Capital as the source of value creation

Mitsui Kinzoku Group has expanded its business by leveraging the capital cultivated over its 150-year history. These forms of capital not only underpin our competitiveness but also drive our capacity to address evolving social and environmental challenges, serving as the source of continuous value creation. We are committed to passing this strength, inherited from our predecessors, on to the future to realize our Vision based on the Purpose.

Financial capital

- Financial capital supports the sustainable growth of Mitsui Kinzoku Group. It ensures proper shareholder returns while also forming a financial foundation capable of addressing future environmental changes as well as risks and opportunities.
- We build trust with investors with a focus on continuous and sincere dialogue with the capital market.
- In the 2025-2027 New Medium Term Business Plan, we will assess our business value with ROIC Spread by introducing business-specific WACC, while also adopting business-specific hurdle rates as criteria for investment decisions. Through these measures, we aim to further enhance capital efficiency.

ROIC	Equity Ratio	Net D/E Ratio
11.4%	50.4%	0.37

Manufactured capital

- We possess a diverse and abundant business infrastructure, comprising production sites and related facilities developed over the years both in Japan and overseas. These assets enable the establishment of a global production system and serve as a foundation for the Group's ongoing business development.
- In production processes, we promote activities for improvement on a daily basis, aiming for continuous enhancement in production efficiency and quality. The GK (group activities for quality control) at each workplace supports these efforts and is positioned as one of the Group's strengths.

Major domestic sites	Major overseas sites
14	19

Intellectual capital

- Our diverse and abundant fundamental and production technologies constitute our core capital that underpins the competitive advantage of Mitsui Kinzoku Group. We protect and utilize this capital through intellectual property management.
- This technological capital enables the Group to create new value through the introduction of new products, and drives the growth, expansion, and sustainability of the value we have created as new businesses.

Patent registrations	R&D Expenses
3,561	14.9 billion yen

∗ All figures are results for fiscal year 2024.

Human capital

- Our employees, identifying themselves based on the Purpose and Management Philosophy, are the drivers of the Group's value creation.
- With our origin in the area of resources, exploration is embedded in our DNA. It is the spirit of Mitsui Kinzoku Group, enabling us to deliver solid results and create new businesses even under uncertain circumstances.
- The Group's sustainable growth is founded on an enabling work environment where diverse talent can fully demonstrate their strengths, and a human resource development system that allows flexible execution of our business strategies.

Consolidated employees	Resonance with the Purpose	
	67% (Domestic)	73% (overseas)
12,097		

Social and Relationship capital

- Through a history of diversification, we have built an extensive customer network. Alongside this, we have earned long-lasting trust through technological development and quality improvement. These efforts have enabled us to cultivate a diverse and engaged customer base.
- We have built a system for continuous cooperation with suppliers within and outside Japan, enabling stable delivery of products to address various market needs.
- We have facilitated co-creation with external partners, utilizing the strengths of each party, and materialized open innovation incorporating various insights and technologies. These achievements have contributed to the creation of competitive products and services.
- We build good relationships with local communities through continuous community-based initiatives in the areas we operate.

Number of suppliers signed the consent form	Social contribution expenditures
228	247.5 million yen
Ref. FY2023 212	

Natural capital

- Mitsui Kinzoku Group's business activities rely on natural capital. In the mining business, we extract zinc and other ores. Water, energy, and other natural resources are essential for all of our business activities.
- We are promoting initiatives such as water resource conservation, expansion of renewable energy use, reduction of GHG emissions, and minimization of waste and hazardous substance discharges, aiming to conduct business activities in harmony with the environment.
- In the Metals business, we have built a metal recycling network, reducing the use of primary raw materials by using recycled ones.

Energy consumption	Water withdrawal
666,191 kl (Crude oil equivalent)	107,283 thousand m^3

Human Capital Management

We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization while supporting the shift to integrated thinking-based management from the perspective of human capital management.



SUGIMOTO Akiko

Executive Officer
Corporate Planning & Control Sector,
General Manager
of Human Resource Department

People are our most important management capital.

Mitsui Kinzoku Group clearly communicates that people are our most important management capital. This is because only people can proactively create value. No matter how exceptional our equipment, materials, and intellectual assets are, nothing will be created unless people make use of them. Moreover, investing in people by developing them through training/education and work assignments increases their value and the range of what they can do. I believe that enhancing people's sense of being closely connected to their company, organization, and work as well as feeling that they may freely express themselves enables them to make the most of their abilities.

Diversity is also important. In order for the Group to solve the difficult challenges it will face in the future and to achieve sustainable growth, human resources with diverse ideas, values, experiences, and skills are indispensable. This is because even if people excel as individuals, it is difficult for an organization without diversity to make better decisions, and such an organization also lacks resilience.

We are pursuing initiatives that will enable every employee to make full use of their abilities and contribute to the business in the areas where they are expected to have the most impact.

Human Capital Management Vision for 2030

In the world of 2050 envisioned by the Mitsui Kinzoku Group's Purpose, it is predicted that people's work styles will differ greatly from those of today and that HR mobility will increase significantly. We have thought about what we should do going forward to ensure that Mitsui Kinzoku is still a company where people choose to work in such a future era. As a result of considering people-related risks and opportunities by back-casting from the world of 2050 based on our Vision, we have established the following Human Capital Management Vision for 2030 from an HR perspective: "We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization."

By leveraging talent as an organization while supporting individuals' sense of fulfillment and growth, we will support our business management strategy—i.e., executing integrated thinking-based management—and realizing the Group's Vision from an HR perspective.

Human capital management strategy

In April 2025, we established a new Basic Policy for Human Resource Development*1 that outlines our human capital management strategy (Figure 1). Based on the premise that companies should fulfill their responsibility to respect human rights, it specifies our Values in the form of action principles that we want every employee to prioritize in order to pursue our Purpose and achieve our Vision. This is the foundation that supports the Group's human capital management strategy as well as reliable implementation of our performance-based HR system and enhancement of health management to maintain and promote employees' physical and mental well-being.

We are carrying out initiatives centered around the strategy's two pillars: respecting individuals (the left side of the figure) and leveraging talent as an organization (the right side).

With regards to the individual-focused pillar, we are providing a comfortable work environment for people who work at the Mitsui Kinzoku Group, ensuring job satisfaction. Furthermore, we will increase the number of highly engaged employees who are genuinely motivated to work for our company. With regards to the organization-focused pillar, we are allocating human resources by considering what kind of people should be assigned where based on various business evaluations (cultivation, expansion, reinforcement/optimization, and transformation), developing human resources for this purpose, and enhancing successor development for management and other key positions.

Based on the synergies between the strategies for these two pillars, I believe we can more successfully achieve the Group's Vision at a higher level.

1 Foundation of the Human capital management strategy

Performance-based HR system and Values

In FY2022, starting with the introduction of mandatory retirement at age 65, Mitsui Kinzoku dramatically overhauled its HR system for the purpose of making the organization more dynamic and fostering a culture of taking on challenges. Abolishing the conventional system of assigning work to people, we have introduced a job-type performance-based HR system that specifies the work which is necessary to carry out our business management strategy and then assigns people to perform such work. This has made multiple career options possible, including both generalist and specialist career paths. Along with this, we have abolished the system of dividing employees into sougoushoku (career track) and ippanshoku (non-career track), creating a system that provides opportunities for exceptionally talented human resources to play an active role regardless of their age, seniority, and educational background.

To ensure that every employee acts with our Values in mind, we have also launched new initiatives to incorporate our Values into the individual goals and personnel evaluation criteria used in our HR system.

Enhancement of health management

Good mental and physical health for all employees who work for us and their families can be viewed as the foundation for maximizing their individuality and capabilities, which improves the vitality of Mitsui Kinzoku Group. We make efforts to promote health management and maintain/improve employee well-being. Since 2019, Mitsui Kinzoku has been certified as a Health and Productivity Enterprise every year.

Starting in FY2025, we have designated three key health initiatives: smoking cessation measures, improvement of eating habits and fostering of a culture of exercise. We are carrying out initiatives such as prevention of sitting for extended periods and promotion of exercise through messages from senior leadership and videos by executives. We launched initiatives aimed at eliminating smoking on our premises by the end of FY2030. We will visualize the effects of such investments using absenteeism*2 and presenteeism*3 figures.

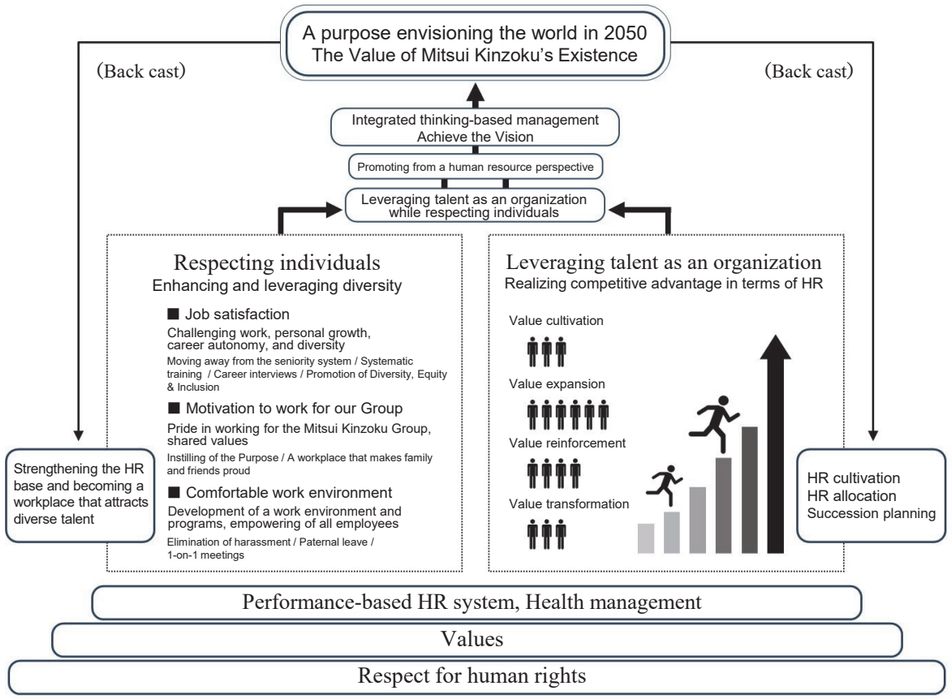
2 Human capital management strategy: Respecting individuals

Job satisfaction reforms

As part of our individual-focused strategy, Mitsui Kinzoku is pursuing diversity initiatives and job satisfaction reforms. We have formed a Diversity, Equity, and Inclusion Committee*4 (chair: President and Representative Director NOU Takeshi; advisor: Outside Director TAKEGAWA Keiko). Implemented under the President's own initiative, it supports women's career development, and it has created a roadmap of initiatives that go beyond what is required and has established KPIs, including materiality-related items, which are being pursued (Table 1). A system has been established through which the Diversity, Equity, and Inclusion Committee regularly reports on its initiatives to the Board of Directors and discusses them, and then incorporates the results into its activities, thereby ensuring that such activities are linked to our business management strategy.

With regard to developing a comfortable work environment, we have gradually introduced various support programs tailored to employees' life stages, some of which surpass relevant national standards. In 2024, we established a Rewarding and Engaging Work Promotion Office for the purpose of developing an environment that enables employees to pursue their work with enthusiasm.

[Figure 1]



Job satisfaction reforms will also be accelerated during the 2025-2027 Medium Term Business Plan. In particular, we have created a system that further enhances the feasibility of reforms by appointing departmental promotion leaders and having the Senior General Manager of each sector report on its progress to the Diversity, Equity, and Inclusion Committee, with the aim of achieving a company-wide average engagement index of 55%.

We are also engaged in eliminating harassment, which is a prerequisite for improving engagement. Thus far, we have created the policy on harassment prevention for our Group, conducted regular training on harassment for all employees, set up harassment consultation desks in each department and notified employees about them, and established a desk for anonymous whistleblowing as well as a procedure for handling whistleblowing cases (P.68).

Directors' compensation is linked to KPIs via ESG indicator-based restricted stock compensation (P.54).

The initiatives we have carried out to date to enhance job satisfaction and to develop a more comfortable work environment have been well-received, and in 2024, we were selected as a Nadeshiko Brand. Moreover, we received a Platinum Ring (the highest award) at the Psychological Safety Awards 2025 organized by ZENTech.

Career development support

Under the performance-based HR system, we empower individuals to understand career autonomy, meaning that workers draw up and pursue their own career plans rather than being handed a career by the company. The company must recognize individuals' right to choose their career and support the realization of each employee's career vision by discussing it with them.

Since FY2022, Mitsui Kinzoku has made job descriptions public, including those for management positions, making it easier for people to understand which career path they should pursue. Holding discussions between organizations and individuals by enhancing career development support, introducing one-on-one meetings and career interviews, and improving self-declaration forms has enabled ability development based on individual career visions, suitability, and demonstrated capabilities.

To this end, we have also revised our training system. The new system shifts to cafeteria-style training that provides employees with autonomous learning and reskilling opportunities aimed at pursuing the career they envision. To provide everyone working at the Mitsui Kinzoku Group with a wide range of learning opportunities, we operate an online learning platform called MLP (the Mitsui-Kinzoku Learning Platform).

∗1 Basic Policy for Human Resource Development https://www.mitsui-kinzoku.com/en/csr/society/human_resource/
∗2 Absenteeism: Missing work due to health problems
∗3 Presenteeism: Decreased efficiency due to some kind of health problem despite being present at work
∗4 The Diversity, Equity, and Inclusion Committee https://www.mitsui-kinzoku.com/en/csr/society/diversity/#block02

[Table 1] **KPIs Related to Human Capital Management Materiality**

1. Acceleration of job satisfaction reforms	**Performance in FY2024**	**Plans for FY2025**	**KPIs for FY2027**	**Goals for FY2030**
Iki-iki active engagement – company-wide average % (engagement indicator)	51%	50%	55%	70%
2. Implementation of recruitment of diverse HR				
Percentage of women employees	25%	23%	24%	27%
Rate of paternity leave taken by male employees	52%	70%	85%	—
External evaluation	・*Eruboshi* certification ・*Nadeshiko* Brand	・*Eruboshi* certification ・*Nadeshiko* Brand	・*Eruboshi* certification ・*Nadeshiko* Brand ・*Kurumin* certification	・*Platinum Kurumin* Certification ・Bronze Certification under the *PRIDE Index*
3. Value creation leveraging diverse perspectives				
Communication indicator	40%	39%	45%	60%
Percentage of women in managerial positions	5.1%	5.6%	6.8%	10%

Leveraging talent as an organization

System to support flexible deployment of appropriate personnel based on business positioning

Identification and developing of human resources to support the building of new businesses

- Simulating the number of people required by job type
- Internal development of job types for which mid-career recruitment is difficult

Improvement of the accuracy of assigning the right people to the right positions based on data

- Expansion of the centrally managed database
- Evolution of personnel matching (avoidance of career goal mismatches)

3 Human capital management strategy: Leveraging talent as an organization

To strategically leverage talent as an organization, in April 2022, we established the Human Resource Business Partner (HRBP) Office within the Human Resource Department. By placing HRBP officers in each business sector, we have established a system for allocating human resources linked to group-wide dynamic management of business portfolios from the Group's perspective.
Starting in FY2025, we will pursue more efficient allocation of human resources as well as promotion of human resource development aligned with our business strategy. In addition, we will seek to identify the human resources required over the medium to long term through succession planning for key positions, develop human resources who are capable of driving ambidexterity, and implement talent management in each department while leveraging digital technologies.

4 Instilling of strategies and discussions with employees

To instill our human capital management strategies and measures in our employees, the Executive Officer and General Manager of the Human Resources Department, who is a senior manager at Mitsui Kinzoku, has given briefings and held discussions at applicable domestic sites as part of a human resources caravan since FY2022.
In FY2024, personnel at various sites were divided into four groups (site executives, managers, general personnel, and unionized employees), and an explanation of our strategies, HR programs, career development support, and job satisfaction reforms was given to each group, providing a forum for discussing and sharing opinions about the implementation of these items, working conditions, and our human capital initiatives in general. We have reviewed the opinions shared and topics raised at the sites and will work to improve our human capital management-related measures in FY2025 and beyond.

Respect for Human Rights

In order to fulfill its corporate responsibility to respect human rights, Mitsui Kinzoku Group addresses this issue according to its Human Rights Policy in reference to the UN Guiding Principles on Business and Human Rights.

Human Rights Policy, human rights risk assessment, and Human Rights Standards

Mitsui Kinzoku Group approaches human rights issues by developing a human rights management system based on its Human Rights Policy. We assess human rights risks associated with the Group's business activities, and define the Group's employees, supply chains and local communities involved in the mining business as stakeholders that can be particularly affected by our business activities and a high-priority target to address. Also, we have specified 11 categories of human rights risk factors unique and significant to the Group, including forced labor and child labor. We have formulated the Human Rights Standards, addressing these human rights risks, as guidelines for conducting human rights due diligence (human rights DD).

［**Human Rights Management System**］
［**Human Rights Policy**］［**Human Rights Standards**］
https://www.mitsui-kinzoku.com/en/csr/society/humanrights/

［**Supply chain management**］ Page 44
［**Mining business**］ Page 46

Human rights training

We are conducting human rights training for all employees of our Group in order to ensure proper understanding and awareness of the Human Rights Policy and Standards as well as human rights. In FY2024, we offered human rights training via an online learning platform (video), in which 68% of the employees participated. Additionally, we provided human rights training for 54 employees at overseas sites in conjunction with human rights DD.

Human rights due diligence

We conduct human rights DD at each Group site to check and improve implementation of the Human Rights Standards. We have been conducting human rights DD for all employees including non-regular and indirect employees utilizing our self-assessment questionnaire (SAQ). We have completed the process at 48 sites (84.2%) of the target 57 sites within and outside Japan by FY2024.
In FY2024, we conducted human rights DD at three major sites overseas. As a result, we found no major risks, and no direct forced labor or child labor. For the human rights issues that were identified, we provided feedback to each site and implemented corrective measures.

Human rights issues identified through human rights DD and corrective measures taken

- Correction in the handling of working hours (overseas sites)
- Provision of work rules in employees' native language (overseas sites)

Respect for human rights of foreign-national employees

In FY2023, we conducted individual interviews with foreign technical interns and met with relevant stakeholders regarding 11 former and current foreign technical interns recruited under the Technical Intern Training Program (TITP) in Japan. The study, which aimed to determine the costs the interns had paid in the recruitment process before coming to Japan, was completed in FY2024. Taking account of the ILO's principles and opinions by a third-party expert, we identified and reimbursed the amount that employers should have covered out of the total the interns had paid. To prevent a recurrence, we formulated a draft of detailed rules concerning employment of foreign-national employees in the Group.
Our Group participates in a private-public cooperation platform comprised of industry groups, related government agencies, and business enterprises for promoting a responsible approach toward recruitment and employment of foreign nationals, working to enhance stakeholder engagement. We also operate an internal and external whistle-blowing system (P.64) as a grievance mechanism to handle issues related to the human rights of stakeholders. Information on this system is disseminated through the corporate website, training, and other channels.

Labor relations

Mitsui Kinzoku Group respects freedom of association and collective bargaining. Mitsui Kinzoku and major affiliates in Japan each have a respective labor unions under the Mitsui Mining & Smelting Workers Union. Based on the union shop agreement, all general employees become members of the labor unions. About 80% of the other consolidated affiliates in Japan have labor unions. Labor unions are organized in 12 of the overseas consolidated companies. Labor-management council meetings and labor-management roundtables are held regularly to provide a forum for communication with workers and to sign collective agreements every year. No strikes or lockouts lasting more than a week occurred in FY2024.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,731	4,284	9,015
Total employees	6,876	6,290	13,166
Coverage rate	68.8%	68.1%	68.5%

＊ Information on labor unions at several sites is unavailable due to legal requirements.

Intellectual Property Management

Recognizing intellectual property as an important management resource, Mitsui Kinzoku Group has set out a basic policy of properly protecting rights, securing an advantage in business and using it for new business creation, minimizing risks associated with intellectual property, developing and retaining IP personnel, and establishing a corporate culture of respecting intellectual property.
Based on the 2025-2027 New Medium Term Business Plan, the Intellectual Property Department further reinforces intellectual property activities closely linked with the management strategy to facilitate initiatives for the Vision for 2030.

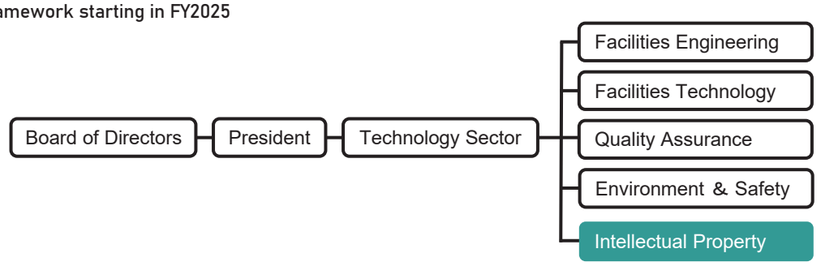
Intellectual property governance system

The senior general manager of the Technology Sector, who supervises the Intellectual Property Department, reports the policy and status of intellectual property activities through the Board of Directors to the President and other officers who direct business execution.

As for the senior general managers of business sectors, the heads of business divisions, and the general managers of the development departments, the general manager of the Intellectual Property Department and others meet with them to report on the status of individual intellectual property activities and discuss activities to obtain IP rights. Through these efforts, we are working to protect, properly manage, and increase the value of intellectual property obtained in the process of creating new businesses and enhancing existing businesses.

Since April 2025, we have discontinued intellectual property offices at business sectors as concurrent positions, and have consolidated them to the Intellectual Property Department＊1. This arrangement aims to enable speedy and flexible changes in the system for intellectual property activities according to the management strategy.

New framework starting in FY2025



＊1 The concurrent position remains at the Intellectual Property Office under the Business Creation Sector.

Key data on intellectual property

FY2024	Patent Family applications＊3	Patent Asset Index＊4	Competitive Impact＊4	Patent Family held＊4
The entire Group＊2	148	2,851	1.5	1,843
Business Creation Sector	57	983	2.8	347
Engineered Materials Sector	61	1,263	1.4	903
Metals Sector and others	30	620	1.0	601

＊2 Powdertech Co., Ltd., an equity method affiliate, is excluded.

＊3 The trend in the number of the Group's patent family applications (from FY2020 to FY2024) and the number of registered patents by country as of the end of March 2025 are available on P.134.

＊4 Valuation data calculated by PatentSight® provided by LexisNexis Intellectual Property Solutions.
A patent family is a bundle of patent applications in multiple countries based on the same basic application. Competitive Impact (CI) is the average of indicators showing the competitiveness and quality of a patent family.
Patent Asset Index is the sum of CI values. As some patents are jointly held by two or more sectors, the total value of the patent assets for the sectors is different from the total value for the entire Mitsui Kinzoku Group.

Activities in FY2024

The Business Creation Sector actively files and acquires patents to create new businesses. The Engineered Materials Sector files and acquires patents to protect existing businesses and newly developed products, while also taking inventory of patents and other measures to improve efficiency.

As a result, while the number of acquired patent families showed a downward trend, the Patent Asset Index increased at a CAGR of 2% (compared to FY2020) thanks to an increase in the Competitive Impact. These data illustrate our progress in the construction of intellectual property and intangible assets. (See the graph at the top right.)

In the Business Creation Sector

The Business Creation Sector is committed to intellectual property activities under the policy of "maximizing the future value of new businesses through strategic intellectual property acquisition and risk management."

The Sector is working on commercializing A-SOLiD®, a solid electrolyte for all-solid-state batteries, as well as sintered copper paste for power semiconductors. It is also expanding the business of HRDP®, a special carrier for next-generation semiconductor packages.

In addition, the R&D Center in the Sector is actively promoting research and development on capturing and converting CO_2 to create new technologies, fostering the application and acquisition of relevant technologies.

As a result, the Patent Asset Index showed a growth trend with a CAGR of 15% (compared to FY2020) thanks to increases in acquired patent families with Competitive Impact, indicating our progress in the construction of intellectual property and intangible assets for Value Cultivation.

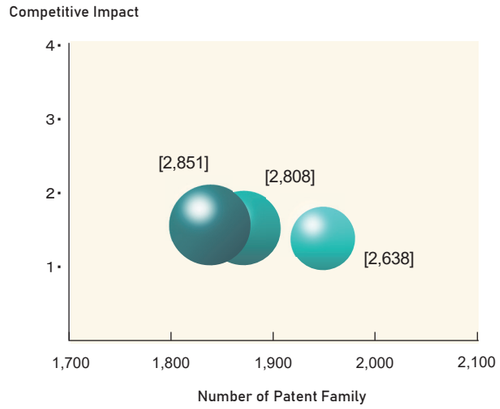
In the Engineered Materials Sector

The Engineered Materials Sector engages in intellectual property activities based on the policy of "maximizing business profits and minimizing risks through intellectual property activities in line with business strategies."

In businesses that we must strengthen considering the market environment, we actively file, acquire, and maintain patents necessary for growth. On the other hand, we carefully examine and determine what actions to take for other businesses.

We are particularly promoting filing, acquisition, and maintenance of patents on new product lines targeting the year 2030, including iconosTM at the Engineered Liquid Business Promotion Division, and NANOBIX™ at the Rare Material Division, and technologies for high-speed communication at the Copper Foil Division. In the meantime, we are also working to improve the efficiency of investment in intellectual property by taking inventory of and selling acquired patents.

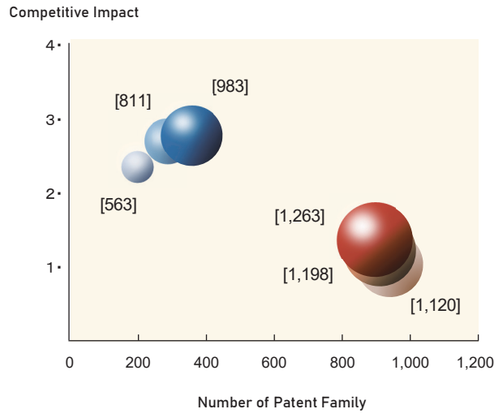
As a result, while the number of acquired patent families showed a declining trend, the Patent Asset Index increased at a CAGR of 3% (compared to FY2020) thanks to an increase in the Competitive Impact. These data indicate our progress in the construction of intellectual property and intangible assets for Value Expansion.
(See the graph at the bottom right.)



Changes in Competitive Impact, Patent Asset Index and Patent Family
[The entire Group]

● Data for FY2024
● Data for FY2022
● Data for FY2020

※ The values in [ ] are Patent Asset Indexes.



Changes in Competitive Impact, Patent Asset Index and Patent Family
[Business Creation Sector] [Engineered Materials Sector]

Business Creation Sector
● Data for FY2024
● Data for FY2022
● Data for FY2020

Engineered Materials Sector
● Data for FY2024
● Data for FY2022
● Data for FY2020

※ The values in [ ] are Patent Asset Indexes.

Supply chain management

Aiming to establish resilient supply chains, Mitsui Kinzoku Group also endeavors to reduce their adverse impact on society and the environment based on its Purpose. We are promoting supply chain management in cooperation with our suppliers and business partners.

Responsibility for our supply chain

We have formulated the Mitsui Kinzoku Group procurement policy to effectively manage our supply chain, with a focus on human rights and labor, health & safety, the environment, and ethics. The procurement policy consists of the basic procurement policy as our commitment and the procurement guidelines which provide specific instructions for executing the policy. The procurement guidelines have been revised regularly (with the third edition issued in FY2024).

Recognizing supply chain management as one of the material issues, the Group is developing its management system and overseeing its progress. We regularly share the latest trends in supply chain management with supervising bodies, including the Board of Directors and executive officers, through training programs for them and on other occasions.

Also, we have a grievance mechanism in place to accept reports from our employees, suppliers, and other stakeholders (P.68). In FY2024, we received zero reports on risks associated with our supply chain.

[Mitsui Kinzoku Group Procurement Policy :
Basic Procurement Policy・Procurement Guidelines]

[Supply chain management system]

https://www.mitsui-kinzoku.com/en/csr/supplychain/

Supply chain due diligence (DD)

Mitsui Kinzoku Group assesses risks in its supply chain with reference to procurement spending, supplier types, and international ESG risk indicators. We identify risks and critical suppliers*1 that have a particularly significant impact on the Group's business, and conduct supplier due diligence to reduce the identified risks.

We request our tier 1 suppliers to implement the procurement policy and to manage their own suppliers. For critical suppliers, we request that they submit their signed policy agreement forms and complete an SAQ (Self-Assessment Questionnaire) in order to assess the implementation status of the policy. Regarding high-risk (C-ranked) suppliers, we engage with them regarding corrective actions. In FY2024, we updated the SAQ to align it with the revised procurement guidelines.

For promoting business integrity, we are striving to conclude an anti-bribery/corruption agreement with suppliers (P.69). Also, to address issues on energy consumption and GHG emissions, we are working with suppliers to reduce Scope 3 emissions .

Within the Group, we regularly conduct supply chain management training of employees to ensure that they put our procurement policy into practice.

We also evaluate implementation of the procurement policy in the framework of internal human rights due diligence.

Performance in the second cycle (FY2021-2024)

Having defined the four years from FY2021 to FY2024 as the second cycle, the Group has made a commitment to effectively implement supplier due diligence and reduce critical risks in the supply chain, based on which we have promoted initiatives with specific targets (KPIs). In FY2024, we conducted an SAQ survey for critical suppliers targeted in the second cycle who had not yet responded to the initial survey. We received responses from 56 suppliers, with a response rate of 94.9%.

According to the SAQ results, 4% of all suppliers were C-ranked. Looking closely by section, the scores for "General"*2 followed by "The Environment" tended to be lower than those for other sections.

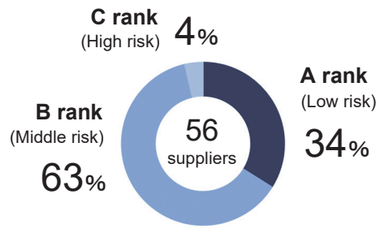
We engage with C-ranked suppliers regarding corrective actions, explaining the issues identified by the Supply Chain Committee and having dialogue to bring about improvements. We ask these suppliers to make plans to reduce the identified risks and regularly follow up on their progress, and we work together with them to complete any corrective actions.

■ Targets (KPIs) and performance in the second cycle

1. Achieve a 100% annual SAQ implementation rate for target suppliers: 94.9%

2. Achieve a 100% engagement rate for corrective actions with high-risk (C-ranked) suppliers: 100%

■ Result of supplier SAQ for the critical suppliers in FY2024



* The total does not add up to 100% due to rounding to the nearest whole number.

*1 We identify critical suppliers based on the following criteria.
(These include non-production material suppliers for staffing, contracting/outsourcing, and service suppliers such as transportation, warehousing, and equipment companies.)
(1) Top 80% of suppliers regarding annual amount procured in the Group
(2) Suppliers providing critical and irreplaceable parts and products
(3) Staffing suppliers with a significant effect on the business
(4) Suppliers operating in high-risk regions (as identified with reference to international ESG risk indicators)

*2 "General" includes questions on monitoring of and compliance with laws and regulations, supply chain management, administrative guidance, quality assurance/fraud, and BCP/risk management.

In FY2024, we implemented engagement with 12 suppliers. In the second cycle, we engaged with all 25 C-ranked suppliers, of whom 16 completed improvements by the end of March 2025. As for other activities, we disseminate information on the procurement policy, collect signed agreement forms from critical suppliers, and conduct an SAQ for new suppliers.

Starting in FY2025, in accordance with the new Medium Term Business Plan, we formulated our Vision for 2030 and KPIs for 2027 in supply chain management (P.21) to drive our initiatives forward.

■ Performance in FY2024 (single year)

Measures	Number of supplier responses *3
Request to implement the procurement policy	887（795）
Receipt signed agreement form	228（212）
Implement SAQ	90（73）
Including : Critical suppliers(KPI)	56
: New suppliers	18
: Existing suppliers	16
Implement engagement	12（4）
Responsible minerals sourcing survey *4	236（142）

Initiative in the Group	Participants
In-house training *5	648（442）
Including : Online training	495
: Responsible minerals sourcing	99
: Overseas sites (face-to-face)	54

*3 All suppliers including existing suppliers that have not yet implemented the SCM activities in the first cycle and new suppliers.

*4 Total number of responses to surveys using standard formats in the industry, such as CMRT, EMRT, and AMRT, or other formats.

*5 Total number of supply chain management training participants.

* The numbers in parentheses indicate performance in the previous fiscal year.

Responsible minerals sourcing

As a corporate group in the minerals supply chain, Mitsui Kinzoku Group has developed its management system for responsible minerals sourcing. We have been promoting efforts in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as requests made in various international initiatives such as the RMI*6, LBMA*7, and the LME*8. We have identified CAHRAs*9 not only on 3TG (tin, tantalum, tungsten, and gold) but also on other target minerals such as silver, copper, zinc, lead, and cobalt. We work to identify and reduce risks in these areas related to social issues, such as conflicts, money laundering, the financing of terrorism, and human rights violations, as well as environmental issues.



Discussion meeting with the JEITA Responsible Minerals Trade Working Group (at the Mitsui Kinzoku Head Office)

The Group has formulated the Responsible Mineral Sourcing Policy as a comprehensive policy.

Also, we review the CAHRAs and target minerals in a timely manner based on the legal and regulatory trends in each country, and revise the policy as needed. Based on the policy, each smelting business obtains third party certification as a responsible smelter and renews it every year.

In the smelting business, we formulated the Responsible Procurement Policy for Mineral Raw Materials. Due diligence is implemented in accordance with the LBMA's guidance for silver, and with the LBMA's guidance and RMI's standard RMAP*10 for gold. Regarding copper, zinc, and lead, we conduct due diligence in line with LME consultation on responsible sourcing, annually assessing risks by evaluating suppliers of mineral raw materials as well as checking their places of origin and transportation routes. For suppliers who do not respond to our repeated inquiries, we implement active engagement, including reconsidering our business relationship. Regarding these initiatives, we underwent an audit by an independent auditor, the results of which have been reported and made available to the public. We also disclose the Compliance Report, summarizing our activities for the current fiscal year, and the assurance report issued by the independent auditing company on our corporate website.

With regard to the tantalum smelting business and tin refining in the PVD materials business, based on the RMAP, we regularly receive third party audits and acquire RMAP Conformant status.

In businesses other than smelting, we conduct supply chain due diligence in line with industry platforms, based on customer requests. We also participate in the Responsible Minerals Trade Working Group by the Japan Electronics and Information Technology Industries Association (JEITA). In 2024, we exchanged views on due diligence in the mineral supply chain. Mitsui Kinzoku Group will continue to promote cooperation and engagement with downstream companies in the supply chain and, through JEITA, with international initiatives such as the RMI.

*6 RMI: Responsible Minerals Initiative
*7 LBMA: The London Bullion Market Association
*8 LME: The London Metal Exchange
*9 CAHRAs: Conflict Affected and High-Risk Areas
*10 RMAP: Responsible Minerals Assurance Process

Mining business

Mitsui Kinzoku Group has its roots in the mining business, which symbolizes the spirit of exploration presented in our Purpose. We promote sustainable management of the mining business by utilizing the technologies and expertise in mine operations that we have cultivated to date.

The Sustainability Action Plan for Mining Business and the mining business management

We have formulated an action plan based on our materiality in consideration of the risks related to mining pointed out in the ICMM basic principles and by SASB. We are executing the plan and managing its progress annually.

In addition to this progress control, we conduct annual surveys on human rights and environment using a self-assessment check sheet for sites engaged in mining activities at the operating mines for which we hold an investment ratio of more than 50% to manage related risks.

Relationships with the local communities around the mines

Compania Minera Santa Luisa that operates the Huanzala Mine and the Pallca Mine places importance on the engagement with the local communities around the mines, and is continuing to address the needs of the communities, such as by developing infrastructure, providing educational aid, and offering support for agriculture and livestock.

In FY2024, as in the previous year, we dispatched specialists to the local communities as needed to help develop the livestock industry.

We received a complaint from local residents about trucks carrying mined ores in FY2022. In FY2024, we continued discussions to resolve the issue in a speedy manner while also implementing necessary corrective measures.

Management of the tailings dam

We regard the leakage incidents of tailings dams as one of the major risks in the mining business and manage tailings dams in accordance with applicable technical guidelines and manuals. Regarding the tailings dams managed by Mitsui Kinzoku Group, we conduct stability evaluations based on applicable guidelines to confirm their earthquake resistance properties.



We provide continuous support in various areas, such as improving domestic animal breeding.（Near the Pallca Mine, in the Llamac Farmers' Community）

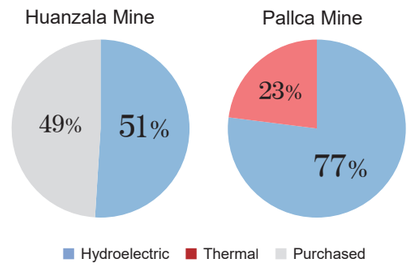
Summary of the Sustainability Action Plan for Mining Business

Related Materiality	KPI (FY2027)	Scope
Business activities in harmony with the environment	・Plant a total of 3,000 trees mainly in former waste rock deposition sites	Huanzala Mine (Peru)
	・Add soil and plant grass to suspended mines, closed mines, and waste rock deposition sites	Kamioka Mine (Gifu, Japan)
	・Reduce deposition by reusing tailings ・Start real-time monitoring at the tailings dam and develop a comprehensive plan for emergency responses	Huanzala Mine (Peru)
	・Protect biodiversity by promoting ecotourism	Huanzala Mine/Pallca Mine (Peru)
Personnel who practice our Values	・Reexamine standards for safe blasting	Akeshi Mine (Gifu, Japan)
Value chain for a sustainable society	・Develop policies to promote local employment and procurement from local suppliers	Huanzala Mine/Pallca Mine (Peru)

Use of renewable energy

The Huanzala Mine and the Pallca Mine each own one hydroelectric power plant and use the electricity in their operations.

Breakdown of annual electricity use by type（FY2024）



Management of water

The Huanzala Mine and the Pallca Mine manage the drainage of water in accordance with the EIA (Estudio Impacto Ambiental = Environmental impact study) and in compliance with the relevant legislation.

Taking into account the risks of acidic water to the surrounding environment, including biodiversity, we carry out measures for the sources of acidic water as well as the collection, management, and neutralization of the acidic water through comprehensive treatment. Concerning the suspended or closed mines in Japan managed by the Group, we have installed mine wastewater treatment facilities in the managed areas generating acidic mine wastewater that includes heavy metals, ensuring that water quality meets the national standards.

Closure plan

We have submitted closure plans for mines subject to applicable laws and obtained government approval. Based on the closure plans, we guarantee or accumulate expenses for closure. In the closure plans, we are taking measures according to the current lifecycle of the mines, taking future closures into account. We are currently focusing on reducing the generation of mine wastewater and acidic water ,and stabilizing the landform through soil covering and grass planting.

Specifically, at the Huanzala Mine and Pallca Mine, we are working on the removal of waste rock piled up on the surface during past mining operations. We are also developing drainage ditches and planting grass in the cleared area in order to regenerate vegetation.

Mine	Closure plan	Amount of guaranteed/accumulated expenses（FY2024）
Huanzala Mine (Peru)	Planned	12.8 million US dollars
Pallca Mine (Peru)	Planned	3.2 million US dollars
Akeshi Mine (Kagoshima, Japan)	Not planned	265.1 million yen *

* The amount of accumulated funds for the Akeshi Mine indicated in the table is that for a tailings dam located at a refinery related to the mine.

We disclose detailed information on our corporate website about our sustainability initiatives in mining business.

https://www.mitsui-kinzoku.com/en/csr/mining_business/

TOPICS

Atalaya

Advanced Exploration Project

Project overview

This is an exploration project for zinc and lead deposits located between the Huanzala Mine and the Pallca Mine. We started the research in 2006, acquired a 100% interest in 2009, and have continually conducted various researches and technical discussions to date.

We formed a development research team consisting of Japanese and local national staff members. The team discusses and evaluates the project, aiming to create a mine that can contribute to society.

Initiatives in the 25-27 MTP

We will conduct a feasibility study to facilitate basic design and assessment of the potential for mine development. In parallel with this study, we plan to implement an environmental baseline survey and an environmental impact assessment of mine development, based on which we will move forward with the procedures to obtain construction permits and approvals.

Aiming for sustainable mine development

We have cultivated various technologies and expertise through development of and years of operating the Huanzala Mine and Pallca Mine. Utilizing these resources, we are carrying out exploration and project evaluations while considering the surrounding environment and gaining understanding from local communities. Also, in planning mine development, we will formulate plans to achieve co-existence and co-prosperity, going beyond reducing the impact on the surrounding environment and local communities.



The Atalaya Project camp area, situated in the Andes in central Peru (Photo taken from the entrance of the exploration area)