



CSR REPORT 2017
MITSUI KINZOKU

It feels like our time has come.

Now corporate social responsibility is taken for granted,
our long-held Management Philosophy of Mitsui Kinzoku Group
has taken on greater significance than ever before.



[photo] Masanori Okura

To readers of this report:

We began publishing a CSR Report last year, to give stakeholders a better understanding of our approach and activities relating to Mitsui Kinzoku Group's corporate social responsibilities (CSR), for creating a sustainable society.

In addition to last year's activities, this report includes elements such as CSR material issues identified at the end of last year, our newly formulated human rights policy, and our history and business activities.

[Published]

July 2017

(Previous publication: October 2016 Next scheduled: July 2018)

[Coverage]

This report focuses on figures for fiscal 2016 (April 2016 – March 2017). It also contains details of initiatives prior to that period, and initiatives that are underway for fiscal 2017 and beyond.

[Scope]

This report covers Mitsui Kinzoku on a non-consolidated basis, as well as consolidated domestic/overseas affiliates. We started gathering data related to CSR for Mitsui Kinzoku Group in fiscal 2016, including areas such as the environment and personnel. Notes are included to indicate the scope of individual sets of data. Figures whose accuracy cannot be verified sufficiently have been omitted from this year's report. We continue to improve the reliability of all data.

[Reference guidelines]

This report has been compiled with reference to ISO26000, the Environmental Reporting Guidelines (Ministry of the Environment, 2012 version), and the G4 GRI Sustainability Reporting Guidelines.

We have just started full of CSR activities as a Group, there are areas in which we have not yet disclosed sufficiently. We aim to disclose as much information in this report as possible, to facilitate further dialogue with all of our stakeholders.

[Disclaimer] In addition to facts about Mitsui Kinzoku Group past and present, this report contains decisions, plans and other forward-looking statements based on information available at the time of writing. Please bear in mind that social situations in the future, and the actual results of our business activities, may vary from the forward-looking statements contained herein.

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My commitment

Fulfilling Corporate Social Responsibilities facilitates corporate growth.

Mitsui Kinzoku Group has built up a various technologies and experiences over many years, especially in the non-ferrous metal materials industry.

Our corporate slogan “Material Intelligence” means creating products and businesses that help to resolve social problems, by leveraging our unique technologies/experiences and resources from the earth.

Products and businesses which contribute to society drives corporate growth. Our long-term vision which is shared Group-wide represents the aim of consistently creating this positive cycle. The roadmap for the long-term vision is shown in the Medium-Term Management Plan.


We initiated our overall CSR initiatives last year, as one of the top priority issues to enhance our management foundation for achieving sustainable growth. Driving CSR activities means striving continually to maximize corporate value.

In fiscal 2016, the base of our CSR promotion structure has been established. We have also carried out CSR measures, including identifying the materiality of Mitsui Kinzoku Group and establishing our human rights policy. Needless to say, our CSR progress still isn't up to the level of leading companies. Mitsui Kinzoku Group is taking steps to further enhance its CSR, keeping the current speed.

Especially, the top management is focusing on reforming workstyles during fiscal 2017. To contribute to a sustainable society, our corporate capability must stay in step with social changes. To do that, we need to change as a company, and to change as individuals.

As the first step towards creating new value and embarking on something new, we are reviewing the current work and create a starting point for new activities.

President, Representative Director



Keiji Nishida <Profile>

1957 Born in Fukuoka
1980 Joined Mitsui Kinzoku
2008 Head of Finance Department
2011 Director and Chief Financial Officer
2014 Representative Director, Senior Managing Director
2016 Representative Director, President



The way we have come

It has been 143 years since the Mitsui Clan acquired Kamioka Mine and began modern mining operations. Some 1,300 years have passed since Kamioka Mine itself was first opened.

Mitsui Kinzoku has always paid close attention to the natural environment, developed “Material Intelligence,” and grown hand-in-hand with local communities.



[Sphalerite]

Mined in the Kamioka mine on May 24, 1986.

Our History



Contributing to the modernization of Japanese industry

Kamioka Mine has long since been supplying non-ferrous metals via an integrated smelting system direct from the mine, over the course of an exceptionally long history dating back to the 8th century. It was also where the Mitsui Kinzoku Group's business began. The Mitsui Clan started to operate the mine in 1874. It went on to play a supporting role in the development of domestic industry, as one of Japan's leading non-ferrous metal mines and a core facility for the Mitsui Zaibatsu during the prewar era. In addition to Kamioka, the Omuta Zinc Smelting Plant was later established in 1913. This was followed by several more domestic non-ferrous smelting plants, enabling the group to build up its very own smelting network across Japan by the 1940s.

Dissolution of the "zaibatsu" and an opportunity to strengthen competitiveness

Before World War II, Mitsui Mining Co., Ltd., including Miike Mining, contributed to the development of Japanese industry. When the "zaibatsu" conglomerates were dissolved after the war, the company's coal and metal divisions were spun off. The metal division became Kamioka Mining and Smelting Co., Ltd. in 1950. In 1952 it was renamed as Mitsui Mining & Smelting Co., Ltd., which remains the company's official name to this day.

While strengthening smelting operations during the 1950s, Mitsui Kinzoku began to expand its business into other downstream areas, including die-casting, copper and brass, electrical wire, and precision processed parts. In 1968, the company started full-scale operations at Huanzala Mine in Peru, to secure reliable supplies of zinc ore. This became the first in a series of overseas expansions from that point onwards.

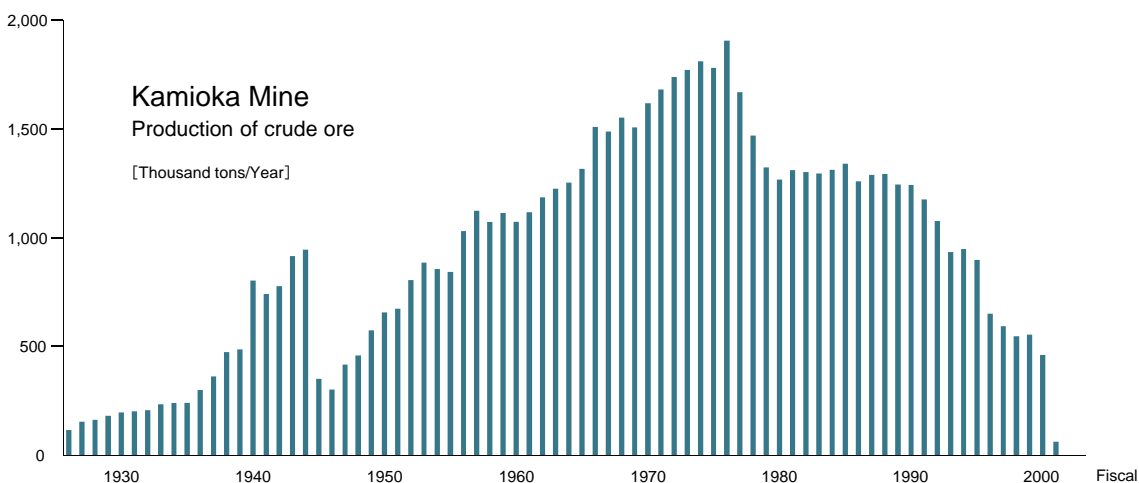
Corporate responsibilities to local communities and the environment

As well as contributing to the modernization of Japan, Kamioka Mine is also a business facility that has been responsible for causing pollution. There were known to be "four big pollution diseases" during Japan's period of rapid economic growth, namely Minamata disease, Niigata Minamata disease, Yokkaichi asthma, and Itai-itai disease.

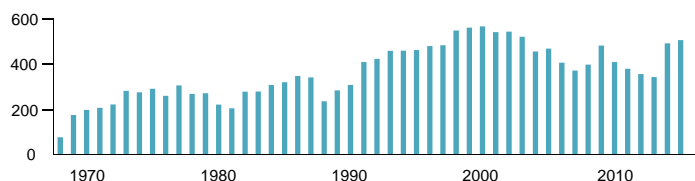
Itai-Itai disease started to break out in the Jinzu River Basin in Toyama prefecture in the 1910s. It was first reported in the newspapers under the name Itai-itai disease in 1955, which brought it to the attention of the wider public. In 1968, a lawsuit was filed against Mitsui Kinzoku by a group of victims' families. The case continued through to the appeal courts, until a verdict was handed down in favor of the families in 1972.

Since then, we have paid compensation to patients diagnosed with Itai-itai disease, persons requiring observation and affected farmers, assisting with remedial efforts to restore contaminated fields. We have done our level best to prevent pollution from Kamioka Mine, which was the source of the pollution. In December 2013, we reached a complete settlement of cadmium issues in the Jinzu River Basin with a local support association for victims of cadmium poisoning, named 'the Liaison conference of Jinzu River for Cadmium sufferer,' amongst others. In this settlement, we agreed to provide compensation to patients with Itai-itai disease, operate a lump-sum health management support scheme, and further step up anti-pollution measures.

We commit that we never cause such a pollution disease again. The prevention of environmental pollution is treated as one of the Mitsui Kinzoku Group's top priorities. We make every effort to reinforce our environmental management systems and training programs.



Huanzala Mine
Production of crude ore
[Thousand tons/Year]



- 1970
- 1970 Zinc electrolytic plant is completed at Hikoshima smelter.
 - 1972 Promissory letter for compensation to the victims of Itai-itai disease, pledge for restoration of polluted land, and agreement for prevention of public hazard are signed between the victims and Mitsui Mining & Smelting.
 - 1974 Mitsui Grinding Wheel Co., Ltd. is established.
Katanga mine (Peru) starts full-scale operation.
 - 1976 Oak-Mitsui Inc. for manufacturing copper foil is established in the U.S.
 - 1977 Oak-Mitsui Inc. starts operation.
- 1980
- 1980 Mitsui Metal Foil Co., Ltd. and Sankin Rare Earth Co., Ltd. are merged, and Ageo metal foil plant of the New Metals division (current Ageo copper foil plant) and Miike Rare Metal plant are established.
Taiwan Copper Foil Co., Ltd. is established.
 - 1982 The corporate organization is reformed adopting the divisional system. Miike smelter is split and Mitsui Miike Smelter Co., Ltd. is established.
 - 1983 Kamioka Nucleon Decay Experiment of the ICRR, University of Tokyo starts observation in Kamioka mine.
 - 1984 TQC activity is introduced group-wide.
 - 1986 The Catalysts division is established.
Equipment & Components division is moved to the Nirasaki plant. The second Ageo Copper Foil Plant is completed.
Kamioka mine and Hikoshima smelter are separated and Kamioka Mining & Smelting Co., Ltd. and Hikoshima Smelting Co., Ltd. are established. Miike Smelting Co., Ltd. is established.
Takanawadai Culture Center in Shinagawa, Tokyo is completed.
 - 1987 GECOM Corp. for manufacturing automotive parts is established in the U.S.
 - 1988 Production and sales of Mitsui Kinzoku Pipe Industry Co., Ltd. are transferred to MESCO, Inc.
 - 1989 The corporate organization is reformed and divided to corporate, business support and business divisions.
Mitsui Copper Foil (MALAYSIA) Sdn. Bhd. for manufacturing copper foil is established.
MCS Co., Ltd. for manufacturing TAB is established.
- 1990
- 1990 Mitsui Kinzoku Perlite Co., Ltd., Diecalite Orient Co., Ltd. and Tokyo Kokyu Rozai (TKR) Co., Ltd. are merged and Perlite division and TKR division (current Ceramics division) are established.
A unified common name "Mitsui Kinzoku" is introduced and a new corporate symbol is adopted.
 - 1995 Mitsui Siam Components Co., Ltd. for manufacturing automotive parts is established in Thailand.
Mitsui-Huayang Automotive Components Co., Ltd. for manufacturing automotive parts is established in China.
 - 1996 Super-Kamiokande (Super-KAMIOKA Nucleon Decay Experiment or Neutrino Detection Experiment) of the ICRR, University of Tokyo starts observation.
 - 1998 Copper Foil (Hong Kong) Co., Ltd. is established.
 - 1999 The headquarters is relocated from Nihonbashi-Muromachi, Chuo city to Osaki, Shinagawa city.
Mitsui Components Europe Ltd. for manufacturing automotive parts is established in the U.K.
- 2000
- 2000 Mitsui Electronic materials Co., Ltd. for manufacturing target materials is established in Taiwan.
Pan Pacific Copper Co., Ltd. is established jointly with Nippon Mining & Metals Co., Ltd.
 - 2001 Mining of zinc and lead in Kamioka mine is suspended.
Mitsui Copper Foil (Guangdong) Co., Ltd. is established in China.
Environmental Business division is established, and metal recycling business is accelerated.
 - 2002 Mitsui Components Guangdong Co., Ltd. is established in China.
MS Zinc Co., Ltd. is established jointly with Sumitomo Metal Mining Co., Ltd..
Kamioka Mining & Smelting Co., Ltd. wins the Prime Minister Award of 3R (Reduce, Reuse, Recycle).
Mitsui Micro Circuits Taiwan Co., Ltd. for supplying TAB is established.
 - 2003 Ohi Seisakusho Co., Ltd. becomes wholly owned subsidiary by stock exchange.

The road to bigger, stronger, and better management

We found ourselves navigating through difficult waters during the 1970s. We were thrown into turmoil due to issues such as trade liberalization, the strong yen following the transition to a floating exchange rate system in 1973, the oil crises and the change in the structure of Japanese industry .

To fend off the tide, we accelerated the overseas expansion of our operations, starting with the establishment of a copper foil manufacturing facility in the US in 1976. We also made progress in terms of diversifying our business into downstream and high added value areas.

Moving into the 1980s, we established Ageo Metal Foil Plant, Miike Rare Metal Plant and Taiwan Copper Foil Co., Ltd., and launched our catalysts business. When many of the measures we had taken previously started to produce results, we spun off major facilities – Miike Smelting, Kamioka Mining and Hikoshima Smelting – and established them as separate companies.

In 1989, at the tail end of the decade, we went ahead with organizational restructuring on an unprecedented level. Having identified our core businesses, we reorganized operations into four divisions, focusing on mining and basic materials, intermediate materials (mainly electronic materials), processed parts, and equipment and services. Instead of grouping all operations other than non-ferrous smelting into one segment as previously, we developed and established a new business culture in line with the needs of specific customers and markets, and began to invest management resources accordingly. The way that we divide our business areas today is based on that same division structure.

Greater exposure to damage as a result of stepping up global operations

In the 1990s, we continued to grow our electronic materials business and expand our main operations globally. Revolving around the dual core of copper foil and TAB bonding materials for LCD panels, electronic materials came to account for over half of our total revenue. From the 1990s to the 2000s, we expanded our copper foil operations,

establishing facilities in Hong Kong and Guangdong. We increased our network of overseas facilities for automotive parts, catalysts and sputtering targets, and secured a significant share of the global market for numerous other products.

Just when everything seemed to be going well, more new challenges lay ahead at the start of the 2000s. The IT bubble collapsed and the global economic crisis took hold.

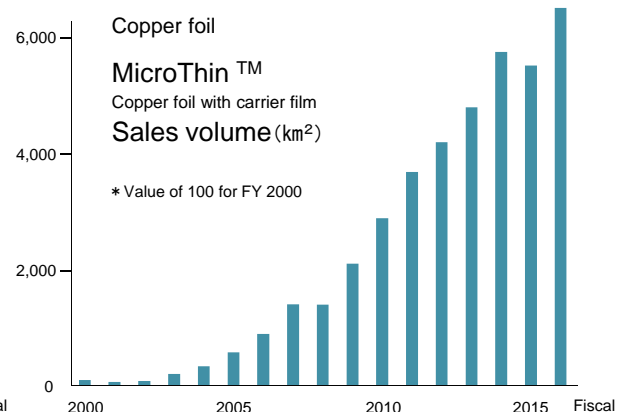
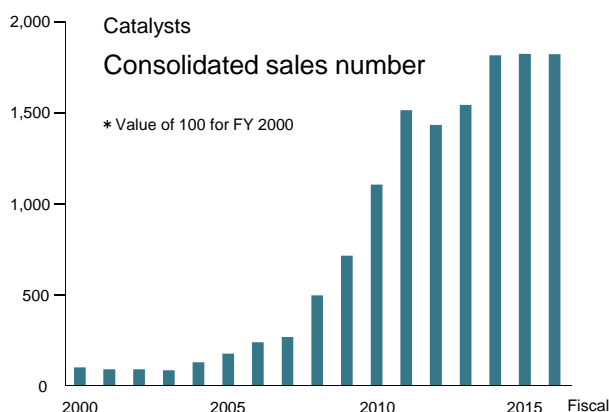
As the world economy slowed, the electronics industry was particularly serious. Our electronic materials business, which was one of our primary sources of revenue, sustained considerable damage. At the same time, tumbling metal prices and the strong yen had a major impact on our metal business. We drastically cut costs and downsized our organization, which included reducing personnel, and reconfigured our business portfolio. By taking a number of drastic measures however, we made it through that difficult time. Having also made it through the Great East Japan Earthquake, which again impacted on our operations, we started to guide Mitsui Kinzoku towards a new growth stage after that point.

Become stronger by fulfilling our social responsibilities

We are working hard to create a structure capable of continuously creating growth products and businesses, revolving around three core businesses. These are the functional material business, which in turn revolves around catalysts and copper foil, the metal business, which is increasingly undergoing a structural shift towards recycling and smelting, and the automotive parts business, in which we are expanding global sales.

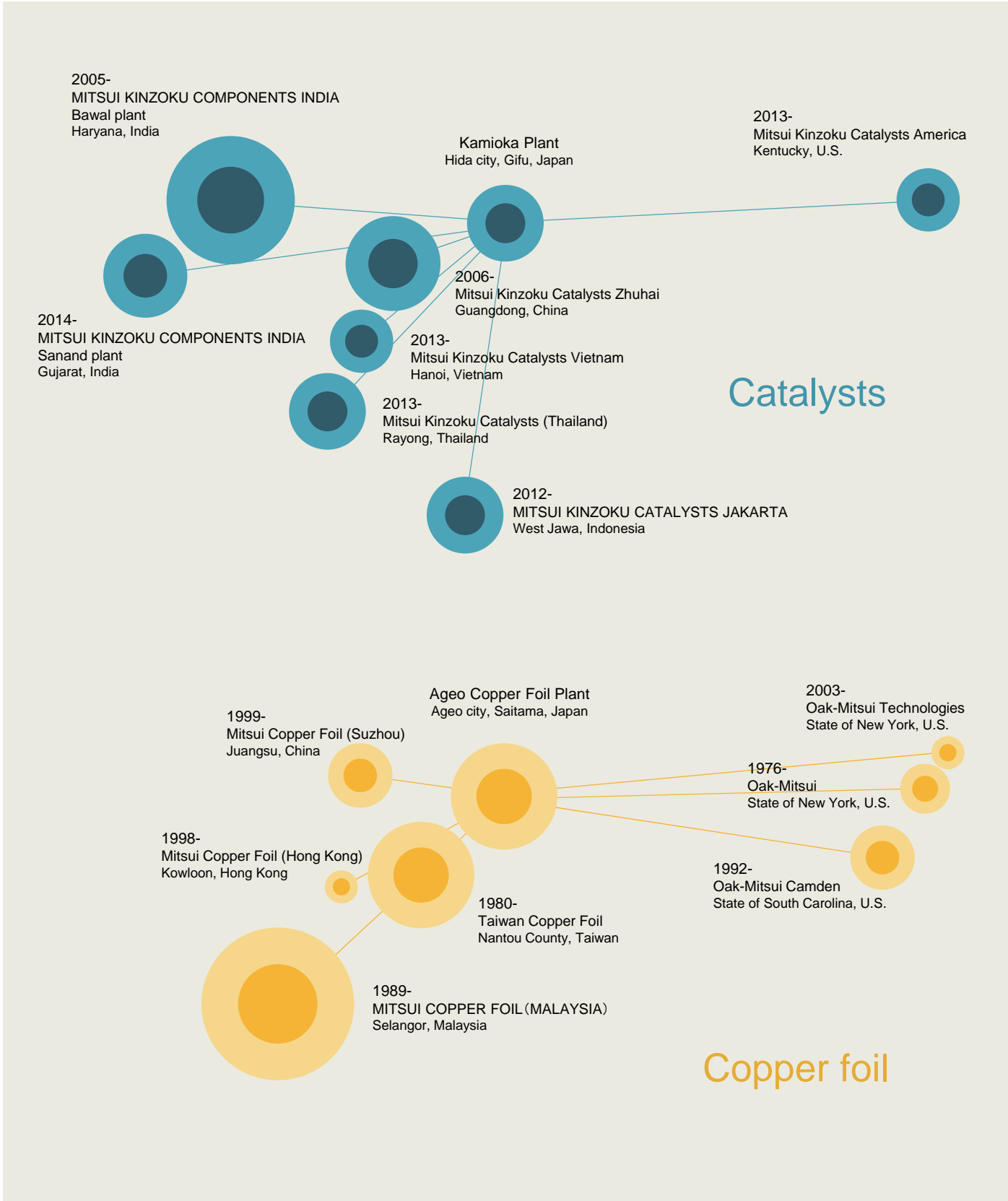
To increase sustainability as a group, we firmly believe that there are a number of essential steps. We need to expand our business in growth sectors and growth regions, increase operations that can resolve social issues, and become a business entity capable of generating shared value with society through our core operations.

With that in mind, we have gone back to our Management Philosophy, “explore products of value to society and seek an eternal growth for our group.”



2010

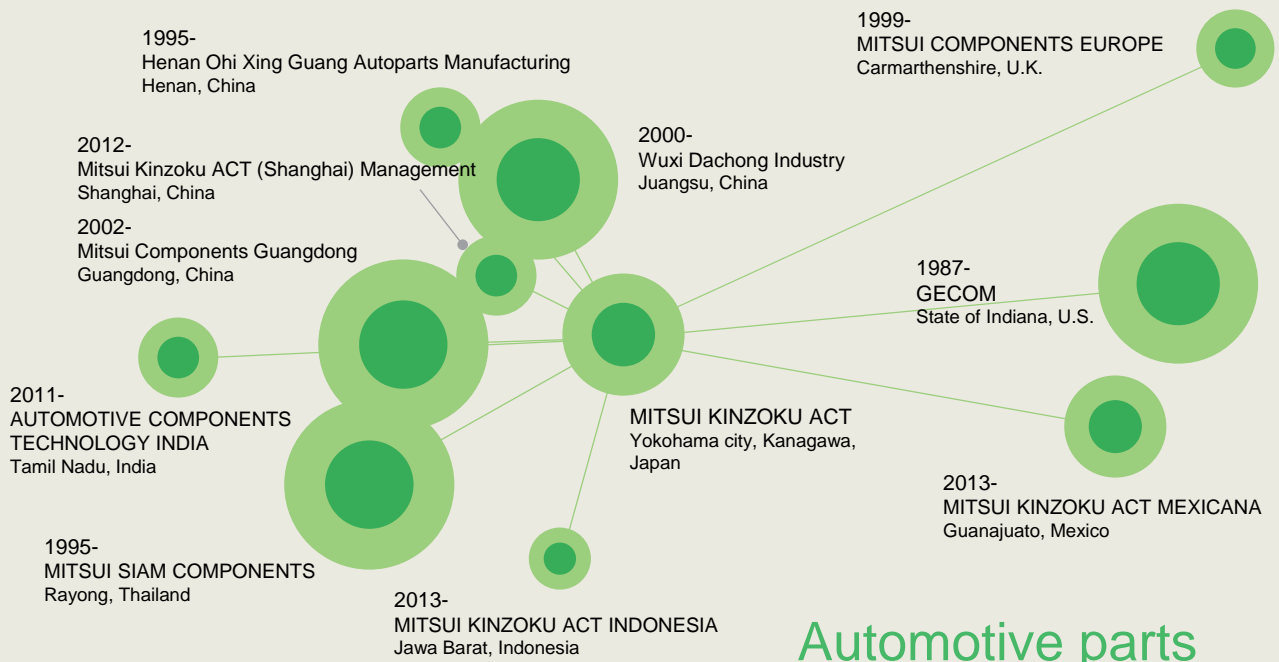
- 2005 Mitsui Kinzoku Trading (Shanghai) Co., Ltd. is established.
Mitsui Kinzoku Components India Private Ltd. for manufacturing catalysts is established.
Mitsui Kinzoku Korea Co., Ltd. for manufacturing and sales sputtering targets is established.
- 2006 The Pallca mine in Peru starts operation.
Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd. is established.
Mitsui Kinzoku Catalysts Zhuhai Co., Ltd. for manufacturing catalysts is established.
- 2007 Mitsui Kinzoku (Shanghai) Management Co., Ltd. is established.
- 2010 Rolled Copper and Zinc division and rolled copper business of Sumitomo Metal Mining Co., Ltd. are integrated, and Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd. is established.
Automotive Parts division and Ohi Seisakusho Co., Ltd. are integrated, Mitsui Kinzoku ACT Corporation is established.
- 2011 Automotive Components Technology India Pvt. Ltd. for manufacturing automotive parts is established.
Hachinohe Smelting Co., Ltd. restarts to operation after the Great East Japan Earthquake.
- 2012 PT. Mitsui Kinzoku Catalysts Jakarta for manufacturing catalysts is established in Indonesia.
Mitsui Kinzoku ACT (Shanghai) Management Co., Ltd. is established as ACT's headquarters in China.
Mitsui Kinzoku Advanced Ceramics (Suzhou) Co., Ltd. is established in China.
Mitsui Kinzoku ACT Mexicana, S.A. de C.V. for manufacturing automotive parts is established in Mexico.
Instrumentation Systems division and Mitsui Kinzoku Kyusyu Engineering Co., Ltd. are integrated, Mitsui Kinzoku Instrumentations Technology Corporation is established.
- 2013 Mitsui Kinzoku Catalysts (Thailand) Co., Ltd. for manufacturing catalysts is established.
Mitsui Kinzoku Catalysts Vietnam Co., Ltd. for manufacturing catalysts is established.
MCS Co., Ltd. is closed.
PT. Mitsui Kinzoku ACT Indonesia for manufacturing automotive parts is established.
Mitsui Micro Circuits Taiwan Co., Ltd. and Mitsui Copper Foil (Guangdong) Co., Ltd. are closed.
Mitsui Kinzoku Catalysts America Inc. for manufacturing catalysts is established in the U.S.
The Liaison conference of Jinzu River for Cadmium sufferer, the other parties concerned and Mitsui Mining & Smelting Co., Ltd. reach a complete settlement over compensation.
- 2014 Die-Casting division is separated and Mitsui Kinzoku Die-Casting Technology Co., Ltd. is established.
The Caserones Copper mine in Chile starts operation.
- 2015 Large-scale renovation of Hydroelectric power plants at Kamioka Mining & Smelting Co., Ltd. starts.
Management rights of Mitsui-Huayang Automotive Components Co., Ltd. are assigned.
Business alliance with Jiin Yeeh Ding Enterprise Corp. of recycle company in Taiwan is formed.
- 2016 Solar power plant at Hikoshima Smelting Co., Ltd. starts to run.



Global expansion of Mitsui Kinzoku Group's key businesses (as of June 2017) * The size of each circle stands for the number of personnel working at each site.



Sputtering targets



Automotive parts

Corporate overview

Continuing to create growth products and businesses, centered around functional materials, metals and automotive parts, and continuing to enhance corporate value. That is our vision of we want to be in 10 years' time.

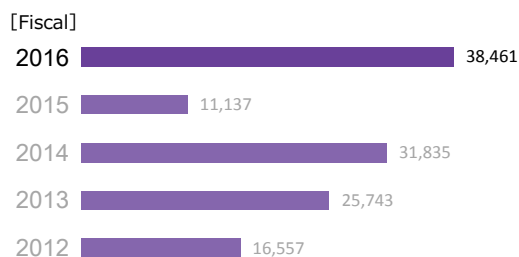
Corporate profile

[Company Name]
 MITSUI MINING & SMELTING CO.,LTD.
 <Common name= MITSUI KINZOKU >
 [Established]
 May 1, 1950
 [Head Office]
 1-11-1, Osaki, Shinagawa-ku, Tokyo, Japan
 [Paid-in capital]
 42,129million yen (as of March 31, 2017)
 [Sales]
 Consolidated 436,330 million yen
 (year ended March 31, 2017)
 Non-consolidated 204,767 million yen
 (year ended March 31, 2017)
 [Employees]
 Consolidated 11,630 Non-consolidated 1,739
 (as of March 31, 2017)
 [Subsidiaries and affiliates]
 Subsidiaries 73 (include 52 consolidated)
 Affiliates 32

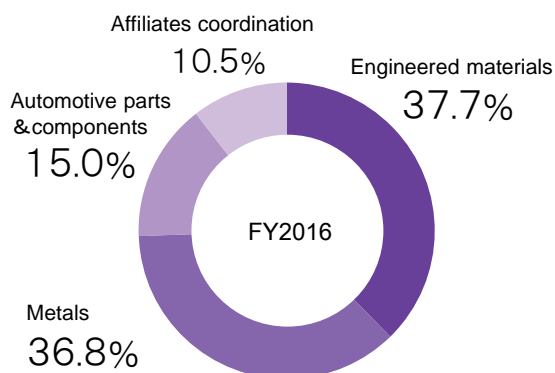
Consolidated net sales (Millions of Yen)



Consolidated operating income (Millions of Yen)

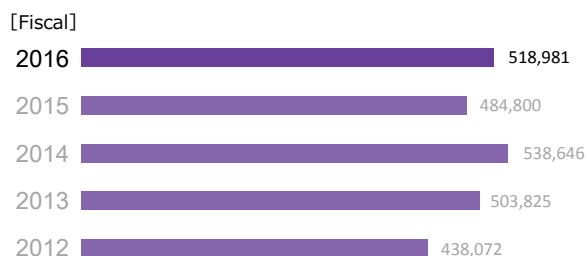


Consolidated operating income breakdown



(value before consolidated adjustment)

Consolidated total assets (Millions of Yen)



Functional materials for more comfortable lives in the information age

Battery materials

We have been supplying a wide range of different battery materials for many years, and have continued to evolve hand-in-hand with battery technology. Materials include lithium manganese oxide and lithium nickel oxide, which are used in lithium ion batteries for mobile devices and electric vehicles, as well as hydrogen-absorbing alloys, which are used in nickel hydride batteries for hybrid vehicles, and zinc powder, which is used in alkali batteries. There are high performance materials underpinning the workings of batteries in almost every aspect of our everyday lives.

We were the first in the world to develop mercury-free zinc powder for batteries, and were among the first to start supplying hydrogen-absorbing alloys after mass production of hybrid vehicles got underway.

Catalysts

Catalysts are directly linked to reducing environmental impact. With motorization and the worldwide tightening of regulations on emissions have led to a real need for reliable high performance catalysts. To cater to global demand, we have an overseas network of supply facilities across six countries. We supply catalysts that offer outstanding heat resistance, low-temperature activation and peel resistance, for motorcycles, cars and general purpose engines for a range of industrial machinery.

Engineered powders

The technologies we have built up over many years, particularly in the field of non-ferrous materials, have paved the way to create even more high added value products from metal. Whether oxidizing metal, turning it into powder, or coming up with all manner of other ideas, there are ways to achieve different functions from metal in bullion form. By focusing on these properties, and making the most of powder-related technologies we have built up to date, in terms of high purity, pulverization, and grain shape and diameter, we have been able to develop and supply a whole host of functional engineered powders.

Our products include pastolan conductive powder for antistatic coatings, magnetite toner materials for printers and copiers, cerium oxide abrasives for polishing glass for flat screens and hard disks, tantalum and niobium oxides for optical lenses and ceramic condensers, and tantalum and niobium carbides for cemented carbide tools.

Copper foil

Computers, mobile phones and all other electronic devices contain electronic circuit boards with precision wiring between IC chips. Electrodeposited copper foil provides the essential wiring material on printed circuit boards, used to form the circuit patterns.

As electronic devices become more compact and lightweight, there is also growing demand for even more precisely

detailed circuit boards. As a leading manufacturer of copper foil, we supply a wide range of products, from general purpose foils to state-of-the-art products capable of forming ultra-precise circuits, and have the development capabilities to meet the needs of the market.

One of our core products at the moment is an electrodeposited copper foil with carrier, called MicroThin™. This is a product that combines the ultra-thin properties required to form precise circuits (1.5-5µm) with an ultra-fine surface coating. It has helped customers to improve process productivity and yield, thanks to benefits such as the ability to ship foil in wide rolls. Sales have been increasing steadily ever since we commenced mass production. As smartphones acquire ever more advanced functionality, the substrates inside are expected to require increasingly precise wiring too. That is why demand for MicroThin™ is expected to keep on growing in the future.

Sputtering targets

LCD televisions, smart phones, tablets and other electronic devices are made from circuits consisting of multiple layers of thin films. The technique used to form these thin films, which are just a few micrometers (µm) thick, is called sputtering. The base materials used in this process are sputtering targets. We supply target materials for a variety of purposes, including ITO transparent conducting films for LCD panels, organic EL panels and touch panels, IGZO transparent oxide semiconductors, and thin-film solar cells. Recently, we have also started producing target materials for rotary cathodes, which improve process efficiency for our customers. With manufacturing facilities in Japan, Taiwan and South Korea, we continue to maintain a strong share of the target material market for displays in particular.

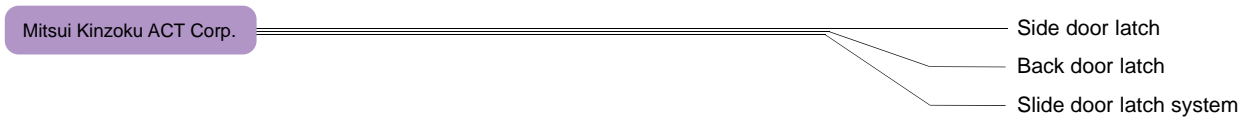
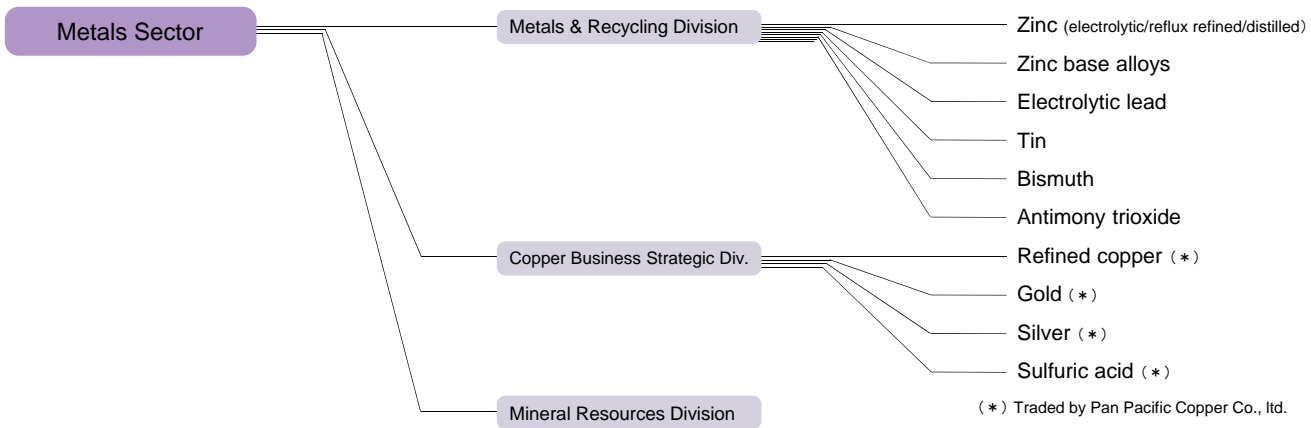
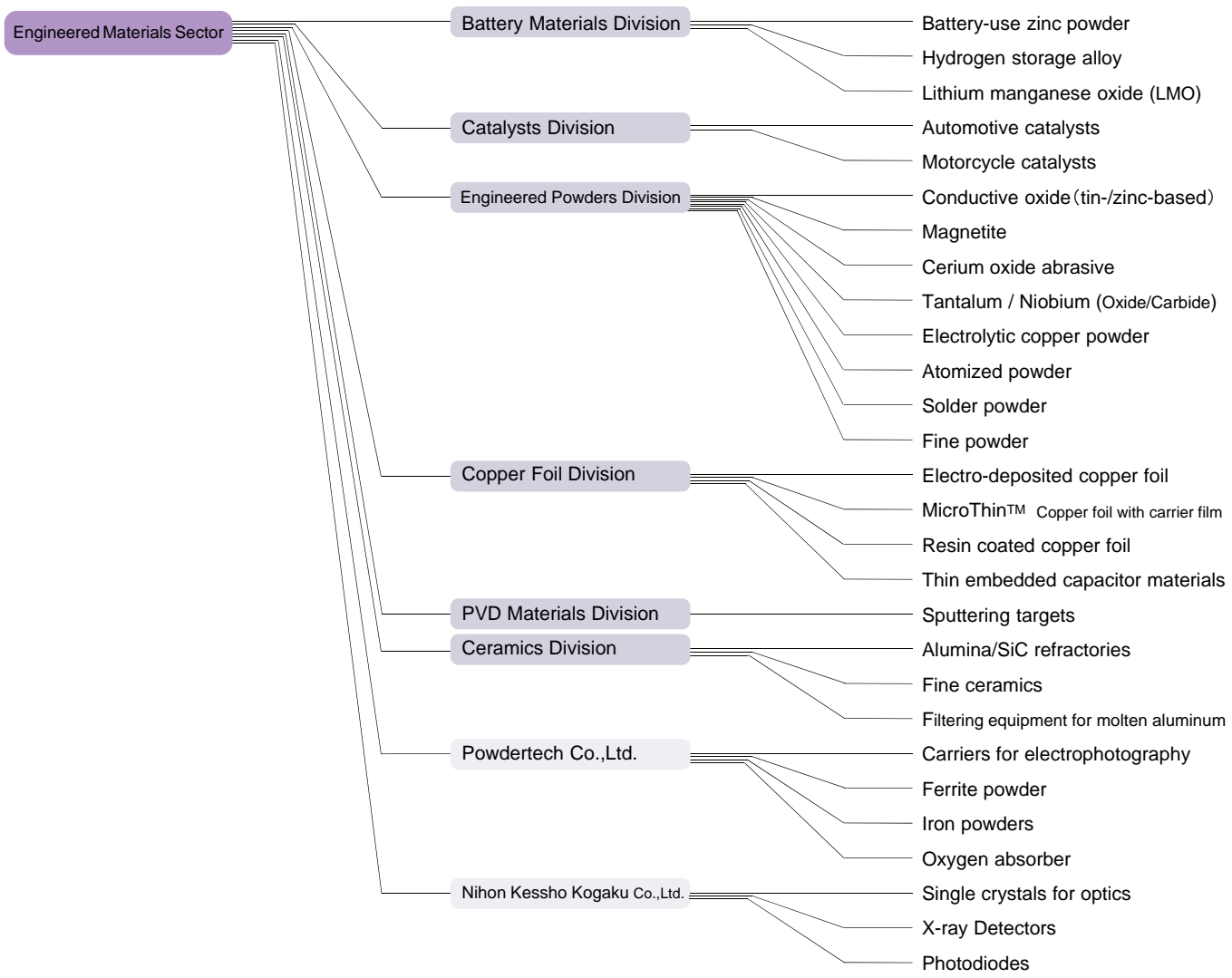
Ceramics

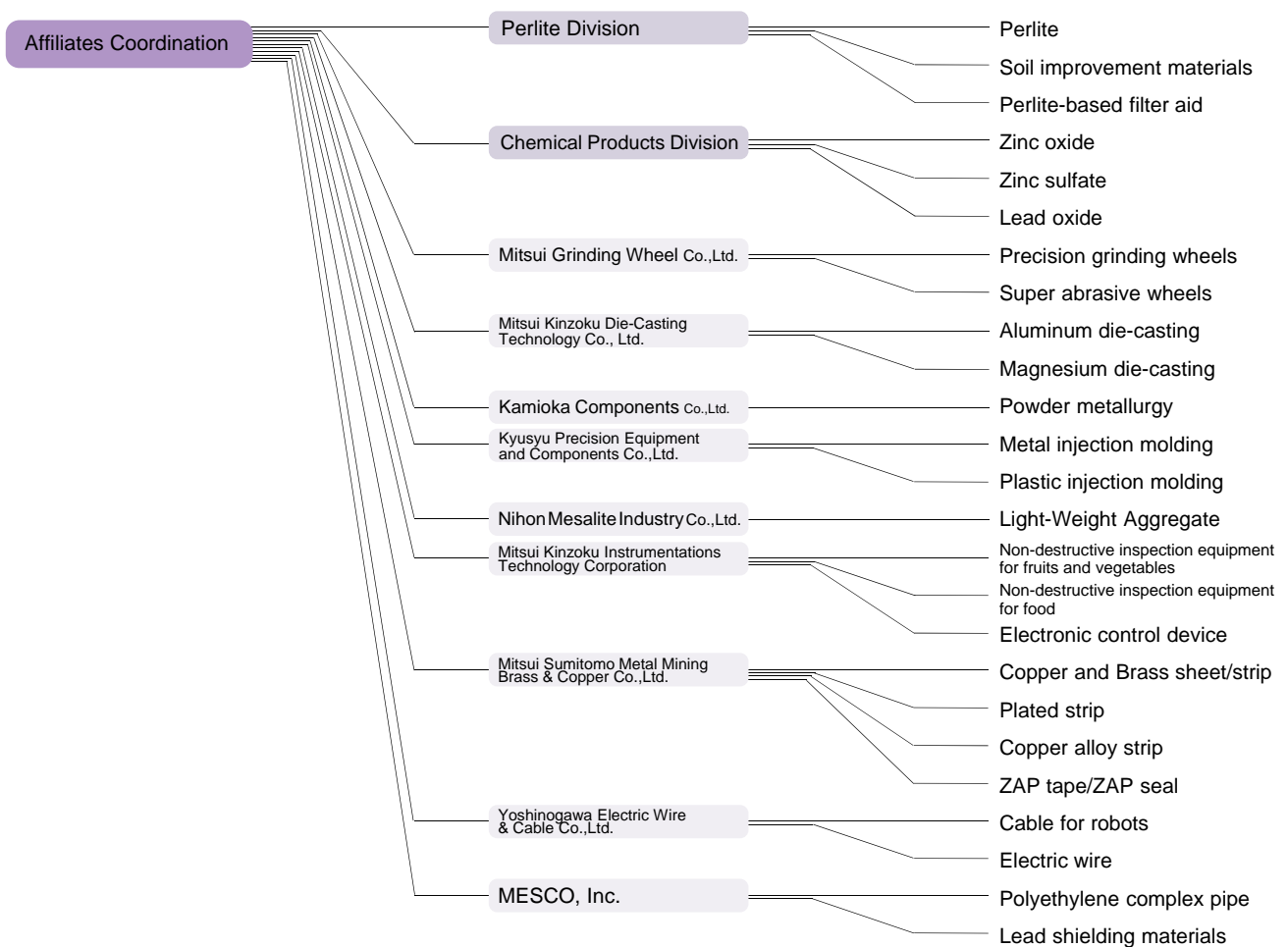
Our ceramics division manufactures firing furnaces, which are essential to the production of electronic ceramics, lining bricks, kiln tools, and bricks for non-ferrous metal melting furnaces. Products also include Metalofilter, which removes impurities from molten aluminum. Having been highly acclaimed throughout the global market for its excellent filtration capabilities, this has made a difference to the production of aluminum drinks cans the world over.

Transforming our business to create a recycling-oriented society

Non-ferrous metals

Mitsui Kinzoku is Japan's leading manufacturer of zinc, a basic material that is used across a wide range of sectors, including essential plating for rust-proofing steel, alloys, chemical products and die-cast products. It is also where our roots as a business lie. Having built up zinc smelting technologies and a supply structure over more than a century, we have earned a high level of trust from the market.





We also retain a strong share of the domestic market for lead, which is used for lead piping, radiation shielding materials and alloys, particularly for automotive and industrial batteries. At Kamioka Mining & Smelting Co., Ltd., one of our lead smelting facilities, in 1995 we took the pioneering move of switching raw materials from conventional ore to recycled materials, chiefly used batteries.

We established a system to recycle waste back into resources at an early stage too. We recover gold, silver, platinum, palladium and other metals from items such as used electronic devices and electronic substrates. We also recover metals such as zinc and copper from general waste. We continue to develop essential technologies to enable us to preserve the environment and make more effective use of resources.

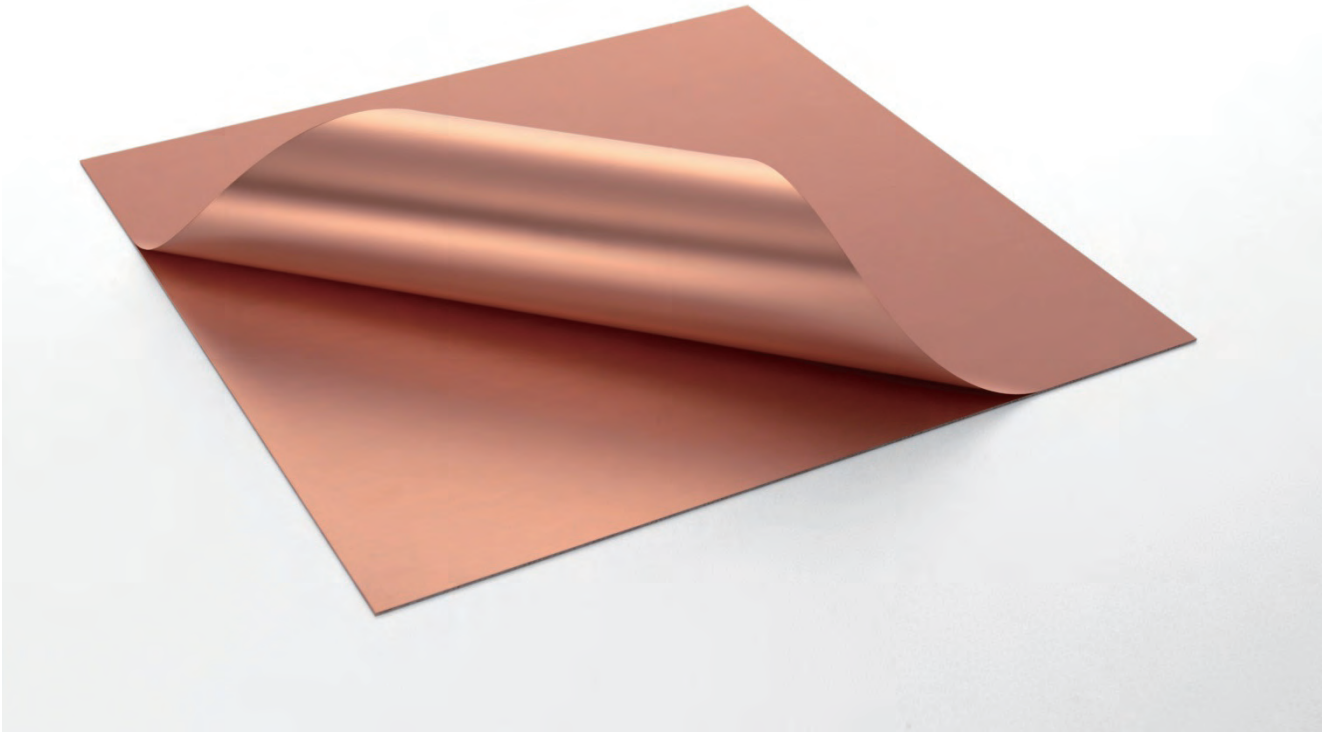
Copper is used for electrical wiring, and a whole host of other electronic parts and processed products. Pan Pacific Copper Co., Ltd. established in 2000 as part of an alliance between Mitsui Kinzoku and JX Nippon Mining & Metals Corporation. It operates a fully integrated system covering every aspect of copper, from procuring raw materials through to manufacturing and sales.

Safety, comfort and inspiration

Automotive parts

We have always developed a range of alloys, precision processed components and functional parts in order to expand the range of applications for non-ferrous materials. We also supply products that offer added value above and beyond materials. That was where Mitsui Kinzoku's parts processing business started. We now supply an extensive array of functional parts that are crucial for vehicles, home appliances and office equipment.

In particular, auto manufacturers all over the world have been using our door latches and other automotive parts for half a century. We have a leading share of the global market for side door latches. Having spun off our automotive parts business in 2010, Mitsui Kinzoku ACT Corporation is now responsible for handling automotive parts. We have a network of manufacturing and supply facilities covering Japan, the US, Mexico, UK, China, Thailand, Indonesia and India. Combined with our efforts to improve quality assurance, research and development systems, this has enabled us to establish ourselves as a global supplier of automotive parts.



01



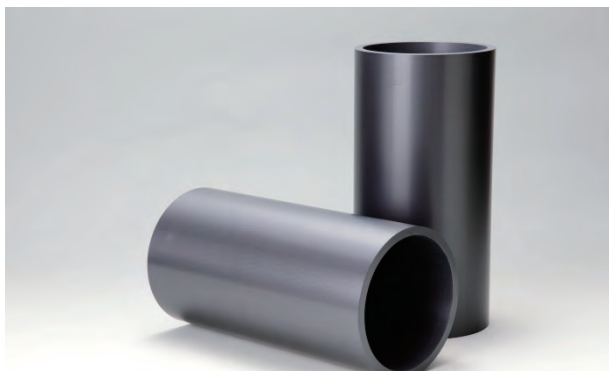
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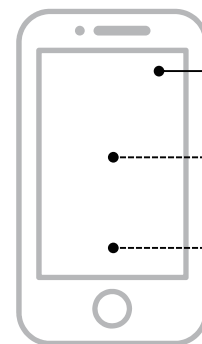
04



05



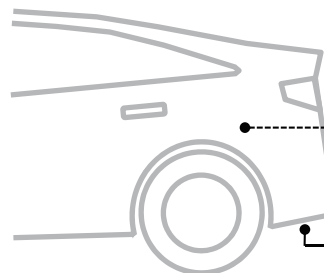
03



Sputtering targets are used in liquid crystal displays.

Ultra-thin copper foil is an essential material in circuit boards inside electronic mobile devices.

Lithium manganese oxide is one of the materials used in lithium ion batteries of electronic devices.



Hydrogen-absorbing alloys are used as a battery material in hybrid vehicles.

Catalysts are used to purify exhaust gases from cars and motorcycles.

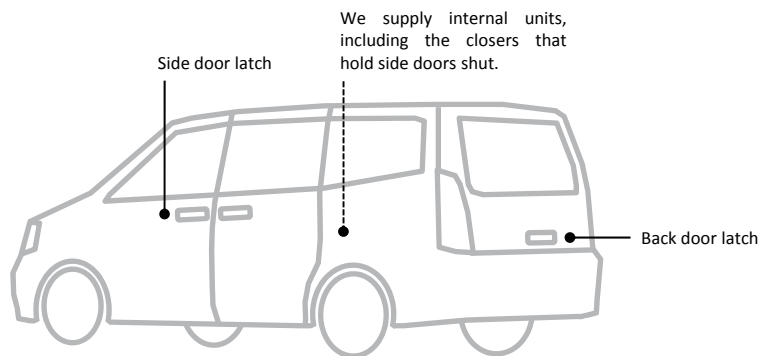
- 01 Copper foil with carrier film, MicroThin™
- 02 Catalysts for detoxifying exhaust gas
- 03 Sputtering target IGZO/ITO
- 04 Battery materials Hydrogen storage (absorbing) alloy (MH alloy)
- 05 Battery materials Lithium manganese oxide (LMO)



06



07



06 Automotive parts Units in sliding door system
Back door latch

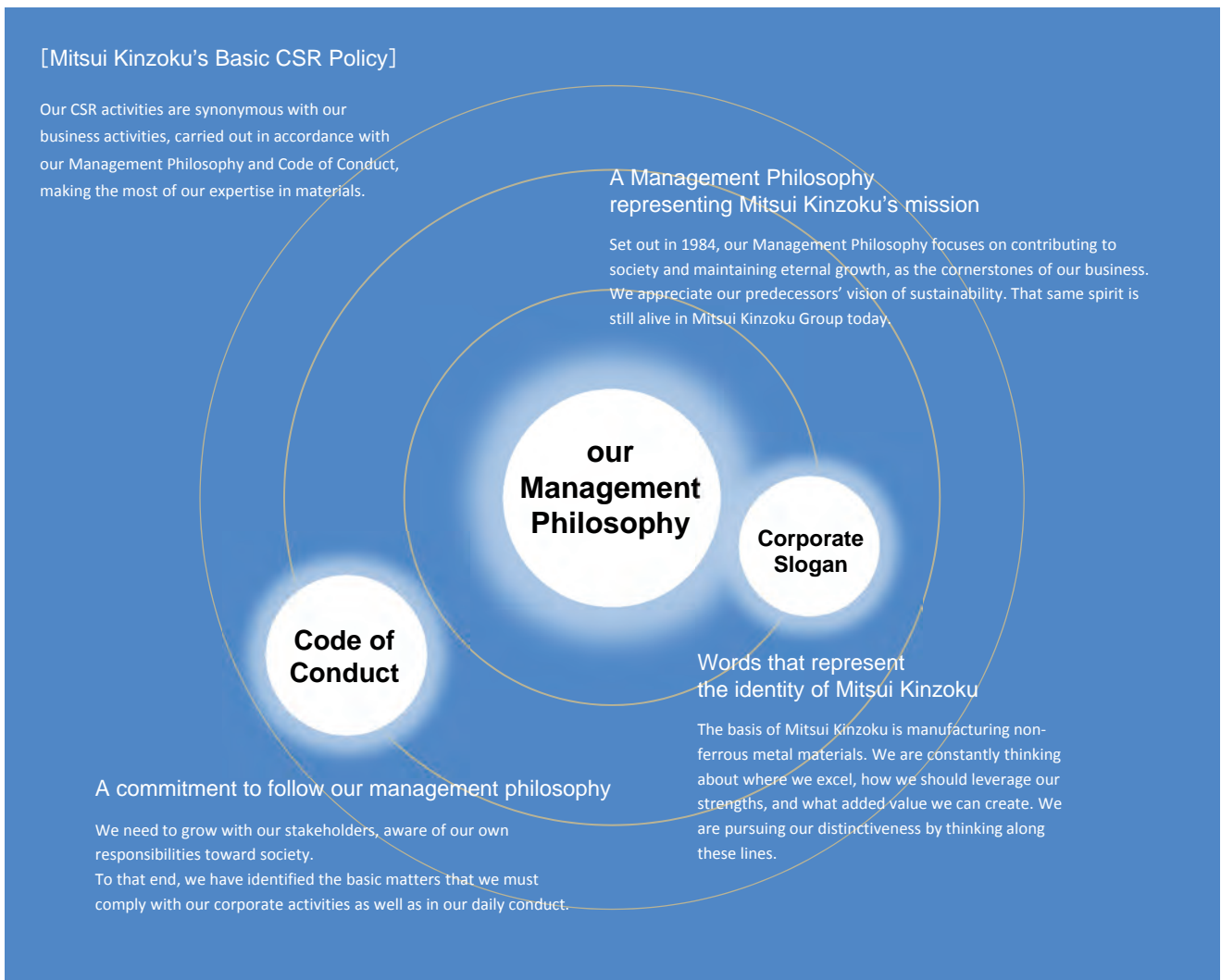
07 Automotive parts Side door latch

Putting our Management Philosophy into practice

We believe that our CSR is synonymous with putting our Management Philosophy into practice. Our philosophy is the same as it was when we set it out more than 30 years ago. We aim to “explore products of value to society”, so that we can achieve the “eternal growth of our group.”

This means resolving social issues creating a more sustainable society. Along with our Corporate Slogan and Code of Conduct, which serve as specific guidelines for putting our Management Philosophy into practice, this forms the three-pronged structure of Mitsui Kinzoku’s Basic CSR Policy.

Each and every one of our executives and employees adheres to this basic policy, as we continue to implement CSR initiatives on a group-wide scale, so that we can fulfill our responsibilities to all stakeholders.



経営理念

Management Philosophy

創造と前進を旨とし

With creativity and productivity,

価値ある商品によって社会に貢献し

We, Mitsui Kinzoku Group, will explore products of value to society,

社業の永続的発展成長を期す

and seek an eternal growth of our group.

三井金属鉱業株式会社

【スローガン】

Corporate Slogan

マテリアルの知恵を活かす

Taking full advantage of Material Intelligence

Code of Conduct

This Code of Conduct applies to all the directors, officers and employees of Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku) and its Group companies.

1. Our Social Mission

We shall contribute to society by providing valuable products.

2. Self-Awareness and Social Responsibility as a Member of our Corporate Group

We shall always be mindful of our role as a member of the Mitsui Kinzoku Group and act with dignity and responsibility, while positively conducting social action programs by facilitating communication with all stakeholders.

3. Compliance

We shall comply with domestic and international laws and regulations as well as our company's regulations, and shall act in accordance with the conscience of our society.

4. Fair Business Activities

We shall conduct appropriate business activities based on free and fair competition.

We shall also maintain healthy and transparent relationships with political parties and factions, the government, and business partners, while making sure not to get involved in corruption.

5. Rejection of Antisocial Forces

We shall resolutely confront antisocial forces and organizations and thoroughly prohibit all relationships with them.

6. Proactive Information Disclosure and Comprehensive Information Management

We shall proactively and fairly disclose corporate information and comprehensively protect and manage confidential information, including personal and customer information.

7. Contribution to the Natural Environment

We shall address environmental issues to help realize a sustainable society.

8. Provision of Comfortable Work Environment

We shall provide a safe and comfortable work environment that respects the human rights, personalities, and uniqueness of our employees, while providing a place where a diverse range of human resources can play an active role.

9. Demonstration of Leadership by Senior Management

Top management shall recognize that it is their responsibility to realize the spirit of this code, and act on their own responsibility while demonstrating leadership.



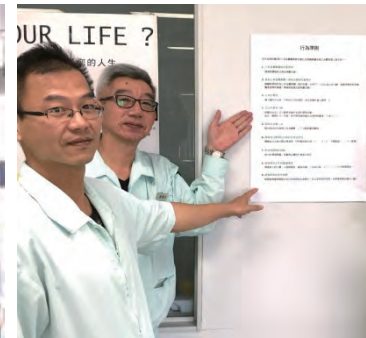
Mitsui Kinzoku Advanced Ceramics (Suzhou) Co., Ltd.



Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd.



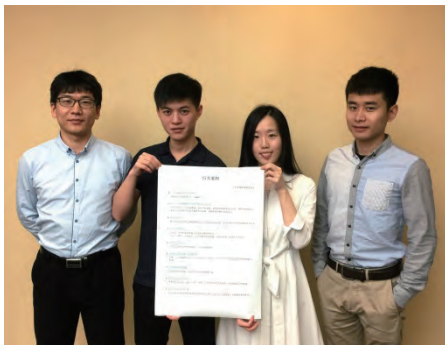
MITSUMI GRINDING TECHNOLOGY (THAILAND) CO., LTD.



Mitsui Electronic Materials Co., Ltd.



Mitsui Kinzoku Catalysts America, Inc



Mitsui Kinzoku ACT (Shanghai) Management CO., LTD.



Mitsui Kinzoku Catalysts Zhuhai Co., LTD.



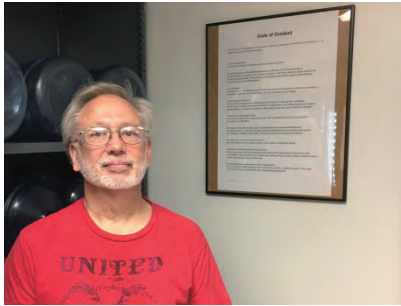
Taiwan Copper Foil CO., Ltd.



Mitsui Electronic Materials Co., Ltd.



Oak-Mitsui Inc.



Oak-Mitsui Technologies LLC



MITSUI GRINDING TECHNOLOGY(THAILAND)CO.,LTD.



Mitsui Copper Foil (Hong Kong) Co., Ltd.



Mitsui Kinzoku Catalysts (Thailand) Co., Ltd.



Mitsui Kinzoku Catalysts Zhuhai Co., Ltd.



Mitsui Kinzoku Catalysts Vietnam Co., Ltd.



Taiwan Copper Foil CO., Ltd.



Compañía Minera Santa Luisa S.A.



Mitsui Copper Foil (Suzhou) Co., Ltd.



MITSUI KINZOKU COMPONENTS INDIA PRIVATE LIMITED



MITSUI COPPER FOIL (MALAYSIA) SDN. BHD.



PT. MITSUI KINZOKU CATALYSTS JAKARTA

The Code of Conduct is a concrete expression of our commitment to following our management philosophy. We make it available in local languages at our overseas sites, such as English, Spanish, Malay, Indonesian, Thai, Vietnamese, Korean, simplified and traditional Chinese and Hindi.

Drive CSR activities

In fiscal 2016, we established the CSR Office as a specialized section that fulfills group-wide cross-sectional functions to promote CSR activities. We also launched the CSR Committee chaired by the president.

We have built the foundation of a system to promote CSR in 2016. We have instituted CSR initiatives such as the identification of materiality of Mitsui Kinzoku Group and human rights policy through vigorous discussions at the CSR Committee. We will further bolster our CSR efforts while maintaining the current speed.

Based on the core subjects of CSR

We have established subcommittees within the CSR Committee based on the seven core themes of CSR, which are also prescribed by ISO26000.

Currently, the committees consist of members from each department of the corporate division of Mitsui Kinzoku. We plan to expand the range of the committee organizations into the business sectors and the business bases as we make progress.

To accelerate our efforts for materiality and to promote all CSR activities, we appointed the general managers of responsible departments as the Chairman of the committees by clearly designating a responsible department for each committee in January 2017.



[Organizational Governance Committee]

The Legal Department works to improve corporate governance and compliance, deals with legal risks, promotes legal education, and plays a central role in this committee. At the same time, it will strengthen risk management in cooperation with the Human Rights Committee, which is creating a mechanism for due diligence regarding human rights. We will ensure transparency and accountability in our corporate governance.



[Environment Committee]

The committee consists of members from the Environment & Safety Department, which is responsible for environmental management, health, and safety, the Production Engineering Department, which promotes energy saving across Mitsui Kinzoku Group, and the Mineral Resources Division, which develops overseas mines and manages suspended and closed mines in Japan. The members play key roles in facilitating activities to create a sustainable society.



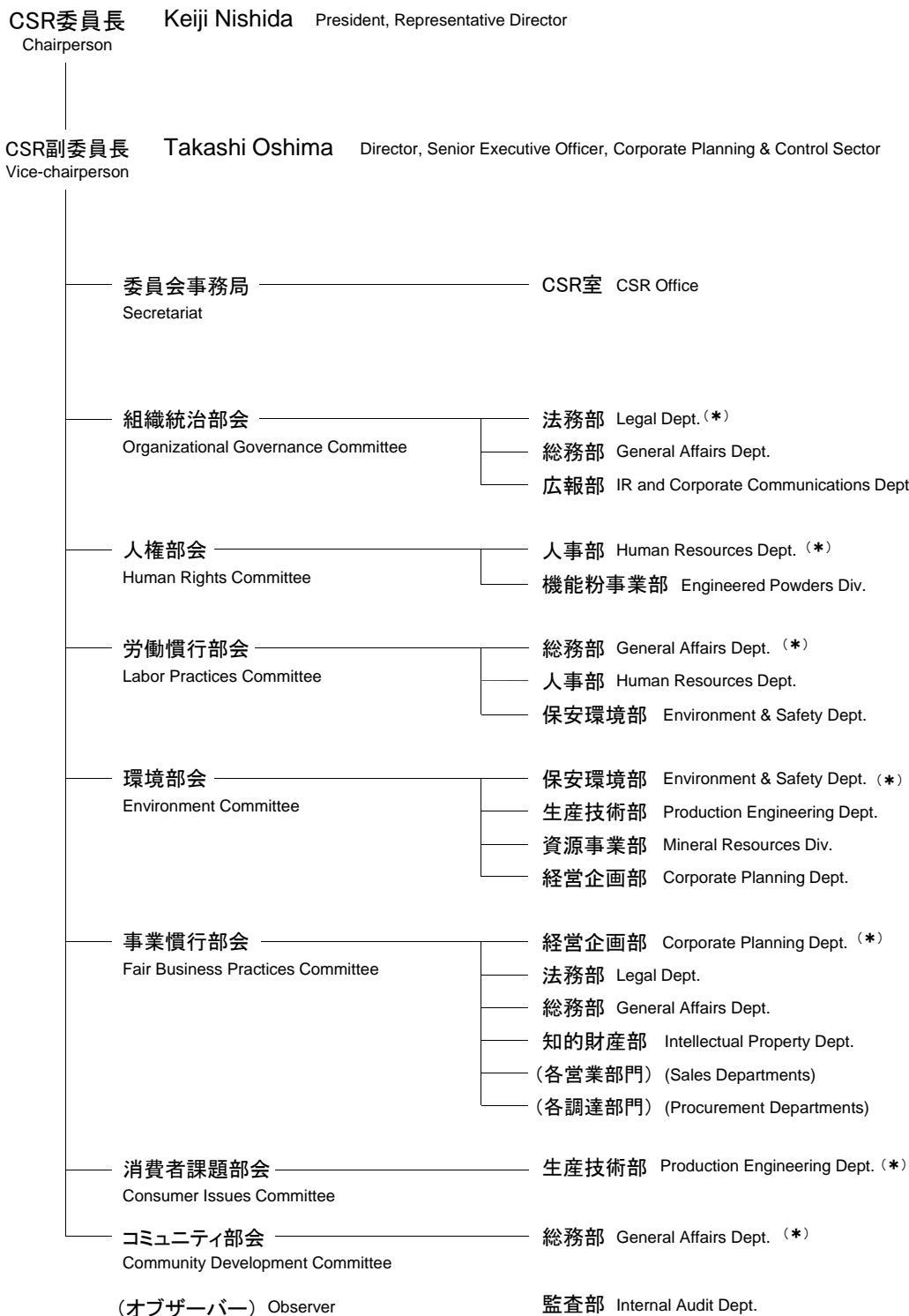
[Labor Practices Committee]

The Human Resources Department and the General Affairs Department play a central role in constructing a mechanism to promote work-life balance, diversity, and the active participation of women. The Environment & Safety Department also collaborates to make our workplace safer and more pleasant.



12th meeting of the CSR Committee

三井金属 CSR委員会 Mitsui Kinzoku CSR Committee



(*) = 各部会の責任部門 Responsible departments for each subcommittee

The team visited 22 sites in Japan to facilitate the understanding of employees of Mitsui Kinzoku Group about CSR.

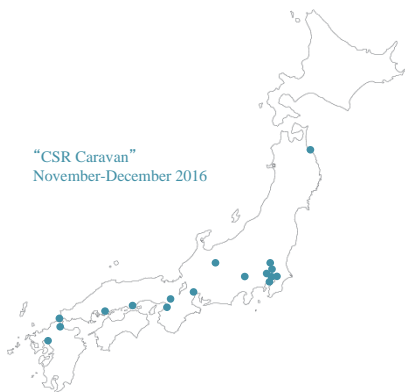
“CSR Caravan”

We provide CSR/Compliance training and explain our CSR efforts and practice of compliance. In November and December 2016, some members of the CSR Office, the Legal Department and the General Affairs Department visited 22 bases in Japan.

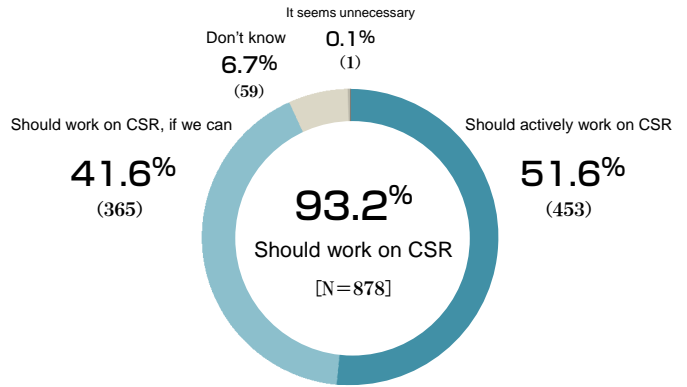
They explained international CSR trends, the start of CSR efforts of Mitsui Kinzoku Group, future CSR items to address, the revision of the Code of Conduct and the Compliance Guidebook, whistle-blowing systems, and examples of non-compliance of other companies, among other topics. In this caravan, participants were limited to management-level employees or above, and a total of 908 employees took part. In a questionnaire after the explanation, about three quarters of the participants showed an interest in CSR, and more than 90% of the participants answered that we should work on CSR. Those who answered that we should actively work on CSR made up the majority of the participants.

In the dialogue with the participants, we received many comments. We will make good use of the opinions and requests the participants made about the future activity plans, collaboration with customers and business partners, the method to instill CSR within the Group, and the means of sharing information in our future CSR efforts.

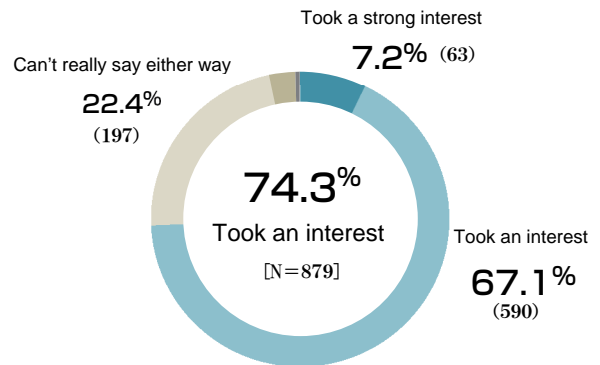
In the CSR training in fiscal 2017, we will expand the target sites and the participants to employees at other levels. We will also tailor the explanations and content of the training for the needs of each facility and each business sector.



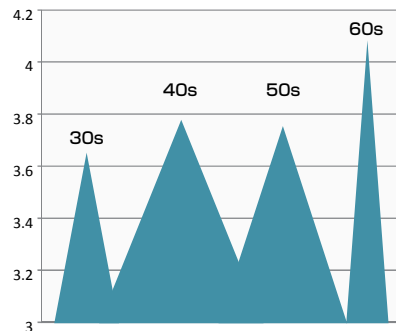
[Results of questionnaire in the CSR Caravan]



Q Do you think Mitsui Kinzoku Group should work on CSR?



Q Did you take an interest in CSR after the lecture?



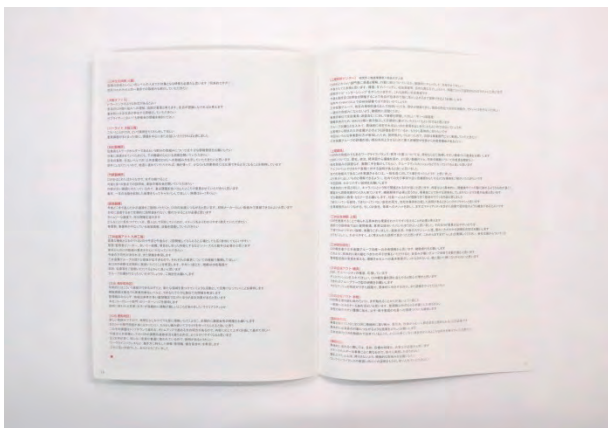
Average score of “interest in CSR” among the participants by age group

Vertical values are averages of interest on a five-point scale, and horizontal width represents the number of people in each age group.



Sharing of the results of the CSR Caravan

Around 400 questions, opinions and requests were raised in the opinion exchange and the questionnaire after the explanation. All of them are posted on the company magazine and the company intranet. The scenes of a total of 26 CSR/Compliance training sessions held at 22 facilities are also conveyed. We share the following understandings within the Group: CSR is a duty of each employee; CSR should be promoted with a sense of speed; and we have to continue to transmit information to our stakeholders.



[Picture above] Company magazine introducing the scenes of the lecture

[Picture in the middle] Details of the opinion exchange

[Picture at the bottom] Magazine page listing opinions and requests