

# Capitals 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.

## 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 face barriers due to child/nursing care, medical treatment, and other reasons can continue to work for a long time. Specifically, we have been working on measures to make working hours and work styles more flexible, such as flexible work hours without core hours, telework, and Premium Friday, as well as systems for leave of absence and return to work for employees who have left the company to accommodate individual circumstances and life events.

In addition, after a telework trial in the head office, the Osaka office, and part of the Ageo area in FY2019, the telework system was fully introduced in FY2020. The new work style has been embedded in our corporate system, particularly at the headquarters and the Osaka office where employees mainly work from home now. This has enhanced convenience for employees and led to a significant progress in retention of employees facing challenges due to various personal and family reasons.

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

Mitsui Kinzoku Group develops "Employees who have their own will" responsible for realizing value creation of the Group by 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. Especially, with regard to the OJT training for new employees, we appoint OJT instructors and give regular trainings to the instructors. We also offer Off-JT training program to supplement the OJT. In Off-JT training, we are also 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 CSR training, including responses to ESG and SDGs.

Since the end of FY2019, online training utilizing ICT tools has been developed in line with new ways of working, such as telework, to address the prevention of the spread of COVID-19 infection. We have completely shifted our training programs to the online format, including the FY2020 training for new employees. This shift has a number of advantages, removing geographic barriers to participation, enhancing discussion by forming various teams, and allowing trainees to study before and after the session with videos. By leveraging these benefits, we strive to further enhance the effectiveness of our training programs.

In addition, Mitsui Kinzoku places great importance on the autonomous career development of its employees which leads to business creation and corporate value creation. We have introduced age-specific career training and launched a career support website in FY2020.



Online training on Unconscious Bias



New employee training at home

## 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>Information on business conditions and company status</li> </ul>
Career training	Support for self-sustaining career development	<ul style="list-style-type: none"> <li>Career training for employees in their 20s, 30s, 40s, and 50s</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</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>

## 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 shown on page 23.

## Promotion of online training on intellectual property (intellectual & human capital)

In FY2020, Mitsui Kinzoku switched the format of training on intellectual property and held all the programs online. In the online training programs, we took creative measures to help trainees deepen their understanding by introducing small-group sessions, interactive Q&A-style exercises, and group discussion. We hosted 11 online training programs over the past year, attended by 124 trainees in total. Two additional special lecture sessions were also held, attended by a total of 401 employees, where outside experts spoke about trade secrets.



Instructors giving remote lectures



A total of 124 trainees attended online training on intellectual property

## Development of a compliance system in line with the Mitsui Kinzoku Group Quality Assurance Guidelines (QAGL) (intellectual & human capital)

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

In FY2020, each site in Japan conducted self-inspection on conformity to the guidelines. We have also started remote quality compliance audits by internal third parties. Inspections were conducted at 13 sites in Japan on the development of a quality compliance system. In order to promote the development of a QAGL-based quality compliance system across the globe, we are planning to start preparation for the expansion of QAGL to overseas sites in FY2021. We will continue to inspect and improve our quality assurance system for further enhancement.

In the efforts to raise awareness of quality compliance, we organize a variety of events throughout the quality assurance month (November) every year, such as top messages to all employees and educational activities. We also provide a wide range of programs throughout the year, in line with the quality compliance education system, to embed a compliance culture.