

Realizing Mutual Growth of Employees and the Company

Commitment

By investing in the growth of our employees, we maximize the performance of our “human assets” with their diverse individuality and strengths, thereby expanding the scope of our Dedication to Service (Oyakudachi) to all stakeholders.

Medium to long-term targets

Themes of Initiatives	Evaluation Metrics	Medium- to Long-Term targets		FY2024 Progress	Example of Initiatives
		Numerical Targets	Target Year		
Creating a culture that encourages employees to take on new challenges	Ratio of “active engagement employees” in a philosophy survey	38% or more	2027	20%	P.54
	Employee engagement	81% or higher per year	Each year	72%	P.54
Active engagement by diverse human resources	Ratio of women in managerial posts	20% or more (Mandom)	2027	14.8%	P.57

The Mandom Group upholds “Human Assetism” as one of the “MANDOM PRINCIPLES” in its corporate philosophy, consistently valuing all employees as precious “assets” since its founding. Based on this Human Assetism, the Mandom Group’s human asset philosophy, “Happiness for Individuals and the Company,” has been formulated.

Based on this HR philosophy, Mandom actively invests in the growth of its employees and aims to “realize mutual growth of employees and the company” by having all employees capitalize on their diverse individuality and strengths to perform to the best of their ability (individuals’ happiness), which in turn allows the company to grow and enhance their Dedication to Service (Oyakudachi) to society (Company’s happiness)

For this reason, the Mandom Group is promoting a variety of human asset initiatives based on this perspective of “mutual growth.”

Example of Initiatives 1

Initiatives for creating a culture that encourages employees to take on new challenges

In addition to “Human Assets,” our code of conduct also includes “Challenge / Change / Innovation” and “Cohort of Employees,” and the Mandom Group focuses on “Employees who think independently, and act autonomously and proactively” so that group employees are able to contribute to society with Dedication to Service(Oyakudachi). Accordingly, the Mandom Group believes that a comprehensive understanding of the Group’s core philosophy and conduct based on this philosophy contributes to “greater job

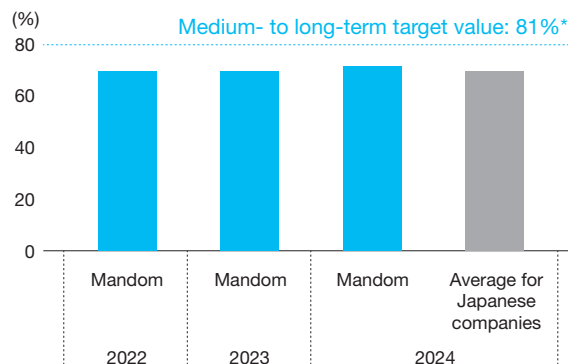
satisfaction and employee engagement” of each and every employee. Based on this, we conduct the Mandom survey every year as part of efforts toward “Sharing and practicing our corporate philosophy and human resources philosophy” of our human capital management, and respond to the various issues that are evident in the results with the aim of fostering a greater understanding of and promoting empathy with the corporate philosophy amongst employees, and also boosting engagement further.

FY2024 Mandom survey results and Group response

(1) Sustainable engagement

The “Sustainable Engagement” score across the entire Mandom Group showed a slight increase compared to the previous year. Although the situation varies by business, including company performance, success cases aimed at performance recovery have become evident within the Group, and there has been significant improvement in scores related to leadership among management, which had been a challenge. To further improve employee engagement scores, we will advance initiatives and measures based on the following results.

Sustainable engagement score



* Set with reference to global manufacturing industry standards

● Points that showed improvement compared to previous fiscal year

Leadership

Starting in FY2024, we have been advancing a structural reform project aimed at improving profitability, with its results beginning to manifest in the company's performance for FY2024. Additionally, we regularly issue internal messages to convey not only the project's initiatives and specific outcomes but also the daily thoughts of CxOs, which we believe have led to clear improvements in leadership scores. Notably, organizations with many members participating in the project have shown remarkable improvements in these scores, and we aim to continue sharing information company-wide through internal communication.

▲ Points that did show improvement compared to previous fiscal year

Collaboration/Communication

This category maintained the same score as the previous fiscal year. Similar to the leadership category, which showed clear improvement trends from the previous fiscal year, scores in this collaboration/communication category related to areas and departments involved in the structural reform project also improved significantly. This is considered a result of closer and more advanced collaboration among various areas to promote the project, leading to the creation of outcomes.

● Points of superiority compared with the Japanese industry average

Goals/targets

This category has been a continued strength for several years. We have been focusing on instilling our philosophy, which we believe has led to a high-level understanding of the spirit of Dedication to Service (Oyakudachi) in management strategies and functional strategies of the departments they belong to. We will continue to share thoughts with all employees and work together to achieve Dedication to Service for society through the creation of new value.

▲ Points of inferiority compared with the Japanese industry average

Post-survey initiatives

Regarding initiatives following the Mandom Survey conducted company-wide or by each organization, while there was a slight increase compared to the previous year, there remains a gap compared to Japanese benchmark values. In response to this situation, since last year, we have been working on internal communication to share survey results in a timely manner, express company policies based on survey results, and present and implement specific countermeasures more effectively.

(2) Initiatives to improve engagement

In FY2024, based on the job-based personnel affair system introduced in the previous year, we strengthened initiatives from both human asset development and engagement improvement perspectives under the theme of "Understanding and instilling new personnel systems and directions for change among employees." We believe it is important not to let personnel system and organizational structure reforms end as mere system changes but to root the system in the field, leading to understanding, acceptance, and autonomous actions by each employee. Among these, efforts to engage managerial staff responsible for daily management are indispensable for enhancing the effectiveness of reforms. In FY2023, we conducted training targeting department heads, promoting inter-departmental collaboration and fostering mindsets based on role expectations. In FY2024, we further developed these initiatives, focusing on "section manager-level" roles closer to the field, and implemented the following two measures.

(1) Line Manager (Section Manager) Training: We conducted a one-day intensive "Line Manager (Section Manager) Training" aimed at recognizing roles and applying management practices for section managers who play important roles as field management layers. This training covered various themes required for field management, including clarifying role expectations under the job-based personnel affair system, promoting understanding of evaluation systems, managing subordinates' health from a health management perspective, and career support. Additionally, discussions and case studies among participants were incorporated to create a dialogue-based learning environment based on actual field challenges. This encourages section managers to shift from "understanding" the system to "operating it and becoming agents of change."

(2) Individual Dialogue Sessions with Line Managers (Section Managers): To deepen mutual understanding between the field and the HR department regarding challenges and questions related to personnel systems faced by section managers in their management roles, we established one-on-one dialogue sessions. We believe this initiative not only enhances the practical effectiveness of system operations but also contributes to improving engagement among managerial staff. *Details are provided in "Human Asset Strategy" (P.43), along with the organization and analysis of current challenges related to MHRX, so please refer to that section.

We will continue to provide opportunities for dialogue and learning to draw out the autonomy of each employee, beyond system design. By establishing a cycle where the field and HR, individuals and organizations grow together, we aim to strengthen the human asset foundation that supports transformation and challenges.

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Structural reform project for improving profitability

Efforts in human asset development within structural reform

In the structural reform project aimed at improving profitability, we are continuously working on human asset development. Through human asset development, we aim to accumulate various skills and know-how as organizational knowledge, ensuring that profitability improvement is not a one-time event but a continuous effort. It consists of three axes: business skills to enhance job execution capabilities for all employees, leadership skills for managerial staff, and specialized skills tailored to each job type. To date, business skills training has been conducted in two types, totaling 32 sessions with 530 participants; leadership skills training in

three types, totaling 25 sessions with 154 participants; and specialized skills training in ten types, totaling 13 sessions with 312 participants. We believe these achievements are steadily reflected in the performance of our Japan business. Continuing these initiatives and achievements is important, and we aim to build a human asset development system equipped with execution power to keep transforming and challenging. From FY2026 onward, we plan to expand these human asset development initiatives not only in Japan but across the entire Group, practicing human asset development from a group-wide perspective.

Business skill training	Training to learn and practice business skills necessary for behavioral change required of all employees.
Leadership skill training	Training to learn and practice actions required of leaders who deliver results.
Specialized skill training by area/department	Training to learn and practice skills necessary for improving profitability in each area/department.



Training scenes: Aoyama



Training scenes: Nihonbashi



Training scenes: Headquarters

Comments from the person in charge

Through training, I strongly feel that the proactive learning and growth of each employee are becoming the vitality of the entire organization. Individual growth leads to the growth of the organization and company, and continuing to take on challenges without fear of change is essential for realizing the vision we aim for.

In this training, we focused on practical content by actively incorporating opinions from the field in specialized skill training by area/department. Additionally, in business skill training and leadership skill training, we introduced the concept of adult learning, deepening learning through teaching colleagues. These initiatives are major features of this training and points I particularly emphasized as the person in charge.

I hope this will serve as a starting point for further embedding a culture of mutual learning. We aim to continue fostering an environment where employees stimulate and elevate each other, nurturing a corporate culture that keeps transforming. We believe that the challenges and growth of each employee will become the driving force for shaping the company's future.



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Example of Initiatives 2

Initiatives for active engagement by diverse human resources

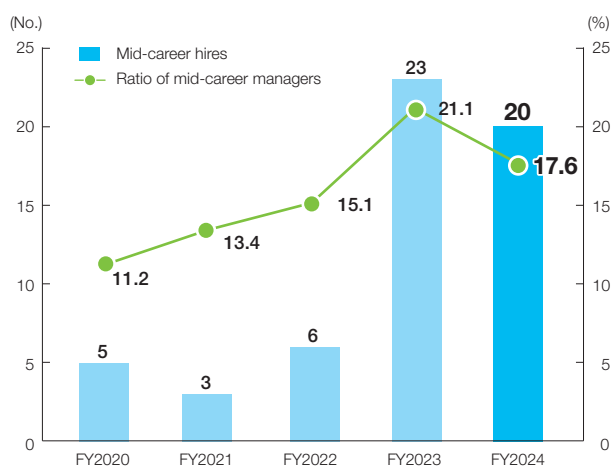
The Mandom Group places particularly high importance on initiatives related to “Diversity and Inclusion” as part of Human Capital Management. This is because we view the role of “Human assets with diverse individuality and strengths” as essential for sparking innovation for the

Oyakudachi (Dedication to Service) that the Mandom Group aspires to provide. To this end, the Mandom Group will seek human resources with diversity in the four areas of “Cultural background,” “Career history,” “Gender,” and “Age” from the stance of sparking innovation.

Acquisition and retention of career hires for business growth

While placing human asset development within the company as the foundation, we are actively acquiring career hires with skills not available internally to realize Dedication to Service (Oyakudachi) in response to rapid societal changes. From the perspective of “work history,” we believe career hires bring ideas and perspectives not found in Mandom, considering them as an important aspect of diversity for creating innovation. Since last year, we have implemented onboarding measures to help career hires quickly adapt to the company culture and fully demonstrate their abilities, including unique initiatives such as “exchange 1on1” with key persons from other areas connected through work and the “buddy system” for close consultation and support, which have been well-received by career hires. We are also advancing initiatives to ensure career hires settle into Mandom, combining the company’s accumulated assets with new ideas and perspectives from career hires to create new value.

Career hiring



Promotion of women’s empowerment

Mandom is also focusing on promoting the advancement of women, with the aim of making the workplace more comfortable and rewarding for female employees. We are focusing on career development for female employees in particular from the perspective of job satisfaction. By raising career awareness and promoting networking among female employees through participation in career design forums and other sessions, we are promoting the creation of an environment in which each employee can more readily leverage their individuality and strengths. We are also actively promoting women to management positions, based on the viewpoint of diversifying human resources at the decision-making level. At the beginning of FY2025, we achieved the target of a 20% ratio of female managers, but we will continue this initiative to ensure women are involved in important decision-making and promote business with diversity perspectives.

Ratio of women in managerial posts

