



March 25, 2020

NEWS RELEASE

Mitsui Kinzoku starts operation of production management system for copper foil business using SAP® Cloud Platform

— The project won SAP Innovation Awards "Technology Disruptor" from 264 companies worldwide —

Mitsui Mining & Smelting Co., Ltd.
QUNIE CORPORATION
SAP Japan Co., Ltd.

Mitsui Mining & Smelting Co. Ltd. (President: NISHIDA Keiji; hereinafter, " Mitsui Kinzoku ") is pleased to announce today that they started operation of production management system of "Smart Factory Project" for visualization and efficiency improvement of copper foil production plants from the end of December 2019. This project utilized SAP® Cloud Platform and other solutions from SAP Japan Co., Ltd. (President: FUKUDA Yuzuru; hereinafter, " SAP Japan "). QUNIE CORPORATION (President: TAKAGI Shinya; hereinafter, " QUNIE "), a consulting firm, supported the project.

"Smart Factory Project" won the SAP Innovation Awards 2020, hosted by SAP SE (hereinafter, "SAP"), in the Technology Disruptor category, recognizing global examples that demonstrated the strongest innovation leadership and the highest achievement. This year 20 companies were selected from 264 global entries.

QUNIE has been awarded the "Project Award" of SAP AWARD OF EXCELLENCE 2020, sponsored by SAP Japan, for the achievements of this project.

Mitsui Kinzoku has chosen *Transformation for Sustainable Growth to achieve future vision* as the slogan for its 2019 Medium-Term Management Plan. Under this slogan, the company has been working on productivity improvement, digital transformation (DX), and ICT reform such as the deployment of a smart factory. The copper foil business, which is one of our core businesses, offers copper foil products with high market shares including our flagship product MicroThin™. Aiming to further develop this business, we are now in the process of adapting ourselves to IT systems with growing complexity, digitization and changes in the outside business environment such as at our clients.

The Smart Factory Project focused on production control of copper foil products. In this project, we successfully refined, improved the efficiency, automated and visualized at the factory the work traditionally carried out by

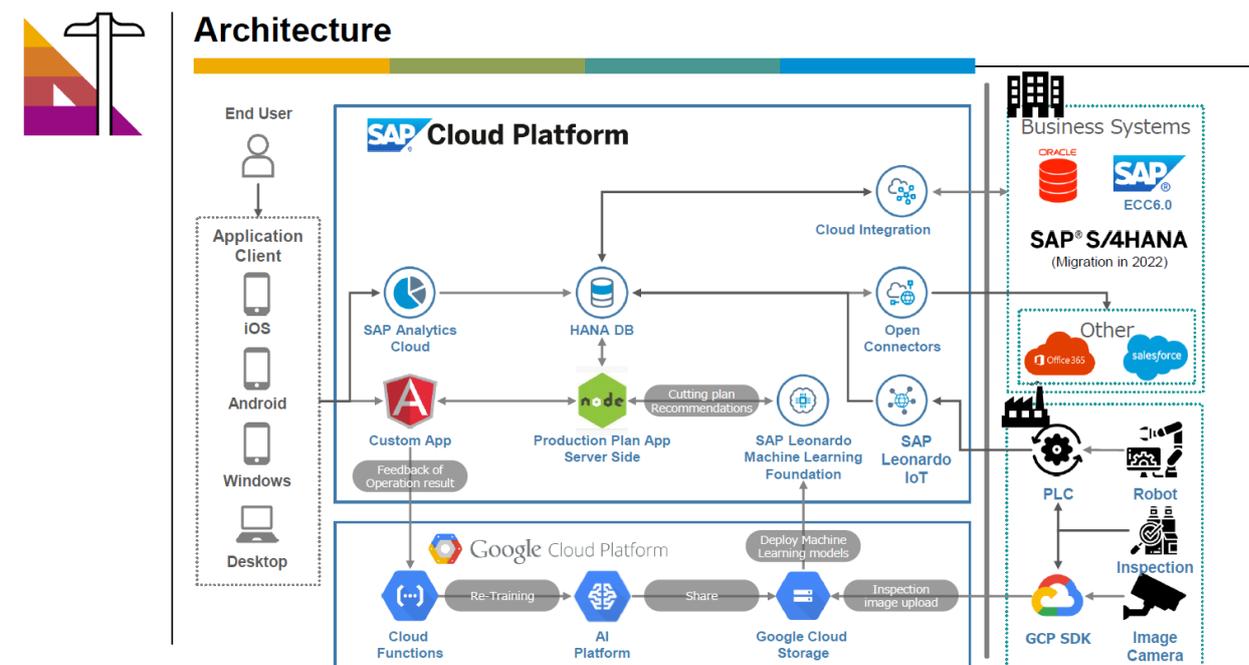
experienced employees including planning, processing, inspecting and shipping the products. To visualize and improve the efficiency of the target work, we chose SAP® Cloud Platform, SAP Leonardo®, etc. and developed and deployed a system. By using this platform, expert-level techniques (in product inspection/processing) that used to require 10 years to master underwent a dramatic change; decisions that traditionally relied on experts' wealth of experience and hunches are now automated through image analysis/machine learning. As a result of 150 man-months of consultants' work in system development, order, manufacturing and inspection data has been seamlessly connected and allocated, and product quality and yield have both improved. Furthermore, the investment will be fully recovered in two years. This large investment effect produced by the system became one of the award-winning factors. The system was launched in December 2019 and is scheduled to go live around May 2020.

In the system development and deployment process, QUNIE provided all consulting services including development of strategies in operational reform and digitization.

Mitsui Kinzoku, under its slogan of *Taking full advantage of Material Intelligence*, will continue to ensure stable product quality and sufficient supply capabilities for our customers while at the same time contributing creating a sustainable society through our business activities.

QUNIE will continue supporting customers with their digital transformation leveraging a good understanding and wealth of knowledge on business operations that the firm has developed through their provision of consulting services.

<Reference 1> SAP system configuration



<Reference 2> Mitsui Kinzoku's relationship with the Sustainable Development Goals (SDGs)

The SDGs are a set of 17 goals to be achieved by 2030. They were adopted by the UN at the UN General Assembly held in September 2015. The activities in this copper foil business apply to the SDGs below.

8 Decent Work and Economic Growth

Mitsui Kinzoku will continue contributing to achieving the SDGs.

[Inquiries]

■ Investor Relations and Corporate Communications Department

Corporate Planning & Control Sector

Mitsui Mining & Smelting Co., Ltd.

Email: PR@mitsui-kinzoku.com

■ Corporate Communications Department

QUNIE CORPORATION

Email: info@qunie.com

■ Global Corporate Affairs

SAP Japan Co., Ltd.

Email: sapjapan-pr@sap.com