

Capital as the source of value creation

In order to improve the corporate value of Mitsui Kinzoku Group by continuously creating growth products and businesses through the implementation of our business model, we make efforts to maintain and strengthen the non-financial capital that is the source of this value.

Human Capital Management

Mitsui Kinzoku Group is committed to solving environmental and social issues through its business, with the objective of enhancing the sustainability of society at large as well as the Group. To this end, we develop strategies to continuously create innovations and generate new value. The key to successful implementation of these strategies is our workforce made up of diverse individuals with different values as well as a wealth of experience and skills.

The Group's personnel work around the world, performing their roles in contributing to the creation of new value. In order to increase employee engagement and the job satisfaction of each person, we strive to create a working environment and employment systems that can foster a sense of security and maximize the potential of each individual.

The Group develops personnel who are committed to solving environmental and social issues through business activities and generating new value, based on its Human Resource Development Policy. For the purpose of fully utilizing our human capital while pursuing this policy, we have developed personnel strategies centering on the following four areas: introducing the HRBP* function based on the personnel strategies; promoting health management; promoting diversity & inclusion; and launching the performance-based system and making it firmly entrenched.

* Human resource business partner (HRBP): HR function that serves as a partner to the management team or business divisions, supporting the organization with using its human resources effectively to implement business growth and strategies.



SUGIMOTO Akiko
Executive Officer, General Manager of Human Resource Department

Establishment of Human resource business partner Office

Previously, the roles of the corporate personnel division were basically limited to operational duties, such as putting into practice personnel strategy plans created by the management team and performing employment administration duties. Recently, however, in face of the business environment becoming increasingly uncertain, many companies have begun to pursue strategic personnel functions to link business strategies to personnel management aiming to grow their business continuously.

Against this backdrop, the Company set up the HR Business Partner Office in April 2022, with the aim of building a structure that enables us to deploy personnel in a timely manner to implement business and management strategies.

As part of the structure, an HRBP is assigned to each Sector to support close cooperation between the Human Resource Department and the Sector.

We will identify forward-looking HR issues, such as the implementation of human resources allocation tied to the dynamic management of the business portfolio from a group-wide perspective, and rapidly develop measures to resolve these issues. At the same time, we will support and promote talent management in each department through succession plans and individual deployment/development plans.

Humans are the only beings that can create value proactively. Even the most advanced equipment, materials, intellectual properties or any other form of capital cannot generate value unless directed by humans with the intention of generating value from them. In this sense, humans represent the most important management resource. And the capacity for creating value can be expanded by providing appropriate personnel training and allocation programs.

However, the effect of such programs differs significantly by person depending on their frame of mind.

To enable individual persons to focus their efforts on fulfilling their duties, it is essential to establish a working environment where each person can work in good health and with safety and security in mind, a basic requirement. It is also necessary to create an environment where diverse values and views are respected without prejudice so that the Group's employees can independently work and where they can work together creatively.

With such an environment in place, we can achieve the most effective personnel deployment for the purpose of carrying out our management strategies. We are pursuing a suitable model for the organization respecting and utilizing individual qualities at the same time.

Promotion of health management

Mitsui Kinzoku Group considers the physical and mental health of all employees and their families to be an important management issue for its sustainability.

The good health of employees and their families constitutes a condition for the employees leading a fulfilling life, which provides a basis for maximizing their individual potential and contributing to increasing the Company's productivity and performance, a source for creating new value.

Based on this understanding, we have expressed our commitment to maintaining and increasing the health of our employees and their families, in pursuit of vigorous corporate activities and thereby contributing to society.

Mitsui Kinzoku is committed to health management. We have been certified as a Health and Productivity Enterprise every year since 2019. Going forward, we will work to focus more on maintaining and increasing the health of employees' families in addition to employees themselves.

In FY2022, we carried out various activities to promote health management, such as disseminating our health management commitment statement within the Group, running health-themed seminars and campaigns, and providing ongoing mental health training programs at all sites.

We are also conducting an array of health improvement programs, including: performing company-wide analysis of health check results; identifying health issues; setting health management goals and taking improvement measures to address each issue; introducing systems to support employees to receive medical treatment while continuing to work; giving feedback of mental stress checks to each workplace; conducting interview surveys for target workplaces; monitoring the progress of environmental improvement activities; and providing support with improvement activities.

Active participate of diverse human resources

In response to major changes occurring in the external environment, chiefly induced by Japan's declining working-age population and the advancement of AI and other technologies, we are striving to secure human resources that will contribute to creating value in the Group. Since FY2016, we have been implementing our workstyle, principally the development of our personnel systems. From FY2022, we are working on work satisfaction reforms that make us feel like working for Mitsui Kinzoku precisely because it is Mitsui Kinzoku, aiming to create a workplace where we can work lively and energetically.

In view of people's work styles increasingly diversifying in the future, we are promoting more flexible work practices by offering various options to support employees continuing to work while fulfilling parenting and family care responsibilities or receiving medical treatment, thus helping them pursue their careers for a long time. We are also working on reducing overtime work hours.

[Systems to allow flexibility at work]

- Flexible work times with no core hours
- Annual leave that can be taken in half-day increments
- Telework
- Special leave of absence system for spouse transfers
- Comeback system (reemployment of employees who were compelled by personal circumstances to resign)
- Shorter work hours
- Staggered work shifts
- Exemption from overtime work

[Initiatives for reducing overtime work hours]

- Labor-management discussion on measures at Occupational Health and Safety Committee
- Providing time management training
- Visualizing overtime hours with automatic aggregation of PC log-in and log-off times, grasping actual work hours of managers

[Initiative for work satisfaction reform]

Implementation of an action plan to improve employee's liveliness by utilizing engagement measurement

Active involvement of female employees

We are in an era of VUCA (volatility, uncertainty, complexity, ambiguity), and in order to overcome challenges characterized by these conditions, it is vitally important to adopt a diverse range of views and values and develop a broad perspective for making decisions and managing organizations, and build a strong organization to be able to deal with complicated issues in the future. As the major initial step towards the above objective, we are focusing on the career development of female employees, particularly developing female personnel and increasing mid-career recruitment of women to assign to managerial positions. We follow the principle of performance-based appointment and promotion for selecting and developing candidates for management positions, in order to provide a fair opportunity to all applicants, including those temporarily absent from work for reasons related to life events or other unavoidable circumstances. As part of efforts to increase female candidates for executive and managerial roles, we provide a management strategy course for the former and a candidate training course for the latter.

Promotion of diversity & inclusion

In a bid to enhance and accelerate our efforts to promote diversity & inclusion, we established the Diversity, Equity, and Inclusion Office in October 2021. The Office is staffed by full-time members to engage in preparation and implementation of plans directed at achieving a workplace where all employees with different values respect each other and thrive together. In pursuit of an attractive diversity-oriented workplace, specific plans are on the table for two key approaches: increasing job satisfaction, a priority issue defined in the Mid-term Management Plan; and supporting women's career development, the first step towards achieving a diversity-driven productive workplace. In April 2022, we set up the Diversity, Equity, and Inclusion Committee chaired by the President. The Committee meets on a regular basis to discuss policies and strategies, make decisions, and monitor the progress of activities. And issues and activities of the Committee are reported to the Board of Directors to confirm that initiatives are being implemented on an ongoing fashion and in alignment with management policies and implementations are thoroughgoing and effective.

The Diversity, Equity, and Inclusion Committee has two subcommittees: the Women's Success Promotion Subcommittee and the Work Satisfaction Reform Subcommittee.

Both are moving forward with specific plans with speed, taking advantage of the position directly under the President.

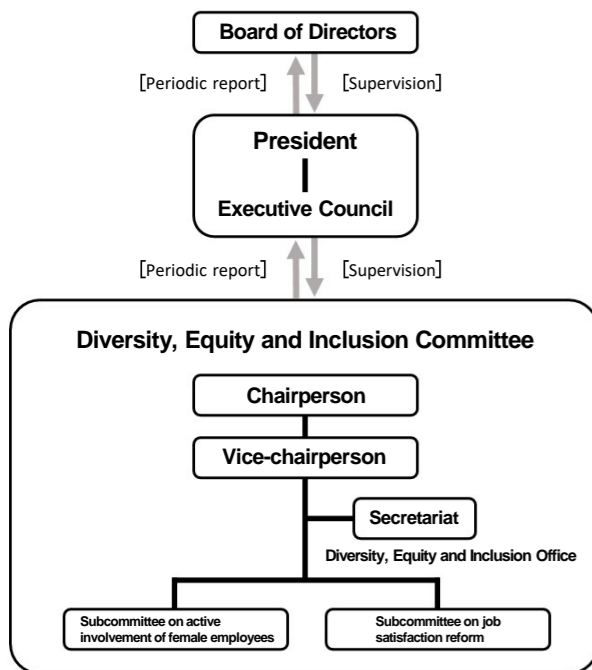
What the work satisfaction reform aims to achieve

While the goals and organizational challenges differ from business to business, we have held many discussions with members from each business division to solve problems in order to realize a workplace where everyone can work comfortably and lively.

The basic common goal is to create a workplace where all employees in the same workplace respect each other and work with a psychologically safety.

For this purpose, we plan to start by visualizing the present situation of the organization, and then put into practice actions suited to each organization.

[Management System]



Chairperson NOU Takeshi
President and Representative Director

Vice-chairperson KIBE Hisakazu
Representative Director Senior Managing Director, Senior General Manager of Corporate Planning & Control Sector

YAMASHITA Masashi
Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector



We create a psychologically safe workplace for everyone to work, by respecting each other.



We create a workplace for everyone to work in a self-directed manner and to grow personally and professionally through trial and error.

What the promotion of women's success in their careers aims to achieve

Promoting women's success in Mitsui Kinzoku Group does not simply mean encouraging only women. We believe that through this initiative, we can get closer to a company where various values and work styles can be respected and everyone can work more comfortably and motivated.



We respect the individuality of each other regardless of position and attributes.



Through promoting women's success, we aim for an organization that thrives with employees having more different attributes.



We aim for an organization that embraces flexibility in work practices and takes on new challenges.

For realization of diversity & inclusion

The Group employs a global total of more than 13,000 people at present. With this workforce, we aim to create a truly diverse and inclusive organization, where employees with different values respect each other and utilize different ways of thinking and experiences when working together, regardless of ethnicity, nationality, religion, belief, culture, place of birth, disabilities, gender, sexual orientation, gender identity, and other background and attribute factors.

In order to achieve innovations in response to constant changes and trends towards increasing diversification in the global society, it is vitally important that each employee have the above-described frame of mind and act accordingly taking advantage of differences from each other in values and experience. Aiming for a corporate group that promotes diversity, inspiring each individual to become more motivated and productive, Mitsui Kinzoku Group will enhance and accelerate its efforts toward sustainability.

[Regular information dissemination]

Externally:

- Publication of President's message on our website
- Publication of messages from an Outside Director and General Manager of Diversity Equity and Inclusion Office on recruitment page of our website
- Publication of "what company we would like to be" on recruitment page of our website
- Presentation of human resources strategy at ESG briefing

Internally:

- Posting President's message and talk between President and HR General Manager on intranet and in internal PR magazine, introducing President's message and diversity & inclusion initiatives through training programs

[Training programs]

- Unconscious Bias Training (for non-managers)
- Diversity Management Training (for managers)
- Diversity & Inclusion Promotion Workshop (Parental leave of male employees version)
- Social events for female employees



We improve productivity and contribute to the creation of organizations where innovations can be generated, through work satisfaction reform and personnel systems that enable diverse human resources to fulfill their potential.

And we aim to accelerate innovations, attracting more people to become our fans, by disseminating our Group's efforts in the promotion of diversity to gain empathy.

These are the missions of the Diversity, Equity, and Inclusion Office.

TASHIRO Misato

General Manager
Diversity Equity and Inclusion Office
Human Resource Department

New human resources system

In April 2022, we reformed our human resources system, upholding the basic principle of appointing the right people to the right positions based on their performance, regardless of seniority, under the job/role-based system. At the same time, we enhanced initiatives for supporting career development that helps individual employees develop their career according to their own intentions and values.

Through career education, interviews, and other measures, we will consider both employees' wishes and the company's expectations to continue initiatives for supporting the growth of individuals to achieve their career vision. We will also improve the existing internal public recruitment system and consider measures that respect employees' right to choose their careers.



Unconscious Bias Training

Development of human resources who will achieve value creation

Mitsui Kinzoku Group develops “Employees who have their own ‘will’ ” responsible for realizing value creation of the Group by both OJT training and Off-JT training programs.

We are promoting the development and implementation of training programs to enable employees to be self-motivated and learn autonomously, improve their abilities and skills, and demonstrate their strengths, and to support each employee’s continuous efforts to build a lifelong career.

We timely update OFF-JT programs. For example, while selecting OJT instructors and providing training to the instructors, we also collect information on training issues such as communication methods between instructors and subordinates. Then, we use the information to prepare new training programs for young employees.

Also, in order to practice the integrated thinking-based management, we are focusing on developing human resources capable of creating businesses based on environmental/social issues.

In addition, considering changes in the external environment, we are working to expand and strengthen training programs for SDGs, ESG and CSR.

In FY2022, in conjunction with the reform of the human resources system, we reformed the education system to allow individual self-directed career development and introduced a DX tool, the Mitsui-Kinzoku Learning Platform (MLP), to support it. The new education system offers further reinforced free-choice capacity development programs and a cafeteria-style training system, which provides significantly enhanced learning programs that employees can take freely in addition to rank-based mandatory training programs to develop the capacity required for each rank. We also offer contents aligned with global trends, namely, leadership, anger management, diversity management, and other contents that help managers improve their management skills; learning contents related to workstyle reform, such as DX, AI, and other technologies and psychological safety; and learning contents on sustainability.

Overview of the Off-JT training programs

We renewed our training system in FY2022, supporting employees’ autonomous career development through programs centered on cafeteria-type skills development programs. We have also introduced MLP (Mitsui-Kinzoku Learning Platform) as a learning platform, providing an autonomous learning environment for the employees. As one of the new curricula in the training programs, we have introduced ICT training, Mitsui Kinzoku Total Digital Human Resource Development, in order to further improve IT literacy of all employees. Through the continuous implementation of this initiative, we aim to develop human resources capable of creating new business models based on DX.

* Each of the following training program is offered through MLP.

| <Type of training> | <Purpose> | <Outline> |
|---|--|--|
| ● Basic Skill (Mandatory programs) | Acquire the necessary knowledge and skills for each career stage | <ul style="list-style-type: none"> Programs to develop the necessary competencies at each job rank, including management, diversity, IT security, sustainability, finance, intellectual property, quality control, and mental health. |
| ● Skill Up (Recommended programs) | Acquire knowledge and skills useful for each employee’s job | <ul style="list-style-type: none"> Programs helpful for each employee’s job widely ranging from business skills to expertise. Selected by each employee based on the work and one’s own abilities or recommended by their supervisor. |
| ● Self Development (Programs for self-development) | Improve one’s own abilities and skills according to one’s own will | <ul style="list-style-type: none"> Correspondence courses including e-learning. Trainee can choose and take training programs such as business skills and languages. |
| ● Organization-specific training | Strengthen each employee’s expertise | <ul style="list-style-type: none"> Provide specialized knowledge necessary for job groups and business lines. |
| Training for selected employees | <ul style="list-style-type: none"> Special training for corporate manager candidates Interaction with external organizations | <ul style="list-style-type: none"> External training program for candidates of next-generation managers selected from executive officers and managers. Training program for next-generation and next-next-generation corporate manager candidates selected within the corporate group. Dispatch for rank-based training held by Mitsui Inter-business Research Institute. |
| Training programs for young employees/ mid-career hired employees | Introduction training for new employees | <ul style="list-style-type: none"> New employee training, follow-up training, first/second/third-year follow-up training. Introduction/ follow-up training for mid-career hired employees. |
| Career training | Support for self-sustaining career development | <ul style="list-style-type: none"> Training by age group (20s/30s/40s/50s) in order that each employee will develop career vision. |

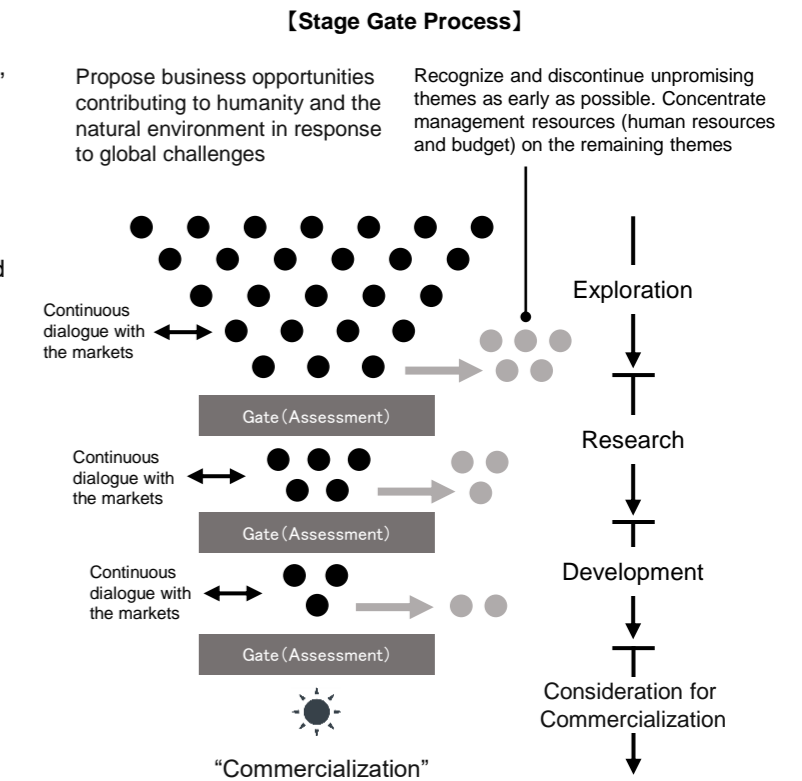
● Cafeteria-type skills development programs

“Value creation process” for continuously generating new businesses

For exploring new business opportunities suitable for contributing to solving social issues in a sustainable way and developing appropriate projects into commercial businesses, Mitsui Kinzoku Group pursues research and development, the key function to underpin its sustainable growth and competitive advantages.

As a measure to increase the exploration capacity, we hold cross-divisional brainstorming sessions to work out new business concepts. From the earliest stage of the brainstorming process, many ideas are subject to vigorous discussions and rigorous verifications made from the multiple viewpoints of different divisions, so as to expedite the procedure for creating target themes. Then, new target themes undergo the stage gate process to be evaluated by a number of criteria such as market attractiveness, our competitive advantage, and the commercialization potential, at each of the stages ranging from opportunity exploration, research and development, and commercialization study to market launch.

While pursuing this phased approach, we are also seeking the possibility of forming partnerships (with customers, suppliers, etc.) for creating new business projects. By promoting the above approach, we are building a robust value creation platform to create new businesses in succession and for the long term.



Business Creation Sector R&D Center

Intellectual Property Management

Recognizing intellectual property as an important management resource, Mitsui Kinzoku Group has set out a basic policy of properly protecting rights, securing advantage in business and using it for new business creation, minimizing risks associated with intellectual property, developing human resources to support implementation of the intellectual property strategy, and establishing respect for intellectual property as part of the corporate culture.

Based on the basic policy, we will implement the intellectual property strategy to maximize our corporate value.

New organization for integrated thinking-based management

Reorganization of the IP management structure

The Intellectual Property Department was reorganized as the new management plan, the 22 Mid-term Plan, started last fiscal year. In addition, the Intellectual Property Department was placed directly under the Technology Sector, which was newly established in April 2023 (see the figure below). The reorganization aims to create synergies for the realization of integrated thinking-based management, by collaboration of four technical divisions; Production Engineering Department, Quality Assurance Department, Environment & Safety Department, and Intellectual Property Department.

Through the reorganization, we strive to improve the technology infrastructure and develop relevant personnel for maximizing the effect of promoting GX and DX initiatives, while continuing to provide various services including sophisticated analysis of intellectual property data using IP landscapes*.

* IP landscapes stands for *Intellectual Property Landscape*, a method used to survey and analyze intellectual properties belonging to the company and others and combine outcomes with information in the market, etc. for use as part of the company's management strategy.

Reinforcing dissemination of IP/intangible asset information

Response to the new missions

To respond to the requirements of the revised Corporate Governance Code of 2021, the Intellectual Property Department enhances its cooperation with different sectors across the company to provide intellectual property and intangible asset information internally and externally.

It also strives to further strength an initiative of stepping up its activity for improving the value of intellectual property and intangible assets, through dialogues with the Board of Directors.

- Trend in the number of the group patent applications from FY2018 to FY2022 is shown on page 142.

- Number of patents of the group registered by country as of the end of March 2023 is shown on page 142.

Revision of Fundamental Quality Policy

Mitsui Kinzoku Group revised its Fundamental Quality Policy in 2022, which states that "each employee will understand and practice the Fundamental Quality Policy so that our products and services will satisfy all our customers."

The revised policy is comprised of five items, which contain previous provisions regarding several issues, including voice of customer (VOC), quality work, teamwork, and speed at work, while explicitly setting forth a number of new issues, such as social contribution through building new businesses, ensuring compliance, and appropriate information disclosure about quality and safety.

Development of a compliance system

The Group promotes its quality compliance system in accordance with the Mitsui Kinzoku Group Quality Assurance Guidelines (QAGL).

In FY2022, we implemented self-inspection to ensure conformity to the guidelines at all sites in Japan. We also conducted quality compliance audits by internal third parties just as we did in FY2021 and inspected the status of development of quality compliance systems in 14 sites in Japan as scheduled.

In order to better ensure quality compliance, we are building a system to restrict human intervention in handling processes of inspection data and continuing to demonstrate the system at model plants.

In addition, we strive to introduce the quality compliance systems to our overseas sites in order to promote the development of QAGL-based quality compliance system across the globe. We will continue to inspect and improve our quality assurance system for further level up.

Raising the awareness of quality assurance / quality compliance

As a group-wide initiative on quality, we conduct educational activities for all employees during the quality assurance month (every November), such as conveying messages from top management, promoting compliance consultation, and conducting quality compliance awareness surveys.

We also have various training programs throughout the year, in line with the Quality Compliance Education System, in order to make the compliance culture in the Group stronger.

Fundamental Quality Policy

At the Mitsui Kinzoku Group, each employee will understand and practice the Fundamental Quality Policy so that our products and services will satisfy all our customers.

1. We consider opinions from markets and customers as an asset, which enables us to anticipate future needs and promote efforts for optimal quality and customer satisfaction.
2. We endeavor to invent, develop and provide innovative products and services by leveraging our Material Intelligence, while aiming to contribute to society.
3. Viewing the quality of work as essential to good product quality, we pursue quality improvements through enhancing teamwork and speed at work.
4. We will ensure compliance with rules and standards related to our products and services.
5. We will give first priority to ensuring safety and security for all our business processes, including those related to supply chains, and disclose accurate information, as appropriate, related to quality and safety.

Revised in April 2022

New organization of the Intellectual Property Department

(April 2023—)

As part of principal business, our dedicated staff members provide diverse, highly specialized services and information. In addition, these staff members conduct IP activities that are closely related to the business operations of the sector/workplace.

