

Talent Retention and Development

Development and Empowerment of Diverse Talents

Basic Approach to Human Capital

The Group has set out “Our Commitment” of “For people, society and the earth, circulating resources for a sustainable future”. We recognize that through our business activities it is people who drive the implementation of Our Commitment and create new value. We believe that this is the source of the Group’s sustainable growth.

We regard talents not as just resources or costs but as capital, and recently we have worked to support the growth of talents through various investments in Human Resources Transformation (HRX). For example, we work to accelerate the talent development, promote autonomous career development, and visualize human resources information through the introduction of a talent management system. Looking ahead, we will pursue HRX initiatives in greater depth, and pursue investment into human capital, advancing our human resource strategies of “maximizing the value of human resources and creating an organization dedicated to winning” and “building a foundation for co-creation and growth”, thereby achieving growth both for individuals and the Group, and enhancing corporate value.

Status of Employment at the Mitsubishi Materials Group (As of March 31, 2023)

■ Number of Employees (full-time equivalent)

Subject	Employees		Temporary Staff
Non-consolidated	★5,450		958
Consolidated	★18,576		2,765
	Japan	11,436	
	Overseas	7,140	

■ Employee Numbers According to Location (consolidated)

Location	Employees
Japan	11,436
North America	744
South America	47
Oceania	12
Europe	1,182
East Asia	754
Southeast Asia	4,401
Total	★18,576

■ Recruitment (Recruits for fiscal 2023) (Non-consolidated)

Subject	Graduate Recruitment		Experienced Recruitment
	University graduates (including graduate school)	High school graduates	
Men	73	58	68
Women	21	15	8
Total	94*	73*	76

* This figure has already obtained third-party assurance in the [ESG Report 2022](#) .

■ **Employees Who Left the Company for Their Own Reasons (employees who left the company in fiscal 2023)**
(Non-consolidated)

Subject		Aged under 30	Aged 30-49	Aged 50 or over	Total
Number of employees who left the company for their own reasons	Men	55	49	19	123
	Women	9	7	0	16
	Total	64	56	19	139
Percentage of employees who left the company for their own reasons	Men	5.8%	2.2%	1.1%	2.5%
	Women	4.4%	2.0%	0%	2.2%
	Total	5.6%	2.2%	1.0%	★2.5%

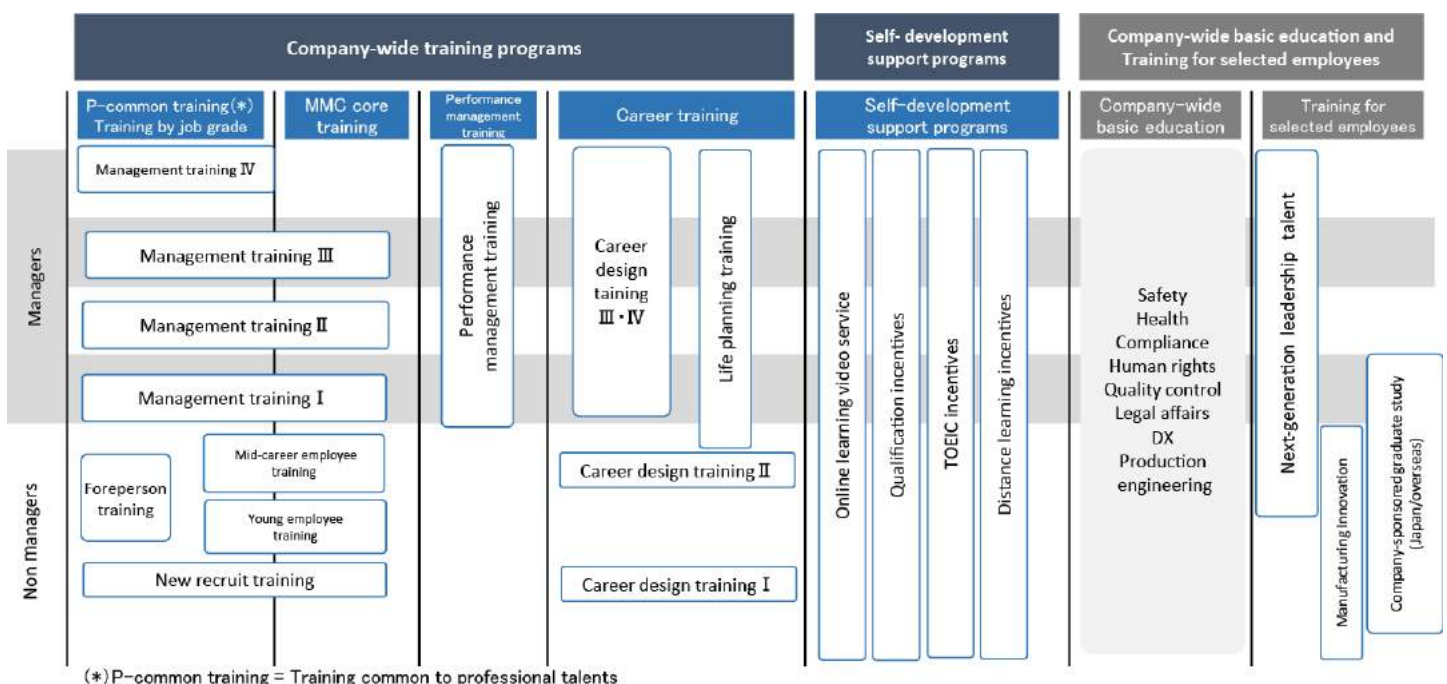
Development of Talents

Talent Development System

In April 2022 we introduced a new talent development system. This system consists of “Professional-common training (Training common to professional talent),” which is aimed at developing management skills related to people and organizations, “MMC Core Training” for learning matters related to safety and health (S), legal compliance and the environment (C), and quality (Q) as well as our technologies and strategies, “training for selected employees”, “career design training, and personal development support plans”, etc. In particular, we believe that it is important that every employee thinks autonomously about their own career and expertise, and develops their abilities in a proactive manner. We have developed environments for autonomous learning, provide opportunities for employees to reflect on their own careers and reaffirm their own growth and contributions to the organization, and provide training opportunities for employees to learn management skills to suit their respective roles. To achieve these aims, we operate educational activities based on the provision of an online learning video service and other endeavors.

Through these initiatives to develop talent, we make every effort to contribute to fostering an organizational culture of adapting flexibly and promptly to changes in society and business environment and taking on challenges. Additionally, going forward we will continually update the details of training to reflect the status and needs of the organization.

■ **Talent Development System (non-consolidated)**



Employee Training (non-consolidated)

■ Annual total hours of training

Annual total hours of training (aggregated)	Average hours per employee (annual)
★118,565 hours	18.6 hours

* Subjects of the above data for education and training program hours include non-regular employees as well as regular employees.

* The above disclosures include data for employees belonging to the Polycrystalline silicon business.

Next-Generation Leadership Talent Development Program

We established the training system: “Next-Generation Leadership Talent Development Program” in fiscal 2006, and have developed future leaders with the aim of training qualified candidates for Executive Officer positions. Against the backdrop of promoting a complete in-house company system and human resource reforms, we revised the program in fiscal 2023. Under the new program, we will select high-potential talent from younger generations, and shifting from the previous training-centered approach, formulate development plans that emphasizes work experience. With this as a basis, we are developing future leadership talents with cross-divisional and Group-wide perspectives.

■ Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers



Leadership Values in the Mitsubishi Materials Group

In February 2016, the Group clarified the competencies and skills it was looking for as a guideline for the development of leaders in the form of the Leadership Values in the Mitsubishi Materials Group (hereinafter “Leadership Values”).

An important element in the Leadership Values is “Integrity and Spirit of a Leader.” The Group has operating roots in coal mining and the mining industry, and we place importance on the strong sense of mission and responsibility that leaders must have to be entrusted with the lives and safety of employees, even at worksites that can be life-threatening. The Leadership Values represent universal values handed down throughout the Group and were formulated after careful discussion by top management. The Leadership Values have been adopted as an evaluation indicator in the evaluation system for management-level employees, and encourage upper management to promote awareness reform and embody them within the Group.

Diversity and Inclusion Initiatives

Basic Policy

We have stipulated our basic policies regarding Diversity and Inclusion in the Basic Policy on Corporate Governance, Sustainability Policy, and Human Rights Policy. We have also established the Guidelines for Support of Women's Development and Advancement as our policy on promotion of women's development and advancement.

We have posted these basic policies in our internal HR portal website and continue to inform and cultivate the policies for all employees through activities such as explanations during internal training programs.

◆ Basic Policy on Corporate Governance (Excerpt)

Based on the belief that employees are the source of new values and the Group's sustainable growth, we aim to maximize organizational performance by creating workplace environments in which team members with diversity in every respect, including race, religion, gender, sexual orientation and gender identity, age, disability, nationality, national origin, social origin, and professional background, can coexist, mutually respect one another, and actively demonstrate their individual abilities at their very best. (Article 10)

◆ Sustainability Policy (Excerpt)

We embrace diversity and acknowledge its importance in creating new value. We will promote Diversity and Inclusion as a source of sustainable growth within the Group. (Article 3)

◆ Human Rights Policy (Excerpt)

We aim to build workplaces where team members with diverse attributes, values, and experiences can coexist and mutually respect one another, and where individuals can work confidently with a sense of growth and fulfillment as they elevate each other and demonstrate their capabilities to the full. (Article 8)

◆ Guidelines for Supporting Women's Development and Advancement

- (1) Actively promoting Diversity and Inclusion to embrace and respect diverse personalities, as well as to create new values, that are the sources of sustainable growth for the Group. Such promotion is one of our management strategies, and active participation of female talents is indispensable.
- (2) Aiming to be a place where all female talents with diverse personalities can demonstrate their individual abilities at their very best at all workplaces, occupation fields and positions, while experiencing growth and self-realization.
- (3) Fostering culture where every female talent can independently and autonomously build and develop their careers by improving the work environment, expanding the work area and support that respect viewpoints of work.

Targets to Achieve by the End of Fiscal 2026 and Actual Conditions

As our vision for Company-wide Diversity and Inclusion, we aim to increase the number of female and non-Japanese managers by about 2.5 times and the number of mid-career hire managers by about 1.5 times over that of fiscal 2021 by fiscal 2026. For female manager, we also aim to increase the percentage of all managers to 5.0% or higher by the end of fiscal 2026.

Targets for the Number of Female, Non-Japanese and Mid-Career Hire Managers

Subject		FY2026 Target
Female managers	Number compared to FY2021:	Approx. 2.5 times
Non-Japanese managers		Approx. 2.5 times
Mid-career hire managers		Approx. 1.5 times

Trends and Targets for Percentage of Women in Management Positions



* Results as of the end of March each fiscal year

Number and Ratio of Female Directors, Executive officers and Managers

Subject	Number	Ratio
Female Directors (as of June 23, 2023)	2 (out of 11)	18.1%
Female Executive Officers (as of April 1, 2023)	1 (out of 9)	11.1%
Female Managers (as of April 1, 2023)	45 (out of 1,721)	★2.6%

Our Initiatives

To achieve our targets by the end of fiscal 2026, we are involved in measures to construct a base and disseminate inclusion, including developing of the environment necessary to promote Diversity and Inclusion, as well as promoting a wide range of measures for women, non-Japanese, and experienced mid-career hires, employees with disabilities and the LGBTQ+ community.

■ Main Initiatives

Base construction and dissemination of inclusion measures	<ul style="list-style-type: none"> • Opening Diversity & Inclusion hotline • Distribution of video content related to Diversity and Inclusion for all employees • Implementation of unconscious bias e-learning for all employees • Implementing programs on Diversity and Inclusion in “MMC Core Training” • Conducting seminars for all employees on renewing work styles and encouraging male employees to take childcare leave • Conducting nursing care seminars for all employees • Including Diversity and Inclusion elements in behavioral evaluation for managers • Conducting engagement survey for all employees • Discussing Diversity and Inclusion at the Board of Directors
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Career support measures	<ul style="list-style-type: none"> • Conducting career interviews • Opening the employee hotline • Implementing career design training
Support of women's development and advancement	<ul style="list-style-type: none"> • Sponsorship Program (support for career acceleration sponsored by Executive Officers) (for female managers and female career track employees) • Career development support (for female career track employees) • Implementing action plans at offices and plants • Providing external training opportunities
Support for non-Japanese employees	<ul style="list-style-type: none"> • Active participation in recruitment events for international students • Foreign language support for company entrance exams • Language education support both before and after hiring
Support for mid-career hires	<ul style="list-style-type: none"> • Enriching information related to mid-career recruitment on our website • Onboarding support initiatives
Support for employees with disabilities	<ul style="list-style-type: none"> • Implementing action plans at offices and plants • Strengthening of connection with external associations for employees with disabilities • Employment support for employees with disabilities (trainees from special education schools)
LGBTQ+ support	<ul style="list-style-type: none"> • Release of in-house handbook to promote understanding of LGBTQ+ • Training sessions led by LGBTQ+ people for Human Resources staff • Sponsorship of Tokyo Rainbow Pride

Promoting Employment of People with Disabilities

We engage in a range of initiatives to promote the employment of people with disabilities.

Many employees with disabilities work at the Marunouchi Head Office and the Saitama Office, a “model workplace for disabled employees” aimed at enabling people with disabilities to learn, grow and contribute to society through their work.

At the Marunouchi Head Office, we mainly provide jobs such as cleaning and sterilization of the cafeteria and meeting rooms. At the Saitama Office, in addition to cleaning and sterilization of the cafeteria and training and accommodation facilities, the jobs include maintaining greenery on company premises, and producing business cards, including for the Group companies. We assign guidance staff to each workplace to respect the individuality and potential of each employee with a disability, innovate and improve how they work, and to foster their growth in a way that promotes a sense of fulfillment and job satisfaction. We also accept the internship of students from local schools for special needs education, actively hold events such as company tours, and support the employment of students attending schools for special needs education, such as by motivating them to work at a company through these activities.

Promotion of Flexible Work Styles

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. We strive to develop and expand a variety of support systems in order to create an environment where every employee can take on the challenge of career advancement while realizing a work style that suits the events in their lives.

In fiscal 2023, we introduced a Work-from-home System for the entire Company, including plants, to help employees work with more flexibility while improving productivity, as well as a Remote Work System for managers. We also abolished the core times from the flextime systems in place at our Head Office locations and some of our other business sites, supporting employees in adopting a more flexible way of working.

Systems Supporting Flexible Workstyles

System		Outline
All employees	Work-from-home system	A system that allows employees to work from home who are in charge of work that can be handled at home.
	Remote work system	A system that allows managers to work without restrictions on location (Japan only)
	Half-day paid leave system	A system under which paid leave may be taken in half-day units
	By-the-hour paid leave system	A system under which paid leave may be taken in hour units
	Wellness leave	We allow employees to carry over up to 5 days per year of their expiring annual paid leaves, with an upper limit of 60 days. These paid leaves may be used when an employee or their family is receiving in-patient or home treatment for a non-work-related illness or injury, when an employee undergoes a complete medical checkup/gynecological examination or has in- and out-patient fertility treatment, and when an employee takes part in volunteer activities or other activities.
	Flextime system	A system which permits employees to determine their start and finish times (without core time requirements at some business sites)
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.	For employees taking prenatal and postnatal maternity leave and childcare leave for a total of three months or longer and who wish to have an interview
	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 maternity leave, or after one month or more of childcare leave (during the month following the month when they return to the month when the child becomes one year old).
	Shortening of prescribed working hours	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.
	Childcare time	A female employee with a child younger than one year old is entitled to take two 30-minute breaks during shortened prescribed working hours.
	Staggered work hours and additional break time	Female employees who are pregnant or have given birth to a baby may move up or down their start and finish times by up to 60 minutes under certain conditions. They are also permitted to take two breaks for up to 60 minutes in total per day.
	Exemption from out-of-hours work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work overtime.

	Limitations on out-of-hours work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work over 24 hours of overtime a month and over 150 hours of overtime a year.
	Limitations on late-night work	Employees caring for a child up until the sixth grade of elementary school are entitled not to work from 10:00 pm to 5:00 am.
	Child nursing care leave	Employees caring for a child up until the sixth grade of elementary school are entitled to take this leave on a daily or hourly basis, in principle, separately from annual paid leaves. (For employees with children up to the age of 3, up to 5 days of paid leave will be granted per year.) <ul style="list-style-type: none"> • One child: 10 days / year • two or more children: 15 days / year
	Childcare fee subsidy system	Paid to employees with children under the age of 3 who attend preschool or a day care facility
Caregiving support	Extended caregiving leave	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. The leave may be taken on a daily or hourly basis, in principle, separately from annual paid holidays. <ul style="list-style-type: none"> - One family member requiring care: 5 days - Two or more family members requiring care: 10 days
	Shortening of prescribed working hours/staggered work hours/flextime	Employees with family members requiring care may take leave under one of the following schemes specified by the Company. <ul style="list-style-type: none"> - Shortening of prescribed working hours - Staggered work hours - Flextime
	Exemption from out-of-hours work	Employees with family members requiring care are entitled not to work overtime.
	Limitations on out-of-hours work	Employees with family members requiring care are entitled not to work more than 24 hours of overtime a month and more than 150 hours of overtime a year.
	Limitations on late-night work	Employees with family members requiring care are entitled not to work from 10:00 pm to 5:00 am.

Systems Related to Diverse Careers and Employment Continuation, etc.

System	Outline
Internal job posting system	Implemented as a part of promoting autonomous career development
Area limited employment system	A system that allows employees with certain circumstances, such as childcare or long-term care, to be exempt from relocation for a certain period of time
Special temporary leave-of-absence system	A system that allows employees who are accompanying a spouse on an overseas assignment or who are studying at their own expense to take leave for a certain period of time
Reemployment system for employees who have once resigned	A system that allows employees who have once resigned due to personal family circumstances (marriage, childbirth, long-term care, etc.) to rejoin the Company under certain conditions
Overseas study program	A system that dispatches employees desiring to study overseas who have passed an internal selection to graduate schools, etc. in Japan or abroad
Position change	A system that employees are allowed to change their positions in specific areas to new positions where they can demonstrate their capabilities from a company-wide perspective.
Side jobs / Side businesses	A system allowing employees to engage in non-employment side jobs and side businesses has been introduced with the aim of enabling employees to acquire knowledge, skills, and experience that cannot be obtained within the Group, bringing value to the Group while also further promoting awareness of autonomous career building (implemented on a trial basis from April 2023)

We aim to further promote Diversity and Inclusion by enabling employees to better balance work and life events such as childcare to create an environment where diverse talents can continue to perform. From fiscal 2023, we set a goal of having 100% of eligible male employees take childcare leave and are actively working to achieve this goal through measures such as continuous awareness building in our training, holding seminars that renew work styles and encouraging the taking of childcare leave by male employees.

■ Trends in the Numbers, Rates and Days of Childcare Leave Taken by Male Employees

Period	Number taking leave	Rate taking leave	Average days taken
FY2020	27	15.6%	41
FY2021	56	36.6%	32
FY2022	84	61.3%	51

* A system unique to our company allows a male employee whose spouse gives birth to take 3-day maternity nursing leave (paid) within two weeks of the date of birth.

Status of Utilization of the Systems, etc. (FY2023)

Item	Male	Female	Total
Number of employees taking caregiving leave	2	0	★ 2
Number of employees taking childcare leave	84	19	★ 103
Number of employees taking prenatal and postnatal maternity leave	—	16	★ 16
Percentage of paid leave taken (Non-consolidated union member) (January to December 2022)	—	—	★ 87.3%
Average overtime hours (Non-consolidated union member)	—	—	17.8hours

* To develop an environment in which it is easy for employees to take paid leave as part of measures to increase the percentage of paid leave taken, we have determined days when employees are strongly recommended to take paid leave and days when employees are encouraged to take paid leave, before or following holidays, etc. Thus, we recommend employees to proactively take paid leave.

* Regarding employee working hours, we use a dedicated attendance management system in which employees, including managers, input their working hours. Their workplace superiors can use the system to regularly check the attendance status of all team members.

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.