

» Development and Empowering of Diverse Human Resources

Purpose of activities	Activities during fiscal 2018	Self-assessment	Targets/plans for activities from fiscal 2019 onwards
<ul style="list-style-type: none"> <li>Promoting human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing training for new and mid-level employees and expanding career education</li> </ul>	B	<ul style="list-style-type: none"> <li>Enhancing and promoting the placement of employees to train next-generation management candidates</li> <li>Continue to review activities in line with increasingly diversified needs</li> </ul>
<ul style="list-style-type: none"> <li>Retaining and utilizing talented locally employed staff at overseas facilities</li> </ul>	<ul style="list-style-type: none"> <li>Introducing a training program for locally employed managers (China)</li> </ul>	A	<ul style="list-style-type: none"> <li>Expanding the training program for locally employed staff to other areas</li> </ul>
<ul style="list-style-type: none"> <li>Promoting disabled persons' employment</li> </ul>	<ul style="list-style-type: none"> <li>Disabled persons' employment rate [Target: 2.5% → Actual: 2.34%]</li> </ul>	B	<ul style="list-style-type: none"> <li>Continuing to promote employment based on the Group-wide and divisional action plans</li> </ul>
<ul style="list-style-type: none"> <li>Promoting work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement reduced-hours scheme aimed at reducing overall working hours</li> <li>Encourage uptake of paid leave</li> </ul>	B	<ul style="list-style-type: none"> <li>Continuing to suppress long hour working habits and to promote employees to take paid leave in order to reduce overall working hours</li> </ul>

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

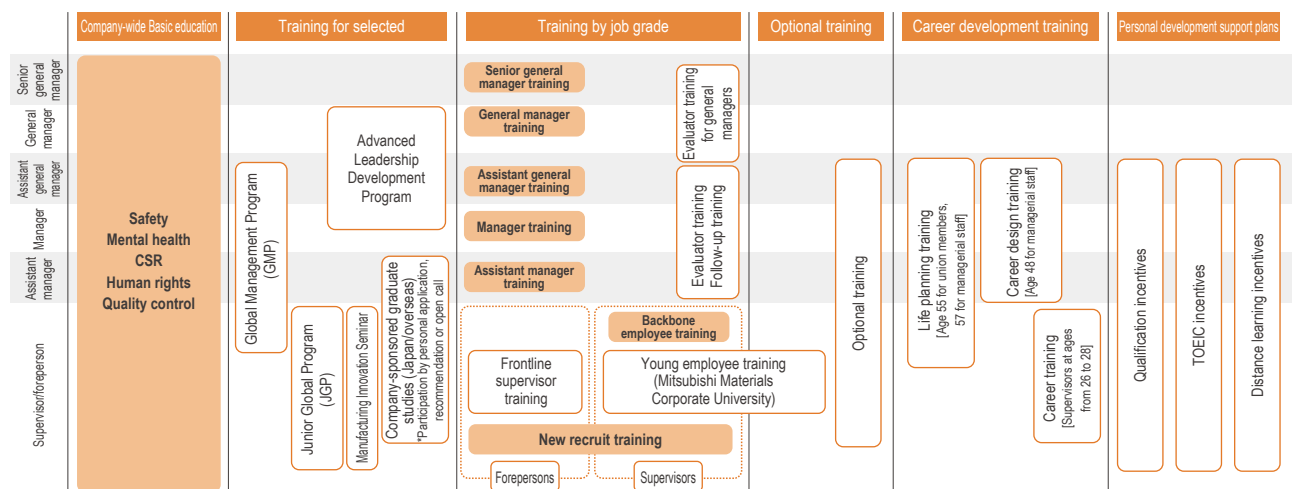
Human Resource Development

Basic Approach to Human Resources

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

Our medium- to long-term HR strategy states that “we improve the development and retention of human resources equipped with high strategic skills and practical abilities, and strengthen the Group’s management capacity through the appropriate allocation of human resources.” We consider it essential for corporations to continuously develop personnel who excel as leaders in order to maintain competitiveness and sustain growth.

Group-wide education system



### Overseas Human Resource Development and Promotion of Their Empowerment

In order to speedily expand the Mitsubishi Materials Group’s overseas operations, we consider it essential to make the best possible use of overseas human resources, including Japanese staff assigned overseas. With that in mind, in fiscal 2018 we have introduced management training for locally employed managers of our overseas group companies, in line with our “Leadership Values in Mitsubishi Materials.” We also provide placements for technical staff from overseas group companies, so that they can gain expertise from Mitsubishi Materials and share what they have learned with their respective overseas workplaces.

We hope to continue making progress on a groupwide scale in the future, in terms of developing and use of National human resources.

### Reinforcing Global Human Resource Development

One of the groupwide strategies under our Medium-term Management Strategy is to “promote growth and strengthen presence in the global market.” With that in mind, we are working to improve our global human resource development activities even further.

In fiscal 2014, we launched a Global Human Resource Development Program, for selected employees who are scheduled to be assigned overseas and young employees who are expected to make a considerable global contribution in the future. Aimed at developing human resources with a global perspective, a total of 287 employees went through this program during the five year period up to fiscal 2018.

Global human resources developed over five years from FY2014 **Approx. 287**

Global Human Resources			
Expanding global development programs			
Exploring, devising and implementing development programs for national staff			
Object	Employees in their 2nd to 8th year with the company	Employees expected to be assigned overseas within two to three years	National staff (locally employed workers at overseas operations)
Program	Junior Global Program (JGP)	Global Management Program (GMP)	Plans to establish development programs in the future based on specific needs, including in-house company and divisional policies for overseas operations, and policies for making the most of national staff
Details	<ul style="list-style-type: none"> <li>Language training</li> <li>Training in awareness, skills and expertise (external instructors)</li> <li>Overseas Training (FY2015 onwards)</li> </ul>	<ul style="list-style-type: none"> <li>Language training</li> <li>Training in specialist knowledge (internal instructors)</li> <li>Training in skills and expertise (external instructors)</li> </ul>	

## Activities for Diversity and Inclusion

### Activities to Promote Women’s Participation

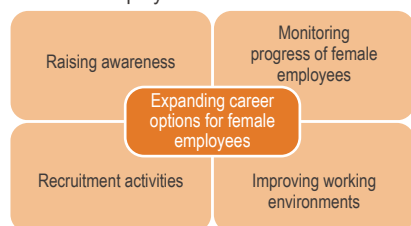
“The development of human resources capable of creating and promoting an organizational culture that combines superior strategic thinking with practical capabilities, in the interests of sustainable growth” is our human resource strategy that supports the Company’s long-term management policy. In line with this and in accordance with our Basic Principles on Women’s Empowerment formulated in October 2015 as well as our Action Plan legally required by the Act on Promotion of Women’s Participation and Advancement in the Workplace enforced on April 1, 2016, we are implementing a number of initiatives.

The ambition is that each company and plant should implement measures independently, so one of our concrete initiatives during fiscal 2018 was that we selected priority plants and each created an informal organization for promoting women’s participation. We then had each plant take initiative on the theme “Expanding the Range of Female Employees’ Work.”

In addition, we have routinized diversity training for managerial positions and started a follow-up course for past participants in April this year, as a way to keep upawareness.

In fiscal 2019, we started an internal diversity website that shows what activities we conduct to encourage diversity, including empowerment of women. We will be making the most of the website to convey more information about these activities.

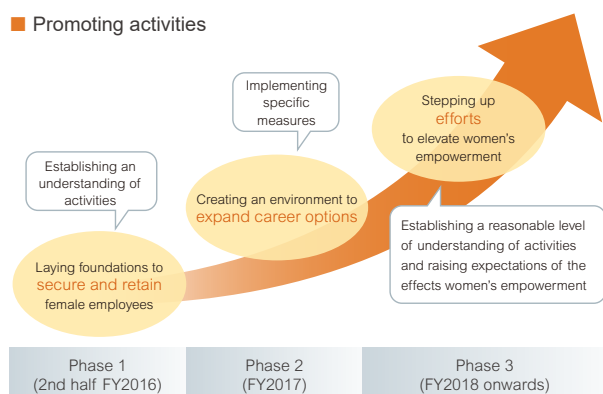
#### Key themes for initiatives to expand career options for female employees



#### Numerical targets under the Basic Principles on Women’s Empowerment (by 2020)

- Percentage of female graduate recruits **25% or higher**
- Percentage of female employees voluntarily leaving the company within five years **15% or higher**
- Percentage of women in management positions **2.5% or higher**

■ Promoting activities



Improving Childcare and Family Care Support Systems

The Company has a system for supporting childcare and family care that goes beyond the legal requirements. For childcare, we have made part of child nursing leave into paid leave as well as introduced a childcare subsidy system and an allowance to facilitate a quick return to work after taking childcare leave, starting in 2014. In 2017, we also introduced a support and consultation scheme for employees returning from maternity leave, as well as making it possible for employees to take out child nursing leave in half-day units.

Moreover, we have extended the upper-limit of the age group for which reduced work hours for childcare apply from third grade to sixth grade of elementary school in 2018, thus improving our support for employees who wish to balance family and work.

In terms of family care meanwhile, we allow employees to take leave at intervals and allocate accrued leave towards caring for the same family member. In 2017, we increased the maximum length of leave for employees to care for any one family member from 365 days to 36 months, and extended the period of reduced working hours from 365 days to 72 months. We have also made it possible for employees to take family care leave in half-day units.

In addition to all this, we are working to improve care support through measures such as organizing care seminars at our Head Office.

■ Use of Support Schemes (FY2018)\*

Subject	Men	Women	Total
Percentage of paid holidays taken (Based on calendar year)	—	—	79.3%
Number of employees taking maternity leave	—	14	14
Number of employees taking childcare leave	7	29	36
Number of employees taking family care leave	1	2	3
Employees using the childcare subsidy scheme	79	24	103

Support for Diverse Working Patterns

We promote creating working environments that enable our employees to strike a balance between their work and their private lives. 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.

In fiscal 2018, we introduced a by-the-hour paid leave system as a way to support diverse working styles.

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 facilities.

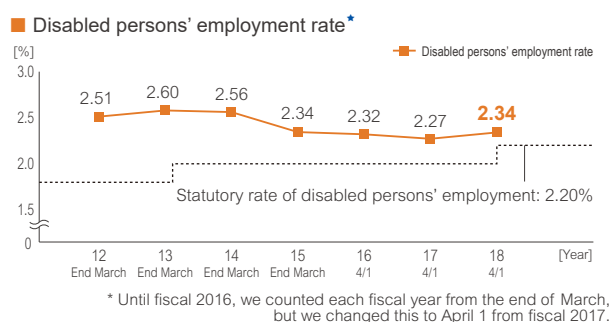
Welfare

We allow our employees to carry over up to five days of unused paid leave each year, up to a maximum of 45 days, and then use those days to take "wellness leave." Employees can use wellness leave for reasons relating to their own health, including recuperating from illness and 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, or taking part in volunteer activities. We are working to extend this system even further, and in fiscal 2015 extended eligibility to in- and out-patient fertility treatment.

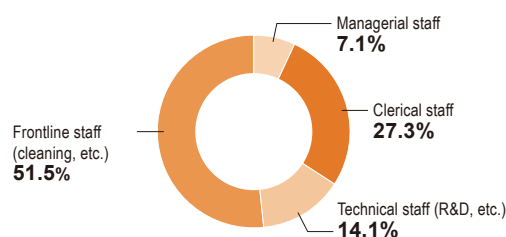
In addition to these, we have introduced an optional welfare scheme in an effort to cater to our employees' increasingly diverse needs, including travel and life support. A great number of employees as well as their families are using the scheme.

## Promoting Disabled Persons' Employment

Our Human Resources Department provides a range of support to encourage disabled persons' employment within Mitsubishi Materials and at 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," aimed at enabling disabled people to learn, grow and contribute to society through their work. In addition to providing jobs such as maintaining greenery on company premises, cleaning the cafeteria, and producing business cards, including for group companies, 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.



■ Main jobs undertaken by disabled persons' employees at Mitsubishi Materials (As of April 1, 2018)



## Rehiring of Retired Employees

We rehire retired employees aged 60 and over who wish to work, in order to give them the opportunity to find reemployment at one of our offices or affiliated companies, whilst at the same time enabling us to continue benefiting from the skills and expertise of employees who have reached retirement age. A total of 55 people\* were newly rehired as part of this program in 2017.

We continue to look into reviewing this program in consultation between labor and management, in light of changing employment conditions for people aged 60 and over.

## 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 promoting human rights awareness training throughout the company, 4,334 employees underwent a combined total of 4,430 hours of training in fiscal 2018.

### 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 have revised our guidelines on preventing sexual harassment and maternity harassment, as well as our guidelines on preventing harassment relating to childcare or family care, to reflect the contents of revisions to the Act on Securing, etc. of Equal Opportunity and Treatment between Men and Women in Employment, and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children of Other Family Members, both of which came into effect in January 2017. In addition to an Internal Contact Office, we also appoint in-house supervisors at each of our enterprise place to provide advice on sexual harassment or maternity harassment, and have established an external consultation service to ensure that all matters are handled appropriately. (Consultation services were contacted with regard to 17 matters during fiscal 2018.)

## Labor Union and Management Partnership

Our union shop scheme enables us to share information and exchange opinions between labor and management on a regular basis. Our biannual Labor-Management Conference in particular is aimed at strengthening solidarity through active debate, covering subjects such as recent issues, strategies and policies in each sector, and establishing a shared direction in the interests of sustainable growth for the future. We also make sure that there is sufficient time to carefully explain and consult on measures such as business restructuring. As of the end of March 2018, the number of union members amongst those directly employed by Mitsubishi Materials (including employees on assignment) stood at 3,616. Including group companies, the total number of members was 7,276.

### Employment Statistics (As of March 31, 2018)\*

#### ■ Payroll (full-time equivalent)

Subject	Employees	Temporary Staff	
Non-consolidated	4,664	937	
Consolidated	26,959	5,110	
	Japan		16,527
	Overseas		10,432

#### ■ Employee numbers according to location (consolidated)

Location	Employees
Japan	16,527
North America	3,457
South America	28
Oceania	23
Europe	1,130
East Asia	1,076
Southeast Asia	4,718
Total	26,959

#### ■ Breakdown of employees (full-time equivalent)

Subject	Manager*	Regular employees	Total	Average service	Average age
Men	1,199	2,931	4,130	17.91 years	42.00 years
Women	21	513	534	14.72 years	38.68 years
Total	1,220	3,444	4,664	17.51 years	41.65 years

We ensure fair treatment irrespective of gender, with no difference in benefits or wages between male or female employees.

Percentage of women in management positions

1.47%

Based on personnel as of April 1, 2018

#### ■ Employee training

Total hours of training (annual)	Average hours per employee (annual)
93,484 hours	19.9 hours

#### ■ Graduate recruitment

Subject	Graduate recruitment	
	University graduates (including graduate school)	High school graduates
Men	72	90
Women	12	21
Total	84	111

#### ■ Employee turnover (employees leaving the company in FY2018)

Subject		Aged under 30	Aged 30-49	Aged 50 or over	Total
Number of employees leaving company	Men	21	23	107	151
	Women	7	3	8	18
	Total	28	26	115	169
Turnover	Men	2.4%	1.2%	7.7%	3.6%
	Women	5.4%	1.1%	10.7%	3.7%
	Total	2.8%	1.2%	7.9%	3.6%