

Empowering of Diverse Talents

Development and Empowering of Diverse Talents

■ Activities and future goals

Purpose of activities	Activities during fiscal 2021	Self assessment	Goals/plans for activities from fiscal 2022 onwards
<ul style="list-style-type: none"> Enhancing talent development 	<ul style="list-style-type: none"> Enhanced and promoted the placement of employees to train next-generation leadership talents candidates Continuously to reviewed activities in line with increasingly diversified needs 	B	<ul style="list-style-type: none"> Drastically reviewing initiatives for the development of next-generation leadership talents as well as a partial review of measures Continuing to review contents of the activities
<ul style="list-style-type: none"> Promoting the employment of people with disabilities 	<ul style="list-style-type: none"> Percent of employees that are people with disabilities Target: 2.5% → Actual: 2.31% (as of March 31, 2021) 	B	<ul style="list-style-type: none"> Continuing to promote the employment of disabled persons based on the Company and company's action plans
<ul style="list-style-type: none"> Promoting work-life balance 	<ul style="list-style-type: none"> Expanded the work-from-home system across the company Set labor productivity goals for plants and discussed related measures 	B	<ul style="list-style-type: none"> Continuing to advance initiatives to expand the work-from-home system throughout the Company Implementing discussed measures and continuing to discuss new measures to increase implementation

Self-assessment grades A: Target achieved B: Target mostly achieved C: Target not achieved

Labor Union and Management Partnership

Under our union shop scheme, we respect collective bargaining rights and freedom of association as the basic rights of workers, thereby striving to maintain a good labor-management relationship. The scheme also enables us to share information and exchange opinions between labor union and management on a regular basis. Our biannual Labor-Management Conference in particular is aimed at strengthening solidarity through active discussion, covering subjects such as recent issues, strategies and policies in each sector, and establishing a shared direction in the interests of the Company's sustainable growth for the future.

Also, management spend substantial time on careful explanation and consultation with labor upon facing such events as business restructuring. As of the end of March 2021, the number of union members amongst those directly employed by Mitsubishi Materials (including employees on assignment) stood at 4,853. Including group companies, the total number of members was 7,881.

■ Number of union members

Subject	Number
Mitsubishi Materials	4,853
Overall Group	7,881

Employment Statistics (As of March 31, 2021)★

■ Number of employees (full-time equivalent)

Subject	Employees	Temporary Staff	
Non-consolidated	6,153	999	
Consolidated	27,162	4,403	
	Japan		16,414
	Overseas		10,748

■ Employee training

Total hours of training (annual)	Average hours per employee (annual)
91,178	14.8

*Subjects of the above data for education and training program hours are regular employees.

■ Employee numbers according to location (consolidated)

Location	Employees
Japan	16,414
North America	3,784
South America	35
Oceania	11
Europe	1,175
East Asia	771
Southeast Asia	4,972
Total	27,162

■ Graduate recruitment

Subject	Graduate recruitment	
	University graduates (including graduate school)	High school graduates
Men	94	80
Women	32	12
Total	126	92

■ Breakdown of employees

Subject	Manager	Regular employees	Total	Average service	Average age
Men	1,503	3,929	5,432	18.0	42.1
Women	36	685	721	14.4	39.3
Total	1,539	4,614	6,153	17.6	41.8

■ Percentage of woman in management positions

2.07%

■ Employee turnover (employees leaving the company in FY2021)

Subject		Aged under 30	Aged 30-49	Aged 50 or over	Total
Number of employees leaving company	Men	42	35	142	219
	Women	10	2	6	18
	Total	52	37	148	237
Turnover	Men	4.0%	1.4%	7.9%	4.1%
	Women	5.1%	0.6%	4.5%	2.6%
	Total	4.2%	1.3%	7.7%	3.9%

“Employees leaving the company” refers to those who leave the company because they have reached the mandatory retirement age, those who leave the company voluntarily or involuntarily, and those who are dismissed.

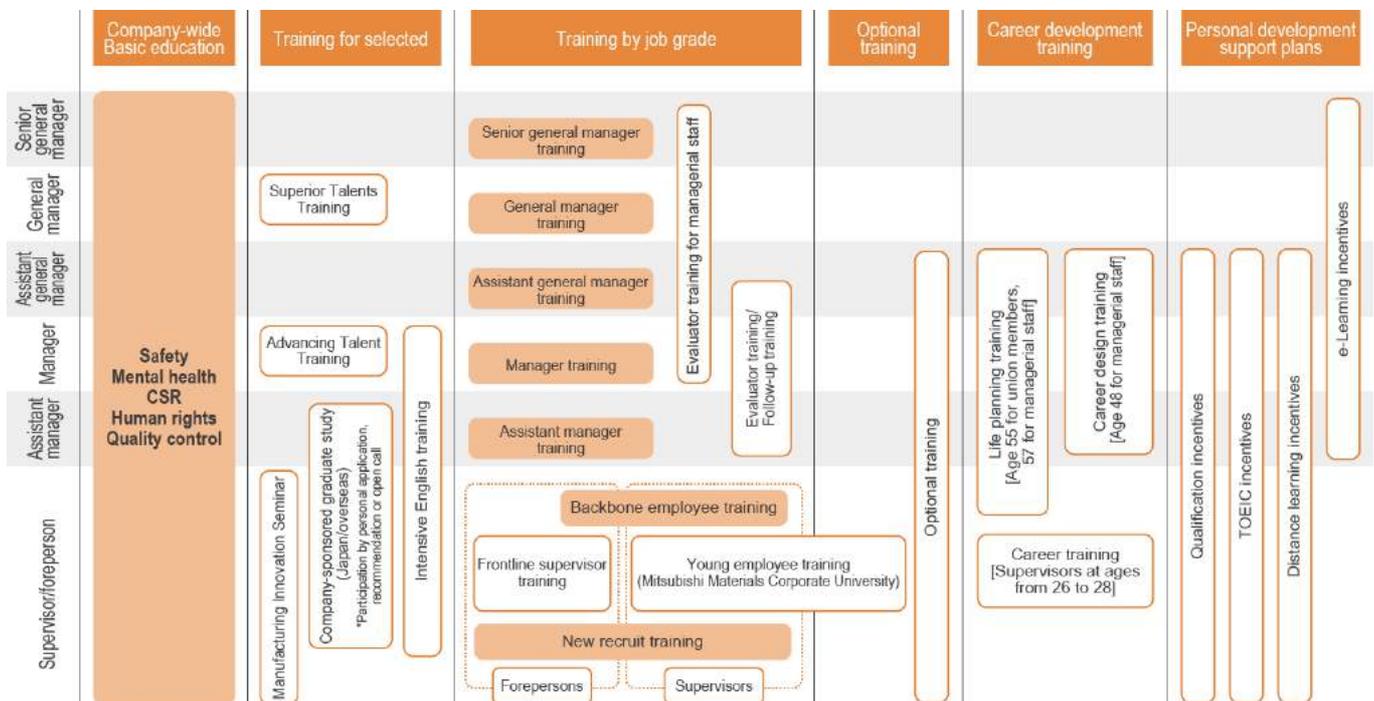
Talent Development

Basic Approach to Talent

The Group views its employees as creators of new values and sources of business competitiveness. We consequently seek to be a company that accepts and respects diversity, where every employee finds their work meaningful while working together to achieve optimal organizational performance.

Our medium- to long-term talent strategy states "Enhance the management of the Group by securing and fostering adaptive talents and building a healthy organizational culture and promote sustainable growth by implementing measures for improving social values." We consider it essential for corporations to continuously develop leadership talents and diverse talents who excel and keep pace with changes in order to strive competitiveness and sustainable growth.

Group-wide talent development system



Leadership Values in the Mitsubishi Materials Group

In February 2016, in order to clarify the competencies and skills common to leaders in our Group’s various businesses, we drew up “Leadership Values in the Mitsubishi Materials Group” (“Leadership Values” hereinafter), which is to be used as a set of guidelines for our leadership development.

Among the three Leadership Values listed, “Integrity and Spirit of a Leader” has especially deep roots in our tradition of commitment and responsibility for the safety and livelihood of our employees. Our Group traces its roots back to the era of coal and metal mining, where the workplace sometimes put ones’ life in danger. This value is therefore universal among requisite leadership qualities that have been passed down unbroken through generations in the Group, and was selected as one of core values through keen discussions among management.

Our Leadership Values are reflected in performance assessment of managers in the Company. This is aimed at encouraging higher-ranked employees to lead the awareness reform and embody the Leadership Values. The Company’s trainings by job grade have been designed in accordance with our Leadership Values, which afford Group employees opportunities for leadership development appropriate to the various stages of their careers. We have also commenced initiatives at each Group company seeking to achieve further penetration of these values within each company.

Next-Generation Leadership Talents Development Programs

In fiscal 2006, we established “Next-Generation Leadership Talent Development Programs” which seek to develop qualified candidates for our Group’s senior management positions. General managers considered as potential candidates for general manager and operating officer of the Company or presidents of major Group companies are identified as “Superiority Talents”, while managers considered as potential candidates for general managers, plant managers or CEO of Group companies are identified as “Advancing Talents”, and selected for further training and development.

At the same time, we are currently engaged in efforts to transform our HR strategies, and are also working to fundamentally advance the programs.

Collaboration Between Diverse Talents

Collaboration Between Diverse Talents

Promoting diversity and inclusion

We are promoting diversity and inclusion with the aim of building workplace environments in which team members with diverse attributes, values and experience can thrive together with mutual respect, and can demonstrate their individual abilities at their very best.

In fiscal 2021, we engaged in initiatives for promoting women's development and advancement, and held training sessions for managers with the aim of fostering awareness of diversity. In fiscal 2022, we are engaging in further initiatives for promoting these values, such as streaming learning contents with the aim of deepening understanding of diversity and inclusion.

Promotion of women's development and advancement

We implement initiatives based on the Action Plans legally required by the Act on Promotion of Women's development and Advancement in the Workplace. In fiscal 2021, we developed a three-year action plans (leading up until fiscal 2023) for our plants and selected Group companies, with the aim of expanding the range of positions for women, including the development of better workplace environments, and launched initiatives that considered the characteristics and circumstances of each. We have also formulated general career paths for women in engineering-type roles, for which recruitment numbers are low in comparison with clerical positions, and are making use of these career paths to improve employee retention rates and active participation after joining the company. Going forward, we will continue to enhance our initiatives with a view to achieving the goals raised in our action plan.

Support for Diverse Working Styles

We promote creating working environments that enable our employees to strike a balance between their work and their home life. As well as enabling employees to adapt their working patterns in line with events in their lives, we make every effort to establish and continually improve a range of support schemes so that employees can advance their careers and take on challenging jobs.

We have introduced a system that permits employees who are leaving the Company due to unavoidable family circumstances (marriage, childbirth, childcare, nursing care, or spouse's assignment change associated with relocation) to return to work under specific conditions (a reemployment system for retired employees who have once resigned), a system that permits employees to take a leave in the event of international relocation with their spouse or to take education at their own expense (special temporary leave-of-absence system), a by-the-hour paid leave system, and a childcare fee subsidy system.

In an effort to reduce long work hours on a companywide scale, we have established an exploratory committee on reducing working hours, consisting of both labor union and management. We are also working to reduce out-of-hours work and encourage employees to take paid leave, in line with actual operations at each of our offices and plants.

Enhancing Childcare and Nursing Care Support Systems

We have developed the following systems for supporting childcare and nursing care, which goes beyond the statutory legal requirements.

Childcare support	
Maternity nursing leave (*for male employees)	When the wife of an employee has given birth, the employee is entitled to three days of leave within two weeks of the date of birth.
Support interviews for employees returning to work after childcare leave (leave to raise children), etc.	Employees taking prenatal and postnatal maternity leave and childcare leave (and who wish to have an interview) are eligible for interviews.
Lump sum payment for early return to work after childcare leave (leave to raise children), etc.	Paid to employees who return to work early after postnatal maternity leave, or after one month or more of childcare leave.
Shortening of prescribed working hours (for childcare)	Employees caring for a child up until the sixth grade of elementary school are eligible. The number of prescribed working hours per day may be shortened to a minimum of six hours.
Child nursing care leave	<ul style="list-style-type: none"> · One child: 10 days / year, two or more children: 15 days / year · Leave may be taken in whole-day or hourly increments *For children up to the age of 3, up to 5 days of paid leave will be granted per year.
Childcare fee subsidy system	Paid to employees with children under the age of three who attend (registered or non-registered nursery schools) or day-care facilities

Caregiving support	
Extended caregiving leave (allotment of leave to care for a family member)	Employees may take up to a maximum of 36 months' leave per person requiring care.
Caregiving leave	Employees with family members requiring care may take leave as follows. <ul style="list-style-type: none"> · One person: 5 days / year, two or more persons: 10 days / year · Leave may be taken in whole-day or hourly increments.
Shortening of prescribed working hours (for caregiving)	Employees caring for family members requiring care are eligible. Employees may use this scheme for up to a maximum of 72 months, together with caregiving leave (leave to care for a family member).

In terms of childcare-related initiatives for fiscal 2021 onward, as of April 2021, ahead of the revision of the law for promoting the acquisition of childcare leave by male employees, we are working to encourage awareness raising and approaching male employees entitled to childcare leave (and their superiors) on an individual basis.

With regard to nursing care, in addition to our existing "basic" edition seminar on nursing care held each year, we are also adopting new seminar themes, including a "superiors edition" aimed at deepening understanding of caregiving employees requiring nursing care and a "remote location edition" with a focus on how to communicate with parents who live separately.

■ Use of Support Schemes (fiscal 2021)★

Item	Male	Female	Total
Percentage of paid leave taken (based on calendar year)	—	—	79.5%
Number of employees taking prenatal and postnatal maternity leave	—	25	25
Number of employees taking childcare leave	28	45	73
Number of employees taking caregiving leave	3	1	4
Employees using the childcare subsidy scheme	97	18	115

Welfare

We allow employees to accumulate up to 5 days per year out of their expiring paid holidays as wellness leave, and are expanding this system so that employees can hold up to 60 days of this leave as of fiscal 2022. Employees can use wellness leave for reasons relating to their own health, including recuperating from illness or injury, or attending medical examinations or gynecologist appointments, or for purposes such as caring for family members, taking leave to return home if working away from their families, having in- and out-patient fertility treatment, or taking part in volunteer activities. We are working to extend this system even further. We made it possible to take wellness leave in half-day units to support family care in fiscal 2020. We expanded the system in the same way in fiscal 2021 to support employees who visit hospitals regularly over long periods due to their own serious illness.

In addition to these, we have introduced an optional welfare scheme in an effort to cater to our employees' increasingly diverse needs, including travel and life support. A great number of employees as well as their families are using the scheme.

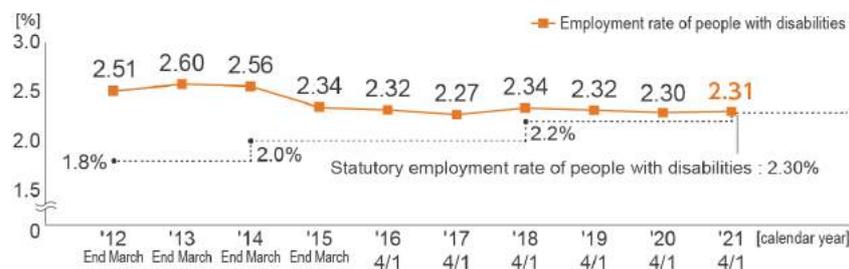
Working styles for employees aged 60 and over

As of April 2021, we have extended the mandatory retirement age from 60 to 65 years old, as a measure to secure stable employment and improve the treatment of senior employees, to enable them to work with peace of mind, and to further increase their motivation. In addition, we are catering to the needs of individual employees by incorporating options such as selective retirement age and re-employment with shorter working hours, taking the state of health and life plans of each employee into account.

Promoting Employment of People with Disabilities

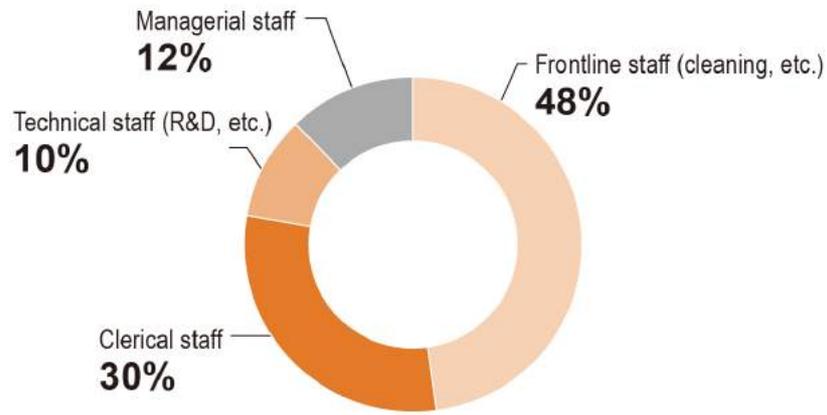
Our Human Resources Department provides a range of support to encourage employment of people with disabilities within Mitsubishi Materials and at the Group companies, based on the principles of social responsibility, legal compliance and diversity of human resources. The department offers a "model workplace for disabled employees" at the Marunouchi Head Office and the Saitama Office, aimed at enabling people with disabilities to learn, grow and contribute to society through their work. We provide jobs such as cleaning the cafeteria, meeting rooms, and other rooms at the Head Office and jobs at the Saitama Office such as cleaning the cafeteria and other rooms, maintaining greenery on company premises, and producing business cards, including for the Group companies. In addition, we also actively engage in social contribution activities such as accepting internship of students from local special needs schools, and volunteering to help out with litter collection activities in the local area.

■ Employment rate of people with disabilities (As of April 1, 2021)★



* Until fiscal 2016, we counted each fiscal year from the end of March, but we changed this to April 1 from fiscal 2017.

■ Job category undertaken by people with disabilities at Mitsubishi Materials (As of April 1, 2021)



TOPICS

Grand Prize Won in a Workplace Slogan Competition (Human Resource Development Center, Human Resources Dept.)

We applied for a workplace slogan competition hosted by the Government-Labor-Management Meeting (Kou-Rou-Shi Kaigi) of Saitama Prefecture. Named Dare-mo ga kagayaku shokuba slogan (“a workplace slogan that allows anyone to shine”), the competition is aimed at encouraging the creation of pleasant, motivating workplaces. Applications are solicited from business companies and other organizations in Saitama. The slogan from Mitsubishi Materials, which means “respecting the distinctive characteristics and possibilities of individuals, encouraging to let them do it and leaving it to them are the first steps toward growth” won the grand prize (dare-mo ga kagayaku shokuba taisho) in October 2018. In the final review, we gave a presentation about initiatives taken in our workplaces as the background of the slogan, and staff members with disabilities who work at the Human Resource Development Center politely answered questions from judges. We earned high marks for our efforts to create workplaces where the creative measures we devise and work improvements increase the volume of work that can be handled by staff members with disabilities, while each staff member finds job satisfaction and enjoys working.



Respect for Human Rights

Basic Approach

Article 1 of our Code of Conduct relates to human rights, and states that “we will respect human rights of all.” This means that we will never discriminate based on race, gender, religion, nationality, or any other factor not related to an individual’s abilities or performance. We aim to raise awareness and provide training based on the principle “we will eliminate discrimination and respect the dignity of each individual.” We also organize human rights awareness training on an ongoing basis in order to encourage individual employees (including short-term, part-time, temporary and contract employees) to take a personal interest in human rights issues, and to ensure that they maintain a deep-rooted awareness of the importance of human rights as part of their day-to-day activities, based on a resolute determination not to engage in, allow or tolerate any form of discrimination. As a result of conducting human rights awareness training on a group-wide basis with regard to power harassment (abuse of authority), 6,506 employees underwent a combined total of 3,253 hours of training in fiscal 2021.

Preventing Harassment

Any form of harassment, including sexual harassment, power harassment, or harassment relating to maternity or care leave, can stifle employees’ enthusiasm and erode an otherwise congenial working environment. We believe that stepping up educational and training programs, and implementing a range of preventive and response measures, are both effective ways of combating harassment. We revised our guidelines on preventing harassment to reflect the contents of the revised Act on Comprehensive Promotion of Labor Measures and Stabilization of Employment of Employees and Enrichment of Their Working Lives, Etc., which came into effect in June 2020. In addition to an Internal Contact Office for employees of the Mitsubishi Materials Group, we also appoint in-house supervisors at each of our business locations to provide advice on harassment, and have also established an external consultation service to ensure that all matters are handled appropriately. (Consultation services were contacted with regard to 22 matters during fiscal 2021.)