in accordance with the progress of the measures.

Creating an environment for improved employee engagement

We began measuring employee engagement in FY2023 with the aim of ensuring that each and every one of our employees is in a state of "hearts beat with excitement and their tomorrows bloom."

We will strive to improve engagement by implementing measures such as 1-on-1 meetings and holding town meetings between general employees and management to further disseminate the company's philosophy and management strategies, especially among employees in their 30s and employees in the production division, whose engagement score is relatively low.

Introduction of an employee stock ownership plan (MISA*1)

The purpose of this program is to foster a sense of participation in management by granting shares to eligible employees and to further increase their morale and willingness to contribute to improving business performance. By doing so, we aim to increase employee engagement and lead to sustainable enhancement of our corporate value.

*1 MISA: Mitsubishi Individual Shares Award

*2 This initiative is scheduled to begin in August 2024.

Work-life balance (balancing work with childcare or elderly care)

As mentioned earlier, we aim to be a company where the abilities and diverse personalities of each and every employee with different roots and backgrounds in terms of age, nationality, and gender are fully realized. Regardless of gender, we are working to create a work environment that facilitates balancing work and private life alongside life events such as childcare and nursing care. The main initiatives are as follows.

Childcare leave system

In accordance with the law, parental leave can be taken up to when a child reaches the age of two. After returning to work from parental leave, employees can choose to shorten their work hours by up to two hours. Employees can choose part-time work until the child enrolls in elementary school, and there is no reduction in wages until the child reaches the age of three. We also support employees raising children by setting limits on overtime and late-night work.

Childcare leave acquisition rate

	FY2021	FY2022	FY2023	FY2024
Male	10%	26.5%	59.3%	50.0%
Female	100%	100%	100%	100%

Acquisition rate among the current year's entitlement holders (not including continuing entitlement holders)

Childcare support

In 2008, we obtained "Kurumin" certification, which recognizes companies that are actively engaged in supporting the development of the next generation. We plan to acquire Platinum Kurumin certification in the future, aiming to be a company "chosen" by our employees.



Annual paid leave system

To enable employees to continue working in response to various situations in their daily lives, we offer a maximum of 40 days of annual paid leave, including carryover days, and a system that allows employees to take leave in half-day or hourly increments for ease of use.

Percentage of annual paid leave taken

FY2012	FY2022	FY2023	FY2024
48.6 %	53.1 %	68.3 %	67.1 %

Special leave system

In addition to annual paid leave, we have a system that allows employees to take paid leave for individual life events such as marriage, childbirth, bereavement, memorial services, and transfers. Memorial leave can be taken within the period of one week before and after a birthday, and employees who have completed 15 and 25 years of continued service are given refreshment leave along with travel vouchers.

Star system/Star leave/Star training

This program is designed for employees who are single mothers, fathers, or mothers/fathers of children with disabilities or who have family members who require nursing care, and the program provides both financial support and special leave. In addition, mental support training is provided for employees after long-term parental leave to ensure a smooth return to work.

Nursing care leave

In accordance with the law, nursing care leave can be taken for up to 93 days. In addition, restrictions are placed on overtime work, late-night work, etc., in consideration of the lives of employees who provide nursing care.

Turnover rate within 3 years after new graduates join the company

For the five years from 2018, our average turnover rate of new graduate employees within three years was approximately 6%, which was well below the national average* of approximately 30%. Amid the diversification of values, we will continue to work to create a highly engaged organization where the corporate philosophy naturally aligns with the aims and motivations of our employees by having dialogue with each of them and providing them with opportunities for development.

Year of hire	Number of people hired	Number of employees who left the company within three years of employment	
		Number	%
FY2018	33	2	6%
FY2019	36	2	5%
FY2020	23	1	4%
FY2021	22	3	13%
FY2022	19	0	0%

* From the Ministry of Health, Labor and Welfare's "Employment status of new graduates by length of employment"

Relaxation of the dress code

As part of our efforts to promote D&I, we have changed our office dress code to allow employees to choose attire other than suits or uniforms. We aim to create a work environment where each employee's individuality is utilized and where new and free ideas and autonomous thinking can easily emerge.

Sustainability Strategy

Approach to sustainability management

The Mitsuboshi Belting Group works to implement ESG management in order to achieve a “trade-on” between corporate value and environmental/social value under the corporate philosophy of “To give attentive consideration to both humanity and nature.”

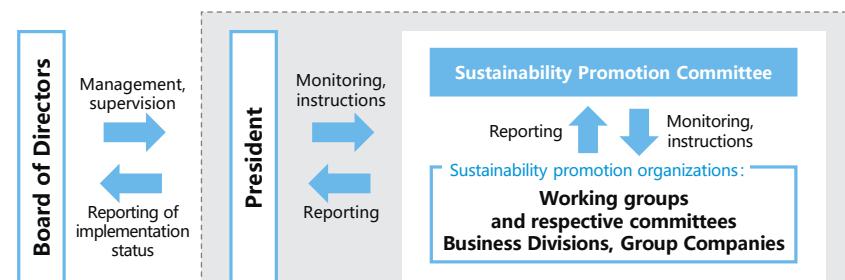
Setting “contribution to the realization of a sustainable society (improvement of social and economic value)” as one of our goals in the FY2030 “Target Position,” we strive to resolve each ESG issue with a focus on the identified materiality.

Sustainability management promotion system

In today’s world where companies are expected to play a greater role in addressing environmental and social challenges, with the aim of reconsidering the role and raison d’être of the Mitsuboshi Belting Group and of quickly and effectively implementing ESG management, we established the Sustainability Promotion Committee, chaired by the President, in April 2022.

Furthermore, in July 2024, we renovated this committee as the Sustainability Council to further strengthen its role and functions, thereby making our sustainability management promotion system more effective. The activities of the Sustainability Council are reported to the Board of Directors as necessary, which supervises the sustainability-related activities of the executive bodies.

▶ P.59 Operation status of the Board of Directors



--- Within the frame: Executive bodies



Sustainability management promotion system

a. Composition of the Sustainability Promotion Committee:

Chairperson	: President
Members	: Directors (4 persons), Executive Officers (4 persons), General Manager class (3 person)
Observer	: Corporate Auditor (1 person)
Secretariat	: Sustainability Promotion Division

b. Structure of the Sustainability Promotion Committee:

Meeting frequency	: Once a month (12 meetings held in FY2024)
Content of deliberation	<ul style="list-style-type: none"> i) Formulation of Group-wide strategies to address sustainability issues, supervision of the progress, and provision of advice ii) Discussion on the status of efforts to address each material issue iii) Identification of sustainability issues to be deliberated by the Board of Directors and reporting to the Board of Directors

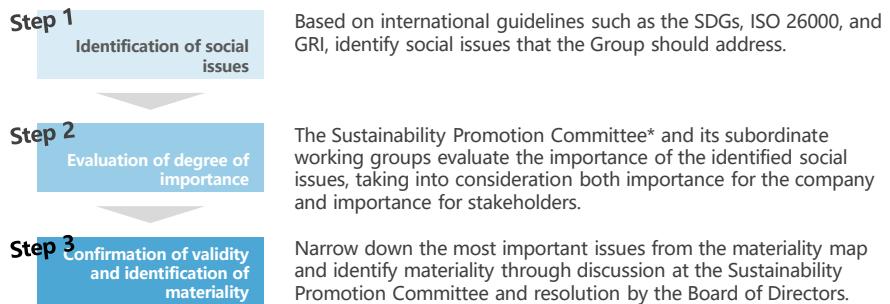
c. List of the main agenda items of the Sustainability Promotion Committee (FY2024):

Period	Main agenda
Q1	<ul style="list-style-type: none"> ▶ Reporting of FY2023 results (CO₂ emissions, water resources, waste, etc.) ▶ Review of materiality and KPIs ▶ Discussion on the content of Sustainability Report and Integrated Report ▶ Discussion on the content of Annual Securities Report (Sustainability Info.)
Q2	<ul style="list-style-type: none"> ▶ ESG-related laws and regulations (EUDR, etc.) ▶ Progress of human rights due diligence initiatives ▶ Third-Party Verification Report on Sustainability-Linked Loans ▶ Regarding Responses to the Third-Party Assessment Organization (CDP)
Q3	<ul style="list-style-type: none"> ▶ Initiatives for Sustainability in the Supply Chain ▶ CO₂ Emission Reduction Initiatives and Plans toward 2030 ▶ Human Capital Management Promotion Initiatives (Code of Conduct Handbook) ▶ Activities of the SDGs Promotion Committee
Q4	<ul style="list-style-type: none"> ▶ Promotion of Human Rights Due Diligence (Establishment of Grievance Mechanism) ▶ Regarding Initiatives for Promoting Circular Economy ▶ Development Framework Enhancement for Environmentally Friendly Products ▶ Response to Sustainability Disclosure Standards by SSBI

Materiality on ESG issues

Regarding the resolution of environmental and social issues as a prerequisite for corporate activities, the Mitsubishi Belting Group has identified material issues (materiality) that the Group should address in order to contribute to the realization of a sustainable society, and has set KPIs for each measure to be implemented.

Materiality identification process



* formerly Sustainability Promotion Committee

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. **What Value Do We Wish to Create?**
 - Value Creation Process
 - Three Strengths We Have Cultivated
 - Mid-Term Business Plan
 - Feature Page (2) New Growth Opportunities Arising from the EV Transition
 - Message from the Director in Charge of the Finance Department
 - Business Strategy by Segment
 - Human Resources Strategy
- 04. Management Foundation for Our Value Creation
- 05. Data Section

Materiality List

Materiality	Sub-materiality (Issues to be addressed)	Measures	KPI	Progress in FY2024																							
C ontribution to the realization of a decarbonized society	● Reduction of GHG emissions (CO ₂ equivalent; compared to 2013) * Our company manages emissions of all greenhouse gases (GHGs) in terms of CO ₂ equivalents.	● Introduction of renewable electricity ● Installation of a solar power generation system ● Introduction of carbon-neutral fuel ● Switching to low-emission fuels	CO ₂ emissions reduction targets (Scope 1 and 2; Base year: FY2013) <table border="1"> <thead> <tr> <th rowspan="2">Geographic scope</th> <th colspan="5">Target year</th> </tr> <tr> <th>2023</th> <th>2025</th> <th>2026</th> <th>2030</th> <th>2050</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>22 %</td> <td>27 %</td> <td>40 %</td> <td>46 %</td> <td></td> </tr> <tr> <td>Overseas</td> <td>-</td> <td>-</td> <td>27 %</td> <td>40 %</td> <td>CN</td> </tr> </tbody> </table>	Geographic scope	Target year					2023	2025	2026	2030	2050	Japan	22 %	27 %	40 %	46 %		Overseas	-	-	27 %	40 %	CN	CO ₂ emissions reduction rate: 34% (compared to FY2013) (Scope 1 & 2 emissions from 8 sites in Japan)
Geographic scope	Target year																										
	2023	2025	2026	2030	2050																						
Japan	22 %	27 %	40 %	46 %																							
Overseas	-	-	27 %	40 %	CN																						
● Improvement of energy consumption intensity ● Emissions management throughout the value chain	Energy consumption intensity target: 1% or more reduction compared to the previous fiscal year (8 sites in Japan) Set a reduction target for Scope 3 emissions and work to reduce emissions throughout the entire value chain.	Energy consumption intensity: 12.2% increase ^{*1} Completed calculation of Scope 3 emissions (consolidated) and received an "A-" score in the CDP-SEA ^{*2}																									
E cosystem and biodiversity conservation	● Initiatives for water resources conservation	● Installation of a cooling water circulation system ● Improvement of water consumption efficiency	Water withdrawal target for sites in Japan: Reduce the amount of water withdrawal by 50% by FY2030 (base year: FY2021) Water withdrawal target for overseas sites: Maintain water withdrawal intensity (base year: FY2021)	Water withdrawal reduction rate at sites in Japan: 20% compared to FY2021, 15.1% compared to FY2021 Water intake per unit at overseas bases: 15.18 t/t (FY2021 16.77t/t)																							
	● Initiatives for environmental conservation / Prevention of environmental pollution	● Strengthening of wastewater management ● Strengthening of chemical substance management ● Strengthening of VOC emissions management ● Strengthening of management of natural rubber and cotton producing regions	Zero violations of laws and regulations Target for amount of chemical substances released/transferred: 150 tons/year or less VOC emission target: 73 tons/year or less Manage natural rubber and cotton producing regions and promote a switch to sustainable materials in collaboration with business partners.	Number of violations of laws and regulations: 0 Amount of chemical substances released/transferred: 128 tons/year VOC emissions: 42 tons/year Conducting a survey on traceability and risks of natural rubber in response to the EUDR ^{*3}																							
S tewardship and social responsibility	● Reduction of waste volume / Promotion of 3Rs	● Reduction in the amount of industrial waste landfilled	Less than 1% of waste generated (achievement of zero emissions / Boundary: sites in Japan)	Industrial waste landfill ratio: 0.2%																							
	● Development of Eco-Friendly Products	● Expansion of eco-friendly products	Establish a management system and promote the expansion of eco-friendly products, such as products with lower carbon emissions and products that reduce resource depletion.	Development of eco-friendly products: Establishment of a management system completed.																							
S ocial responsibility and respect for human rights	● Promotion of human rights due diligence	● Promotion of human rights DD throughout the supply chain	Promote human rights due diligence throughout the supply chain in collaboration with business partners	Conducting an investigation into human rights violations in the natural rubber supply chain																							
	● Health and productivity management and occupational safety and health management	● Strengthening of employee health, and occupational safety/health management	Reduce the percentage of smokers among employees to 15% or less by FY2030. / Reduce the obesity rate (the proportion of people with a BMI of 25 or more) to 25% or less by FY2030.	Smoker rate: 25.8%, Obese rate: 29.9%																							
R esponsible governance and reinforcement of a human resources strategy	● Promoting DE&I	● Promoting DE&I	Percentage of female managers (Section Chief): 5% or more for FY2026, 10% or more for FY2030 (non-consolidated)	Female manager ratio (Section Chief): 3.4%																							
	● Promotion of human capital management	● Improvement of employee engagement (improved survey scores)	Score improvement targets: 10% improvement for FY2026, 13% improvement for FY2030	Engagement score: 0% compared to fiscal 2023 (no change in score)																							
G overnance and management transparency and prevention of corruption	● Thorough compliance	● Prevention of corrupt practices	Zero violations of laws and regulations	Number of violations of laws and regulations: 0																							
	● Enhancement of risk management	● Promotion of business continuity planning activities ● Strengthening of information security	Maintain, manage and improve the risk management system. Number of incidents related to information security: 0	Expanding the scope of BCP targets from all production bases to sales bases, strengthening emergency preparedness Number of incidents: 0																							
	● Improvement of stakeholder engagement	● Active dialogue with stakeholders ● Timely and appropriate information disclosure ● Improvement of engagement with local communities	Create opportunities for constructive dialogue and promote proactive communication. 2030: Obtain the highest rating in the global standard ESG evaluation Respond to disasters etc. in collaboration with local communities.	Dialogue with investors and analysts: 55 sessions held CDP: B score ^{*4} FTSE: 3.4 ^{*5} Dialogue with local urban development promotion associations: 22 sessions held																							

^{*1} Eight sites in Japan | Energy intensity = total energy consumption / raw material consumption^{*2} CDP-SEA: CDP's Supplier Engagement Assessment, which evaluates corporate supply chain engagement on climate issues; score announced in July 2025^{*3} EU Deforestation Regulation^{*4} Score announced in February 2025^{*5} Score announced in June 2025



Kunio Morimoto

General Manager of the New Product Innovation Department, Research & Development Division

Kentaro Yoshitake

Manager of the Product Technical Section, Construction Materials Technical Department, Technical Division

Takayuki Utsumi

Deputy Director General of the Technical Division

Takeshi Nishiyama

Deputy General Manager of the Material Technology Group, Core Technology Department, Technical Division

Masaki Shibata

Advanced Product Development Section, Core Technology Department, Technical Division

Hidenori Imagawa

Deputy General Manager of the Product Engineering Group, Production Engineering Department, Production Division

—First of all, please tell us about your background and current duties, as well as the products in your charge.

Utsumi: I was assigned to the technical and R&D departments, where I was involved in basic research on rubber materials and development of rubber compounding formulas for transmission belts, before working as a production technology manager at an overseas manufacturing site. Currently, I'm in charge of overseeing basic research on the entire range of existing products and future-oriented proactive development, striving to create products with both improved performance and environmental value.

Nishiyama: I was involved in R&D duties in the technology and R&D departments, and then I moved to an overseas manufacturing site, where I experienced production technology duties. I'm now in charge of material development for transmission belts and resin products in the technical department, and I'm also focusing on research and investigation into new materials to add advanced features to our products and reduce their adverse environmental impacts.

Morimoto: For 22 years after joining the company, I was involved in developing technologies for conveyor belts. After that, I worked as a sales manager for conveyor belts, where I was able to listen directly to actual users of our products. I'm currently in charge of planning new products in the R&D Division.

Imagawa: I have been working in the field of production engineering, being in charge in the transmission belt production process and the transfer of production to overseas sites, as well as follow-up support for them. I was also assigned to an overseas production site, where I was involved in building a local production system. Currently, I'm promoting improvement activities for mass production processes, including energy conservation and man-hour reduction, in the production of transmission and conveyor belts and resin products.

Yoshitake: I'm involved in the design and development of rooftop waterproofing materials in the Construction Materials Technical Department. I mainly deal with waterproofing sheet products made of rubber, performing a wide range of duties, from designing those products to examining installation methods and providing on-site technical guidance. I'm working to develop products that contribute to safe and secure buildings while addressing challenges faced at installation sites.

Shibata: I'm in charge of basic research on transmission belts in the technical department. I play a role in supporting product design from a technical perspective mainly by developing technological seeds and new evaluation methods. I'm also involved in the development of eco-friendly products from the perspective of basic research.

[Feature Page] Employee Roundtable Talk

Making the World Go Around with the Environmental Value We Provide —Mitsuboshi Belting's Commitment to Creating Environmental Value—

Mitsuboshi Belting has identified development of eco-friendly products as one of its issues of sub-materiality, and its respective departments have so far promoted activities aimed at resolving it. However, inconsistency between the departments in the policies and procedures for those activities has posed us an unsolved challenge of promoting concerted product development throughout the company.

What should Mitsuboshi Belting do to create more essential value as a company that embraces the Corporate Philosophy "To give attentive consideration to both humanity and nature"? — To tackle this question head-on, the company formed a new cross-departmental working group in 2025 to mark a fresh start in its ongoing efforts. This section features a roundtable talk between working group members, who speak about the insights they gained through their activities, the challenges they faced, and their future visions.

Moderator: Daisuke Tomita (Sustainability Promotion Department, Corporate Communications Division)

—Mitsuboshi Belting has long been committed to creating eco-friendly products, but what made the company decide to form a working group, and for what purpose?

Utsumi: In recent years, there has been an increased demand for companies to fulfill their responsibility to address social and environmental issues. The company has long been promoting initiatives to create eco-friendly products with newly added or enhanced features, such as high-efficiency transmission, light weight, and maintenance-free operation. However, these initiatives have been implemented by each department, resulting in a certain level of inconsistency in them. Therefore, the company renewed its efforts by launching a new Eco-Friendly Product Development Working Group with the aim of integrating the initiatives of its respective departments and building a system for more effective management of the entire planning and development process. The working group is currently working to set common goals to ensure Company-wide unification of the direction, redefine eco-friendly products, and organize evaluation criteria for them.

Nishiyama: I have also faced similar challenges. Even when we proposed eco-friendly products in anticipation of future needs to other departments, they used to often place lower consideration priority on those proposals on the basis that such products would not meet customer needs or would cost highly. It is somewhat natural that products that account for a minor part of sales tend to come later in the order of priority.

—I see, each department used to work independently to plan and develop eco-friendly products. What challenges and difficulties do you believe that system posed to you?

Shibata: I found that collaborating with other departments was more difficult than I had imagined. Even our proposals from the perspective of eco-friendliness used to be often undervalued due to higher priority placed on customer needs and costs in day-to-day business activities, frustrating us with difficulties proceeding with future-oriented initiatives. The lack of goals common to different departments, which widely vary in the approach and position, caused a lack of a clear direction of discussions, sometimes making me find it difficult for us to simply move forward. This has renewed my awareness that mechanisms for ensuring Company-wide perspectives and collaboration are essential for planning and developing eco-friendly products.

Morimoto: Despite difference between departments in terms of the direction, I'm sure every one of us was committed seriously to working group activities. In 2016, I myself was in charge of planning and developing biomass belts made from plant-based materials. At that time, the market didn't show very strong interest in that product, so we were unable to enjoy very successful outcomes.

Both the sales and technical departments inevitably prioritize development projects based on immediate customer needs, so consideration and prototyping of products with a long-term perspective, including eco-friendly ones, is often postponed, with no satisfactory progress. We must consider how we can ensure that a long-term perspective permeates the company, where short-term results often take higher priority. I recognize that achieving a good balance between long- and short-term perspectives is a major challenge we must overcome in the future.

Imagawa: From the perspective of production technology, higher priority used to be placed on quality and production efficiency, resulting in limited opportunity for us to consider the social value of products. Therefore, we were sometimes unable to fully understand the relationship between the company's environmental commitment and our own work. In that situation, discussions from the perspective of eco-friendly and people-friendly production processes in the working group have benefited us greatly by allowing us to feel closer to the company's environmental commitment.

However, in hindsight, I feel my experience at that time has guided me to participate in working group activities now. Working group activities have allowed me to learn about various initiatives being implemented within the company, reminding me that our products are also making a valuable environmental contribution to society.



Yoshitake: The department that deals in construction material products is in a segment other than in charge of the belt business, our main business, providing us with relatively limited opportunity for interaction with staff of other departments. Therefore, in the working group, I began by carefully explaining to the other members about the background to construction material products and their key environmental features. I tried to avoid using technical terms and devised effective measures to make my explanations more

understandable, including using diagrams and photos of products installed, as well as introducing settings for actual use of products. Even so, I sometimes felt unsure whether my explanations were fully understood and needed much time to explain. That experience made me more keenly aware that dialogue is an essential requirement for ensuring a shared understanding between the members from different departments with different premises and areas of interest and that it is difficult to make myself understood. I now recognize that developing eco-friendly products requires not only technology but also efforts to gain understanding from the entire company.

—What changes have discussions in the working group caused in your views on and approaches to developing eco-friendly products? Please tell us about any impressive findings or challenges you faced.

Shibata: First of all, I believe one of our major achievements is that we were able to clearly define what constitutes eco-friendly products (see diagram on the right). Before that, our focus tended to concentrate only on a limited number of perspective, such as the use of renewable resources. However, our involvement in clarifying the environmental roles that products can play has provided us with a detailed picture of the relationship between products' environmental contribution and their features. Furthermore, I believe the clearer definitions will help share throughout the company evaluation criteria for what constitutes environmental contribution, allowing us to adopt planning and development approaches from a broader perspective.



Nishiyama: I agree. Discussions in the working group have also provided me with a significant finding on the fact that the form of environmental contribution varies from product to product. I'm particularly deeply impressed by our discussions that led us to determine that criteria for environmental evaluation include workers' safety in the manufacturing process. The discussions were guided by the company's Corporate Philosophy, "To give attentive consideration to both humanity and nature," which made me feel that we could certainly deserve to have such discussions. This process of clarifying a wide variety of perspectives has given us an increasingly clear picture of our unique ways of environmental contributions and evaluation criteria, which I believe is a very significant outcome. Given clearly articulated definitions, I feel we now have a foundation in place for considering how to incorporate the value embodied by these perspectives into production development.



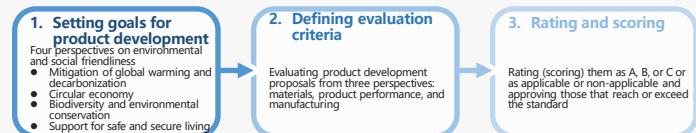
Utsumi: I recognize that, before the working group was formed, we focused on product development in response to user needs, with limited opportunity to proactively propose our own new ideas. Aimed at promoting product development in which Mitsubishi Belting takes the lead, this working group initiative has required us to have different perspectives than conventional ones, including how to proceed with planning and development and how to evaluate eco-friendly features of products. We faced sales challenges, such as a judgment that some products

would be difficult to sell despite their attractiveness in terms of performance. However, we continued to develop their prototypes from the perspective of risks and opportunities entailed by changes in the external environment, such as climate change. In addition, we decided to make more active efforts than ever before to share with stakeholders the environmental value created by our products. I recognize this trial and error process has helped us acquire new perspectives on product development, thereby broadening our horizons.

Imagawa: Pursuit of eco-friendliness alone would not enable product development. We are still in the ongoing process of accumulating discussions about how we can balance environmental value and economic value and what criteria we will use for decision-making, with no clear optimal answers reached yet. That's why I feel it is important to align all Mitsubishi Belting employees with common values and create an environment where everyone can act with confidence. Our working group is responsible for building a foundation for this, and we hope to ensure that common values permeate the company by sharing information about model cases of product development.



Process of redefining and evaluating eco-friendly products



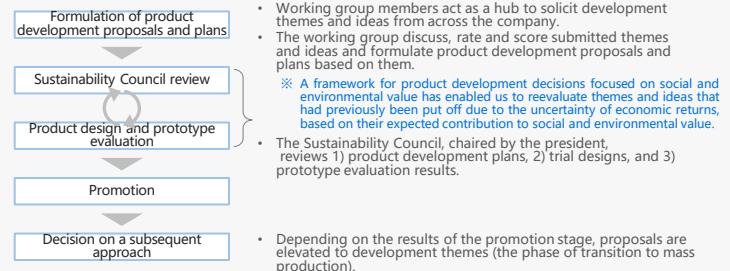
Rating and scoring of eco-friendly products

Product	Material	Performance	Manufacturing	Score
Product A	Material A	Performance A	Manufacturing A	Score A
Product B	Material B	Performance B	Manufacturing B	Score B
Product C	Material C	Performance C	Manufacturing C	Score C
Product D	Material D	Performance D	Manufacturing D	Score D
Product E	Material E	Performance E	Manufacturing E	Score E
Product F	Material F	Performance F	Manufacturing F	Score F
Product G	Material G	Performance G	Manufacturing G	Score G
Product H	Material H	Performance H	Manufacturing H	Score H
Product I	Material I	Performance I	Manufacturing I	Score I
Product J	Material J	Performance J	Manufacturing J	Score J
Product K	Material K	Performance K	Manufacturing K	Score K
Product L	Material L	Performance L	Manufacturing L	Score L
Product M	Material M	Performance M	Manufacturing M	Score M
Product N	Material N	Performance N	Manufacturing N	Score N
Product O	Material O	Performance O	Manufacturing O	Score O
Product P	Material P	Performance P	Manufacturing P	Score P
Product Q	Material Q	Performance Q	Manufacturing Q	Score Q
Product R	Material R	Performance R	Manufacturing R	Score R
Product S	Material S	Performance S	Manufacturing S	Score S
Product T	Material T	Performance T	Manufacturing T	Score T
Product U	Material U	Performance U	Manufacturing U	Score U
Product V	Material V	Performance V	Manufacturing V	Score V
Product W	Material W	Performance W	Manufacturing W	Score W
Product X	Material X	Performance X	Manufacturing X	Score X
Product Y	Material Y	Performance Y	Manufacturing Y	Score Y
Product Z	Material Z	Performance Z	Manufacturing Z	Score Z

This is a review sheet that the working group actually used to evaluate eco-friendly products.

The goals for product development and evaluation criteria are listed vertically on the left side of the table, and existing products are named horizontally at the top. In the review sheet, the deeper the blue tone, the higher the environmental and social value. Conversely, areas in pale blue and areas in gray or white indicate what a special examination focus should be placed on in subsequent product development.

Process of redefining and evaluating eco-friendly products



Morimoto: As Mr. Imagawa mentioned, cost has posed us major challenges. It is not easy to replace existing products with products made from eco-friendly materials. For this reason, I believe it is important to incorporate environmental perspectives into new products from the design stage onward. I also think one of the valuable contributions the working group has made is discussions from the perspective of sales promotion: how to communicate products' environmental value to users.

Yoshitake: I agree. The working group members had different answers to the question of whether eco-friendly products would be really accepted by the market. I recognize that, since construction material products with eco-friendly features often impose increased costs on users, few customers are currently very positive about using them. Meanwhile, the market has a strong interest in products that offer other kinds of benefits, such as simplified installation and resulting shortened work periods. I recognize that, from now on, we will have to address the major challenge of optimizing the value we provide according to the segment or customer type.

—Finally, what kind of eco-friendly product do you hope to develop in the future? What thought do you hope to materialize in those products? Also, please share your future vision with us.



Nishiyama: I recognize reduction of the environmental impact of products throughout their entire life cycle will become more and more important in the future. It is ideal that eco-friendliness will be taken into full consideration in all stages of the life cycle, from procurement of raw materials and production to use, disposal, and recycling. Needless to say, the basic prerequisite for those products is being able to satisfy users in terms of functionality and cost as well.

Utsumi: I completely agree. The other day, I had the opportunity to exchange opinions with staff in charge from an automotive manufacturer about promotion of a circular economy. What impressed me most strongly was that the automotive manufacturer was strongly aware of recovering resources from used products, even from the design stage. Currently, Mitsuboshi Belting does not implement any initiatives to make belts easier to disassemble or have a system for collecting belt products from the market for reprocessing and reuse. However, this perspective is so inspiring that it suggests to me new possibilities in future product development. I also hope to work to expand our areas of collaboration with customers, including establishment of a system for collecting used products from the market.

Yoshitake: I believe there are a lot of possibilities for products used at construction sites to make an environmental contribution. For example, even products such as waterproof sheets can provide added value, such as improved livability and reduced noise during installation.

We hope to develop products that help reduce health risks and workloads, aiming to provide products that benefit the owner, the installation service provider, and the manufacturer.

Imagawa: Our overseas sites are also required to conduct eco-friendly production activities. Overseas sites produce a high output, which involves a large amount of energy and materials used, resulting in a high environmental impact. I believe that's why we have to develop products from a global perspective. I would like to further promote the use of recycled and reused materials, including reuse of product scraps and review of disposal methods. I believe that the key to future success is collaboration between our operational sites both in Japan and abroad.



Morimoto: I believe that tackling environmental issues through the power of KAGAKU (chemistry/science) is another mission of ours. Recently, the company has been inspired by initiatives implemented by startups to address social issues, so I hope we will promote product development focused on resolving local issues and achieving a circular economy. We are also focusing on a technology for producing renewable energy by converting the kinetic energy of transmission and conveyor belts into electricity, and we are currently exploring the possibility of realizing it.

Shibata: I aim to create products that realize the concept of "sampo-yoshi" ("three-party benefits"). I believe the essence of eco-friendly products lies in the value they provide to the seller, buyer, and society. I also believe that those products can create such value when they are widely used in the market, in addition to simply fulfilling their social responsibility.

Utsumi: Amid increasing risks, such as restrictions on resources due to the need to respond to climate change, I recognize we have to make the development of eco-friendly products a source of our sustainable growth and competitiveness. I hope to start working hard now to achieve this and thereby open up business opportunities for the future. Additionally, in the working group, I hope to create a forum where younger members can take the lead in future-oriented discussions. I hope to ensure that we, the working group members, work together under the leadership of younger members to address issues such as our corporate responsibility for environmental issues and value creation while leveraging our respective ideas based on our different experiences and perspectives.

Tomita: I hope that we will take on the challenge of creating environmental value and exploring new markets based on our manufacturing capabilities, which are one of our strengths, and that we will work with the working group members to create products that help address social issues and achieve solid results. Thank you very much for joining us today.

Mitsuboshi Belting's eco-friendly products (examples)

- : Products that contribute to reducing CO₂ emissions
- : Products that contribute to the realization of a circular economy
- : Products that contribute to the conservation of biodiversity



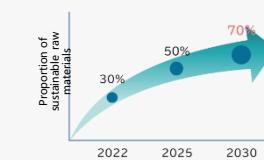
● "e-POWER™" energy-saving belts

By adopting a special shape, this environmentally friendly belt reduces bending stress, which is the largest cause of power loss, and enhances energy saving effects. By simply replacing the conventional belt with e-POWER, you can reduce power consumption of machinery and equipment and reduce CO₂ emissions.



● Low friction loss belts / TG belts in oil

Low friction loss belts and timing belts in oil, developed for automobile internal combustion engines, are effective in improving fuel economy. By providing power transmission belts with high efficiency and low energy loss, we contribute to reducing exhaust gas and CO₂ emissions.



● Power transmission belts with a higher proportion of sustainable raw materials

These are next-generation power transmission belts that reduce the proportion of petroleum-derived raw materials and increase the proportion of sustainable materials, such as biomass and recycled materials. As of 2022, we have achieved a sustainable raw material ratio of 32.7%. We aim to increase the ratio to 50% by 2025 and 70% by 2030.



● "Water-shielding sheets" from the Building & Construction Materials Division

Water-shielding sheets, including installation services, provided by the Building & Construction Materials Division, contribute to preventing contamination of public water areas and groundwater by leachate from final disposal sites.

04

Management Foundation for Our Value Creation

Sustainability

- 042 Respect for Human Rights
- 044 Value Chain Management
- 046 Initiatives Related to Climate Change
- 051 Initiatives for Biodiversity Conservation
- 054 Initiatives for Water Resources Conservation

Corporate Governance

- 057 Corporate Governance
- 062 Board of Directors and Executive Officers
- 064 Risk Management
- 066 Compliance
- 067 Stakeholder Engagement

Respect for Human Rights

Basic approach

The Mitsuboshi Belting Group recognizes that respecting the human rights of all people involved in its business activities is the greatest prerequisite for the sustainable growth of society and the Group. Based on the United Nations Guiding Principles on Business and Human Rights and other international standards, we have set “Respect for human rights and personality” as a materiality and are promoting initiatives for respect for human rights.

Mitsuboshi Belting Group Human Rights Policy

■ Scope of application

This Policy applies to all officers and employees of the Mitsuboshi Belting Group, and we will encourage our business partners to support this Policy and make efforts to better respect human rights.

■ Compliance

The Mitsuboshi Belting Group's business activities in various countries and regions are to be conducted in compliance with the laws and regulations of the relevant country. In our efforts to respect human rights, if laws and regulations do not comply with the United Nations' International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, we will give these two international principles as much priority as possible.

■ Performing Human Rights DD

In implementing this Policy, we will regularly perform Human Rights DD to identify risks (negative impacts on human rights), identify implementation issues, formulate implementation plans, monitor and evaluate implementation details, and deploy evaluation results so as to continuously improve our undertaking.

■ Implementation system

To ensure reliable and speedy achievement of goals set for initiatives related to respect for human rights, an organization in which officers serve as implementation managers will be formed in order to perform Human Rights DD and report the details to top management. We will also disclose information to stakeholders in an appropriate manner and actively engage in dialogue and consultation. Should a human rights infringement case arise in business activities of the Mitsuboshi Belting Group or our business partners, we will immediately rectify the situation in accordance with international standards.

■ Education

This Policy will be communicated to officers, employees and stakeholders of the Mitsuboshi Belting Group and will be disclosed in an easily accessible manner. We will also provide appropriate education to promote awareness and deepen understanding.

January 1, 2023



Promotion system

We have established and are continually implementing a human rights due diligence process based on international frameworks to properly identify risks related to "respect for human rights and individuals" and take preventive and corrective measures. This initiative will be led by a working group of the Sustainability Council, which will identify and assess risks and then consider necessary measures. For identified human rights risks, the Sustainability Council designates responsible departments and promotes the implementation of specific corrective and preventive measures. The progress of measures is monitored and evaluated by the Sustainability Council, and the details are regularly reported to the Board of Directors.

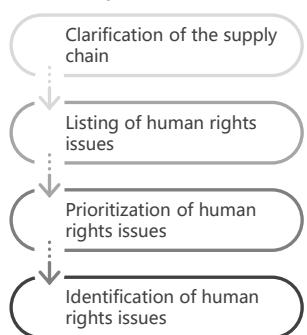
Human rights risks are also identified and assessed as part of our Company-wide risk management process. For information on our overall risk management efforts, please refer to "Risk Management" on page 64.

▶ P.64 Risk Management

Identification of human rights risks

In January 2023, we identified human rights risks (listed on the right) in our business activities, including our supply chain, through discussions in the Working Group and Sustainability Promotion Committee, which is an organization responsible for promoting materiality-related initiatives.

Flowchart of "identification of adverse impacts and risks"



Listing of human rights issues

Stakeholders involved in our business processes	Human rights risks ¹
Raw material suppliers	Natural rubber producers Forced labor, child labor, poor working environments, and unfair working conditions
	Cotton producers Forced labor, child labor, poor working environments, and unfair working conditions
	Palm oil producers Forced labor, child labor, poor working environments, and unfair working conditions
	Manufacturers in developing countries Poor working environments, unfair working conditions, and environmental pollution
	Manufacturers from developed countries Forced labor of workers from abroad, unfair working conditions, harassment, and invasion of privacy (in personal information management)
Transporters	Transporters in developing countries Forced labor, child labor, poor working environments, and unfair working conditions
	Transporters in developed countries Poor working environments and unfair working conditions
Outsourced processing company	small businesses Forced labor of foreign workers, poor working environments, unfair working conditions, environmental pollution
	General traders Forced labor of foreign workers, unfair working conditions, harassment, invasion of privacy (in personal information management), misrepresentation
In-house manufacturing and sales	Manufacturing Poor working environments, harassment, discrimination, and violation of privacy
	sales Unpaid overtime, unreasonable demands from customers, unreasonable demands from superiors, harassment, discrimination, invasion of privacy, and fraudulent conduct
	Purchasing Harassment, unreasonable demands, or fraudulent conduct toward business partners
	Other indirect Unpaid overtime, unreasonable demands from superiors, harassment, discrimination, violation of privacy and fraudulent conduct
Transporters (As mentioned above)	(As mentioned above)
Customer	General customers Harassment, unreasonable demands, or fraudulent conduct toward business partners
Customer	Agency for developing countries Poor working environments, unfair working conditions, and environmental pollution

¹ This does not cover all human rights issues, but rather selects items that are deemed particularly important in our business activities.

Identified human rights risks

Identified human rights risks	Division in charge
• Use of raw materials (natural rubber, cotton, etc.) involving child labor or forced labor	Sustainability Promotion Committee Secretariat + Purchasing Department

*The Sustainability Promotion Committee will be reorganized as the Sustainability Council in July 2024.

Establishment of a human rights redress mechanism

In 2024, at the Sustainability Council, we began efforts to establish a human rights redress mechanism (grievance mechanism) as required by the United Nations Guiding Principles on Business and Human Rights. In fiscal 2025, we will continue to aim to establish an effective system and will proceed with the consideration and implementation of specific measures in stages.

Supply chain engagement

In 2024, we introduced a communication tool to strengthen dialogue with suppliers regarding ESG issues and conducted a questionnaire survey of 30 major suppliers regarding their response to ESG issues, including human rights issues. After the survey, we held an explanatory meeting to share the results with each supplier, in order to foster awareness and share awareness of issues throughout the supply chain. We will continue to utilize this tool in fiscal 2025 to continue our engagement activities aimed at realizing a sustainable supply chain.

Additionally, as part of our response to the EU's European Deforestation Regulation (EUDR), we have conducted surveys of our natural rubber suppliers to determine whether deforestation is occurring in natural rubber cultivation areas and the status of compliance with laws and regulations regarding human rights, including forced labor and child labor. Based on these survey results, we plan to develop more effective human rights due diligence activities from 2025 onwards.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

Respect for Human Rights

- Value Chain Management
- Initiatives Related to Climate Change
- Initiatives Related to Biodiversity
- Initiatives Related to Water Resources
- Corporate Governance
- Board of Directors and Executive Officers
- Risk Management
- Compliance
- Stakeholder Engagement

05. Data Section

Value Chain Management

Basic approach

Stable procurement of superior quality products and services at appropriate prices is a prerequisite for continuing business activities in a sustainable manner, and what serves as the foundation for this prerequisite is the relationship of trust between our Group and our business partners.

As stated in the Mitsubishi Belting Group Procurement Policy, we are committed to engaging in “fair and impartial procurement activities” and “establishment of a mutually reliable partnerships” with all of our business partners. Through these efforts, we will work to build the types of relationships with our business partners that allow us to co-create new value.

Establishment and disclosure of the Procurement Guidelines

For the Mitsubishi Belting Group to contribute to the realization of a sustainable society, we must share our values with our business partners and implement CSR procurement (compliance, respect for human rights, health and safety, information security, information disclosure, etc.), and green procurement (response to climate change, biodiversity conservation, water security, circular economy, etc.) at a deeper level so as to aid in improving various social issues.

In 2023, the Mitsubishi Belting Group formulated the “Procurement Guidelines,” which outline its philosophy regarding procurement and the matters on which it wants to work with its business partners, in line with the ten principles in four areas (human rights, labor, environment, and anti-corruption) established by the UN Global Compact, and disclosed the Guidelines, with the aim of further activating the efforts to realize a sustainable society throughout the entire value chain. We will identify adverse impacts on such items as human rights, CO₂ reduction and biodiversity throughout our value chain, based on the Guidelines, and promote sustainable business practices in cooperation with our business partners.

 [Mitsubishi Belting Group Procurement Policy](#)

 [Mitsubishi Belting Group Procurement Guidelines](#)



Status of ESG initiatives in the value chain

The Mitsubishi Belting Group's CO₂ emissions from Scope 3 - Category 1 "Purchased goods and services" in FY2024 were approximately 80,625 tons, far exceeding the total CO₂ emissions of Scope 1 and Scope 2 in the same category, which are approximately 71,986 tons. In order to curb global warming, we will not only work to reduce our own emissions, but also focus on reducing CO₂ emissions throughout the entire supply chain.

In terms of biodiversity conservation, deforestation due to poorly managed natural rubber cultivation is threatening biodiversity conservation, while excessive watering and water pollution from pesticides in cotton cultivation are further exacerbating the situation in areas that are already under high water stress. As part of our response to the European Deforestation Regulation (EUDR)* in 2024, we surveyed our natural rubber suppliers to determine whether they could supply products in accordance with the EUDR. In 2025, we plan to begin procuring natural rubber in accordance with the EUDR, as well as conducting due diligence on human rights and the environment, and to begin supplying products that comply with the regulation.

In our human rights due diligence activities, forced labor and child labor have been identified as significant human rights risks in the production areas of natural rubber and cotton, which are used as raw materials for our main products, power transmission belts. As part of our efforts to comply with the EUDR, we are not only investigating whether or not there is deforestation but also investigating the status of compliance with these laws (including whether or not there is forced labor or child labor). In 2025, we plan to use this information in our human rights due diligence activities to improve our risk assessment and response.

The business activities of the Mitsubishi Belting Group, including the value chain, are closely associated with a variety of social issues. To address these issues, we will work with business partners who share our values to promote initiatives that contribute to the realization of a sustainable society.

* A regulation that aims to minimize the EU's contribution to global deforestation and forest degradation. It covers seven commodities (cocoa, coffee, palm oil, rubber, soya, cattle and wood, and derivatives). This regulation prohibits any operators and traders from trading products linked to deforestation and forest degradation in the EU market and requires due diligence for them. The provisions of the EUDR will apply to small and medium-sized enterprises from 30 June 2026 and to other enterprises from 30 December 2025, and the sale of products that do not meet EUDR standards will be prohibited in the EU.

Regarding business partner audits

The Mitsubishi Belting Group annually conducts two-party audits (in some cases, one-party audits) in accordance with ISO14001 (Environmental Management System (EMS)) or ISO9001/IATF16949 (Quality Management System (QMS)) to monitor, evaluate and improve the status of business partners' efforts regarding environmental conservation and quality assurance. The business partners to be audited are narrowed down by considering past audit results.

Based on the results of audits conducted so far, we have determined that our suppliers' efforts regarding environmental conservation and quality assurance are generally good. Going forward, we will gradually expand the scope of audits from suppliers of the Mitsubishi Belting Head Office Purchasing Department to suppliers of group-affiliated companies, in order to further strengthen our management system.

Additionally, starting in fiscal 2020, we have been requesting our business partners to develop and implement business continuity plans (BCPs), and we conduct annual surveys to assess the status of their development. In the fiscal 2024 survey, it was confirmed that all 79 business partners surveyed had formulated BCPs. Going forward, we will continue to investigate not only the formulation of the plan but also its implementation status.

[Unit: cases]

Business partner audit status		FY2021	FY2022	FY2023	FY2024
Environment	Number of audited companies	21	18	19	22
	Number of non-conformities	0	0	0	0
Quality	Number of audited companies	21	18	20	26
	Number of non-conformities	0	0	0	0
BCP	Number of audited companies	54	75	79	79
	Number of those that have not formulated a BCP	18	14	7	0

Introduction of supplier communication tools

In 2024, we introduced a supplier communication tool to collect and utilize ESG-related information from our business partners, with the aim of improving the level and effectiveness of ESG activities throughout our supply chain. In the first year of implementation, we conducted an ESG survey of 30 major business partners and held an information session to share the results. Going forward, we aim to gradually expand the scope of these efforts while utilizing the issues and feedback identified through these initiatives and to roll them out as a Group-wide initiative from 2025 onwards. We will continue to deepen collaboration with our business partners to improve sustainability throughout the entire value chain, with a focus on the supply chain.

Declaration of Partnership Building

In 2021, Mitsubishi Belting made the "Declaration of Partnership Building," advocated by the Ministry of Economy, Trade and Industry, with the aim of creating new added value and conducting fair transactions throughout the supply chain.



Received an A- rating in CDP's Supplier Engagement Rating*

In fiscal year 2024, we received an A- rating in the CDP Supplier Engagement Assessment (SEA) from CDP, an international environmental information disclosure platform. We believe that this recognition is due to our commitment to sustainability, including decarbonization, human rights, and environmental considerations, which we have been working on throughout our supply chain. We will continue to work with our partners to contribute to the realization of a sustainable society throughout the entire value chain.

* This is the score disclosed in July 2025.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management**
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 05. Data Section

Initiatives Related to Climate Change

Basic approach

As warning bells are sounded about global warming caused by greenhouse gases, countries around the world are setting emission reduction targets and working to reduce emissions. On the other hand, climate disasters, which are believed to be partly caused by global warming, are occurring frequently around the world, and their frequency and severity are increasing year by year. These disasters not only affect human lives but also have a serious impact on the sustainability of the society and environment that supports our business activities.

In light of this situation, the Mitsuboshi Belting Group supports the Paris Agreement agreed upon at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), as well as Japan's related laws and regulations, the Act on the Rational Use of Energy (Energy Conservation Act) and the Act on Promotion of Global Warming Countermeasures (Global Warming Countermeasures Act).

The Group has made "contributing to the realization of a carbon-free society" one of its key management priorities (materiality) and is working to reduce CO₂ emissions, engage in energy-saving activities, and develop environmentally friendly products. For these activities, we have set specific measures and KPIs to ensure steady implementation and visualize results.

New LNG tank installed in conjunction with fuel conversion from heavy oil to environmentally friendly LPG
(Ayabe Production System Development Center | Operation begins in January 2025)



Disclosure based on the TCFD Recommendations

In December 2022, Mitsubishi Belting announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium, a forum for discussion among Japanese companies and financial institutions that support the TCFD Recommendations. We will introduce our group's climate change initiatives in line with the four pillars of disclosure required by the TCFD Recommendations: governance, risk management, strategy, and metrics and targets.

Governance

Mitsubishi Belting positions the risks and opportunities related to climate change as a key management issue and has established a system in which the Board of Directors is responsible for decision-making and oversight. Specifically, the Sustainability Council deliberates on these risks and opportunities and reports the results to the Board of Directors, leading to appropriate decision-making and oversight.

"Reduction of GHG emissions," "Water resource conservation," and "Environmental conservation" have been set as sub-material issues (sub-materiality) related to the "environment." The Sustainability Council discusses and deliberates on the progress of activities of the organizations (business departments, committees, or working groups) in charge of the measures determined for each issue, thereby ensuring continuous improvement of activities.

Risk management

The Mitsubishi Belting Group has established the Risk Management Committee to monitor and evaluate risk management activities for issues (significant risks) that should be addressed on a Group-wide basis in terms of their impact on its business and to maintain and develop the risk management system.

For climate change-related risks, the implementation of the measures is monitored and evaluated by the Risk Management Committee in addition to the Sustainability Council, and the monitoring and evaluation results are reported to the Board of Directors along with reports on other significant risks.

► P. 64 Risk Management

*1 NDC (Nationally Determined Contribution): Climate change targets, such as reducing greenhouse gas emissions, that each country submits to the United Nations based on the Paris Agreement.

*2 SBT (Science Based Targets): Greenhouse gas emission reduction targets set by companies based on scientific evidence, at a level consistent with achieving the goals of the Paris Agreement.

■ Strategy

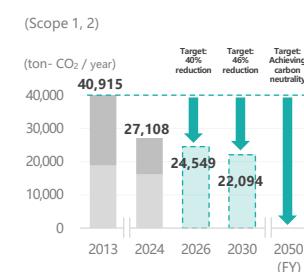
With the aim of verifying the impact of climate change on the value chain of the Mitsubishi Belting Group in the future and the effectiveness of climate change measures, we conducted scenario analysis based on two climate change scenarios: a 1.5°C warming scenario, in which the trend toward decarbonization continues to grow and the impact of transition risks and opportunities increases, and a 4°C warming scenario, in which climate change progresses significantly and the impact of physical risks increases.

■ Metrics and targets

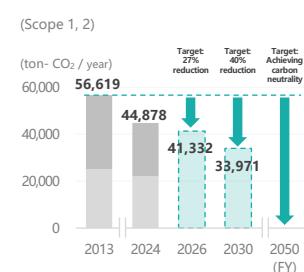
The Mitsubishi Belting Group has set "contributing to the realization of a carbon-free society" as one of its key management priorities (materiality).

Based on this, we have set a goal of reducing Scope 1 and Scope 2 greenhouse gas emissions (CO₂ equivalent /market standard) at our domestic bases by 40% by fiscal 2026, 46% by fiscal 2030, and achieving carbon neutrality by 2050, with fiscal 2013 as the base year. Similarly, for our overseas bases, we have set targets of reducing emissions by 27% by fiscal 2026, 40% by fiscal 2030, and achieving carbon neutrality by 2050, using fiscal 2013 as the base year. In this context, in February 2025, the Japanese government submitted a new NDC^{*1} to the United Nations, which set greenhouse gas emission reduction targets for 2035. Furthermore, societal demands placed on companies are increasing year by year, such as setting emission targets consistent with the 1.5°C scenario and obtaining SBT^{*2} certification. In light of these trends, the Mitsubishi Belting Group will work to consider and set new emissions reduction targets in order to take a more effective approach to global warming.

CO₂ emissions reduction targets - Domestic bases



CO₂ emissions reduction targets - Overseas bases



Scenario analysis

1) Analysis target and preconditions

Region	Period	Range	Main scenarios consulted
Countries and regions in which the Mitsubishi Belting Group operates	Present - 2050	Value chain	IEA WEO2022, IPCC AR6 (SSP 1-1.9, SSP 3-7.0, SSP 5-8.5, etc.)

2) Future vision of society surrounding the Mitsubishi Belting Group's business

Scenario	2030	2050
1.5°C scenario	<ul style="list-style-type: none"> The carbon price is USD 140/t-CO₂ in developed countries and USD 90/t-CO₂ in developing countries. Demand for products for low-carbon and decarbonization technologies increases around the world. Electrification is progressing in the automobile industry, and EVs account for half of new vehicle sales. The rise in average temperature has reached 1.5°C, and physical risks have become apparent. Investment in disaster prevention and mitigation increases. 	<ul style="list-style-type: none"> The carbon price is USD 250/t-CO₂ in developed countries and USD 205/t-CO₂ in developing countries. Demand for products for low-carbon and decarbonization technologies further increases around the world. Electrification is progressing in the automobile industry, and EVs account for most of new vehicle sales. The rise in average temperature has reached 1.6°C, and physical risks have become apparent. Investment in disaster prevention and mitigation increases.
4.0°C scenario	<ul style="list-style-type: none"> The carbon price is USD 90/t-CO₂ in developed countries and zero in developing countries. Demand for products for low-carbon and decarbonization technologies increases around the world. Electrification is progressing in the automobile industry, and EVs account for half of new vehicle sales. 	<ul style="list-style-type: none"> The carbon price is USD 130/t-CO₂ in developed countries and zero in developing countries. Demand for products for low-carbon and decarbonization technologies increases around the world. EVs account for only half of new vehicle sales. Internal combustion locomotives are the mainstream in developing countries. The rise in average temperature has reached 2.1°C, and physical risks have become apparent. Investment in disaster prevention and mitigation increases.

Climate-related risks and opportunities

Based on scenario analysis of climate change, we have compiled a list of "Risks and Opportunities" by organizing anticipated transition risks and physical risks, as well as the business opportunities that may arise from them.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

Respect for Human Rights

Value Chain Management

Initiatives Related to Climate Change

Initiatives Related to Biodiversity

Initiatives Related to Water Resources

Corporate Governance

Board of Directors and Executive Officers

Risk Management

Compliance

Stakeholder Engagement

05. Data Section

Initiatives Related to Climate Change



Climate-related risks and opportunities

Type	Driver	Impact	Impact on business		Measures / Strategies	Time frame		
			<Risks>	Impact	<Opportunities>			
Transition risks	Policy / Laws and regulations	Strengthening of climate change policies, such as carbon pricing policy	Medium	<ul style="list-style-type: none"> An increase in manufacturing costs due to the use of carbon-taxed fossil fuels An increase in costs due to CO₂ emission reduction activities, such as carbon offsets and the use of biomass raw materials An increase in raw material costs due to cost pass-through of decarbonization costs by suppliers A decline in the competitiveness of products made in developing countries in international trade due to CBAM 	Medium	<ul style="list-style-type: none"> A reduction in energy costs due to the accelerated introduction of energy-saving and renewable energy technologies Improvement of corporate value and an increase in opportunities to be selected by customers due to proactive activities to reduce CO₂ emissions 	<ul style="list-style-type: none"> Avoid the impact of carbon taxes by electrifying equipment and introducing renewable electricity Strengthen the development and sales of low-carbon footprint items (low-carbon products) Reduce CO₂ emissions during manufacturing Reduce Scope 3 emissions (by using biomass raw materials, etc.) 	Medium to long term
	Technology	Replacement of existing products/services with low-carbon options	Large	<ul style="list-style-type: none"> Decline and disappearance of the market for power transmission belts for internal combustion engines of automobiles and motorcycles due to the spread of electrification 	Large	<ul style="list-style-type: none"> Acquisition of new demand for power transmission belts resulting from electrification 	<ul style="list-style-type: none"> Shift the product portfolio Expand sales of various drive belts used in EVs, ranging from belts for internal combustion engines to belts for electric power steering, power sliding doors, electric power brakes, and other component parts 	Short term
	Upfront costs for shifting to low-carbon technologies	Large		<ul style="list-style-type: none"> A decline in competitiveness due to delays in the development of innovative technologies to reduce CO₂ emissions 	Medium	<ul style="list-style-type: none"> Improvement of product competitiveness through the realization of low-carbon technology transformation Improvement of product competitiveness through reduction of the carbon footprint 	<ul style="list-style-type: none"> Promote product development and innovation, using DX and other technologies, to realize low-carbon technology transformation Reduce CO₂ emissions during manufacturing Reduce Scope 3 emissions (by using biomass raw materials, etc.) Strengthen the development of eco-friendly products 	Medium to long term
	Market	Changes in customer behavior	Large	<ul style="list-style-type: none"> A decline in the competitiveness of products with a large carbon footprint in customer procurement 	—	—	<ul style="list-style-type: none"> Make sure to implement measures to address climate change, achieve KPIs, and disclose details of these efforts to stakeholders in an appropriate and timely manner 	Short to long term
Physical risks	Reputation	An increase in stakeholders' anxiety or negative feedback therefrom	Large	<ul style="list-style-type: none"> A decrease in corporate value due to delays in taking measures against climate change or lack of information disclosure 	—	—	<ul style="list-style-type: none"> Make sure to implement measures to address climate change, achieve KPIs, and disclose details of these efforts to stakeholders in an appropriate and timely manner 	Short to long term
	Acute risks	Increased intensity and frequency of extreme weather events, such as cyclones and floods	Medium	<ul style="list-style-type: none"> Suspension of operations or restrictions on operating systems due to damage to plant production equipment Suspension of operations at suppliers or disruption of distribution channels due to disasters 	Large	<ul style="list-style-type: none"> Achievement of stable supply through early development of products with alternative specifications using synthetic raw materials, and expansion of market share through these efforts Acquisition of customer trust through stable product supply Expansion of the need for equipment to prepare for disasters <ul style="list-style-type: none"> Increased sales of water-shielding sheets due to heightened awareness of environmental impact reduction Increased sales of power transmission belts for wind power generators due to increased demand for renewable energy 	<ul style="list-style-type: none"> Implement stable business activities by formulating and operating a business continuity plan for the company as well as the supply chain while using hazard screening 	Short to long term
	Chronic risks	Changes in rainfall patterns and extreme changes in weather patterns in general	Small	<ul style="list-style-type: none"> Increased delays in product supply to customers due to unstable supply of natural raw materials Unstable profitability due to price fluctuations of natural raw materials Increased delays in product supply to customers due to suspension of production activities caused by drought and water intake restrictions Suspension of operations at suppliers due to drought and water intake restrictions 	—	<ul style="list-style-type: none"> Make an agreement with suppliers in advance about supply in case of emergency through close collaboration with them Enhance production resilience during droughts or other emergencies by installing a cooling water circulation system or other systems 	<ul style="list-style-type: none"> Short to long term 	Short to long term
	Rise in average temperature	Large		<ul style="list-style-type: none"> Decline in labor productivity due to deterioration of the working environment caused by a rise in average temperature 	—	—	<ul style="list-style-type: none"> Facilitate the automation of production equipment by promoting DX Implement stable business activities by formulating and operating a business continuity plan for the company as well as the supply chain while using hazard screening 	Short to long term
Sea level rise	Sea level rise	Small		<ul style="list-style-type: none"> Increased delays in product supply to customers due to flooding of inventory and disruption of distribution channels 	—	—	<ul style="list-style-type: none"> Facilitate the automation of production equipment by promoting DX Implement stable business activities by formulating and operating a business continuity plan for the company as well as the supply chain while using hazard screening 	Short to long term

*Definition

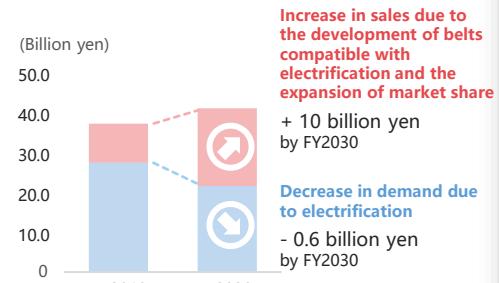
Impact: large – 1.0 billion yen or more; medium – 0.1 to 1.0 billion yen; small – less than 0.1 billion yen

Time frame: short term – until 2026; medium term – until 2030; long term – until 2050

Risks and opportunities associated with the progress of electrification of automobiles

With the electrification of automobiles, demand for power transmission belts for internal combustion engines is expected to decrease by approximately six billion yen by FY2030. Meanwhile, we expect an increase in sales of approximately 10 billion yen due to increased sales of timing belts for electric units such as electric power steering (EPS) and power sliding doors (PSD) in automobiles and belts for rear-wheel drives of electric motorcycles for the same period.

Taking the progress of electrification of automobiles as an opportunity, we will strive to develop and supply products that can achieve sustainable growth.



Decrease in demand due to electrification
Belts compatible with electrification, etc.

00. Overview
01. Top Message
02. Our History and the Source of Our Value
03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

Respect for Human Rights

Value Chain Management

Initiatives Related to Climate Change

Initiatives Related to Biodiversity

Initiatives Related to Water Resources

Corporate Governance

Board of Directors and Executive Officers

Risk Management

Compliance

Stakeholder Engagement

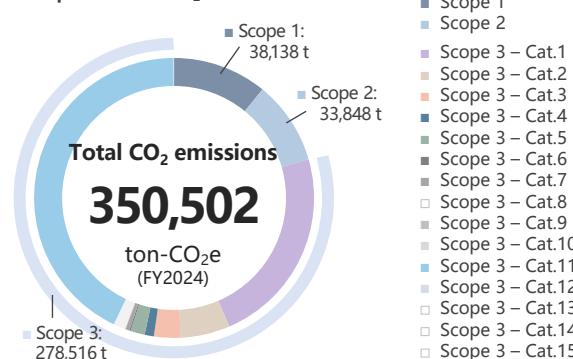
05. Data Section

CO₂ emissions

Our group has steadily advanced various initiatives, such as installing solar power generation equipment at each of our business locations, switching to renewable energy, and converting heavy oil-fired equipment to gas. As a result of these efforts (see table on the right), Scope 1 and Scope 2 (market standard) CO₂ emissions are 27,108 t (down 33.7% from fiscal 2013), and at overseas bases, the total was 44,878 t (down 20.7% compared to fiscal 2013), demonstrating steady progress in reduction. In addition, for Scope 3 emissions, the calculation scope was changed from a non-consolidated basis to a consolidated basis for all categories from fiscal 2024.

We will continue to be committed to realizing a decarbonized society by not only further reducing our Scope 1 and 2 emissions but also enhancing our efforts to reduce emissions from our entire supply chain, including Scope 3 emissions.

Composition of CO₂ emissions



Ring around the outside of the graph: Scope 3 (composition ratio: 79.5%)

[Details of Scope 3 emissions are available on our corporate website.](#)

*To simplify the notation in the legend, "Category" is written as "Cat." It is abbreviated as follows.
Furthermore, "Cat." refers to the Scope 3 category in the GHG Protocol.

List of implemented measures to reduce CO₂ emissions

[Unit: ton- CO₂e]

Period	Business Locations	Measures	Annual reduction amount / Expected reduction amount ^{*1}
December 2021 –	Kobe Head Office / Kobe Plant R&D Center	Solar power generation system (on-site PPA) begins operation	110
January 2022 –	MITSUBOSHI POLAND	Switched to renewable electricity (all purchased electricity covered)	100
June 2022 –	Kobe Head Office / Kobe Plant R&D Center	Switched to carbon-offset city gas ^{*2}	(100)
July 2022 –	Shikoku Plant	Switched to renewable electricity (all purchased electricity covered)	4,000
October 2022 –	Kobe Head Office / Kobe Plant R&D Center	Switched to renewable electricity (all purchased electricity covered)	1,200
October 2022 –	Suzhou Mitsubishi Belting Co., Ltd.	Operation of its own solar power generation system started	900
January 2023 –	Nagoya Plant	Switched to carbon-offset city gas ^{*2}	(2,500)
May 2023 –	MBL (USA)	Switched to renewable electricity (all purchased electricity covered)	2,400
November 2023 –	PT. MITSUBOSHI BELTING INDONESIA	Switched to renewable electricity (30% of purchased electricity covered)	1,000
December 2023 –	STARS TECHNOLOGIES INDUSTRIAL	Solar power generation system (on-site PPA) begins operation	500
December 2024 –	Shikoku Plant	Switching from heavy oil to LNG	1,000
December 2024 –	Shikoku Plant	Switched to carbon-offset LNG ^{*2} (approx. 50%)	(1,500)
May 2024 –	Seishin Office	Operation of its own solar power generation system started	50
January 2025 –	Ayabe Production System Development Center	Switching from heavy oil to LNG	2,700

*1 The reduction amount will increase or decrease depending on the amount of energy input. The figures entered are approximate values.

*2 The calculation is made on the supposition that carbon-offset fuels make no contribution to the reduction of CO₂ emissions.

Collaboration with external organizations

With the aim of revitalizing efforts to combat climate change in society as a whole, including our group, the Mitsubishi Belting Group has joined the aforementioned TCFD Consortium and the Japan Rubber Manufacturers Association, an industry association for rubber product manufacturers, and is participating in the climate change-related activities of each organization by providing information, submitting opinions, etc. Details of each organization's activities can be found on the following websites:

TCFD Consortium:
<https://tcfd-consortium.jp/>

Japan Rubber Manufacturers Association:
<https://www.rubber.or.jp/>

04. Management Foundation for Our Value Creation

Respect for Human Rights

Value Chain Management

Initiatives Related to Climate Change

Initiatives Related to Biodiversity

Initiatives Related to Water Resources

Corporate Governance

Board of Directors and Executive Officers

Risk Management

Compliance

Stakeholder Engagement

05. Data Section

Environmental Governance System

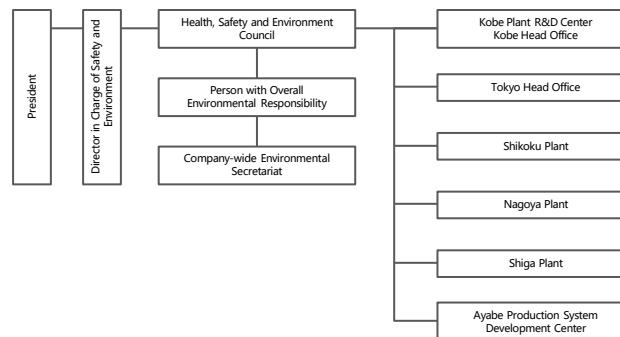
Maintenance and improvement of an environmental management system

Based on its Basic Environmental Policy, the Mitsuboshi Belting Group has established an environmental management system (EMS) that complies with ISO 14001 and is promoting environmental conservation activities throughout the Group. The Basic Environmental Policy encompasses measures to address a wide range of challenges, from resource and energy conservation and the reduction of substances with environmental impacts to the mitigation of global warming through GHG emissions reduction, the preservation of water resources through limited water use and wastewater treatment, and the maintenance and conservation of biodiversity and forests, as well as the realization of a resource-recycling society through the 3R (reduce, reuse, recycle) initiative.

Our EMS in Japan is designed to organically link activities at each site with Company-wide general management. An environmental department, which is the smallest unit for these activities, belongs to the Regional Environment Committee established at each site and reports its activities to this committee's secretariat every month. The Regional Environmental Committee meets monthly to review reports from each department and report the review results to the company-wide Environmental Secretariat, which then compiles the activity reports from respective sites into a Company-wide report, submits it to the Person with Overall Environmental Responsibility, and shares the information with all sites.

The Person with Overall Environmental Responsibility convenes a meeting of the Health, Safety and Environment Council, chaired by the Director in Charge of Safety and Environment and comprising all department heads, twice a year. At this meeting, activities at each site are reported as compiled by the company-wide Environmental Secretariat to the President and Management Council members for review in order to clarify future policies, measures, and targets.

■ Company-wide environmental management organization



Environmental education for employees

The Mitsuboshi Belting Group provides environmental education as part of its business activities. The Environmental Secretariat, which has been established in the ISO14001-compliant environmental management system (hereinafter, "EMS"), is responsible for providing environmental education for employees. The Secretariat creates environmental education and training plans for each fiscal year, which describe training content, and implements education/training programs. Our environmental education/training programs comprise: newly assigned employee training (environmental policy and targets, environmental manuals, etc.), general employee training (environmental policy and targets, environmental management plans, skill-based education and training, etc.), manager training (environmental policy and targets, environmental management plans, revised internal standards/environmental regulations, etc.), and other training (emergency response training, internal auditor training, training for legally qualified workers, etc.). Currently, the training focuses on compliance with environmental regulations and internal standards, but going forward, we will incorporate more pressing environmental issues, such as climate change response, biodiversity conservation, sustainable use of water resources, and building a recycling-oriented society, into the training content, with the aim of strengthening our environmental response capabilities and further invigorating our business activities.

ISO14001 certification status

The Mitsuboshi Belting Group is ISO14001 certified not only in Japan but also at its overseas production bases. We have established an Environmental Management System (EMS) that complies with ISO14001 and are promoting ongoing maintenance and improvement activities. In addition, to ensure the effectiveness of the EMS, we undergo an inspection by a third-party organization and are certified by ISO. We are continually working to maintain and renew our ISO14001 certification. As of 2024, all 12 sites, including those in Japan, will be ISO14001 certified. We maintain ISO14001 certification.

EMS (ISO14001)-certified offices/plants

Mitsuboshi Belting Ltd. (Kobe Head Office / Kobe Plant R&D Center, Nagoya Plant, Shikoku Plant) Mitsuboshi Belting Giken Co., Ltd. Mitsuboshi Belting CHEM Co., Ltd. Mitsuboshi Belting Conveyor Co., Ltd. Neo-roofing Co., Ltd. Mitsuboshi Belting Kohki Co., Ltd.	Industrial power transmission belts; automotive belts; V-ribbed pulleys; timing pulleys; conveyor belts and related products; engineering plastics; structural foam molded products; waterproofing sheets; metal pastes; circuit board materials and paints
MBL (USA) CORPORATION	Industrial power transmission belts; automotive belts
PT. SEIWA INDONESIA	Industrial power transmission belts; automotive belts
PT. MITSUBOSHI BELTING INDONESIA	Industrial power transmission belts; rubber coupling elements
STARS TECHNOLOGIES INDUSTRIAL LIMITED	Industrial power transmission belts; automotive belts
Suzhou Mitsuboshi Belting Co., Ltd.	Industrial power transmission belts; automotive belts
MITSUBOSHI BELTING-INDIA PRIVATE LIMITED	Industrial power transmission belts; automotive belts

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change**
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 05. Data Section

Initiatives Related to Biodiversity

Basic approach

Against the backdrop of global warming, environmental pollution, overdevelopment, and the overexploitation of resources caused by human economic activities, biodiversity is declining at an accelerating rate, forcing ecosystems, which underpin life, into a crisis. Healthy ecosystems are an essential foundation for our continuous enjoyment of the blessings of nature as ecosystem services, including food, water, and medicinal substances, toward the future. Loss of ecosystem health could have a serious impact not only on corporate activities but also on the very sustainability of society.

While remaining committed to reducing CO₂ emissions to curb global warming, the Mitsubishi Belting Group recognizes that biodiversity loss is another challenge of high priority that it must work to solve with a view to realizing a sustainable society.

We support the Kunming-Montreal Biodiversity Framework adopted at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity and the Japanese government's National Biodiversity Strategy and Action Plan of Japan 2023–2030 and have identified biodiversity conservation as one of our Group's material issues. We have set specific KPI targets for key issues such as water resource conservation and are promoting effective initiatives that have been devised in consideration of their interface with our business activities.



Initiatives Related to Biodiversity

* The biodiversity conservation activities of the Mitsuboshi Belting Group undergo the same governance and risk management process as its initiatives related to climate change do.

■ Strategy

The Sustainability Council has identified risks and opportunities related to biodiversity conservation and assessed their impact on the Mitsuboshi Belting Group's business activities, in accordance with the disclosure framework recommended by the Task Force on Nature-related Financial Disclosures (TNFD). The Council has then used the impact assessment results to devise strategies and set targets.

Relationship between the locations of our business activities and nature

1) Dependency and impact on nature

The Group's production sites use steam as a heat transfer medium and water as a refrigerant in the processing of rubber products. Without a sufficient amount of good quality fresh water supplied by nature, in no time we would be forced to suspend operations. In addition, natural rubber, cotton, oil processed from palm oil, etc. are used as non-petroleum-derived raw materials in the manufacture of rubber products, but if the supply of these materials is disrupted, we would have no choice but to rely on petroleum-derived raw materials, leading to increased risk of resource depletion. Furthermore, our Group's main products - transmission belts and related products - are widely used in various industries, including agriculture, forestry, fishery, mining, semiconductors, automotive, electrical machinery, machinery, food and logistics. For these reasons, we recognize that our Group's business activities depend not only on water and natural materials but also on many other ecosystem services.

We used ENCORE¹ to survey the dependencies of the Group's business activities (categorized in the "Manufacture of rubber and plastic products" Group, "Manufacture of rubber and plastic products" Division, and "Manufacture" Section according to the International Standard Industrial Classification of All Economic Activities (ISIC)) on ecosystem services. The results have assigned a Medium (M) materiality rating to the Group's dependencies on four kinds of ecosystem services: water purification services, water flow regulation services, flood mitigation services, and storm mitigation services. However, it has proven that the Group has no dependencies rated as High (H) or above on any ecosystem services.

Based on these results, the Group will continue to take concrete steps towards the sustainable use of natural capital and reduction of environmental impacts, including the efficient use of resources, as well as production activities and product design that take environmental impact mitigation into consideration.

 Results of the survey on our dependencies and impacts on ecosystem services

2) Interface between the locations of the Group's business activities and areas important for biodiversity

The Mitsuboshi Belting Group has surveyed and identified the interface between the locations of its business activities and areas important for biodiversity conservation in consideration of product lifecycles. First, we selected the following three kinds of locations of our business activities:

- 1) Locations of the Group's 14 production sites
- 2) Locations of production of natural rubber and cotton as raw materials
- 3) Locations of production of crude oil as a raw material and fuel

Meanwhile, we designated the following kinds of areas as areas important for biodiversity conservation:

- Biodiversity "hotspots"², where ecosystem integrity is being lost
- Areas that provide habitats for endangered species and require conservation (AZE sites³)
- Areas with high water stress⁴

Production site	Location of business activities	Hot spot	AZE site	Water stress
Kobe	Japan	•		
Shikoku	Japan	•		
Nagoya	Japan	•		
Ayabe	Japan	•		
Shiga	Japan	•		
Mitsuboshi Cord	Japan	•		
Seishin	Japan	•		
MBL (USA)	U.S.		•	
MBI	Indonesia	•		
SEIWA	Indonesia	•		
STI	Thailand	•		
SMB	China		•	
MB (POL)	Poland			
MB (IND)	India		•	
Locations of natural rubber production	Thailand, Indonesia, and Vietnam	•	•	
Locations of cotton production	India and Pakistan			•
Locations of oil and natural gas production	Middle East Asia			

* Please refer to the list of abbreviations for the names of overseas bases on page 73 for the proper names of overseas bases, which are abbreviated here.

We recognize that business activities at the Group's sites may have an impact on their respective local ecosystems due to entailed water consumption or environmental pollution caused by fluid, exhaust, or solid waste discharges. Moreover, we recognize that the business activities of our suppliers providing us with the main raw materials in our value chain may also have an impact on biodiversity. For example, there is general concern about possible impacts on ecosystems made by natural rubber production, which may trigger deforestation due to changes in land use, and by cotton cultivation, which may cause environmental pollution due to use of water resources and pesticides.

Environmental issues entailed by natural rubber and cotton production have been recognized internationally, leading to several initiatives being already launched to address them. The Mitsuboshi Belting Group also views these issues as major risks in its supply chain and places higher priority on addressing them. Furthermore, since all of our production sites in Japan are located in biodiversity hotspots, measures to reduce water use there are important from the perspective of biodiversity conservation. We will therefore continue our efforts to achieve the relevant KPI targets we have set.

*1 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is an online tool jointly developed by the Natural Capital Finance Alliance (NCFA), an international network of financial institutions, the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCMC), and other organizations. This tool helps organizations to explore their exposure to nature-related risk and to understand and assess their dependencies and impacts on nature.

*2 A hotspot is a region with more than 1,500 species of endemic vascular plants (seed plants and ferns) and where more than 70% of the native ecosystem has been altered.

*3 An AZE (Alliance for Zero Extinction) site is an area that holds the last remaining populations of 1,483 of the earth's most threatened species, as disclosed by the Alliance for Zero Extinction biodiversity initiative.

*4 Highly water-stressed regions: Regions with a baseline water stress level that is classified as "extremely high" in the World Resource Institute's Aqueduct Water Risk Atlas.

Scenario analysis, risks and opportunities, and strategy

We have identified risks and opportunities while taking into consideration the relationship between the locations of the Mitsuboshi Belting Group's business activities and areas important for biodiversity, as well as the scenarios shown in the table below. The identified risks and opportunities and measures to be taken to address them are shown on the next page. (See the table in "Risks and Opportunities.") We constructed scenarios that envision the natural environment and social situations in 2030 and 2050 by examining information obtained from published biodiversity-related reports and the World Resource Institute's Aqueduct.

Near-future scenarios from a biodiversity conservation perspective

	Biodiversity conservation scenario	Biodiversity loss scenario
2030	<ul style="list-style-type: none"> • Environmental destruction by humans stops and the environment begins to repair itself. • Disasters caused by deforestation and climate change become less frequent than today. • Land development projects in all industries are subject to strict environmental impact assessments. • Despite recovery in biodiversity, water stress is exacerbated by other factors, especially social ones, such as the growing human population. • Demand for relatively expensive eco-friendly products becomes mainstream. • Ecosystem services are stably available, stabilizing the existence of their users: individuals, companies, communities, and societies. 	<ul style="list-style-type: none"> • Areas important for biodiversity conservation expand compared to the present. • The scale of climate change-derived disasters is amplified by environmental destruction. • Continuous reliance on current imprecise environmental impact assessments causes further spread of land development. • Coupled with loss of biodiversity, water stress is exacerbated. • Eco-friendly products are removed from the market due to price competition. • Increasingly unstable availability of ecosystem services increases the frequency of goods shortages, price increases, regional conflicts, etc. from the current level.
2050	<ul style="list-style-type: none"> • Self-restoration of the environment progresses and biodiversity becomes richer than it is now. • Disasters caused by deforestation and climate change become less frequent than in 2030. • Land development projects in all industries are subject to even stricter environmental impact assessments. • Despite recovery in biodiversity, water stress is exacerbated by other factors, especially social ones, such as the growing human population. • Non-eco-friendly products are weeded out of the market. • Ecosystem services are stably available, stabilizing the existence of their users: individuals, companies, communities, and societies. 	<ul style="list-style-type: none"> • Areas important for biodiversity conservation expand compared to 2030. • The scale of climate change-derived disasters is further amplified compared to the 2030 levels. • Strict environmental impact assessments finally become the norm for land development in all industries. • Coupled with loss of biodiversity, water stress is further exacerbated. • Demand for relatively expensive eco-friendly products finally becomes mainstream. • Ecosystem services are sometimes unavailable, increasing the frequency of goods shortages, price increases, regional conflicts, etc. from the 2030 level.

Initiatives Related to Biodiversity

■ Risks and Opportunities

Type		Driver	Dependency / Impact	Impact on business			Measures / Strategies	Time frame	
			Impact	Risks	Impact	Opportunities			
Physical risks	Acute	Environmental pollution	Impact	Large	Accidental leakage of hazardous substances from a production site, resulting in suspension of operations	Large	Ensuring stable operations through accident prevention activities	Implementing and constantly improving BCPs; appropriately managing chemical substances	Short to long term
		Environmental pollution	Impact	Large	Environmental pollution caused by fluid, exhaust and solid waste from a production site, resulting in suspension of operations	Large	Ensuring stable operations through activities to prevent environmental pollution	Appropriately managing fluid, exhaust, and solid waste; installing fluid and exhaust waste treatment equipment; conducting waste reduction activities; appropriately managing chemical substances	Medium to long term
	Chronic	Deforestation	Impact	Small	Decrease in sales and corporate value due to products made of natural rubber whose production is causing deforestation	Small	Securing sales and increasing corporate value by using deforestation-preventing natural rubber	Promoting supplier engagement; developing natural rubber-free alternative specifications	Short term
		Global warming	Dependency	Small	Sales decrease due to suspension of production caused by disasters such as floods and landslides	Medium	Sales increase due to growing demand for products for disaster risk reduction projects	Maintaining and improving a global complementary production system; expanding order-winning activities targeting disaster risk reduction projects to overseas markets	Short to long term
			Dependency	Small	Rising raw material prices due to poor harvest of raw materials derived from ecosystem services, adversely affecting our profitability			Developing products using raw materials that do not rely on ecosystem services	Short to long term
		Water stress	Impact	Medium	Decrease in sales and corporate value due to products made of cotton whose production is causing deforestation	Medium	Securing sales and increasing corporate value by using environmentally friendly cotton	Promoting supplier engagement; developing cotton-free alternative specifications	Medium to long term
			Dependency	Small	Water withdrawal restrictions due to worsening water stress at the locations of production sites, resulting in reduced productivity	Small	Ensuring stable operations by building a production system that is not affected by water withdrawal restrictions	Expanding the scope of use of recycled water through capital investment	Medium to long term
Transition risks	Policy and Legal	Land development regulations	Dependency	Small	Soaring raw material prices due to stricter controls on natural rubber, cotton, palm oil, etc., resulting in a decline in our profitability		Developing products using raw materials that do not rely on ecosystem services		Medium to long term
		Environmental regulations	Impact	Small	Increase in capital investment and administrative costs necessary to comply with stricter environmental regulations, resulting in a decline in our profitability	Large	Increasing corporate value through strict regulatory compliance and appropriate information disclosure	Absorbing capital investments and increased costs by improving productivity using DX technology	Medium to long term
		Water stress	Dependency	Small	Water withdrawal restrictions due to the depletion of water resources, resulting in suspension of production and a sales decrease	Small	Reducing water consumption and maintaining a stable product supply even under water withdrawal restrictions, thereby gaining customer trust	Installing cooling water circulation systems, mist cooling systems, etc.; maintaining and improving a global complementary production system	Medium to long term
		Global warming	Impact	Medium	Declining profitability due to carbon pricing systems (Carbon Border Adjustment Mechanism [CBAM], carbon tax, Emissions Trading System [ETS], etc.)	Large	Reduced business risks due to the mitigation of global warming	Ensuring the Sustainability Council (top management)'s appropriate management of GHG emissions reduction activities	Medium to long term
	Technology	Recycling technology	Impact	Medium	Loss of business opportunities due to failure to develop products that meet regulatory and customer requirements concerning recycling rates	Medium	Creating new business opportunities through products that meet regulatory and customer requirements concerning recycling rates	Developing products using raw materials that do not rely on ecosystem services	Medium to long term
	Market	Customer trends	Impact	Medium	Loss of business opportunities due to delays in switching to eco-friendly products in demand by customers	Medium	Creating new business opportunities through new eco-friendly products	Researching on, planning, and developing eco-friendly products; maintaining and improving a management system for eco-friendly products	Medium to long term
	Reputation	Market demand	Impact	Large	Decrease in corporate value due to failure to achieve biodiversity conservation targets or lack of information disclosure	Large	Increasing corporate value by achieving biodiversity conservation targets or appropriately disclosing information	Ensuring the Sustainability Council (top management)'s appropriate management of biodiversity conservation activities	Short to long term

* Definitions

Impact: large – 1.0 billion yen or more; medium – 0.1 to 1.0 billion yen; small – less than 0.1 billion yen

Time frame: short term – until 2025; medium term – until 2030; long term – until 2050

■ Targets

The growing importance of responding to climate change as an unavoidable management challenge for companies has not only led to products with high carbon footprints being swept away from the market but is also expected to pose the increased risk of losing future business opportunities to companies that provide products with major impacts on biodiversity. No commitment to developing eco-friendly products may mean not only missing new market opportunities but suffering an adverse impact on the sustainability of business. The European Union Regulation on Deforestation-free Products (EUDR),* which came into force in June 2023, requires businesses to prove that their products are deforestation-free before exporting them to the EU market. This is just an example of drastic changes throughout the international regulatory environment. We are entering an era in which paying due consideration to biodiversity is a core requirement for businesses to maintain the competitiveness of their products and to enter international markets.

At the same time, issues concerning water resources are becoming increasingly serious. In particular, regions with high water stress have an urgent need for construction of sustainable infrastructure for irrigation and other forms of water use, leading to expected further growth in the relevant market in the future. The impervious sheets and installation services that Mitsubishi Belting provides to the Japanese market have already been widely used to prevent water leaks and increase the efficiency of water storage in water use projects. Toward the future, we will leverage our global sales network for transmission belts, our main product, to expand on a full scale into overseas markets under high water stress.

We also recognize that, just as CO₂ emissions reduction and disclosures in response to climate change are, water consumption reduction and related transparent disclosures are an essential requirement for the sustainability of our business. We have already confirmed that the use of recycled water through a cooling water circulation system is effective in reducing water consumption, and we will accelerate our efforts to further expand the use of this system in the future in order to reduce water consumption stably and steadily.

The Group has already completed the development of product specifications that do not use cotton or natural rubber. However, some of these alternative products inevitably require the use of non-renewable raw materials. Therefore, from the perspective of resource depletion, we recognize that cotton and natural rubber will continue to play a significant role as raw materials. Against this background, we plan to encourage our cotton and natural rubber suppliers to take biodiversity conservation into consideration in their business activities from now on, in accordance with the Procurement Guidelines formulated in FY2023.

In FY2024, we started using a SaaS (software as a service) tool for communication with our suppliers on a trial basis. Moreover, in 2025, in preparation for the EUDR becoming applicable in the same year, we plan to verify that the natural rubber we use as a raw material is deforestation-free and disclose the results in a due diligence statement. We will also work to visualize information on the areas of natural rubber and cotton production, which we have been unable to fully obtain until now, by sharing information with our suppliers while cooperating with them to promote our biodiversity conservation initiatives.

For our targets related to water resources, refer to "Targets" in the section "Initiatives Related to Water Resources."

► P. 54– Initiatives Related to Water Resources

* A regulation that aims to minimize the EU's contribution to global deforestation and forest degradation. It covers seven commodities (cocoa, coffee, palm oil, rubber, soya, cattle and wood, and derivatives). This regulation prohibits any operators and traders from trading products linked to deforestation and forest degradation in the EU market and requires due diligence for them. The provisions of the EUDR will apply to small and medium-sized enterprises from June 30, 2026 and to other enterprises from December 30, 2025, and the sale of products that do not meet EUDR standards will be prohibited in the EU.

Initiatives Related to Water Resources

Basic approach

The Mitsuboshi Belting Group considers environmental conservation to be an important issue it must tackle to achieve sustainable corporate management. We recognize conservation of water resources as one of our major priorities, along with response to climate change and biodiversity conservation.

As global warming progresses, the depletion of water resources, water pollution, and other water-related issues are becoming increasingly serious, making extensive and massive impacts on not only the social lives and economic activities of humanity but also the natural environment as a whole. Water is a foundation of life and also an important resource for economic activities in many industries. Therefore, we believe that it is essential to work toward sustainable use and conservation of water resources in parallel with response to climate change.

The Group is making steady efforts to reduce water withdrawals in its business activities and manage the quality of wastewater discharges (to prevent water pollution). We also support the purport of water-related laws and regulations applicable in the countries and regions where our production sites are located while being fully aware of their content and thoroughly complying with them. Furthermore, as a supporter of the philosophy embodied in SDG 6 “Clean Water and Sanitation,” we will be committed strongly to WASH (water, sanitation and hygiene) activities from the perspectives of enhancing occupational health and safety and contributing to well-being of local communities.



Initiatives Related to Water Resources

* The water resource conservation activities of the Mitsubishi Belting Group undergo the same governance and risk management process as its initiatives related to climate change do.

■ Strategy

In Japan, with high water quality standards allowing people to drink tap water as it is, coupled with relatively low water fees, the general public tend to have a weak awareness of the preciousness of water resources. In fact, the total amount of water used at our domestic production sites is about 2.5 times larger than at our overseas production sites, despite the former's production volume of power transmission belts, our main product, remaining only about one-third of the latter's. This indicates the need for further improvements in the country from the perspective of efficient use of water resources.

At first glance, Japan may seem blessed with abundant water resources, but the reality is that some areas therein suffer droughts almost every year. The country is by no means free from water issues. Overseas, Europe was hit by record heat waves and droughts in 2022, which not only resulted in serious damage to agricultural production but also caused an increase in the temperature of cooling water at nuclear power plants, affecting the entire power supply systems.

With the entire land of Japan designated as a biodiversity hotspot^{*1}, heightened water stress due to water withdrawals related to business activities and environmental pollution caused by wastewater are recognized as significant risks that could have a negative impact on biodiversity. In particular, our overseas production sites are located in areas with higher water stress than Japan, which means higher costs for securing high-quality water resources. We have therefore continued to promote measures to reduce water withdrawals at our overseas sites since their establishment. However, in recent years, heightened water stress due to increased production volume and the progress of global warming, as well as government restrictions on water withdrawals and the growing risk of drought, have increased the likelihood that water supply shortages will affect production activities, requiring us to make stronger efforts to further curb water withdrawals. Furthermore, the production of cotton, one of the raw materials the Group uses, entails causal factors for heightened regional water stress: water withdrawal and the use of pesticides during cultivation. Therefore, it is necessary for us to verify the status of countermeasures against these environmental issues and promote sustainable procurement.

In light of this situation, the Mitsubishi Belting Group has identified risks and opportunities related to the conservation of water resources, assessed their impacts on its business activities, and incorporated the results in strategies and targets.

^{*1} A hotspot is a region with more than 1,500 species of endemic vascular plants (seed plants and ferns) and where more than 70% of the native ecosystem has been altered.

Hazard screening

We analyzed and assessed the risks of water supply shortage and water stress at each production site of the Mitsubishi Belting Group.

Since water supply shortage risk and water stress risk vary depending on the location of each production site, we obtained information on the current and future water supply shortage risk from the World Resource Institute (WRI)'s Aqueduct Water Risk Atlas. We then assessed each production site's water supply shortage risk in 2030, 2050 and 2080 under SSP1 RCP2.6 and SSP5 RCP8.5 scenarios and assigned a risk rating to each site on a five-point scale from 1 (low) to 5 (high).

Production site (indicated by abbreviation)	Location	Water supply shortage						Water stress					
		SSP1 RCP2.6			SSP5 RCP8.5			SSP1 RCP2.6			SSP5 RCP8.5		
		Present	2030	2050	2080	2030	2050	2080	Present	2030	2050	2080	2030
Kobe Head Office	Japan	2	2	2	1	2	2	1	2	2	2	2	2
Shikoku Plant		1	1	1	1	1	1	1	2	2	2	2	2
Nagoya Plant		2	2	2	2	2	2	2	3	3	3	3	3
Ayabe Production System Development Center		2	2	2	1	2	2	1	2	2	2	2	2
Shiga Plant		2	2	2	1	2	2	1	2	2	2	2	2
Mitsubishi Cord Co., Ltd.		2	2	2	1	2	2	1	2	2	2	2	2
Mitsubishi Belting Kohki Co., Ltd.		2	2	2	1	2	2	1	2	2	2	2	2
MBL (USA)		2	2	2	3	2	3	3	5	5	5	5	5
MOH		1	1	1	1	1	1	1	1	1	1	1	1
MBI		2	2	2	2	2	2	2	4	4	3	3	4
SEIWA		2	2	2	2	2	2	2	4	4	3	3	4
STI		3	3	3	3	3	3	3	4	4	4	4	4
SMB	U.S.	2	2	2	2	2	2	3	5	4	4	4	4
MB (POL)	China	2	2	2	2	2	2	3	5	4	4	4	4
MB (IND)	Poland	1	1	1	1	1	1	1	1	1	1	1	1
MB (IND) Rabale	India	1	1	2	2	2	2	2	2	2	2	2	2
MB (IND) Supa		4	4	4	4	4	4	4	5	5	5	5	5

* Please refer to the list of abbreviations for the names of overseas bases on page 73 for the proper names of overseas bases, which are abbreviated here.

We have concluded that the water supply shortage risk at the seven production sites in Japan will be hardly affected by climate change and that the risk will remain at the current low level (Level 1 - 2) until the end of the century. The water supply shortage risk at the nine overseas production sites is slightly higher (Level 1 - 4) than that at the sites in Japan, but various measures have already been taken, such as installation of cooling water circulation systems and mist cooling systems, and stable operations have been maintained. From the analysis results that indicate the water supply shortage risk will not change significantly from the current level until the end of the century, although we will proceed with the installation of cooling water circulation systems and mist cooling systems, we do not see an immediate need to take action.

As with the water supply shortage risk, the water stress risk at the seven production sites in Japan will be hardly affected by climate change, and the water stress risk will remain at the current low level (Level 2 - 3) until the end of the century. As for the nine overseas production sites, one production site in India, one in China and one in the USA are at the highest risk level of 5, while two production sites in Indonesia and one in Thailand are at a fairly high risk level of 4. This situation is expected to continue until the end of the century. The main causes of the worsening water stress risk are said to be the social environment of the region, such as population growth, climate change, and water conflicts, and we have set water withdrawal reduction as a basic measure to address water stress and intend to take timely and appropriate measures for each region by properly monitoring and evaluating changes in the social environment of each region.

Furthermore, as a result of extending the scope of the water stress risk survey to the entire supplier chain, we found that a production region of cotton, one of the raw materials we use, and a high water-stressed region overlap in northwestern India. The current water stress in this region is at the highest level of 5 and is not expected to improve in the future. Our Procurement Guidelines, formulated in FY2023, clearly require that activities be carried out to conserve water resources. We aim to promote a switch to sustainable materials, such as sustainable cotton, throughout our entire supply chain.



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources**
 - Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 05. Data Section

Risks and opportunities identified and impact assessment results

Type		Driver	Impact on business			Measures / Strategies	Time frame	
Impact	Risks		Impact	Opportunities				
Physical risks	Acute	Environmental incidents	Large	Accidental leakage of wastewater containing hazardous substances from a production site, resulting in suspension of operations	Large	Ensuring stable operations through accident prevention activities, thereby gaining customer trust	Implementing and constantly improving BCPs; appropriately managing wastewater facilities and chemical substances	Short to long term
		Environmental pollution	Large	Environmental pollution caused by wastewater from a production site, resulting in suspension of operations and water withdrawal restrictions	Large	Ensuring stable operations through environmental pollution prevention activities, thereby gaining customer trust	Appropriately managing fluid, exhaust, and solid waste; installing fluid and exhaust waste treatment equipment; conducting waste reduction activities; appropriately managing chemical substances	Short to long term
	Chronic	Global warming	Small	Decreased rainfall resulting in increased regional water stress and water withdrawal restrictions	Medium	Ensuring stable operations through water withdrawal reduction activities, thereby gaining customer trust	Expanding the scope of use of recycled water; developing construction methods that help reduce water consumption; monitoring regional water stress	Medium to long term
		Depletion of water sources due to decreased rainfall, resulting in suspension of operations	Large				Monitoring regional climate change and water stress	Long term
	Social environment changes	Small	Increased regional water stress due to population growth and water withdrawal restrictions	Medium	Ensuring stable operations through water withdrawal reduction activities, thereby gaining customer trust	Expanding the scope of use of recycled water; developing construction methods that help reduce water consumption; monitoring regional water stress	Medium to long term	
		Small	Increased regional water stress due to an increase in the number of companies withdrawing water, resulting in water withdrawal restrictions	Small	Ensuring stable operations by building a production system that is not affected by water withdrawal restrictions	Expanding the scope of use of recycled water; developing construction methods that help reduce water consumption; monitoring regional water stress	Medium to long term	
Transition risks	Policy and Legal	Environmental pollution	Small	Increase in capital investment and administrative costs necessary to comply with stricter regulations, resulting in a decline in our profitability	Large	Increasing corporate value through strict regulatory compliance and appropriate information disclosure	Constantly improving the environmental pollution prevention system and monitoring system implementation; appropriately disclosing information	Short to long term
		Biodiversity	Small	Increased management costs and reduced profitability due to designation of a location of business activities to be in an area important for biodiversity	Large	Increasing corporate value through effective biodiversity activities	Conducting biodiversity analysis using the TNFD framework at each location of business activities	Medium to long term
	Public Services	Small	Water withdrawal restrictions at plants aimed at improving public services	Large	Ensuring stable operations through water withdrawal reduction activities, thereby gaining customer trust	Expanding the scope of use of recycled water; developing construction methods that help reduce water consumption; monitoring regional water stress	Medium to long term	
		Market	Customer trends	Medium	Loss of business opportunities due to delays in switching to eco-friendly products in demand by customers	Medium	Creating new business opportunities through new eco-friendly products	Researching on, planning, and developing eco-friendly products; maintaining and improving a management system for eco-friendly products
	Reputation	Social requirements	Large	Decline in corporate value due to failure to achieve water conservation targets or insufficient information disclosure	Large	Increasing corporate value by achieving water resource conservation targets or appropriately disclosing information	Ensuring the Sustainability Council (top management)'s appropriate management of water resource conservation activities	Short to long term

As a result of identifying risks and opportunities and assessing their impacts, we have concluded that water supply shortages due to climate change and increased water stress caused by changes in the social environment will affect water withdrawal in the Group's production activities, leading to increased delays in product supply if we fail to appropriately address them. Meanwhile, we have also concluded that, if we appropriately address such water supply shortages and water stress, we will be able to maintain a stable product supply, thereby earning customer trust. Furthermore, the use of cotton produced in high water-stressed regions as a raw material could have a significant negative impact on the Group's reputation, as does cotton produced through forced labor, posing a risk that could lead to boycotts. Meanwhile, it is expected that more dams, reservoirs, irrigation canals, etc. will be constructed for irrigation and efficient use of water resources, and demand for our water-shielding sheets to be used at these facilities and their installation services is expected to increase.

The financial impact of the suspension of production activities will be very minor on a consolidated basis due to the functioning of the global complementary production system, but on an individual production site basis, sales are expected to decrease in proportion to the period of suspension. Although it is difficult to estimate sales of water-shielding sheets used for irrigation projects separately, sales of the construction materials business as a whole, including these sales, increased to 8,102 million yen in FY2024, up 42% from FY2020.

* Definitions

Impact: large – 1.0 billion yen or more; medium – 0.1 to 1.0 billion yen; small – less than 0.1 billion yen

Time frame: short term – until 2025; medium term – until 2030; long term – until 2050

■ Targets

The Mitsuboshi Belting Group has introduced cooling water circulation systems and mist cooling systems to reduce water consumption, mainly at overseas production sites where the water intake environment is harsher than in Japan. In the production of rubber products, the "vulcanization" process is essential, which increases the elasticity of rubber through chemical reaction. In this process, sulfur and other chemicals are added to rubber and the mixture is heated to high temperatures (100°C or higher) to create a chemical reaction. After vulcanization, the rubber is cooled down using water. As described above, vulcanization and post-vulcanization cooling are essential processes for manufacturing rubber products.

In FY2019, a cooling water circulation system was introduced at our Group's North American production base, MBL (USA) Corporation. Before the introduction of the system, approximately 70,000 m³ of water was used annually, but with the introduction of the system, the annual water consumption was reduced to less than 30,000 m³.

As mentioned above, the amount of water withdrawal at the Group's domestic production sites is approximately 2.5 times larger than at our overseas production sites, making it particularly urgent to reduce water withdrawal at domestic production sites. We have set the following targets and are working to reduce water withdrawal.

Overseas production sites where the cooling water circulation system has already been introduced are expected to see an increase in water withdrawal in proportion to increased production. However, we will continue to maintain and improve water consumption efficiency, aiming to maintain the water withdrawal intensity at the FY2021 level. With these measures being implemented, the Group's water consumption in 2030 is expected to be approximately 900,000 m³ (a 26% reduction compared to FY2021).

Sub-materiality: Initiatives for water resource conservation

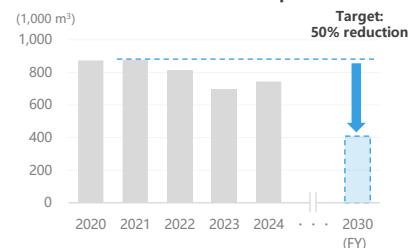
Measures	KPI
Installation of a cooling water circulation system	Target for water withdrawal at sites in Japan: 50% reduction by FY2030 (Base year: 2021)
Improvement of water consumption efficiency	Target for water withdrawal at overseas sites: Maintaining the base-year water withdrawal intensity (Base year: 2021)

► P. 37 Materiality

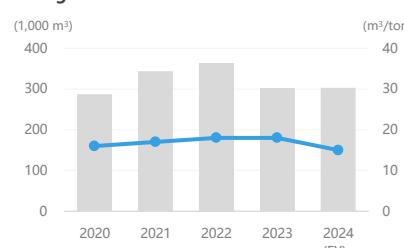
■ Progress of water withdrawal reduction activities

Total water withdrawal at domestic sites in FY2024 was 744,795 m³ (down 15.1% compared to FY2021) as a result of the introduction of the cooling water circulation system at the Nagoya Plant, as well as ongoing efforts to improve water consumption efficiency at all sites. The water withdrawal intensity at overseas sites in FY2024 was 15.18 m³/t (FY2021 water withdrawal intensity: 16.77 m³/t) as a result of efforts to improve water consumption efficiency at all overseas bases.

Water withdrawal at sites in Japan



Changes in water intake and basic unit at overseas bases



Corporate Governance

* Information current as of July 1, 2025

Basic approach to corporate governance

The Mitsubishi Belting Group believes that the enhancement of corporate governance is one of its top management priorities in order to secure the trust of its shareholders and fulfill its corporate social responsibilities.

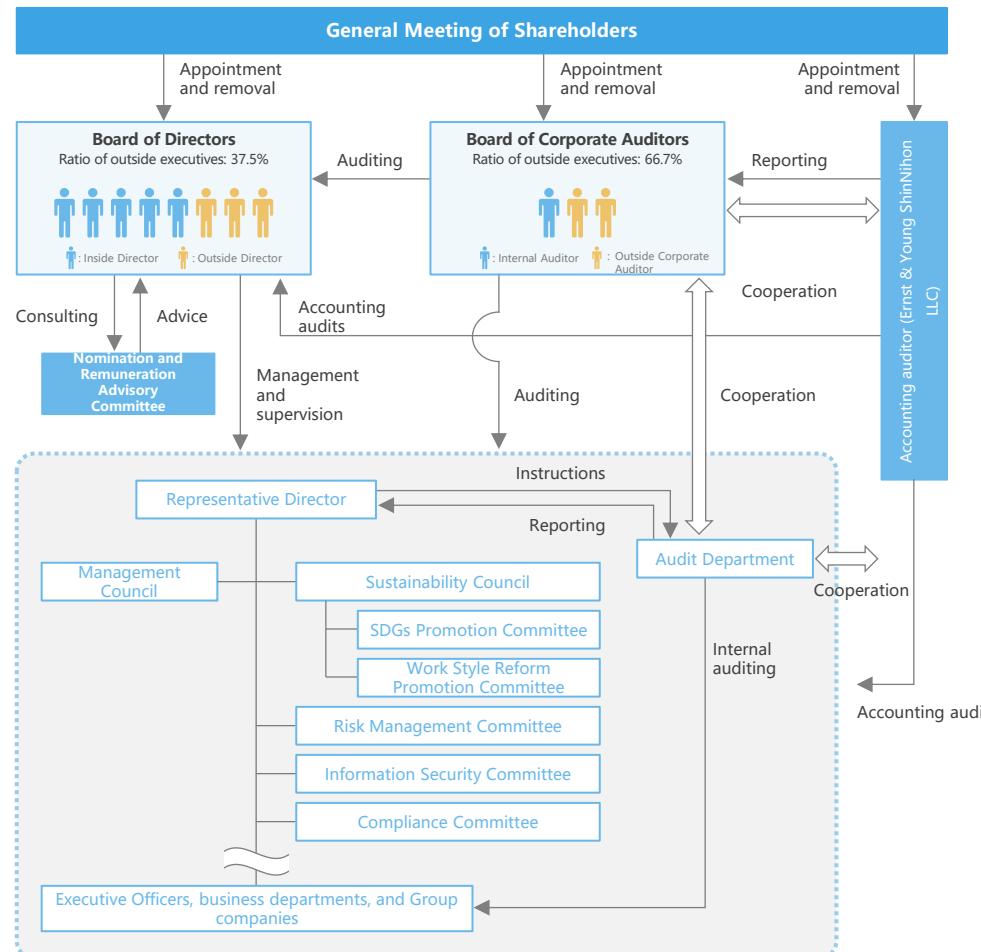
Based on this belief, we will strive to improve our business performance by promptly and flexibly adapting to changes in the business environment and market. In addition, to maintain and improve management efficiency and transparency, we will engage in initiatives, such as strengthening the function to oversee our business management and internal control systems, in accordance with the basic policy below, thereby ensuring enhanced corporate governance.

Basic Policy

1. The company strives to respect its shareholders' rights and secure its shareholders' equality.
2. The company strives to respect the rights and positions of its stakeholders (including shareholders, customers, employees, and communities) and work properly in harmony with them.
3. The company strives to disclose its corporate information in a timely and proper manner, thereby securing transparency and fairness.
4. The company strives to ensure that the Board of Directors and other parties properly fulfill their roles and responsibilities, in light of the company's fiduciary responsibility and accountability to its shareholders.
5. The company strives to have constructive dialogues with its shareholders.



Corporate governance structure



Strengthening corporate governance

The Mitsubishi Belting Group is a company with a Board of Corporate Auditors that has in place a Board of Directors comprising eight Directors, three of whom are Outside Directors, and a Board of Corporate Auditors comprising three Corporate Auditors, two of whom are Outside Corporate Auditors. The Board of Directors makes decisions on important matters and supervises the execution of business by Directors. The Management Council meets prior to a Board of Directors meeting in order to ensure sufficient advance discussions regarding important matters.

In addition, we have established the Nomination and Remuneration Advisory Committee (a voluntary advisory committee consisting of at least three members, the majority of whom are Independent Outside Directors, from among whom the chairperson is appointed) with the aim of enhancing the functional independence, objectivity, and accountability of the Board of Directors concerning matters such as the appointment, removal, and remuneration of management team members. Furthermore, a restricted stock compensation plan has been introduced with the aim of sharing profits with our shareholders and improving corporate value over a long period of time. In this way, we are committed to enhancing and improving corporate governance. The respective ratios of Outside Directors and female Directors/Auditors are as shown below.

Ratio of Outside Directors



Ratio of female Directors/Auditors



Major initiatives to date to strengthen corporate governance

Date	Major initiatives
October 2003	Executive officer system introduced
May 2015	Risk Management Committee and Compliance Committee established
	Corporate Governance Basic Policy established
June 2015	Two Outside Directors appointed
April 2016	Directors' effectiveness assessment survey initiated
October 2018	CSR Promotion Committee established
March 2021	Nomination and Remuneration Advisory Committee established (Three out of five members are Independent Outside Directors.)
June 2021	Restricted stock compensation plan introduced
April 2022	Sustainability Promotion Committee established
June 2022	One female Outside Director appointed (resulting in an increase in the number of Outside Directors to three)
June 2022	The ratio of Outside Directors exceeded one-third of the members of the Board of Directors.
June 2022	The term of office of Directors was shortened from two years to one year.
July 2024	Sustainability Council established
July 2024	Performance-linked compensation system introduced (From July 2024 payments)
June 2025	Rules changed so that the chairperson of the Nomination and Remuneration Advisory Committee would be appointed from among Outside Directors

Operational status for fiscal year 2024

Board of Directors

No. of meetings	15	Average number of agenda items per meeting	5.9
Average length of a meeting	91.0 Minutes		

In accordance with relevant laws, the articles of incorporation, and the regulations for the Board of Directors, our Board members deliberate on and resolve matters related to our basic management policy and investments and other matters such as the execution of important business operations (including disposal and acceptance of transfer of important assets, borrowing in large amounts, establishment and change of important organizations, and appointment and removal of important employees). The Board also reports on the status of Directors' execution of duties as well as the status of other important business operations.

In FY2024, the Board of Directors deliberated on not only regular agenda items and reports but also matters related to the 2024 Mid-Term Business Plan, significant corporate governance issues (such as appointment and remuneration of Directors and succession planning of the Representative Director and Directors), and major investment projects (related to production, logistics, and businesses). In addition, from the perspective of sustained improvement of corporate value, the Board received and discussed reports on significant non-financial issues, including climate change and human capital.

As part of our efforts in the operation of the Board of Directors, briefing sessions for Outside Directors are held prior to Board meetings in order to ensure the effectiveness of the Board and adequate deliberation and discussion within the limited time available (13 preliminary briefing sessions held in FY2024).

List of key agenda items at Board of Directors meetings (excerpt):

Category	Main agenda items (excerpt)
Management policy/ Growth Strategy	<ul style="list-style-type: none"> Financial reporting and business performance 2024 Mid-Term Business Plan Major capital investments Policy regarding cross-shareholdings and decision on sale Human resources management
Other	<ul style="list-style-type: none"> Analysis and assessment of the effectiveness of the Board of Directors Succession planning for the Representative Director and Directors Revision of the bylaws for directors' remuneration standards Policy on how to address significant risks and countermeasures Reporting on key non-financial issues such as climate change and human capital (Report from the Sustainability Council)

Operational status for fiscal year 2024

Nomination and Remuneration Advisory Committee

No. of meetings	8
Average length of a meeting	26.9 minutes

We have established the Nomination and Remuneration Advisory Committee as a voluntary system (consisting of at least three members, the majority of whom are Independent Outside Directors, from among whom the chairperson is appointed^{*)}) with the aim of enhancing the functional independence, objectivity, and accountability of the Board of Directors concerning matters such as the appointment, removal, and remuneration of management team members.

The Committee deliberates and makes decisions (in response to inquiries by the Board of Directors) on matters such as policies and procedures related to the nomination of director candidates, the appointment and removal of senior management team members, and the determination of succession planning (for normal times and emergencies) for the Representative Director and Directors and of Directors' remunerations, in accordance with the Nomination and Remuneration Advisory Committee Regulations.

In FY2024, the Committee interviewed 13 candidates (approximately 30 minutes each) for next-generation leaders, who were then executive officers or department general managers, to confirm their respective capability development and career plans, with the aim of building a system that will support our sustainable growth in the future. Based on the results of these interviews, the Committee assesses the aptitudes of the next-generation leaders or deliberates on their development policies.

^{*}1 To strengthen governance, in June 2025, the rules were changed so that the chairperson of the committee would be appointed from among Outside Directors, instead of Inside Directors.

Operational status for fiscal year 2024

Sustainability Council

No. of meetings	12
Average length of a meeting	61.7 minutes

To ensure speedy and effective ESG management practices, we established the Sustainability Promotion Committee (currently the Sustainability Council^{*)}), chaired by the President, in April 2022.

The Sustainability Council regards the resolution of environmental and social issues as a prerequisite for corporate activities and has identified issues of materiality that the Group should address in order to contribute to the realization of a sustainable society, and it has set KPI targets for each measure to be implemented. For each identified material issue, a promotion organization is set up to work toward its resolution and manage initiatives to achieve relevant KPI targets. The progress of implementation is reported to the Sustainability Council, which monitors, provides instructions on, judges and evaluates it. Furthermore, the activities of the Sustainability Council are regularly reported to the Board of Directors, which deliberates on them and makes necessary decisions.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

Respect for Human Rights

Value Chain Management

Initiatives Related to Climate Change

Initiatives Related to Biodiversity

Initiatives Related to Water Resources

Corporate Governance

Board of Directors and Executive Officers

Risk Management

Compliance

Stakeholder Engagement

05. Data Section

Approach to Director Nominations

In selecting senior management and nominating candidates for director positions, we comprehensively evaluate individuals who possess the diverse experience, expertise, and capabilities required to drive further enhancement of corporate value for the Mitsubishi Belting Group. Candidates are assessed in an integrated manner based on qualities such as their broad perspectives, execution ability, and leadership.

Board Members' Skill Matrix

		Management & Business Planning	HR, General & Legal Affairs	Digital (DX Promotion)	Finance & Accounting	Sales & Marketing	Technology, Innovation, Procurement & Production	ESG & Sustainability	Global Experience
Representative Director President	Hiroshi Ikeda	○	○		○	○		○	○
Director	Toshimi Kumazaki	○		○	○	○	○	○	
Director	Keiji Mataba	○	○			○		○	○
Director	Shinji Kuramoto		○	○	○	○	○	○	
Director	Kazuhiro Takeda			○		○			○
Outside Director [Independent]	Shinya Okuda	○			○	○		○	○
Outside Director [Independent]	Yuka Miyake			○	○				
Outside Director [Independent]	Yasuhiro Tsuji		○		○				

Skills where a particular contribution is expected are marked with a ○, based on the individual's past career experience, current role, qualifications, and other relevant factors.

Primary skills (knowledge, experience, abilities, etc.) that the Board of Directors as a whole should possess, and reasons for selection

Management & Business Planning	The Company believes that it is necessary to formulate and supervise growth strategies that contribute to the creation of sustainable value from a medium and long-term perspective by promoting the creation of a company that contributes to the realization of a sustainable society through its business activities and by anticipating its future vision
HR, General & Legal Affairs	The Company believes that it is necessary to develop human resources who will strive to "strengthen the human resources strategy," which is the highest priority issue of the '24 Mid-Term Business Plan, and promote reform, as well as to build a strong corporate governance structure that includes compliance and risk management.
Digital (DX Promotion)	The Company believes that it is necessary to improve productivity through the introduction of AI, use digital technology to streamline indirect department operations, speed up new product development, and reduce labor costs to maintain and strengthen competitiveness.
Finance & Accounting	The Company believes that it is necessary to promote a capital policy that enhances its corporate value over the medium and long-term by formulating a financial and capital strategy with a focus on cost of capital and by appropriately implementing growth investments and shareholder returns to enhance shareholder value.
ESG & Sustainability	The Company believes that it is necessary to formulate and execute strategies for future impacts on business caused by environmental and social changes, including climate change, from the perspective of both risks and opportunities, in order to contribute to the realization of a sustainable society under our basic philosophy of "To give attentive consideration to both humanity and nature."
Technology, Innovation, Procurement & Production	The Company believes that it is necessary to improve and develop our intellectual and technological capital, as well as our manufacturing capital, in order to embody our basic management policy of "To contribute to society by supplying goods of high performance, high precision, and high quality" and to maintain and strengthen our competitive advantage over the medium and long-term.
Sales & Marketing	The Company believes that it is necessary to understand the characteristics of each industry, accurately capture customer needs, and conduct effective sales and marketing activities to maximize brand value in order to realize a co-creation business model that focuses on customer value.
Global Experience	The Company believes that it is necessary to be well-versed in the business environment and needs of different markets, and to formulate and execute business strategies from a global perspective that also considers geopolitical risks, as the Company has a ratio of overseas sales exceeding 50%.

00. Overview

01. TOP MESSAGE

02. わたしたちの歩みと価値の源泉

03. どのような価値を創造するのか

04. 価値創造を支える経営基盤

人権の尊重

バリューチェーンマネジメント

気候変動に係る取り組み

生物多様性に係る取り組み

水資源に係る取り組み

コーポレートガバナンス

役員一覧

リスクマネジメント

コンプライアンス

ステークホルダーエンゲージメント

05. データセクション

Succession plan

Appointment of senior management members and nomination of director candidates

- (1) In light of “improvement of economic value (the ability to generate future cash)” and “pursuit of social value (justification for our existence and mission in society),”
- (2) we have defined our stance as a corporation, such as its view and direction, in our Management Policy and management strategies (including medium-term management plans, target position, and business risks), and based on this,
- (3) candidates will be comprehensively examined from a “right person, right place” perspective. Information taken into account in the selection process includes Our view on the Structure of the Board of the Directors (including diversity) and the Criteria for the Appointment and Removal of Directors (requirements that are common and that are specific to Independent Outside Directors and the President and Executive Officers). In addition to these two, which were deliberated on, defined, and resolved by the Nomination and Remuneration Advisory Committee and the Board of Directors, the “skills by category in the skill matrix table of Directors” and “succession plans for the President and Directors” (a pool of candidates in normal times) will also be considered.

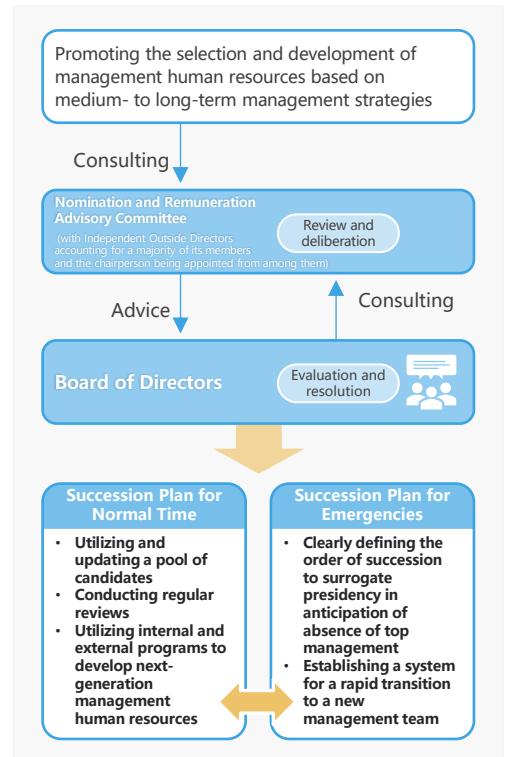
A proposal developed in the above process will be submitted to the Nomination and Remuneration Advisory Committee, which was established with the aim of strengthening the independence, objectivity, and accountability of the Board of Directors’ functions concerning matters such as appointment and removal of senior management members and nomination of Director candidates (a voluntary advisory committee consisting of three or more members (five members since June 2022), a majority of whom are Independent Outside Directors (three members since June 2022), from among whom the chairperson is appointed. Based on the recommendation of the committee, the Board of Directors will make a resolution.

FY2025 succession plan for normal time (process schedule)

The Nomination and Remuneration Advisory Committee deliberated on and approved a plan proposal and submitted it to the Board of Directors, which resolved it. Based on the resolution, the Plan has been implemented (including selecting candidates for next President and Directors with the use of a pool of candidates and other means).

Succession plan for emergencies (candidates for a temporary surrogate for the President and their order of succession)

Whenever necessary, the Nomination and Remuneration Advisory Committee deliberates on and approves a plan proposal and submits it to the Board of Directors for resolution.

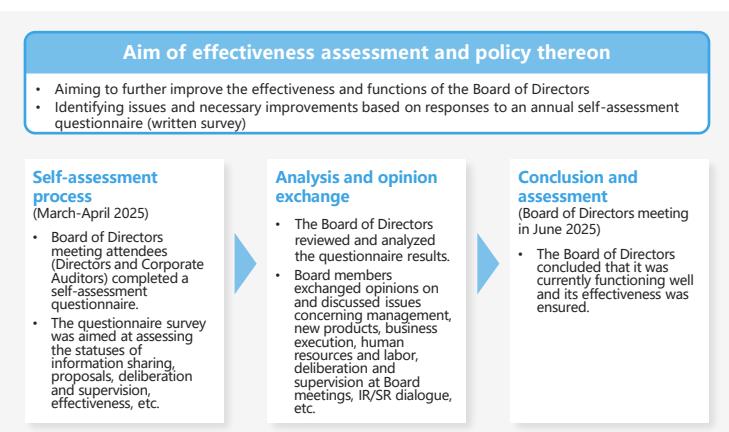


Effectiveness assessment of the Board of Directors

As part of its ongoing efforts to continually maintain and improve the functions of the Board of Directors, Mitsubishi Belting assesses the effectiveness of the Board of Directors as a whole each year.

To further ensure the effectiveness of the Board of Directors and improve its functions, we have attendees (Directors and Corporate Auditors) of the Board of Directors meetings complete a self-assessment questionnaire (written survey) annually regarding matters related to the Board of Directors (including provision of information, items submitted to the Board, deliberation and supervision, effectiveness of individual members of the Board of Directors and of the Board as a whole, contents to be disclosed in reports on corporate governance, and opinions, proposals and requests for improvement from Directors and Corporate Auditors) in order to identify issues and areas for improvement and enhance the effectiveness of the Board of Directors.

For the FY2024 assessment, we conducted the abovementioned questionnaire survey from March to April 2025, and the Board of Directors reviewed and analyzed the survey results at a subsequent meeting. In addition, Directors and Corporate Auditors exchanged opinions on the results of a self-assessment questionnaire survey (specifically on management issues, new products, operational execution, human resources and labor, deliberation and supervision by the Board of Directors, IR/SR dialogue, etc.). In light of these results, the Board of Directors resolved at a meeting held in June of the same year the assessment: “the current Board of Directors is functioning well and the effectiveness of the Board as a whole is ensured.”



- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
- Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 05. Data Section

Compensation for Directors and other officers

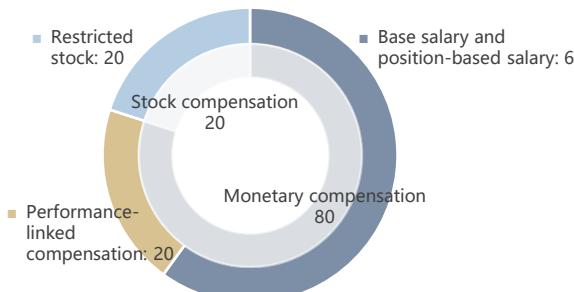
Compensation for Directors and other officers consists of base salary, position-based salary and a performance-linked portion as basic compensation (monetary compensation) and restricted stock as basic compensation (stock-based compensation).

Compensation for Outside Directors consists of only base salary as basic compensation (monetary compensation), taking into account their responsibilities, duties, etc.

Starting with payment for July 2024, a revised compensation system has been adopted so that the amount of the performance-linked portion is determined based on the indicators of net sales, operating profit, and the equity ratio.

After the revision, the approximate ratio of a fixed portion of basic compensation (monetary compensation), a performance-linked portion of basic compensation (monetary compensation), and basic compensation (stock-based compensation) was set to be 60 : 20 : 20 in the case where the performance indicators are 100% achieved. However, the payment rate of the performance-linked portion to be actually paid will vary as it fluctuates according to the Group's performance.

Exemplary composition of compensation for Directors (excluding Outside Directors) (on the supposition of 100% achievement of performance targets)



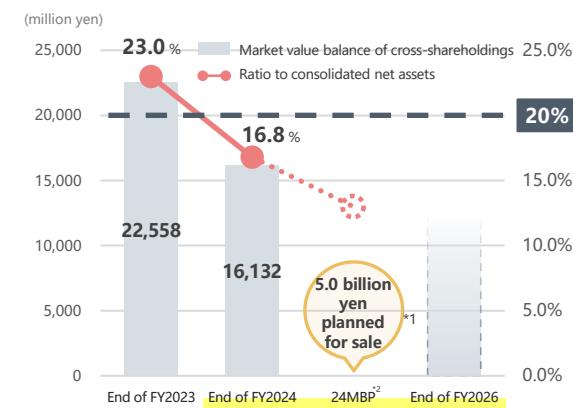
Reduction of cross-shareholdings

Our policy is to maintain cross-shareholdings only when they contribute to maintaining and strengthening favorable business relationships and ongoing financial transaction relationships while reducing shareholdings that are deemed to have little significance. Additionally, the Board of Directors annually reviews and determines whether cross-shareholding in each company is appropriate, taking into consideration business strategies, business relationships, and other factors.

In accordance with the abovementioned policy, the 2024 Mid-Term Business Plan for FY2024 to FY2026 sets a target of selling cross-shareholdings worth 5.0 billion yen during the period of the plan. In FY2024, we sold cross-shareholdings worth 3.5 billion yen in two companies. As a result, the market value of our cross-shareholdings will decrease from 22.5 billion yen as of the end of March 2024 to 16.1 billion yen as of the end of March 2025, and the ratio of these cross-shareholdings to consolidated net assets will decrease from 23.0% to 16.8%. We will continue to work to reduce cross-shareholdings with the aim of improving capital efficiency and increasing corporate value. Please note that Mitsubishi Belting does not hold any shares that constitute deemed shareholdings.

Status of cross-shareholdings

Classification	Balance on the balance sheet (No. of companies in which shares are held)	(Amount: million yen)				
		2020 (FY)	2021 (FY)	2022 (FY)	2023 (FY)	2024 (FY)
(1) Shares in listed companies	Balance on the balance sheet (No. of companies in which shares are held)	13,011	14,993	13,465	22,484	15,948
	(21)	(19)	(17)	(11)	(9)	
(2) Shares and capital investment in unlisted companies	Balance on the balance sheet	80	72	72	74	184
(3) Total: (1) + (2)	Balance on the balance sheet	13,091	15,065	13,537	22,558	16,132
(4) Consolidated net assets		78,264	86,877	87,601	98,247	95,786
Ratio of the market value of cross-shareholdings to consolidated net assets: (3) ÷ (4)		16.7%	17.3%	15.5%	23.0%	16.8%



*1 Cross-shareholdings worth 3.5 billion yen were sold in FY2024.

*2 "24MBP" is the abbreviation for the "2024 Mid-Term Business Plan."

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
- Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 05. Data Section

Board of Directors and Executive Officers

Directors and Executive Officers



Hiroshi Ikeda
Representative Director, President, Executive Officer

Number of years in office: 6 years
Number of shares held: 33,917



Toshimi Kumazaki
Director and Senior Managing Executive Officer

Number of years in office: 4 years
Number of shares held: 22,964



Keiji Mataba
Director and Senior Managing Executive Officer

Number of years in office: 4 years
Number of shares held: 18,564



Shinji Kuramoto
Director and Managing Executive Officer

Number of years in office: 3 years
Number of shares held: 23,036



Kazuhiro Takeda
Director and Managing Executive Officer

Number of years in office: 1 years
Number of shares held: 13,705



Shinya Okuda
Director (Independent Outside Director)

Number of years in office: 5 years
Number of shares held: 1,300



Yuka Miyake
Director (Independent Outside Director)

Number of years in office: 3 years
Number of shares held: 700



Yasuhiro Tsuji
Director (Independent Outside Director)

Number of years in office: 1 years
Number of shares held: 600

April 1981	Joined the company
December 1999	General Manager of Automotive Belts & Parts Sales Department, Industrial Materials Division
July 2007	Seconded to Mitsubishi Overseas Headquarters Private Limited
April 2012	Executive Officer of Mitsubishi Belting Ltd.
February 2015	General Manager of Office of the President
February 2016	General Manager of Corporate Planning Division and General Manager of Tokyo General Affairs Department
April 2016	Managing Executive Officer
June 2019	Director
June 2019	In charge of General Affairs Department
June 2021	Representative Director and President
	Executive Officer (current position)

April 1981	Joined the company
April 2010	Manager in charge of production in Shikoku Area, Production Department, Industrial Materials Division
January 2012	General Manager of Production Division, Industrial Materials Division, and Manager of Shikoku Plant, General Affairs Department, Corporate Administration Division
March 2013, September 2015	President of PT. Seiwa Indonesia
	President of Stars Technologies Industrial Limited
April 2017	Executive Officer of Mitsubishi Belting Ltd.
October 2019	General Manager of Production Control Center, Industrial Materials Group
April 2020	Managing Executive Officer
June 2020	In charge of Finance & Accounting Department (current position)
June 2021	Director of the company (current position)
April 2022	General Manager of Production Division (current position) and General Manager of Production Engineering Department of the Division
April 2024	In charge of Shikoku Area (current position)
June 2024	Senior Managing Executive Officer (current position)

April 1987	Joined the company
July 2005	President of MBL Shanghai International Trading Co., Ltd.
September 2013	General Manager of Global Business Functional Enhancement Team, Industrial Materials Division (Sales Supervision) of the company
April 2014	Executive Officer of Mitsubishi Belting Ltd.
December 2015	General Manager of Administration Department, Industrial Materials Division
April 2016	Managing Executive Officer
June 2021	Director of the company (current position)
April 2022	General Manager of the Industrial Materials Sales Division and in charge of Legal Department (current position)
June 2024	Senior Managing Executive Officer (current position)

April 1981	Joined the company
September 2003	General Manager of Purchasing Department, Corporate Administration Division
July 2008	General Manager of Personnel Department, Corporate Administration Division
February 2011	General Manager of Functional Parts, Systems & Metal Products Sales Department, Industrial Materials Division
May 2013	General Manager of Personnel Department
April 2016	Executive Officer of Mitsubishi Belting Ltd.
April 2019	Managing Executive Officer
April 2021	Vice-Senior Managing Executive Officer
April 2022	Director General of Personnel & General Affairs Division (current position) and General Manager of Personnel Department of the Division
June 2022	Director of the company (current position)
June 2022	Managing Executive Officer of the company (current position)
June 2024	In charge of Purchasing Department (current position)

April 1983	Joined the company
April 2009	General Manager of Powertransmission Belts Technical Department No. 2 of Belts & System Technical Department, Industrial Materials Division
March 2012	General Manager of Belts & System Technical Department, Industrial Materials Division and General Manager of Power Transmission Belts Development Department
July 2015	President of MITSUBOSHI POLAND Sp. o.o.
April 2018	General Manager of Powertransmission Belts Technical Department No. 1 of Belts & System Technical Department, Industrial Materials Division of Mitsubishi Belting Ltd.
April 2019	Executive Officer of Mitsubishi Belting Ltd.
April 2019	General Manager of Production Department and Manager in charge of Shikoku Area, Industrial Materials Division
January 2021	President of Mitsubishi Belting Giken Co., Ltd.
April 2021	Managing Executive Officer of the company (current position)
April 2022	Director General of Technical Division, General Manager of Belt Drive Train Products & Systems Department of the Division, and in charge of Digital & IT Division (current position)
June 2024	Director of the company (current position)

April 1999	Joined the company
January 2002	Joined Tohmatsu Tax Co.
December 2003	Registered as a certified tax accountant (Kinsei Certified Public Accountants' Association)
February 2004	Director of Yuka Miyake Tax Accountant Office (current position)
May 2007	Senior Managing Director of the Kansai Economic Federation
July 2008	Joined Sumitomo Metal Industries, Ltd.
June 2011	Director and Senior Managing Executive Officer of the company
October 2012	Managing Executive Officer of Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)
June 2015	Senior Managing Director of the Petroleum Association of Japan
June 2019	Corporate Auditor of the company
June 2020	Director of the company (current position)
June 2022	Director of Oval Consulting (current position)
	[Significant concurrent positions outside the company]
	Director of the Hyogo Council of Social Welfare (current position)
	Director of the company (current position)
	[Significant concurrent positions outside the company]
	Director of Yuka Miyake Tax Accountant Office
	Director of Oval Consulting
	Director of the Hyogo Council of Social Welfare

April 1978	Joined Policy Board, Headquarters of Democratic Socialist Party
July 1995	General Manager of Bureau of Economy, Trade and Industry
	General Manager of Secretariat, Japanese Accountants' Association
	Director of Yuka Miyake Tax Accountant Office (current position)
July 2001	Member of House of Councillors
January 2009	Chairman of the Committee on Health, Welfare and Labour, House of Councillors
September 2011	State Minister of Health, Labour and Welfare
May 2016	Visiting Professor, Faculty of Medicine, University
June 2020	Corporate Auditor of the company
April 2023	Visiting Professor, Faculty of Nursing, Tokyo Healthcare University
June 2024	Visiting Professor, Faculty of Nursing, Tokyo Healthcare University
	[Significant concurrent positions outside the company]

Standing Corporate Auditor



Kazutoshi Ishida
Standing Corporate Auditor

Number of years in office: 1 years
Number of shares held: 15,387

April 1981	Joined the company
April 2008	General Manager of Plant Coordination Section, Production Engineering Group, Production Control Center, Industrial Materials Division
May 2008	Vice President in charge of Production, MBL (USA) Corporation
February 2011	General Manager of Production Engineering Department, Production Control Center, Industrial Materials Division of the company
July 2015	President of PT. Seiwa Indonesia
April 2017	Executive Officer of Mitsubishi Belting Ltd.
April 2020	Managing Executive Officer
April 2021	General Manager of Purchasing Department
June 2024	Corporate Auditor of the company (current position)

Outside Corporate Auditors



Jun Tanaka
Outside Corporate Auditor

Number of years in office: 5 years
Number of shares held: 1,000



Hiroko Takiguchi
Outside Corporate Auditor

Number of years in office: 3 years
Number of shares held: ---

Executive Officers

Toru Shimomura

Vice-Senior Managing Executive Officer
General Manager of Tokyo General Affairs Department, Personnel and General Affairs Division in charge of Construction Materials Division and Tokyo Area

Toshiaki Yamashita

Executive Officer
Director General of Engineering Division and General Manager of System Development Department and Construction Development Department of the Division

Toshimichi Takada

Vice-Senior Managing Executive Officer
Director General of Research & Development Division in charge of Quality Assurance Department, Safety & Environment Management Department and Electronic Materials Department

Hiroya Osakada

Executive Officer
Deputy Director General of Industrial Materials Sales Division and General Manager of Belts & Systems Sales Department of the Division

Isao Ideguchi

Managing Executive Officer
Representative Director, President of Mitsubishi Belting Giken Co., Ltd.

Koki Inoue

Managing Executive Officer
General Manager of Corporate Planning Division

Akihiro Nagata

Executive Officer
Deputy Director General of HR & General Affairs Division, Plant Manager of Nagoya Plant, General Affairs Department, HR & General Affairs Division, in charge of Nagoya Area, and Representative Director, President of Mitsubishi Belting CHEM Co., Ltd.

Masatsugu Tsuji

Executive Officer
Director General of Corporate Communication Division

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

Respect for Human Rights

Value Chain Management

Initiatives Related to Climate Change

Initiatives Related to Biodiversity

Initiatives Related to Water Resources

Corporate Governance

Board of Directors and Executive Officers

Risk Management

Compliance

Stakeholder Engagement

05. Data Section

Risk Management

Our view on risk management

With the aim of becoming a “sustainable company,” the Mitsubishi Belting Group recognizes the importance of risk management and continually works to improve its management systems. As a risk management method, we have adopted the concept of “risk and opportunity,” which is an ISO requirement. Based on that concept, we set strategies, policies, plans, and targets to effectively deploy risk management in our business activities.

Our approach to risk management

1. Integrating risk management and business activities

The Mitsubishi Belting Group will contribute to the realization of a sustainable society by effectively employing the results of our risk management activities in ensuring an ESG management practice that allows us to respond to any changes in the business environment and to sustain our business in a stable manner.

2. Scope of risks

In the Group’s risk management activities, we address negative non-financial impacts concerning human rights, compliance, health and safety, the environment, quality, and other areas in the same way as we handle negative financial impacts.

3. Personnel responsible for implementation

In our risk management activities, personnel responsible for implementation are clearly defined to ensure the execution of activities.

4. Personnel implementing risk management activities

Our risk management activities are carried out by all executives and employees and cover all of our business activities. Additionally, to ensure the effectiveness of our risk management, information related to the business environment is always kept up-to-date, and particular attention is paid to information obtained from stakeholders.

5. Maintaining and improving risk management systems

Effectively functioning risk management systems are in place, maintained, and improved to ensure the execution of our risk management.

6. Information disclosure

Information concerning risk management is disclosed to all stakeholders in a timely and appropriate manner.

Management system

The Mitsubishi Belting Group has a Risk Management Committee* in place, aiming to monitor and evaluate our risk management activities against issues (significant risks) in our business activities that could have a large impact on our business and that should be addressed by the entire Group, as well as to maintain and develop the risk management systems across the Group.

*Chairperson: An executive appointed by the President; Committee members: Responsible persons of all business divisions and affiliated companies

Every fiscal year, the Risk Management Committee determines significant risks and organizations responsible for the respective risks, persons in charge, goals, and plans, receives reports on the response status from the persons in charge of the responsible organizations twice a year in principle, and deliberates on the contents of the reports. The details of decisions made in the selection of significant risks as well as deliberations regarding the response status are reported to the President and the Board of Directors each time. The Risk Management Committee also plays the role of driving the Mitsubishi Belting Group’s risk management activities from a systemic perspective (such as policies, regulations, and procedures).

Regarding the risk management activities to address the issues (various risks arising in each management environment, including significant risks) that business departments or affiliated companies have determined should be addressed, the responsible persons of respective business departments or affiliated companies define the departments in charge and the persons in charge along with targets and plans in a policy document for the relevant fiscal year for approval by the President. After approval is granted, risk management activities are carried out and the persons in charge monitor and evaluate the implementation status on a daily basis. Once a year, in principle, the responsible persons of business departments or affiliated companies report the implementation status of risk management activities to the President and the Board of Directors, and after deliberation on the report, instructions are given as necessary.

Risk assessment

The Mitsubishi Belting Group assesses risks based on two factors, the degree of impact on business activities and the probability of occurrence, in the process of selecting issues (risks) that should be addressed. When the Risk Management Committee selects significant risks, for example, it assesses risks based on their impact (Large: 1 billion yen or more; Medium: 100 million to 1 billion yen; and Small: less than 100 million yen) and probability (High: once a year or more; Medium: once in two years; and Low: less than once in ten years). Our business departments and affiliated companies establish their own assessment criteria according to the scale of their business and use them in their risk assessment.

Understanding risks

For the FY2024 risk assessment, we made a comprehensive search for risks from various perspectives, including financial and non-financial information, and assessed the impact and likelihood of realization of each risk. As a result, we identified significant risks, such as natural disasters and large-scale accidents, progress of the EV shift, information security risks, economic security risks, and product liability risks.

Of these, the Risk Management Committee has identified the impact of a natural disasters or large-scale accidents on business activities as an especially significant risk and has clearly defined countermeasures, implementation organizations, responsible persons, goals, and plans. Accordingly, the Committee constantly monitors and assesses the implementation status as follows:

Countermeasures against other identified significant risks are also subject to monitoring and assessment by relevant deliberation bodies or expert committees. We are therefore committed to strengthening our company-wide risk management system.

Identified significant risks	Implementation status
① Suspension of the company’s business activities due to a natural disaster or large-scale accident	We have not only reorganized our global production system to diversify risks but also reviewed our domestic logistics system from the perspectives of both warehouses (their locations and inventory volume) and transportation methods (routes and carriers). Moreover, our business continuity planning (BCP) activities are not limited to production sites in Japan and abroad but are also being expanded to sales sites.
⑤ Suspension of a supplier’s business activities due to a natural disaster or large-scale accident	We are shifting from solo or single sourcing to multiple sourcing for not only our main raw materials but also secondary materials and contracted processing services. We also request our major suppliers to formulate and implement their own business continuity plans (BCPs), and we survey their implementation status once a year.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
- 05. Data Section

Examples of responses to significant risks

(1) Business continuity plan (BCP)

Our Risk Management Committee began its activities in FY2015 by identifying significant risks, including suspension of business activities and the supply of raw materials due to natural disasters, bankruptcy, large-scale accidents or the like, and by adopting countermeasures against them. In 2016, the following year, Mitsubishi Belting introduced a Business Continuity Plan (BCP). Suspension of our business activities could cause damage not only to the Mitsubishi Belting Group but also to society as a whole, with which the Group is connected in its value chain. Therefore, we recognize that it is our corporate responsibility to utilize BCPs to promptly restore any suspended business activities to normal.

In the Mitsubishi Belting Group, site-based contingency plans have been developed and implemented under our quality management and environmental management systems to respond to emergency situations at the respective sites. However, to clarify the importance of our business and focus on ensuring post-emergency business continuity and early recovery, we have been striving for a Group-wide shift to BCPs with the aim of ensuring business continuity from a broader perspective and maintaining our corporate competitive advantage.

To clearly define a unified approach to be adopted throughout the Group, we have formulated and implemented BCP Formulation and Implementation Guidelines, which provide unified definitions of the policies, objectives, and formulation and implementation processes of a BCP. This has resulted in a system in place for systematic BCP management in accordance with these definitions as common standards. Furthermore, we constantly improve this BCP management system and work to make a PDCA cycle function properly, aiming to conduct sustainable corporate activities through an all-hazards approach so that we can respond flexibly even to unexpected incidents.

- Management system

As mentioned above, the Mitsubishi Belting Group engages in BCP activities as measures to address the significant risks identified by the Risk Management Committee. The Safety and Environment Management Department, appointed as the organization responsible for our BCP activities, maintains the BCP Development and Implementation Procedure and shares the operational status of BCPs deployed at our respective business locations at every event. The department also disseminates information and provides other forms of support when necessary. Our BCP implementation system works as follows. A BCP has been formulated at each of our business locations. To improve its content and the level of activities based on it, a panel composed mainly of senior management examines and approves it at every major event. In addition, BCP activities at each business location are reviewed twice a year, and the review results are reported to the Risk Management Committee, which deliberates on the report and then reports the deliberation results to the Board of Directors.

- Implementation status

In 2021, we formulated a BCP Development and Implementation Procedure to clearly define a business impact analysis (BIA) process and switched from the previously implemented cause-based BCPs to all-hazards BCPs throughout the Group. The BIA is a method of examining all operations to identify the most important operations for business continuity, and this process is a critical determining factor for the effectiveness of a BCP. An all-hazards BCP is aimed at restoring operations affected by loss of resources necessary for business continuity in any case not limited to specific types of accidents or disasters.

The formulation of all-hazards BCPs for our 20 business locations both in Japan and abroad was completed by the end of FY2024. In FY2025, we are not only providing employees in charge with education and training so that they can assess the effectiveness of BCPs but also reviewing the BCPs. Another four business locations have joined our BCP activities, formulating their own BCPs and beginning to implement them.

(2) Information security

Our current information networks are linked not only within the Group but also to external systems, making it difficult to prevent in-house information security incidents from impacting society, and vice versa. Each company connected to an information network must take responsibility for managing its own information security and preventing incidents from occurring. Recognizing the importance of information security management, the Mitsubishi Belting Group established the Information Security Committee in 2021, which works to ensure information security for the entire Group based on our information security policy. We will continue our ongoing improvement efforts in FY2025 as well.

- Management system

The Mitsubishi Belting Group aims to build an Information Security Management System (ISMS), with the Information Security Committee playing a central role, in order to meet the demands of car manufacturers, which are our important customers.

The Information Security Committee is made up of a Chairperson appointed by the President and other members who are the heads of business and administrative departments designated by the Chairperson. The Committee is responsible for identifying information security challenges that should be addressed as a Group; determining the department responsible for each issue; and monitoring, evaluating, and providing instructions on the implementation status, the details of which are reported to the President and the Board of Directors. Additionally, the Information Security Committee is also responsible for developing, promoting, and improving information security management systems for the whole Mitsubishi Belting Group.

- Implementation status

In FY2021, the Information Security Committee launched an ISMS that complies with ISO/IEC 27001, an international standard for ISMSs, for our Kobe Head Office and German base. After establishing policies, regulations, and procedures, the Committee appointed information security managers in all departments and trained them to identify information assets, assess risks, provide training, and so on in each department. The implementation status and effectiveness of the system are verified through internal audits with corrective measures instructed as necessary and their completion and effectiveness confirmed. In FY2023, our German base was certified to comply with the information security standard provided under Trusted Information Security Assessment Exchange (TISAX) by the German Association of the Automotive Industry. In FY2024, we deployed the ISMS to all Mitsubishi Belting Group sites in Japan. We plan to obtain TISAX certification for our Shanghai base in China in FY2025 and for our Kobe Head Office and U.S. base in FY2026.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
- 05. Risk Management
 - Risk Management
 - Compliance
 - Stakeholder Engagement
- 06. Data Section

Compliance

Our view on compliance

The Mitsubishi Belting Group regards compliance as one of the important elements in its initiative to deepen its ESG management with the aim of achieving sustainable growth. We believe that maintaining a sufficient level of compliance in the Group's business activities is an essential requirement for us to gain the trust of all stakeholders and thereby improve our corporate value. In this belief, we are committed to compliance promotion activities.

Management system and implementation status

We have formulated the Mitsubishi Belting Group Code of Conduct (which requires that all executives and employees of Mitsubishi Belting and its subsidiaries must maintain the compliance of their conduct with laws and regulations, the Articles of Incorporation, and our corporate philosophy), and we are committed to ensuring thorough awareness and permeation of this code throughout the Group.

Our compliance promotion activities include compliance education and awareness-raising focusing on priority measures selected for each fiscal year. In addition, the Compliance Committee, chaired by an executive officer designated by the President, reviews and discusses the progress of these activities and reports the results to the President and the Board of Directors.

In addition, we maintain, manage, and operate a system that requires our subsidiaries to promptly report any actual or likely incident that may cause significant damage to Mitsubishi Belting or its subsidiaries due to violations of laws, regulations, or the Articles of Incorporation.

There were no incidents of anti-competitive or corrupt practices in the Mitsubishi Belting Group in FY2024.

Whistleblowing system

- To enhance our compliance management, we have established the Mitsubishi Helpline, a whistleblowing system with an external law firm (attorney) serving as a contact point, aiming to ensure early detection and correction of any misconduct.
- This Mitsubishi Helpline whistleblowing system allows the executives and employees of Mitsubishi Belting and affiliated companies in Japan (including contract employees, part-time workers, temporary workers, and former employees who left the company one year or less before) to submit a whistleblowing report on actual or likely misconduct (violations of laws, regulations, the Articles of Incorporation, internal rules, contracts, or social norms) by other executives or employees. The person responsible for responding to this kind of report (General Manager of the Legal Department) and those involved in this duty are required (1) to fulfill confidentiality obligations concerning the fact reported and information obtained through fact-finding investigations and (2) not to search for the reporter or treat that person disadvantageously.
- Every year, several reports are submitted, promptly responded to, and addressed with necessary remedial measures through this system.
- Furthermore, in accordance with the requirements of the Tokyo Stock Exchange's Corporate Governance Code and other applicable rules, we regularly report the status of implementation of this system to the Board of Directors and the Board of Corporate Auditors (while ensuring the reporter's complete anonymity from the perspective of confidentiality obligation).

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
- Compliance
 - Stakeholder Engagement
- 05. Data Section



Stakeholder Engagement



IR activities

Basic approach

Mitsubishi Belting is committed to disclosing corporate information in a timely and appropriate manner to shareholders, investors, and other stakeholders so that they can deepen their understanding of the company.

Disclosure Policy

 Please refer to our website for the full text of our Disclosure Policy.

Status of dialogue with shareholders and investors

We have established a policy for constructive dialogue with shareholders and take proactive steps to realize constructive dialogue. In April 2025, we reorganized our existing IR functions and strengthened our IR system by establishing an IR Planning Office with the aim of more strategically promoting dialogue with institutional investors. We have also registered on the Tokyo Stock Exchange's List of Companies That Wish to Have More Active Contact from Institutional Investors, demonstrating our proactive stance toward engagement.

In FY2024, we held a total of 55 sessions of financial results briefing and individual dialogue for institutional investors and analysts, where we received a great deal of useful feedback. The opinions of shareholders obtained through dialogue are shared with Directors, management team members, and relevant departments as necessary and utilized for discussions and decision-making toward enhancement of corporate value.

Going forward, we will continue to strive to further strengthen our relationship of trust with shareholders through sincere dialogue and highly transparent information disclosure.

Dialogue with shareholders and investors	FY2023	FY2024	Main attendees from the Group
Financial results briefings for institutional investors and analysts	2 sessions	2 sessions	Representative Director and Director and Senior Managing Executive Officer
Individual dialogue with institutional investors and analysts	64 sessions (35 sessions)	53 sessions (26 sessions)	<ul style="list-style-type: none"> IR Planning, Corporate Planning Division, Finance Department, etc. President or Sustainability Promotion Department according to the subject
Dialogue with institutional investors in Japan			
Dialogue with overseas institutional investors			
Dialogue with securities companies or other parties	(18 sessions)	(15 sessions)	
	(11 sessions)	(12 sessions)	

 As part of our efforts to improve engagement, we disclose research reports prepared by Shared Research Inc. to help investors deepen their understanding of our business and growth strategy.

General Meeting of Shareholders

We recognize that the General Meeting of Shareholders is the highest-level decision-making body and a forum for constructive dialogue with shareholders. To ensure that as many shareholders as possible attend the General Meeting of Shareholders, we are working to create a favorable environment for shareholders to exercise their rights by sending out convocation notices early, using an electronic voting platform, and other means.

Furthermore, we work with external experts to examine the results of voting at the General Meeting of Shareholders, through which shareholders express their will, and analyze the pros and cons of each proposal. We then confirm the results and reasons of voting through dialogue with shareholders to consider whether any further action is necessary.

Partnerships with local communities

Basic approach

The Mitsubishi Belting Group is working to strengthen partnerships with local communities as part of the foundation of its "co-creation business model," which is one of its strengths.

All offices and plants of the Mitsubishi Belting Group in Japan and overseas aim to grow together with their respective local communities, and to this end, they conduct a variety of activities in line with the Mitsubishi Belting Group Code of Conduct shown below.

From the Mitsubishi Belting Group Code of Conduct

- We will value partnerships with local communities.
- We will conduct social contribution activities that will lead to solving the issues of local communities.

Initiatives for coexisting in harmony with local communities

The Mitsubishi Belting Group in Japan has formed a volunteer group called the Mitsubishi Belting Fureai Council with the aim of realizing sustainable community development and creating livable towns through "town development where residents and businesses coexist." The Council, which comprises Group employees, plans and hosts various events to promote the SDGs and deepen interaction and communication between local residents and employees while valuing engagement with the local community.

 For more information on our initiatives for "partnerships with local communities," please visit our website.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation
 - Respect for Human Rights
 - Value Chain Management
 - Initiatives Related to Climate Change
 - Initiatives Related to Biodiversity
 - Initiatives Related to Water Resources
 - Corporate Governance
 - Board of Directors and Executive Officers
 - Risk Management
 - Compliance
 - Stakeholder Engagement**
- 05. Data Section

05

Data Section – Financial and Non-financial Performance

- 069 Financial Data
- 070 ESG Data
- 071 Company Overview / Stock Information

Financial Data



	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	66,251	67,062	66,396	69,594	72,002	71,051	64,862	74,870	82,911	84,014	90,510
(Belts in Japan)	27,268	26,536	26,908	28,037	28,395	27,266	24,777	27,774	28,300	27,362	28,138
(Belts outside Japan)	29,355	30,876	29,499	31,974	32,917	32,495	29,611	36,488	44,246	43,935	48,595
(Building & construction materials)	5,417	5,162	5,345	4,854	5,978	6,872	5,747	5,363	5,149	7,307	8,102
(Others)	4,210	4,486	4,642	4,727	4,710	4,417	4,726	5,242	5,215	5,409	5,674
Gross profit	20,423	21,203	21,747	22,411	22,492	21,845	18,993	23,427	26,572	25,555	28,093
Operating profit	7,133	7,630	8,278	8,429	8,127	7,299	4,968	7,640	9,030	7,759	8,928
(Belts in Japan)	6,886	6,817	6,584	7,313	7,139	6,486	4,762	7,192	9,172	8,053	8,043
(Belts outside Japan)	2,228	2,820	3,377	3,434	3,411	3,446	2,735	3,847	3,458	2,123	3,285
(Building & construction materials)	260	203	450	125	247	261	291	136	204	589	703
(Others)	61	142	170	186	179	55	123	248	160	209	285
(Adjustments)* ¹	(2,303)	(2,353)	(2,304)	(2,629)	(2,849)	(2,950)	(2,945)	(3,784)	(3,965)	(3,216)	(3,389)
Ordinary profit	8,217	7,788	8,487	8,808	8,945	7,659	5,759	8,552	10,471	9,605	9,154
Operating profit margin (%)	10.8	11.4	12.5	12.1	11.3	10.3	7.7	10.2	10.9	9.2	9.9
Profit attributable to owners of parent	6,146	5,691	6,663	6,252	6,157	5,464	4,066	6,380	7,071	7,102	9,060
Cash flow from operating activities	9,285	8,711	9,216	9,309	8,765	7,914	8,612	9,044	9,341	11,926	7,751
Cash flow from investing activities	(2,183)	(2,436)	(1,998)	(3,559)	(7,876)	(349)	(3,071)	(7,380)	(6,997)	(2,665)	(3,622)
Cash flow from financing activities	(4,860)	561	(6,196)	(2,532)	1,384	(6,208)	(4,104)	(3,245)	(3,741)	(9,469)	(8,242)
Cash and cash equivalents at end of period	17,979	24,011	25,116	28,074	30,650	31,143	33,741	33,063	33,494	35,045	30,843
Capital expenditures	2,076	2,436	3,375	3,239	3,259	5,964	3,669	4,369	3,638	7,545	6, 005
Depreciation	3,091	3,092	2,839	2,999	3,012	3,324	3,972	3,867	4,104	4,265	4,733
Research and development expenses	2,308	2,525	2,627	2,835	2,857	2,814	2,671	2,961	3,178	3,248	3,371
Total assets	86,073	87,278	89,912	95,802	102,814	101,154	108,063	118,963	121,682	135,627	128,161
Net assets	60,414	59,750	63,136	68,348	72,419	71,953	78,264	86,877	87,601	98,247	95,786
Equity ratio (%)	70.2	68.5	70.2	71.3	70.4	71.1	72.4	73.0	72.0	72.4	74.7
Return on equity (ROE) (%)	11.1	9.5	10.8	9.5	8.7	7.6	5.4	7.7	8.1	7.6	9.3
Return on assets (ROA) (%)	7.5	6.6	7.5	6.7	6.2	5.4	3.9	5.6	5.9	5.5	6.9
Interest-bearing debt	6,692	9,833	7,132	5,952	8,883	8,192	6,094	5,260	9,506	6,927	6,069
Shareholders' equity	50,966	54,001	57,285	62,075	66,654	67,745	70,241	74,188	73,552	73,481	75,526
Earnings per share (EPS) (yen)* ²	190.28	176.71	216.29	206.65	203.50	183.61	139.84	220.26	249.12	250.40	320.25
Book value per share (yen)* ²	1,870.33	1,893.07	2,086.41	2,258.96	2,393.66	2,474.56	2,691.63	3,018.44	3,089.48	3,463.30	3,403.14
Dividend per share (yen)	20.00	18.00	22.00	25.00	48.00	54.00	57.00	143.00	250.00	250.00	186.00
Dividend payout ratio (%)	21.0	20.4	20.3	24.2	29.5	29.4	40.8	64.9	100.4	99.8	58.1
Dividend on equity (%)	2.3	1.9	2.2	2.3	2.6	2.2	2.2	5.0	8.2	7.6	5.4

*1 The amount of adjustments to segment profit includes the amount of elimination of inter-segment transactions and general corporate expenses not allocated to any reportable segment.

*2 We conducted a reverse stock split on October 1, 2018, at a ratio of one share for every two shares of common stock. Earnings per share and book value per share are calculated by assuming that such reverse stock split had been conducted at the beginning of FY2013.

- 00. Overview
- 01. Top Message
- 02. Our History and the Source of Our Value
- 03. What Value Do We Wish to Create?
- 04. Management Foundation for Our Value Creation

- 05. Data Section
- Financial Data
- Non-financial Data Highlights
- Company Overview / Stock Information

Non-financial Data Highlights

 A more detailed list of ESG data is available on our website.

Environmental Data

Scope 1 and 2 emissions (eight locations in Japan ^{*1})		[Unit: ton-CO ₂]				
		FY2013	FY2021	FY2022	FY2023	FY2024
CO ₂ emissions (In Japan)	Scope 1	18,875	18,995	17,759	16,088	16,112
	Scope 2 ^{*3}	22,040	15,983	11,168	10,044	10,996
	total:	40,915	34,979	28,927	26,132	27,108

Scope 1 and 2 emissions (overseas production bases ^{*2})		[Unit: ton-CO ₂]				
		FY2013	FY2021	FY2022	FY2023	FY2024
CO ₂ emissions (Overseas)	Scope 1	25,146	24,926	24,535	22,711	22,026
	Scope 2 ^{*3}	31,473	26,283	25,146	21,562	22,852
	total:	56,618	51,208	49,681	44,273	44,878

Scope 3 emissions (consolidated)		[Unit: ton-CO ₂]				
		FY2013	FY2021	FY2022	FY2023	FY2024
Scope 3 emissions	Category 1: Purchased goods and services	n.d.	n.d.	38,008	35,188	80,625
	Category 2: Capital goods	n.d.	n.d.	11,608	24,899	20,000
	Category 3: Energy-related activities	n.d.	n.d.	5,737	5,308	10,750
	Category 4: Upstream transportation and distribution	n.d.	n.d.	4,140	3,341	3,741
	Category 5: Waste generated in operations	n.d.	n.d.	5,074	4,833	5,773
	Category 6: Business travel	n.d.	n.d.	546	581	584
	Category 7: Employee commuting	n.d.	n.d.	282	221	1,539
	Category 8: Upstream leased assets	n.d.	n.d.	N/A	N/A	N/A
	Category 9: Downstream transportation and distribution	n.d.	n.d.	248	224	249
	Category 10: Processing of sold products	n.d.	n.d.	8,502	4,595	4,834
	Category 11: Use of sold products	n.d.	n.d.	169,443	128,800	150,198
	Category 12: End-of-life treatment of sold products	n.d.	n.d.	253	197	223
	Category 13: Downstream leased assets	n.d.	n.d.	N/A	N/A	N/A
	Category 14: Franchises	n.d.	n.d.	N/A	N/A	N/A
	Category 15: Investments	n.d.	n.d.	N/A	N/A	N/A
	total :	n.d.	n.d.	243,841	208,187	278,516

N/A: Not applicable

Water resources and waste (consolidated)		Unit	FY2020	FY2021	FY2022	FY2023	FY2024	
Total water withdrawal	Groundwater	[kt]	699	692	665	520	597	
	Third-party water	Tap water	[kt]	102	116	108	104	79
	Third-party water	Industrial water	[kt]	360	413	405	371	371
	total:	[kt]	1,161	1,221	1,177	995	1,047	
Total waste volume		[ton]	5,797	7,209	7,384	7,094	7,328	

Human Capital Data

Employees (non-consolidated)		Classification	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees (full-time employees)		Male	608	613	620	618	627
		Female	74	75	74	79	81
Number of new hires		Male	24	22	30	41	38
		Female	5	6	4	10	10
Number of people leaving the company		Male	18	27	34	34	25
		Female	5	4	7	4	6

Diversity (non-consolidated)		Classification	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of female managers		Section Chief	1.6	1.6	2.4	3.1	3.4
		All managers	1.2	1.1	1.7	2.2	2.5

Childcare leave and paid leave utilization rate (non-consolidated)		Classification	FY2020	FY2021	FY2022	FY2023	FY2024
Childcare leave acquisition rate ^{*4}		Male	5	10	26.5	59.3	50.0
		Female		100	100	100	100
Percentage of annual paid leave taken			51	49	53	68	67

Health and Safety (non-consolidated)		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Health	Statutory health checkup participation rate ^{*5}	(%)	100	100	100	100	100
	Health checkup service utilization rate ^{*6}	(%)	100	100	100	100	100
	Stress check response rate ^{*7}	(%)	100	100	100	100	100
Safety	Number of lost-time injuries	Person	6	2	1	0	0
	Lost-time injury frequency rate ^{*8}	(-)	4.50	1.44	0.70	0	0
	Number of fatal accidents	Person	0	0	0	0	0
	Fatal accident frequency rate ^{*8}	(-)	0	0	0	0	0

*1 Kobe Head Office / Kobe Plant R&D Center, Tokyo Head Office, Shikoku Plant, Nagoya Plant, Ayabe Production System Development Center, Seishin Office, Shiga Plant, Mitsubishi Cord Co., Ltd. Shin Asahi Head Office Plant

*2 MBL (USA), MOH (Singapore), SEIWA (Indonesia), MBI (Indonesia), STI (Thailand), SMB (China), MB (IND) (India) 2 bases, MB (POL) (Poland)

*3 Calculations are based on market standard emissions both domestically and overseas.

*4 Paid leave acquisition rate = annual paid leave taken ÷ stipulated annual paid leave x 100

*5 Statutory health checkup participation rate = number examined ÷ number eligible x 100

*6 Health checkup service utilization rate = number examined ÷ number requested x 100

*7 Stress check response rate = number of respondents ÷ number of response requests x 100

*8 Number of lost-time injuries or fatalities per one million cumulative actual working hours

*◆ The scope of calculation for categories 1, 3, 5, and 7 for fiscal 2022 and fiscal 2023 covers the company alone.

00. Overview
01. Top Message
02. Our History and the Source of Our Value
03. What Value Do We Wish to Create?
04. Management Foundation for Our Value Creation
05. Data Section
Financial Data
 Non-financial Data Highlights
Company Overview / Stock Information

Company Overview/Stock Information (as of March 31, 2025)

Corporate data

Trade name:	Mitsubishi Belting Ltd.
Established:	October 10, 1919
Capital :	8,150,251,031 yen
Head office location :	4-1-21 Hamazoe-dori, Nagata-ku, Kobe, Hyogo 653-0024
Number of employees :	4,471 (consolidated) (as of March 31, 2024)

Stock Information

Accounting auditor :	Ernst & Young ShinNihon LLC
Fiscal year :	From April 1 to March 31 of the following year
Annual General Meeting of Shareholders :	June
Number of shares per unit:	100
Shareholder registry administrator :	Mitsubishi UFJ Trust and Banking Corporation 3-6-3 Fushimi-machi, Chuo-ku, Osaka 541-8502 Phone: +81-0120-094-777
Total number of authorized shares :	130,000,000
Total number of shares issued :	31,104,198 (including treasury stock)
Number of shareholders :	31,313 (2,644 fewer than at the end of the previous fiscal year)
Stock exchange listing:	Tokyo Stock Exchange Prime Market
Securities code :	5192

Third-party evaluations / Participating in initiatives



Shareholder composition



Individuals and others	16,291 K shares	52.4%
Financial institutions and securities companies	8,949 K shares	28.8%
Other corporations	3,221 K shares	10.3%
Foreign corporations, etc.	2,643 K shares	8.5%

(Note) Shares issued to individuals and others include 2,900K shares of our treasury stock.

Status of the top ten major shareholders

Shareholder name	Number of shares held (Kshares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	4,115	14.59
MUFG Bank, Ltd.	1,170	4.15
Seiyu Shareholding Association	1,154	4.10
Custody Bank of Japan, Ltd.	968	3.43
Mitsubishi UFJ Trust and Banking Corporation	686	2.43
Mitsubishi Belting Employee Shareholding Association	559	1.98
Sumitomo Mitsui Banking Corporation	542	1.92
Sanshin Co., Ltd.	500	1.77
KISCO Ltd.	412	1.46
Norio Nishikawa	381	1.35

(Notes) 1. The Mitsubishi Belting Group holds 2,736,032 shares of treasury stock, which are not included in the shares held by the major shareholders shown above.

2. The shareholding ratios are calculated after deducting the number of shares of treasury stock.

3. The above numbers of shares held include shares related to trust business as follows:
The Master Trust Bank of Japan, Ltd.: 4,115K shares
Custody Bank of Japan, Ltd.: 968K shares

Stock price trends

	FY2020	FY2021	FY2022	FY2023	FY2024
End-of-period stock price (yen)	1,781	2,027	3,935	4,670	3,735
Dividend per share (yen)	57	143	250	250	186
Consolidated dividend payout ratio (%)	40.8	64.9	100.4	99.8	58.1

Editorial Policy

This report is aimed at helping our shareholders, investors, and other stakeholders understand our efforts to create corporate value over the medium to long term. It has been edited in line with the International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework, the Global Reporting Initiative (GRI) Standards, the Japanese Ministry of Economy, Trade and Industry' s Guidance for Collaborative Value Creation, etc., and comprehensively discloses financial and non-financial information that we have selected in terms of importance to the company.

Reporting Period:

Fiscal year ended March 2025 (April 1, 2024 to March 31, 2025)

* Some sections include information outside this period. In such cases, the relevant period is stated where appropriate.

Scope:

Mitsubishi Belting Ltd. and its consolidated subsidiaries in Japan and abroad

Disclaimer for forward-looking statements:

This report contains forward-looking statements, such as future prospects, forecasts and plans, which are based on information available to the company at the time of the compilation of the report and certain assumptions that are considered reasonable. Please be aware that actual performance and results may differ significantly from the forecasts and other statements due to various factors.

List of abbreviations for the names of overseas bases

MBL (USA)	: MBL (USA) CORPORATION
MOH	: MITSUBOSHI OVERSEAS HEADQUARTERS PRIVATE LIMITED
MBI	: PT. MITSUBOSHI BELTING INDONESIA
SEIWA	: PT. SEIWA INDONESIA
STI	: STARS TECHNOLOGIES INDUSTRIAL LIMITED
SMB	: SUZHOU MITSUBOSHI BELTING CO., LTD.
MB (POL)	: MITSUBOSHI POLAND Sp.z o.o.
MB (IND) Rabale	: MITSUBOSHI BELTING-INDIA PRIVATE LIMITED (Rabale Plant)
MB (IND) Supa	: MITSUBOSHI BELTING-INDIA PRIVATE LIMITED (Supa Plant)

00. Overview

01. Top Message

02. Our History and the Source of Our Value

03. What Value Do We Wish to Create?

04. Management Foundation for Our Value Creation

05. Data Section

Financial Data

Non-financial Data Highlights

Company Overview / Stock Information



INTEGRATED REPORT 2025

Published (English Edition): December 2025

MITSUBOSHI BELTING LTD.

4-1-21 Hamazoe-dori, Nagata-ku, KOBE 653-0024, JAPAN

Contact:

IR Planning Department, Corporate Communication Division
https://www.mitsuboshi.com/inquiry/form_ir/