

My commitment

to the world's environmental and social issues

Mitsui Kinzoku Group will fulfill our responsibilities to the issues regarding our business and value chains with strong determination. We will create and expand businesses and products that may help resolve environmental and social issues on a global and regional level seeing them as our growth opportunities. Through these approaches, we will transform into a corporate group that expands with our own value creation capacity, in other words a sustainable corporate group.

President and Representative Director

eiji Mishida

Keiji Nishida < Profile >

1980 Joined Mitsui Kinzoku 2008 Head of Finance Department 2011 Director and Chief Financial Officer 2014 Representative Director and Senior Managing Director 2016 President and Representative Director

Our value creation story - fulfilling responsibilities and cultivating business opportunities in response

Will Mitsui Kinzoku Group be able to survive?

In FY2018, there were many phenomena that are attributed to the effects of climate change, even just within Japan. While Japan and other advanced nations are facing an increasingly aging society, urbanization is accelerating in the developing countries. Increased income gaps and poverty exist, both in developed and developing countries, and the divide in societies is deepening throughout the world, such as with regards to human rights issues.

Those various changes are having serious impacts on the economy and the markets and uncertainty is increasing even for our immediate future. Facing changes on a global scale, I am constantly asking myself, "Is Mitsui Kinzoku Group sustainable?"

Companies operating globally are said should have a certain responsibility toward the increasingly serious environmental degradation and social problems. Companies are facing stringent requirements from society including stakeholders to fulfill responsibilities on the negative effects of their business activities. Meanwhile, there are rising expectations toward the social value created by companies' business which may help solve the environmental and social issues.

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Management through the integrated thinking and the story of value creation

How should we transform ourselves into a sustainable company?

I believe that Mitsui Kinzoku Group can achieve long-term growth by creating economic value like raising revenue, while at the same time, generating social value in response to environmental and social issues. Recognizing the importance of incorporating integrated thinking into our management, we formulated a new medium-term management plan and developed the "Mitsui Kinzoku Group's Value Creation Process" as our management vision.

We obtain insights from the SDGs, which declare the global goals about issues and needs the world is facing. By using SDGs and stakeholder engagement, we extract the environmental and social issues that relate to our group (outside-in approach). Based on this awareness, we identify our material issues. Focusing on material issues, we manage the business model cycle that leverages our competitive advantage utilizing our owned capital. The output will create economic value for our Group, while also providing our stakeholders with solutions, social value (outcome).

The first step in formulating this value creation process is the new medium-term management plan, the "19 Medium Plan" that has started since FY2019. We advocate "transform growth foundation to achieve the vision," arising from a strong desire to evolve into a sustainable corporate group.

Our competitive advantage and the new medium-term management plan

The source of Mitsui Kinzoku Group's value creation lies in our business model and strategy based on a portfolio aiming at optimization. Our business is rolled out for multi processes in value chain from arterial industries to venous industries, and also leads venous industries to arterial industries. That means Mitsui Kinzoku Group is one of the global companies which have potential to achieve a resource recycling (closed loop) society.

Over around 150 years since our company founding, we have developed core technologies in nonferrous metal business, such as: separation and purification, powder control, electrochemistry, and complex compound. Our business domains in each of the processes on value chain possess core technologies of our unique "Material Intelligence" and will continuously generate growth products and businesses to help raise profits. The "19 Medium Plan" states that our research and development expenses will be increased from the previous plan by 40% and focused on the engineered materials business. We will aim toward expanding sales and achieving early market launch of next-generational products in the 5G market. In the metal business, we will promote recycle-smelting, and in the automotive parts and components business, we will address the electrification and automation of mobility.

We will deploy our businesses in an aggressive manner, while at the same time, strive to strengthen our business foundation by improving the financial indexes such as the equity ratio and ROE in a well-balanced manner.

Responsibility toward the impact on the environment and on society

Companies are required to sufficiently fulfill their responsibilities toward environmental and social issues that can no longer be ignored. Furthermore, companies are required to adopt a new business approach: not only utilizing social & relationship and natural capital but also managing and conserving them appropriately. Since established, our business has used the blessings of nature and built a relationship of mutual trust with the people related to our business operation. We consider the natural environment and the relationship of trust with society as being part of the key capital of our company. We recognize the importance of accurately verifying the effect that our company has on the environment and society and of reducing potential risks.

In FY2018, we conducted a materiality assessment; we selected "materiality issues in the areas of responsibility that relate to the social & relationship and the natural capital" from the 28 items, which could be particular risk on our economic value and our financial aspect. Accordingly, our initiatives also should focus on these material issues associated with environmental, safety and health and human rights related to our business activities.

Human resources that execute om the value creation process

In order for us to be able to generate both economic and social value through our business activities, human resources are essential, who possess an acute awareness of the environmental and social issues and who are able to incorporate those issues into the business model. We must therefore accept employees who have different values and diverse abilities, and create a workplace where different types of people are able to work actively and vitally. Since FY2016, Mitsui Kinzoku Group has been continuously addressing the "work style reform". We have developed various systems and frameworks that enable diverse talents to work actively in a fair manner.

Also, the ICT reform (digital transformation project) started in FY2019, which aims to improve the work process in order to enhance productivity, is backing up the active participation of employees with diverse capabilities. Securing talents and improving productivity will enable us to achieve value creation.

Mitsui Kinzoku Group works together with our stakeholders toward a future where the environmental and social issues are resolved. We contribute to society in the areas in which we have strength.

I firmly believe that by taking these processes, we will be able to become a corporate group that receives the trust of our stakeholders and from the world.



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