

# Capitals as the source of value creation

**Mitsui Kinzoku Group maintains and strengthens not only our financial capital but also our non-financial capitals in order to achieve our business model and enhance our corporate value. We will develop growth products and businesses by continuously investing in non-financial capitals, which generates social value.**

## Workstyle reform (human capital)

There are major changes of external environment underway, such as the decline of the working-age population in Japan and the advancement of technologies including AI. In this situation, Mitsui Kinzoku Group has been reforming our workstyle since FY2016 as a means for securing the human resources that will realize value creation of the Group. This workstyle reform aims to create a work environment where diverse talents can participate actively, regardless of age, gender, nationality or other attributes.

As people's lifestyles are expected to diversify in the future, we offer various options to employees so that even those who are restricted in when and where they can work due to child-rearing, nursing care, medical treatment, and other reasons can work flexibly and for many years to come. We have also introduced flextime without core working hours, working from home, and "Premium Friday" campaign, while improving leave-of-absence and reinstatement system.

In FY2019, from November 11, 2019 to January 30, 2020, Mitsui Kinzoku implemented trials of working from home in the headquarters, Osaka office and a part of business site in Ageo, Saitama, preparing for the introduction of working from home in FY2020. Thanks to these trials, we were able to have employees in those areas shift to working from home in February 2020 in a smooth manner as an emergency measure against the spread of COVID-19. This has enabled us to reduce the infection risk for employees and allow employees with restrictions on the way they work to continue working even during the emergency.



Rank-based training with National staff members  
\* National staff: Local staff in overseas sites



Internal lecturers providing online training

## Development of human resources who will achieve value creation (human capital)

Mitsui Kinzoku Group develops human resources responsible for realizing value creation of the Group by OJT training and Off-JT training programs. Especially, on the OJT training for new employees, we appoint OJT instructors and give regular trainings to them. We offer Off-JT training to supplement the OJT. The Off-JT training aims at developing human resources capable of creating businesses out of concerns about environmental and social issues. We are working to expand and improve the Off-JT training programs, including training on how we should respond to ESG and the SDGs in consideration of the changes in our external environment.

To respond to the spread of COVID-19 infection, we prepared all the training to be available online at the end of FY2019. New employees in FY2020 received all their training online.

We also attach importance to the self-sustaining career development of employees which may lead to the creation of new businesses and corporate value, and continuously explore ways to expand and improve support for employees' career development.

### Overview of the Off-JT training programs

Type of training	Purpose	Outline
Rank-based training	Acquire the necessary knowledge and skills for each career stage	<ul style="list-style-type: none"> <li>Programs in line with respective ranks, combining various subjects such as management, leadership, career development, and CSR</li> <li>Programs of information on management plans, results and various business measures</li> </ul>
Free-choice training with specific theme	Strengthen each employee's expertise	<ul style="list-style-type: none"> <li>Programs of various themes, such as on equipment maintenance skills, calculating statistics, intellectual property, and on sales skill-up</li> <li>These programs are reviewed annually in accordance with the changes in external environment and in-house needs.</li> </ul>
Training for selected employees	<ul style="list-style-type: none"> <li>Special training for corporate manager candidates</li> <li>Interaction with external organizations</li> </ul>	<ul style="list-style-type: none"> <li>External training program for candidates of next-generation managers selected from Executive officers and Managers</li> <li>Training program for next-generation and next-next-generation corporate manager candidates selected within the corporate group.</li> <li>Dispatch for Rank-based training held by Mitsui Inter-business Research Institute</li> </ul>
Self-development support	Self-sustaining career development of employees	<ul style="list-style-type: none"> <li>Correspondence courses including e-learning</li> <li>Support foreign languages learning</li> </ul>

## Evaluation of initiatives for human capital (human capital)

Mitsui Kinzoku Group conducts the Employee Satisfaction Survey every three years in order to measure and learn about satisfaction with workstyle reform and development of human resources, and employee engagement.

The results of the FY2019 survey show that the overall satisfaction level and the satisfaction level with respect to the corporate group's human capital measures rose compared to the previous survey in FY2016, indicating that our efforts were generally evaluated positively. Based on these results, we will advance our human capital management.

### Survey result in FY2016

Q How satisfied are you with your present work/company/workplace?



Satisfied **44.6%**

### Survey result in FY2019

Q How satisfied are you with your present work/company/workplace?



Satisfied **52.2%**

### [Outline of survey]

1. Target: 7,433 employees at Mitsui Kinzoku domestic consolidated (including employees transferred overseas and agency workers)
2. Method: Anonymous online or written survey
3. Contents: Evaluation/awareness of Mitsui Kinzoku Group, actual status and awareness of operations and workplace, evaluation of superiors, employee's feelings and attitude toward their job and the corporate group.
4. Period: From October 29 to November 15, 2019
5. Response rate: 87.7%

## Effective R&D management (intellectual & human capitals)

The source of continuous growth and the core competence for Mitsui Kinzoku Group is in research and development toward the creation of new businesses. We strategically invest in R&D while also implementing stage-gate management. Research themes that have been narrowed down by considering market needs (including environmental and social issues) and commercialization potential are moved forward into the research stage. Research resources such as human resources are allocated to the selected research in the research stage intensively. We will enhance our opportunities to create new businesses by focusing on the areas that have high potential to proceed steadily from research to development, commercialization, and market launch.

\* Trends in R&D expenses are listed on page 21.

## Development of intellectual property (IP) human resources (intellectual & human capitals)

In 1988, the then Ministry of Labor (currently Ministry of Health, Labor and Welfare) identified the need to develop the lifelong professional ability of businesspersons to enable them to respond to rapid economic and social changes toward the 21st century. One of the recommendations made by the ministry for businesspersons was to acquire a qualification.

For companies, the functions of qualification and certification tests can be roughly classified into the following four groups:

1. Function that responds to a requirement under law or is necessary for transactions in the industry
2. Function that promotes the acquisition of knowledge and skills
3. Function that allows the company to show its employees' professional expertise externally
4. Function that complements the evaluation of each employee's professional ability at the company

Mitsui Kinzoku Group has, for many years, been encouraging employees to acquire qualifications (Pollution Control Manager, and others) based on Function 1. In 2017, we started to bear the whole or part of the expenses of employees required for acquiring an IP-related qualification, such as examination fee, textbooks, lecture registration fee, and transportation cost, to fill Functions 2 and 3. By allowing all employees, regardless of their position, job, or whether or not the qualification is related to their job, to benefit from this policy, we will develop and secure many IP human resources.

### The number of employees with IP qualification in Mitsui Kinzoku Group

Patent attorney
 1st grade Certified Specialist  
 2nd grade Certified Specialist of IP Management (including 2nd grade The Examination of Proficiency in Intellectual Property)

IP departments 17

R&D departments 6

Engineering departments 6

Back office/Administrative departments 3