

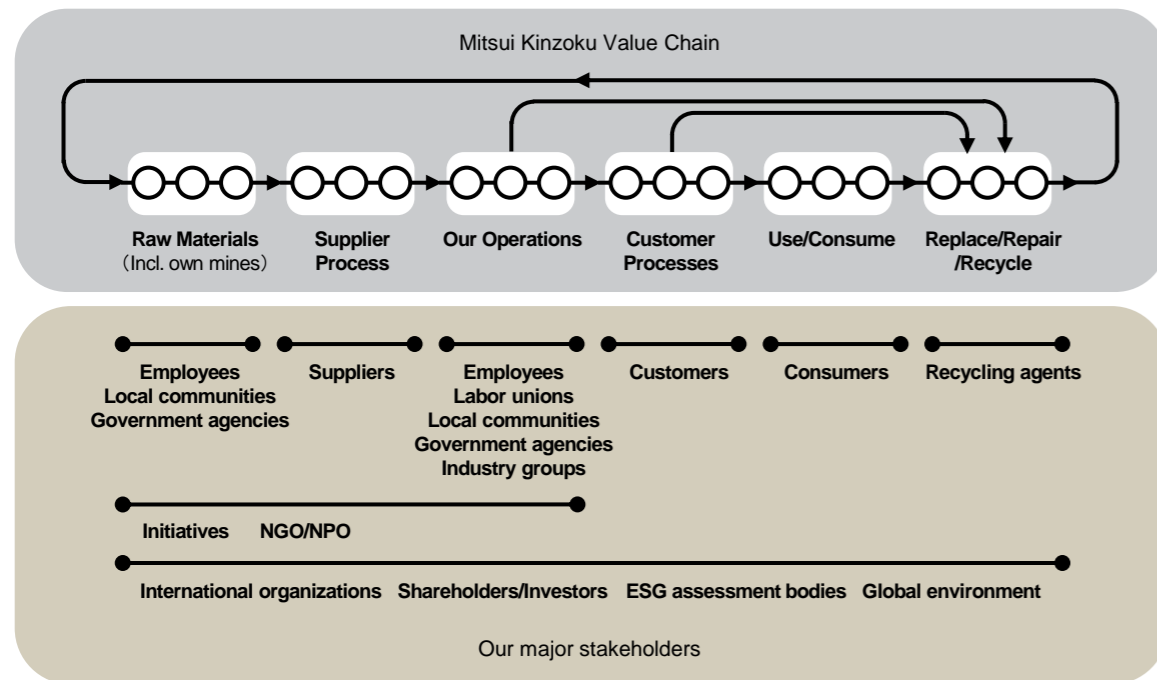
Stakeholders and materiality

Mitsui Kinzoku Group is committed to practicing management that integrates sustainability in order to continue creating value over the long term. We have identified major stakeholders as well as material issues (materiality) to promote the integrated thinking-based management efficiently.

Identification of major stakeholders

Mitsui Kinzoku Group has identified major stakeholders in accordance with the eight criteria of ISO 26000. The major stakeholders are determined as highly likely to be affected by our business activities economically, environmentally, and socially. The earth environment is considered as being one of our major stakeholders. The SDGs indicate the common social and environmental issues which these multiple stakeholders are facing.

Stakeholder mapping along the value chain



Materiality review

Among the various environmental and social issues raised by stakeholders, Mitsui Kinzoku Group selects those with particularly significant impacts on the Group's value chain and identifies them as material issues (materiality).

In FY2019, we reviewed our materiality for 2024 in order to implement our integrated management strategy built on the two pillars of business and social responsibility. The revised materiality comprises three items as opportunities and nine items as risks based on two perspectives: opportunities for our businesses that may help solve the raised issues and ESG risks that may affect us financially which are regarded as initiatives to fulfill our social responsibility. We have also selected six additional items from the capital perspective as initiatives to support the efforts on materiality.

In FY2020, the CSR Committee and relevant departments discussed these items; decided on commitments, targets (KPIs), and annual plans until FY2023; and compiled the results as "Mitsui Kinzoku Group Sustainability Initiatives" (P.58-65) in this report.

FY2019 Materiality Review

We have reviewed the materiality based on the integrated management strategy built on the two pillars of business and social responsibility.

1 Enumerated a wide range of economic, environmental, and social issues from a long-term perspective

Ref. The SDGs, the United Nations Global Compact, the GRI Standards and ISO 26000 as issues raised by international organization like the UN and NPOs

2 Selected issues that are likely to have a long-term impact on our business and value chains

Ref. The Management Philosophy, the Code of Conduct, the 19 Medium Plan

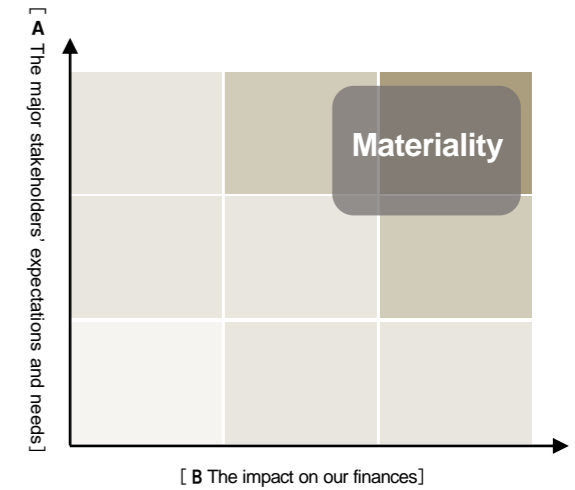
3 Determined the level of materiality for each issue selected in 2 above according to the degree of the major stakeholders' expectations and needs regarding our business and their impacts

Ref. <International organizations> OECD Due Diligence Guidance for Responsible Business Conduct <Investors> The SASB standards, the ESG general standards by Amundi <Industrial initiatives> The RBA Code of Conduct (Customer/Supplier), ICMM 10 Principles, the Charter of Corporate Behavior by Keidanren

4 Determined the level of materiality for each issue selected in 2 above at the CSR Committee according to the degree of impact on our business model and finances

Ref. The 19 Medium Plan, the Code of Conduct, the Environmental Action Plan, the Human Rights Standards, the procurement policy

5 Mapped the issues on the two axes of 3 and 4 above (see the right graph) and identified the ones in the shaded area as material issues

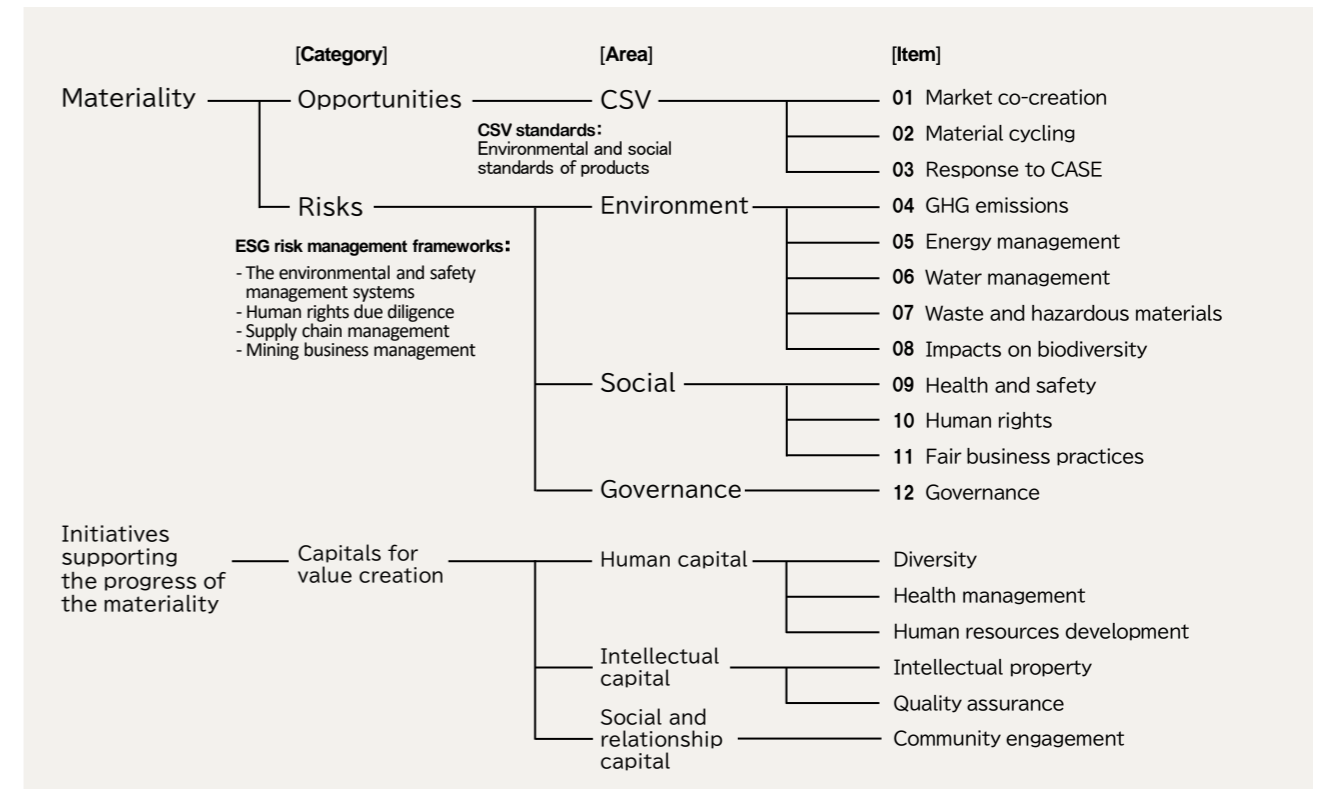


6 Divided the material issues, based on the integrated management strategy of business and social responsibility, into ones that may pose ESG risks (social responsibility) that are likely to affect us financially and into ones that can turn out to be business opportunities

Ref. The International Integrated Reporting Framework, the SASB standards

7 Classified the issues mapped in the lighter-colored parts in the graph into a set of issues that supports the progress on the material issues

8 Received approval from the Board of Directors for the materiality of ESG risks and business opportunities



FY2020 Formulation of commitments, targets (KPIs), and plans on each materiality item

In FY2020, we discussed commitments, targets (KPIs), and plans of each materiality item. At the departments responsible for each materiality item, we developed respective lists of issues surrounding the items, examined stakeholders' expectations and requirements based on the approximately 750 issues selected in Step 2 and the mapping in Step 5. Then, we discuss the Group's visions for 2024 and incorporated into our commitments and set targets (KPIs) as the indicators to achieve them. The annual plans until FY2023 define more details on how to achieve these targets. The CSR Committee discussed these results brought by the departments and compiled them in "Mitsui Kinzoku Group Sustainability Initiatives" (P.58-65) in this report. Starting in FY2021, we will run the PDCA cycle and manage the group-wide progress annually.