

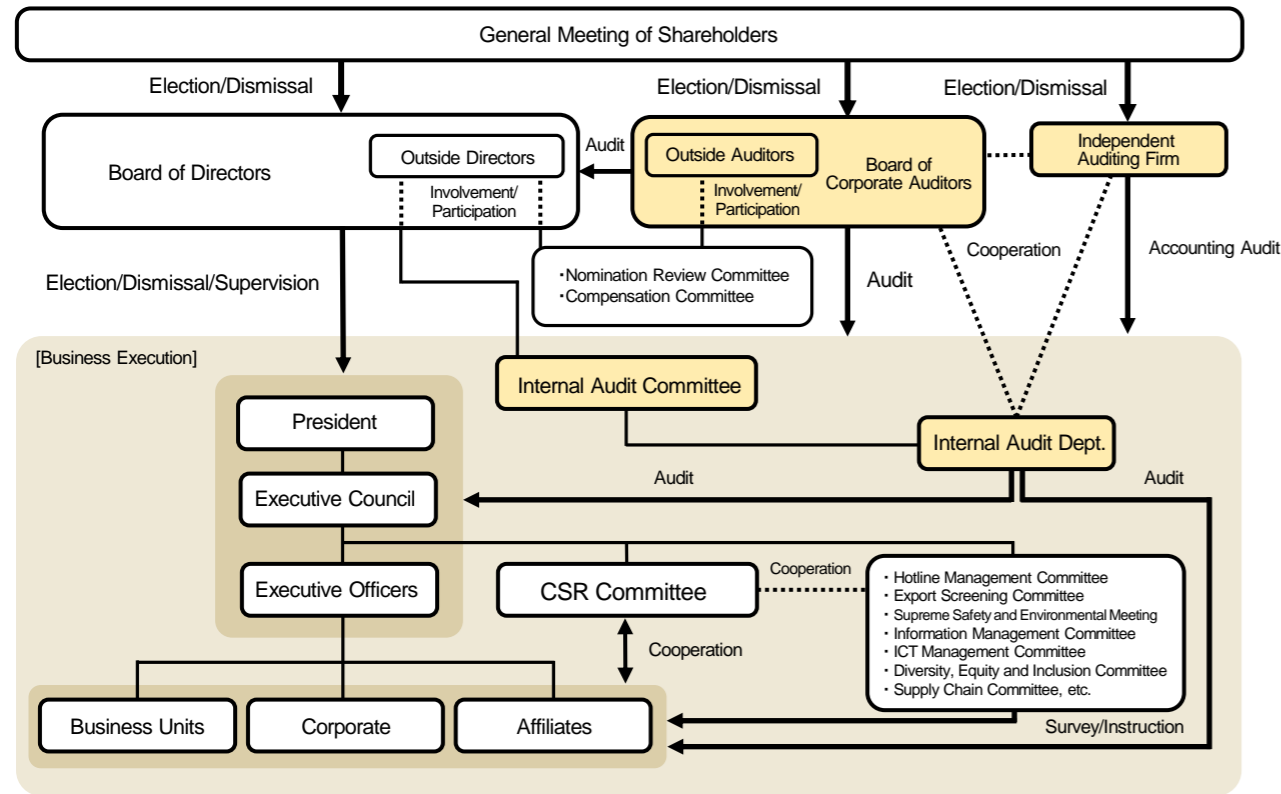
The foundation of our value creation

Mitsui Kinzoku views corporate governance as one of its most important managerial tasks that Mitsui Kinzoku shall strive to improve organizational structures and systems for management, and implement various measures as necessary, based on the recognition that corporate governance is a system for making fair and transparent decisions in a rapid and decisive manner, taking into consideration the positions of the stakeholders, including shareholders, customers, employees and local communities in order to achieve Our Vision based on Our Purpose under Our Management Philosophy. Corporate governance is the foundation for sustaining the long-term value creation of Mitsui Kinzoku Group.

Corporate Governance System

Along with the supervision of business execution by the Board of Directors including Outside Directors, Mitsui Kinzoku has a system to audit the decision-making process of the board and the execution of the duties by Directors through the three-pillar collaborative audit.

Corporate Governance System of Mitsui Kinzoku



Notes: Our auditors and auditors of the Affiliate have taken cooperation effectively and timely.

Directors and Board of Directors

We reinforce the governance system so that the Board of Directors can effectively supervise initiatives to address medium- to long-term management issues and speed up the decision-making process. Three Outside Directors, including one female Director, have been elected with consideration of their independence and reflection of various stakeholders' perspectives. As of June 29, 2022, an Outside Director chairs the board, in order to promote separation between business supervision and execution as well as to strengthen the board's function to supervise business execution. The term of the Directors, as stated in our articles of incorporation, is one year.

The Corporate Governance Guidelines defining our fundamental principles regarding corporate governance is available on our website.

<https://www.mitsui-kinzoku.com/en/toushi/management/governance/>

Executive Officers

The President and Representative Director assumes not only executive management responsibilities, but also executive responsibilities for business operations of Mitsui Kinzoku Group. Representative Directors and Executive Directors also serve as Executive Officers of Mitsui Kinzoku.

Internal Audit Committee and Internal Audit Dept.

Mitsui Kinzoku has an Internal Audit Committee chaired by an Outside Director, which reports directly to the board. The Internal Audit Dept. conducts internal audits. The Internal Audit Committee evaluates the results of internal audits and checks the progress of corrective measures for concerns raised by the audits. The committee reports audit results to the Board of Directors via the Internal Audit Dept.

Board of Corporate Auditors and Independent Auditing Firm

Corporate Auditors perform audits on the execution of the duties by Directors in accordance with the auditing plan determined by the Board of Corporate Auditors. Corporate Auditors strengthen its cooperation with Independent Auditing Firm by receiving accounting audit plans and audit results, as well as exchanging opinions regularly.

Organization structure

(As of June 29, 2022 - Number of female Directors: 1 ; Number of female Corporate Auditors: 0)

Name	Position	Board of Directors	Board of Corporate Auditors	Nomination Review Committee	Compensation Committee	Executive Council	Internal Audit Committee
NOU Takeshi	President and Representative Director	○ (100%)		○	○	◎	
KIBE Hisakazu	Representative Director Senior Managing Director	○ (100%)				○	
TSUNODA Satoshi	Senior Managing Director	○ (100%)				○	
OKABE Masato	Director	○ (—%)※1				○	○
MIYAJI Makoto	Director	○ (100%)					
MATSUNAGA Morio	Outside Director	○ (100%)		○	◎		○
TOIDA Kazuhiko	Outside Director	◎ (100%)		◎	○		○
TAKEGAWA Keiko	Outside Director	○ (100%)		○	○		◎
KUTSUNAI Akira	Corporate Auditor		◎ (100%)				
FUKUMOTO Hiroto	Corporate Auditor		○ (—%)※1				
ISHIDA Toru	Outside Corporate Auditor		○ (93%)	○	○		
INOUE Hiroshi	Outside Corporate Auditor		○ (100%)	○	○		
IGATA Hiroshi	Senior Executive Officer					○	
YAMASHITA Masashi	Senior Executive Officer			○	○	○	

◎ = Chairperson ○ = Member of Committee (Chairperson of the Board of Directors is elected from among the Directors.)

() = Attendance rate in FY2021 ※ 1 Not listed since being newly appointed

* Corporate Auditors attend at the board meetings.

* The Nomination Review Committee includes the Senior Executive Officer in charge of human resources not serving as a Director.

* The Compensation Committee includes the Senior Executive Officer in charge of human resources not serving as a Director.

* Members of the Executive Council also include the Senior Executive Officers not serving as Directors.

* The Internal Audit Committee includes the general manager of the Internal Audit Dept. as a member and Corporate and Outside Corporate Auditors as observers.

Election policy of Directors and Corporate Auditors

Mitsui Kinzoku establishes a Nomination Review Committee chaired by an Outside Director as an optional organization. The Committee reviews candidates to serve as Directors and/or Corporate Auditors by their capabilities, knowledge and personalities. Based on the result of the review, those who are deemed capable of satisfactorily fulfilling the responsibilities are named as candidates for nomination by the board. In FY2021, Mitsui Kinzoku reviewed the skills required for Directors and/or Corporate Auditors and revised the skills matrix to ensure diversity on the board based on the Corporate Governance Code.

Skills Matrix of Director and Corporate Auditor

The skills shown in the skills matrix below have been selected by the Nomination Review Committee as the skills necessary for promoting the Purpose, Vision, and executing the new Mid-term Management Plan.

(1) Reason selected as necessary skill and sufficient condition

Skills	Reason for selecting skill	Sufficient condition
Corporate management	Competence, experience and leadership enabling the formulation of strategies and the implementation of integrated thinking-based management and ambidexterity are necessary for execution of the 22 Mid-term Management Plan looking towards the Purpose and Vision.	<ul style="list-style-type: none"> • Management experience as a director at a listed company or equivalent entity • Director or Executive Officer responsible for the corporate planning
Business strategies	Knowledge and experience enabling the formulation and implementation of strategies for establishing a competitive advantage are necessary for realizing sustainable business growth.	<ul style="list-style-type: none"> • Experience of having achieved certain results through the formulation and implementation of business strategies for the engineered materials business, metals business or mobility business
Finance/Accounting	Knowledge and experience of finance and accounting are necessary to establish financial strategies that will bolster growth investment and shareholder returns to increase the resilience of the financial base underpinning management and to achieve sustainable improvement in corporate value.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for financial management, accounting or fundraising operations or equivalent experience
Technological/R&D/DX	The creation of new products and businesses and the strengthening of existing businesses are necessary to drive company growth, and development based on unique technologies and improvement of efficiency through sophisticated production technologies and DX are essential.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for R&D operations or equivalent experience • Director or Executive Officer responsible for production technology or DX operations or equivalent experience • Academic expert
Sales/Marketing	A good familiarity with the business environment and relationships between the Company and its customers and other stakeholders as well as knowledge and experience enabling the formulation and implementation of product planning and sales strategies are necessary.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for sales and marketing operations or equivalent experience
HR/HR development	The attraction, retention and development of talent, a company's most valuable resource, improvement of job satisfaction to increase engagement, and promotion of diversity are directly linked to performance.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for personnel operations or equivalent experience • Experience working in government or other public offices, or academic expert
Legal affairs / Risk management	Legal knowledge and experience are necessary to implement appropriate corporate governance, compliance and risk management in business activities as well as to increase the effectiveness of management supervision within the Board of Directors.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for legal operations or equivalent experience • Person with experience working in the legal profession or persons with legal qualifications • Experience working in government or other public offices, or academic expert
Internationality	An in-depth understanding of and respect for each country's culture and diversity are necessary for survival as a global enterprise.	<ul style="list-style-type: none"> • Executive experience or business experience at an overseas company • Overseas academic expert
Sustainability/Economic Security	Consideration for the environment, adherence to fair business practices and action to address economic security concerns are needed in order to continue being regarded as necessary by society, and high levels of knowledge including about business-related matters, a long-term perspective and adaptability are required.	<ul style="list-style-type: none"> • Director or Executive Officer responsible for business operations, executive responsible for ESG/CSR operations or equivalent experience • Experience working in government or other public offices, or academic expert • Consultant

(2) Skills Matrix of Each Director and Corporate Auditor

Name	Title/Positions	Corporate management		Finance and accounting		Sales Marketing		Legal affairs and risk management		Sustainability/Economic Security	
		Business strategies		Technological research/development		HR/HR development		Internationality			
NOU Takeshi	President and Representative Director	◎	○	◎						○	◎
KIBE Hisakazu	Representative Director, Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Corporate Planning & Control	◎	○	◎		○	○	◎	◎		
TSUNODA Satoshi	Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Metals Sector		◎			◎				○	○
OKABE Masato	Director, Senior Executive Officer, Senior General Manager of Engineered Materials Sector		◎			◎				◎	○
MIYAJI Makoto	Director, Executive Officer, Chief Environmental Officer, Chief Health and Safety Officer		○	◎		○				○	
MATSUNAGA Morio	Outside Director			◎		○				○	○
TOIDA Kazuhiko	Outside Director	◎	○			◎				○	○
TAKEGAWA Keiko	Outside Director						◎	○	◎		
KUTSUNAI Akira	Corporate Auditor			◎						○	○
FUKUMOTO Hirotooshi	Corporate Auditor		○	○						○	◎
ISHIDA Toru	Outside Corporate Auditor							◎		○	◎
INOUE Hiroshi	Outside Corporate Auditor							○	◎		◎

○ indicates skills possessed by the Directors and Corporate Auditors, while ◎ indicates the Company expects Directors and Corporate Auditors to demonstrate in particular.

Compensation for Directors and Corporate Auditors

(1) Revision of the compensation system for Directors

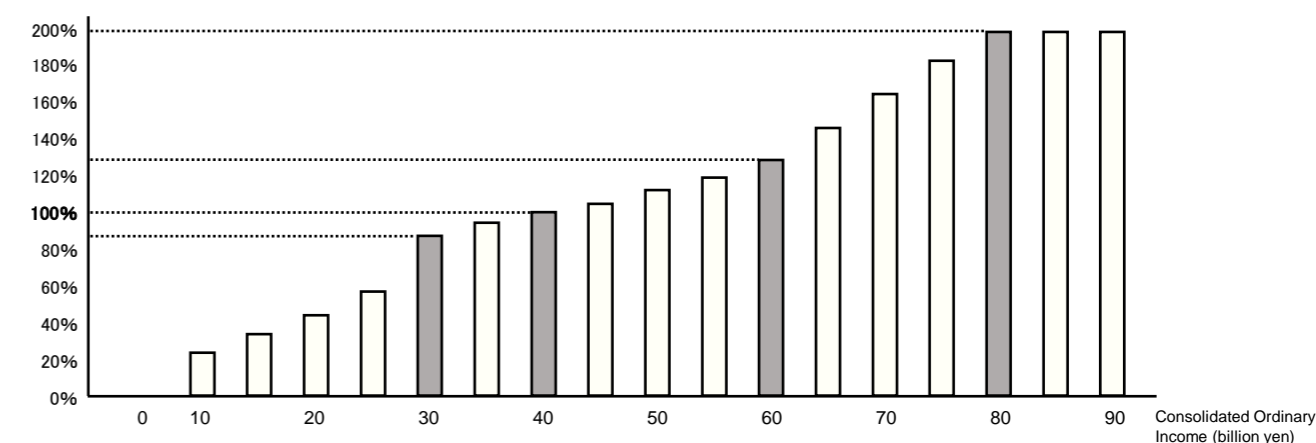
With respect to compensation, etc. for Directors (excluding Outside Directors), the Compensation Committee verified performance indicators for performance-linked compensation and decided through deliberation to increase the percentage of stock compensation. From FY2022, compensation shall be designed as follows.

Performance-linked compensation shall be strongly linked to consolidated ordinary income to make it work more effectively as an incentive.

More specifically, ¥40 billion, in other words, 130% of ¥30 billion, which is average consolidated ordinary income over the past 10 years, excluding the impact of impairment of Caserones Copper Mine, shall be used as a benchmark (for the compensation percentage in the system design).

The Compensation Committee also set ¥60 billion, higher than the largest-ever recorded profit of ¥56.5 billion, as a target, and set an upper limit of ¥80 billion in the event that the target is exceeded, to ensure that performance-linked compensation serves as an appropriate incentive.

Linkage of compensation to each consolidated ordinary income when performance-linked compensation at the benchmark (¥40 billion) is 100



The stock compensation percentage shall be increased from 5% under the current system design to 10% in the event of consolidated ordinary income of ¥40 billion, to further enhance value-sharing with shareholders.

As a result of the review of policies on performance-linked compensation and stock compensation, compensation percentages for Directors (excluding Outside Directors) under the system design shall be as follows: base compensation: 55%, performance-linked compensation: 35%, and stock compensation: 10%.

However, since performance-linked compensation shall fluctuate depending on company performance, the percentages of base compensation, performance-linked compensation and stock compensation shall fluctuate within the following ranges.

Consolidated ordinary income	~ ¥0	¥30 billion	¥40 billion	¥60 billion	¥80 billion ~
Base compensation	85%	59%	55%	51%	42%
Performance-linked compensation	0%	31%	35%	40%	51%
Stock compensation	15%	10%	10%	9%	7%

(2) Determination of the amount of compensation

The amounts of Directors' compensation are determined by the Compensation Committee chaired by an Outside Director, to which the decision is entrusted by the Board of Directors, through discussion based on the compensation criteria within the limits set by the resolution at the shareholders meeting*1. Outside Directors, who are independent from business execution, only receive base compensation. If the Board of Directors resolves a correction to the financial results post-announcement due to material accounting error or fraud, the Compensation Committee shall deliberate on adjustments to performance-linked compensation and restrict its payment, or even demand pay back of compensation, when deemed necessary. Corporate Auditors' compensation is determined by the conference of Corporate Auditors, and the total volume of Corporate Auditors' compensation falls in the range approved at the Annual General Meeting of Shareholders*2.

* 1 At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a limit on compensation paid to Directors of ¥720 million per year (not including compensation for their services as employees). At the time of this resolution, there were eight (8) Directors.

* 2 At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a limit on compensation paid to Corporate Auditors of ¥180 million per year. At the time of this resolution, there were four (4) Corporate Auditors.

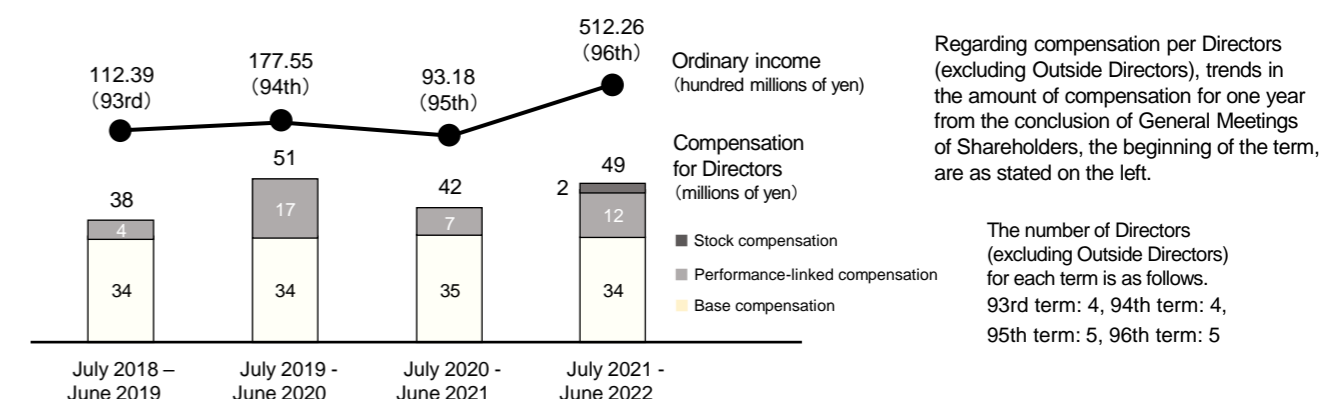
(3) Results

Total compensation paid to Directors and Corporate Auditors (April 2021 - March 2022)

Classification	Total Compensation (millions of yen)	Total amount of Compensation by type (millions of yen)			Number
		Base compensation	Performance-linked compensation	Stock compensation*	
Director (excluding Outside Director)	241	173	57	10	7
Corporate Auditor (excluding Outside Corporate Auditor)	50	50	—	—	2
Outside Director/Outside Corporate Auditor	68	68	—	—	6

* At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a resolution on stock compensation for Directors to the effect that the total amount of compensation shall be within ¥36 million per year and the total amount of the Company's common stock to be allocated shall be within 12,600 shares per year (stock shall not be delivered to Outside Directors). Shareholders also resolved that when allocating such stock, the Company shall conclude a contract for allocation of restricted stock with the Eligible Directors.

Linkage between the amount of compensation per Director (excluding Outside Directors) and ordinary income



Regarding compensation per Directors (excluding Outside Directors), trends in the amount of compensation for one year from the conclusion of General Meetings of Shareholders, the beginning of the term, are as stated on the left.

The number of Directors (excluding Outside Directors) for each term is as follows.
93rd term: 4, 94th term: 4, 95th term: 5, 96th term: 5

Internal control system

A summary of the decisions made at the meetings of the Board of Directors, regarding the business structure for the appropriate business operation of Mitsui Kinzoku Group in compliance with laws and regulations and the corporate ethics, is available on our website.

<https://www.mitsui-kinzoku.com/en/toushi/management/governance/>

In that process, multiple meetings, including board meetings, of board members were held for information sharing and discussion. In light of the discussion on the business portfolio, organizational reform was carried out. These results showed that all board members got more involved in the discussions on management strategy, etc. at board meetings.

Effectiveness Assessment of the Board of Directors

We assess the effectiveness of the Board of Directors every year to ensure the continuous enhancement of the board's function. In FY2021, we conducted the assessment of Directors and Corporate Auditors through individual interviews using the questionnaires prepared by the Secretariat of the Board of Directors.

(1) Overall response to the revised Corporate Governance Code

The results showed that all members of the Board of Directors took generally appropriate responses: progress made in response to the revised Corporate Governance Code to a certain extent, including election of one female independent Outside Director, and separation of positions of Chairperson of the Board of Directors and President; deepened information sharing and discussion on promoting diversity, and setting CO₂ emissions reduction target, etc. by holding multiple meetings, including board meetings, of board members; and regular reporting to the Board of Directors on the progress of DX.

(2) Enhanced discussion on management strategy, etc.

In FY2021, Mitsui Kinzoku set the Purpose as the basis for decision-making, as well as the Vision for 2030, and developed the 22 Mid-term Management Plan to build a mechanism for improving corporate value for sustainable growth by practicing the Integrated Thinking-based Management, which aims to achieve both financial value and social and environmental value.

(3) Further improvement of effectiveness

Mitsui Kinzoku's Board of Directors will aim higher to continue to improve its effectiveness.

Effectiveness Assessment of the Board of Corporate Auditors

We conducted self-assessment of the effectiveness of the Board of Corporate Auditors. The main aims are to assess their audit activities, reflect assessment results in the audit plan of the following fiscal year and improve the quality of audits. While the effectiveness of the Board of Corporate Auditors was found to be maintained, some issues were also identified. We will further improve its effectiveness by incorporating the identified issues in the audit plan for the next fiscal year, etc. The assessment results have been reported to the board.

(1) Main assessment items

- Effectiveness of the three-pillar audits
- Effectiveness of the way they respond to misconduct, such as material legal violation and inappropriate accounting practices
- Effectiveness of the ICT governance and company structure for information technology systems

(2) Assessment method

All the Corporate Auditors discussed and checked the effectiveness of the board based on a self-assessment questionnaire survey filled out by each Corporate Auditor.

(3) Identified issues

- Monitoring of the effect of ICT investment
- Confirmation of adequacy of ESG- and SDGs-related disclosure

Status of cross-held stocks

Mitsui Kinzoku assesses the appropriateness of holding listed stocks held for purposes such as maintaining medium- to long-term business relationships with trading partners (“cross-held stocks”) and sells any such stocks when no rational reason for holding them any longer exists. Every year, the Board of Directors conducts a comprehensive assessment of these individual stocks by examining the purposes of holding them, the associated benefits and risks, their relationships with the cost of capital, etc.

Cross-held stocks: Number of companies and the amount recorded on the balance sheet

Classification		FY2019	FY2020	FY2021
Number of companies	Unlisted	34	32	30
	Listed	15	11	10
	Total	49	43	40
Amount recorded on the balance sheet (millions of yen)	Unlisted	4,495	3,253	3,188
	Listed	3,276	5,951	3,927
	Total	7,771	9,204	7,115

ICT governance

Mitsui Kinzoku has been developing internal rules on ICT-related matters and operating the group-wide CSIRT in order to reinforce its ICT governance system. In FY2021, we moved forward with the SOC establishment and the risk assessment of the corporate group-wide infrastructure system, aiming to further strengthen our ICT security system.

Directors

(as of June 29, 2022)



President and Representative Director
NOU Takeshi

Mr. NOU Takeshi has a wealth of experience cultivated through his many years of involvement in the Group's electronic materials business and engineered materials business and is well versed in the Company's business.



Representative Director Senior Managing Director
KIBE Hisakazu

Mr. KIBE Hisakazu possesses a wide range of experience and knowledge in finance and corporate planning of the Group, including serving as officers of affiliated companies, and is well versed in the Company's business.



Senior Managing Director
TSUNODA Satoshi

Mr. TSUNODA Satoshi possesses a wide range of experience and knowledge in metals business and corporate planning of the Group, including serving as officers of affiliated companies, and is well versed in the Company's business.



Director
OKABE Masato

Mr. OKABE Masato has good knowledge of business strategy and sales and marketing gained through extensive sales and planning experience in the Group's electronic materials business and engineered materials business, and is well versed in the Company's business.



Director
MIYAJI Makoto

Mr. MIYAJI Makoto has a wealth of experience cultivated through his many years of involvement in the Group's engineered materials business and is well versed in the Company's business.



Outside Director
MATSUNAGA Morio

Mr. MATSUNAGA Morio has specialized knowledge of engineering and experience of organizational management as a university professor and the president of a national university corporation.



Outside Director
TOIDA Kazuhiko

Mr. TOIDA Kazuhiko has experience as a business executive, having been engaged in a wide range of work at Nissan Motor Co., Ltd., including product planning, sales promotion, and launch of a sales company, with a focus on the sales division. In addition, he has experience at FALTEC Co., Ltd. as Representative Director and President.



Outside Director
TAKEGAWA Keiko

Ms. TAKEGAWA Keiko served as Director, Public Relations Office and Director General, Gender Equality Bureau at the Cabinet Office and has a wealth of knowledge and administrative experience through her engagement in formulation and implementation of policies such as promotion of women's participation and advancement.

Corporate Auditors



Corporate Auditor
KUTSUNAI Akira

Mr. KUTSUNAI Akira has a wealth of experience gained over many years, centered around areas including finance, public relations, and corporate planning of the Group, and is well versed in the Company's business.



Corporate Auditor
FUKUMOTO Hirotohi

Mr. FUKUMOTO Hirotohi has a wealth of experience cultivated through his many years of involvement in the Group's R&D, manufacturing and corporate planning. He is well versed in the Company's business and management, following management experience at a subsidiary in Malaysia.



Outside Corporate Auditor
ISHIDA Toru

Mr. ISHIDA Toru has a wealth of administrative experience in planning and implementing trade and industrial policies, as well as experience and expertise in holding important positions that contribute to the enhancement of commerce and industry.



Outside Corporate Auditor
INOUE Hiroshi

Mr. INOUE Hiroshi has a wealth of knowledge and experience in legal circles as a public prosecutor and a lawyer.

* Profiles of Directors and Corporate Auditors are listed on pages 114-115.

Interview with Outside Corporate Auditors

I used to have an image of Mitsui Kinzoku as a long-established, serious company. Having served as an Outside Corporate Auditor for four years, I recently realized that the Company is not staid and conservative but broad-minded and dynamic.

Although the Company started with smelting, it has diversified its business by using knowledge of materials in the business areas of nonferrous metals, engineered materials, and automotive parts, creating a good mix. Even with the COVID-19 pandemic and dramatic changes in the business environment, the Company is generating profits. That may be attributable to the diversification of the Company.

I also recognize the flexibility of the Company; It promptly switched to teleworking without confusion and reviewed the Head Office space in a timely manner. A traditional company soon to celebrate the 150th anniversary since its foundation seems to have the power to change itself by promptly responding to the environment.

Mitsui Kinzoku Group has formulated a very challenging Purpose and Medium Term Management Plan. How the Group will yield results is yet to be seen but it appears to be steering in a good direction appropriate to the times and changes in the business environment.

The Group’s initiatives for carbon neutrality are also heading in the right direction, setting reduction targets in the medium to long term and making group-wide efforts. Particularly at Mitsui Kinzoku, the core business, including nonferrous metal smelting and electrolytic copper foil, is highly energy-consumptive. Unless the Group overcomes the challenge of how to achieve decarbonization, its future may be significantly limited.

To take the example of the smelting process, the goal of carbon neutrality is a bar too high to cross without at least one very innovative technological development. And expecting to develop innovative technology by ourselves alone is unreasonable. It is indispensable to involve other companies or the government in the form of a public-private or cross-industrial initiative. The Group will seriously consider working with outside entities.

When I worked for the Ministry of Economy, Trade and Industry, I was in charge of US-Japan trade friction. Even now, I am serving as a councilor at the International Chamber of Commerce, which is an international organization having a membership of chambers of commerce around the world. So, I think I know how people outside Japan see this country and what are international issues. I may provide my opinion about geopolitical risks and economic security as immediate, growing concerns.

Auditing used to primarily deal with financial data, but is now giving greater importance to nonfinancial data, which is not easy to evaluate. I would like to focus more on this aspect as a Corporate Auditor.

Achieving growth while solving social issues is the essence of integrated thinking-based management. The current Cabinet of Japan set out the vision of “new capitalism,” which advocates the same thing: A country must grow while solving social issues. Like the proverb of “running after two hares,” achieving growth while solving social issues seems to be the best scenario, as well as the difficult but right path to choose, not only for countries but also for companies.

I highly appreciate Mitsui Kinzoku Group’s commitment to pursuing the Purpose and integrated thinking-based management and expect the Group to make all-out efforts.



Outside Corporate Auditor

ISHIDA Toru

Mr. Ishida joined the Ministry of International Trade and Industry (presently the Ministry of Economy, Trade and Industry) in 1975. He served as Director-General of the Trade and Economic Cooperation Bureau and Director-General of the Industrial Science and Technology Policy and Environment Bureau before being appointed Commissioner of the Agency for Natural Resources and Energy in 2008, from which he retired in 2010. He has served as President of the Japan Chamber of Commerce and Industry (JCCI) since 2015. He has been serving as Outside Corporate Auditor of the Company since June 2018.

One year has passed since I became an Outside Corporate Auditor.

For Mitsui Kinzoku Group, the past year has been notable: developing the Purpose, creating the Vision, and based on these formulating the new Medium Term Management Plan. Discussions for the future were held at each layer of the Company. Directors and Executive Officers exchanged their views on many occasions. Different people put forth their opinions for the direction of development. The process was shared.

At a speed that cannot be experienced in an ordinary year, I was able to deepen my understanding of Mitsui Kinzoku. I had the privilege to be appointed as a Corporate Auditor at the right time.

I entered the world of the judiciary right after graduating from university, and worked at the Ministry of Justice (MOJ) and the Public Prosecutors Office for 35 years.

At the MOJ, I felt the cycle of one year with the making and use of the budget and the Diet session. I knew what I should do when, as well as when and what I should look to. Over the past year, I became able to understand the right timing for voicing my opinion as a Corporate Auditor.

What can I do to stimulate corporate growth? I am still learning about it. But I assume that, in terms of ESG, I may use my knowledge and experience for Mitsui Kinzoku in the areas of society and governance, i.e., establishing the system for governance and compliance responses.

Since retiring from public service and becoming a lawyer, I have worked for third-party committees and special investigation committees on corporate scandals and frauds. As the Fraud Triangle Theory suggests, I have realized that frauds tend to take place because of several factors, not one.

It is crucial that everyone has an antenna for risks. Young people, called the Millennial Generation or Generation Z, seem to have a strong resistance to frauds. I feel that the world is becoming less tolerant to cover-ups. Mitsui Kinzoku has recently introduced the “one-on-one meeting” between a superior and a subordinate, which may help avoid risks in various ways.

In performing internal audit and accounting audit to reduce frauds, scandals, and their risks, it is important to carefully see the situations of each company and each site of the Group in a comprehensive manner. And it is essential to have mechanisms for early detection and early intervention in the event of a fraud.

I find Mitsui Kinzoku Group’s Hotline is functioning well. I receive a monthly report on the content of the reports received, and confirmed that each report was appropriately handled. If anything goes wrong, we can use the hotline and they will respond well and unfailingly investigate the case—once employees’ trust in the hotline is established, it will be one of the most effective mechanisms for early detection. Therefore, I hope the hotline will be continued.

As for the entire supply chain, maintaining the status that is clear, or as unclouded as possible, with regard to human rights initiatives, conflict minerals, and so on is required for blue-chip companies.

I expected the serious Purpose from Mitsui Kinzoku as a metal smelting company. However, the phrase, “Making the Earth smile” is very soft, symbolic, and well thought out. I am looking forward to seeing the Purpose becoming flesh and blood and being incorporated into management decisions and initiatives across the Group.



Outside Corporate Auditor

INOUE Hiroshi

Mr. Inoue was appointed Public Prosecutor in 1985. He served in the Ministry of Justice as Counselor of the Criminal Affairs Bureau, Assistant Vice-Minister, and Director-General of the Immigration Bureau. He was appointed Director-General of the Inspection and Guidance Department of the Supreme Public Prosecutors Office in 2017. He served as Chief Prosecutor of the Sapporo High Public Prosecutors Office and Chief Prosecutor of the Fukuoka High Public Prosecutors Office before he retired in June 2020. He has been Outside Corporate Auditor of the Company since June 2021.