

Building and Enhancing Relations with Stakeholders

Interaction with Stakeholders

Basic Approach to Building Relationships with our Stakeholders and Key Means of Communication

In the interests of sustainable corporate management, we believe that communicating with our stakeholders is crucial if we are to reflect their expectations and requirements in our business strategies and activities. While creating more opportunities for communication, our aim is to incorporate stakeholders' perspectives into our management practices to a greater extent than ever before.

Basic Approach to Building Relationships with Our Stakeholders and Key Means of Communication



Responding to the Expectations and Needs of Stakeholders

We respond to issues highlighted and suggestions made by our stakeholders so that we can improve the standard of our sustainable management. We have launched a number of initiatives in response to key comments and requests, including the following. For information on methods of communication with stakeholders when ascertaining details, please see "Interaction with Stakeholders".

Key comments and their source	Group response
Continuing to expand and improve resource recycling measures	<ul style="list-style-type: none"> • "Contributing to the development of a recycling-oriented society" is stated as one of the three pillars of the company's vision. • Optimization of material flow across the overall Group • Business expansion, research and development aimed at improving urban resource recycling
Responding to the risks and opportunities associated with climate change	<ul style="list-style-type: none"> • Driving the reduction of GHG emissions to achieve carbon neutrality by FY2046 • Developing materials, products and technologies that contribute to decarbonization • Developing and promoting the use of renewable energies (geothermal energy, geothermal heat, hydroelectric energy, solar energy, etc.) • Pushing forward with demonstration testing and technology development related to CO₂ capture and utilization • Performing scenario analyses based on the TCFD recommendations • Calculation of our carbon footprint
Managing abandoned mines	<ul style="list-style-type: none"> • Continuing management work, such as mine drainage treatment and maintenance of tailings dams, at abandoned mines (non-ferrous metal mines) owned by the Group in Japan (including the preservation and effects of some mines as cultural assets) • Systematically implementing facility upgrades and construction work for environmental measures (construction work to prevent mine pollution and hazards to prepare for increasingly severe natural disasters, tailings dam reinforcement work in preparation for a major earthquake, measures to deal with the source of pit and waste water, upgrading of obsolete equipment, and so on) • Digitalization of management tasks for abandoned mines • Cultivating the development of abandoned mine workers • Developing technologies related to the management of abandoned mines
Preserving biodiversity (company-owned forests, areas around mines)	<ul style="list-style-type: none"> • Obtaining the forest certification by SGEC for company-owned forests and promoting sustainable forest management • Confirming that biodiversity has been factored into mines in which we invest, and carrying out preservation activities at facilities located adjacent to national parks
Respecting human rights throughout the supply chain	<ul style="list-style-type: none"> • Rolling out multi-layered initiatives with the goal of ensuring the effectiveness of the Mitsubishi Materials Group's Human Rights Policy, Procurement Policy, etc. in the supply chain including the Group, such as awareness-raising activities, due diligence, and ensuring that corrective measures are taken • Operating CSR investment and loan standards and CSR Procurement Standards in the Metals Business, and engaging in dialogue with local communities where the Company has invested in mines where its interests are over and above a certain scale • Maintaining responsible mineral procurement certifications (gold, silver, tin, and tungsten)
Quality control	<ul style="list-style-type: none"> • Continued implementation of preventive measures regarding quality issues • Days to reflect on quality and prevent quality Issues from being forgotten • Developing mechanisms that avoid producing non-standard goods through "aggressive quality"

Key comments and their source	Group response
Creating safe, healthful working environments	<ul style="list-style-type: none"> • Activities to raise awareness of SCQDE (prioritizing safety and health in every action) • Continuing the Zero Occupational Accident Project • Thorough efforts to make equipment safe (engineering measures) through risk assessments (RA) • Strengthening health and safety education • Raising employees' awareness of health • Strengthening safety and health systems • Ensuring the safety of employees of operating support providers (partner companies) • Preventing fire, explosion, and other accidents
Human resources development	<ul style="list-style-type: none"> • Activating employee communication • Development and continual improvement of an education and training system • Developing next-generation business leaders • Building and utilizing a management system
Promoting greater roles for diverse human resources	<ul style="list-style-type: none"> • Promoting diversity and inclusion • Practicing health and productivity management
Strengthening information security	<ul style="list-style-type: none"> • Improving and expanding the information infrastructure • Expanding effective measures to defend against attacks aimed at vulnerabilities that are already known by attackers • Reducing the risks of new threats, including targeted attacks • Monitoring vulnerability and threats by the security operations center (SOC), and promptly handling incidents by establishing a computer security incident response team (CSIRT)
The evolution of corporate governance	<ul style="list-style-type: none"> • Group governance enhancement (communication, compliance framework and awareness, allocation of resources) • Building a new risk management system that enhances effectiveness and certainty • Responses based on the corporate governance code

Distribution of Economic Value to Stakeholders

Striving to Adequately Distribute Economic Value

As we continue to earn operating revenue and generate economic value added thanks to the involvement of our many and varied stakeholders, we believe that it is important to fulfill our social responsibilities and adequately distribute that added value among our stakeholders.

Economic Value Added in Fiscal 2022

Revenue for Mitsubishi Materials in fiscal 2022 came to ¥1214.6 billion. That included proceeds from the sale of products and services, dividends and other forms of non-operating income, and extraordinary income. Operating costs, which consist primarily of payments to suppliers, totaled ¥1123.8 billion. After subtracting operating costs from our total revenue, the amount of added value generated through our business activities came to ¥90.8 billion.

Distribution of Added Value

Personnel costs, which include statutory welfare expenses and pension contributions and represent the portion of revenue distributed to our employees, came to ¥50.6 billion.

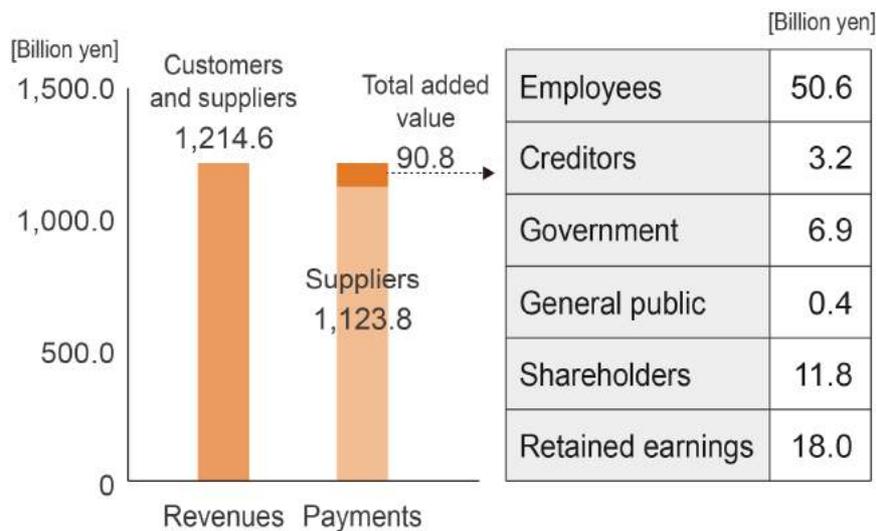
In the meantime, we distributed a total of ¥3.2 billion to financial institutions and other creditors, in the form of interest on borrowings.

We distribute value to society and local communities through the government and through our own social contribution activities. We paid ¥6.9 billion to the government this year, as the combined total of corporate income tax plus other taxes and public charges liable as expenses. We also gave ¥0.4 billion back to the community in the form of social contribution activities, including donations, lending our facilities to the public and providing employees' services.

Cash dividends, which represent the value that we distribute to our shareholders (companies and individuals, in Japan and overseas), came to a total of ¥11.8 billion.

Retained earnings to cover investment and contingencies for the future meanwhile totaled ¥18.0 billion.

■ Economic Added Value



Category	Stakeholder	Amount(million yen)	Details/method of calculation
Revenues	Customers and suppliers	1,214,598	Net sales, non-operating income, extraordinary income
	Suppliers	1,123,771	Operating costs (cost of sales and selling, general and administrative costs, minus deductions for personnel costs, tax and public charges, and donations)
Payments	Employees	50,557	Personnel costs (including statutory welfare expenses and pension contributions)
	Creditors	3,172	Interest expense
	Government	6,857	Taxes (corporate income tax, and other taxes and public charges liable as expenses)
	General public	444	Donations, etc.*
	Shareholders	11,783	Cash dividends paid
	Retained earnings	18,014	Net income minus cash dividends paid

* Calculated based on the value of items such as donated goods, public lending of our facilities and the provision of employees' services as well as cash donations, as specified by Nippon Keidanren.

Contributing to Local Communities as part of our Overseas Operations

Whenever we engage in business activities overseas, we make every effort to understand conditions in the relevant country and the national identity of its people, so that we can integrate into the local community as a corporate citizen. We re-invest money that we make through our overseas operations back into the local community wherever possible, in order to continue growing our business and contribute to the sustainable development of the local area.

Pension Contributions

Obligations relating to unfunded lump-sum severance payment plans and funded defined benefit pension plans totaled ¥42.2 billion and ¥48.7 billion respectively. ¥76.1 billion of this total was paid out in the form of pension assets to outside funds (coverage: 83.7%). A further ¥9.8 billion was registered as expenses in the form of accrued retirement benefits, with the remaining ¥5 billion classed as unrecognized benefit obligations. We plan to amortize all unrecognized benefit obligations over the next ten years. Unrecognized pension liabilities are mainly posted as expenses using the straight-line method for a 10-year period.

Financial Assistance from the Government

We received ¥0.3 billion in grants, subsidies and other financial assistance from the government. The government does not hold shares in Mitsubishi Materials or any of our group companies.

Respect for Human Rights

1. Human Rights Policy

In developing our businesses globally, we believe that it is essential not only to comply with the laws and regulations of each country, but also to respect international human rights standards. In December 2021, the Mitsubishi Materials Group established a Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights, and is promoting initiatives to respect human rights. This Policy applies to all officers and employees of the Mitsubishi Materials Group. We also expect the Group's business partners to support and practice this Policy and aim to promote respect for human rights together with them.

Human Rights Policy

Established on December 1, 2021

1. Respect for International Human Rights Norms
2. Governance and Promotion Structure
3. Human Rights Due Diligence
4. Stakeholder Engagement
5. Grievance Mechanisms
6. Training and Awareness-Raising
7. Reporting and Disclosure
8. Commitment to Human Rights Issues

- ▶ We established our Human Rights Policy effective on December 1, 2021.
- ▶ We signed the UN Global Compact and were registered as a participating company as of March 22, 2022.

2. Human Rights Roadmap

To enhance our human rights initiatives, the Mitsubishi Materials Group will drive human rights due diligence internally, as we seek to reduce human rights risks. We will also drive collaborative initiatives with our business partners. We plan to establish a PDCA cycle to identify and review assumed risks based on the results of fact-finding surveys on human rights issues, further instill it internally through human rights awareness trainings and other measures, and expand them globally.

From fiscal 2023, we will work on the following three items in accordance with the United Nations Guiding Principles on Business and Human Rights in order to mitigate and prevent our business activities from negatively impacting human rights.

- Dissemination of commitment to human rights policy
- Implementation of human rights due diligence
- Remedial action (processes that enable remedial action for negative impact on human rights caused or promoted by businesses)

- Realization of a sustainable society
- Stakeholder trust
- Prevention and reduction of negative human rights impact

Around FY2023 to FY2024

Expansion to overseas group companies

Initiatives planned from FY2022 to FY2023

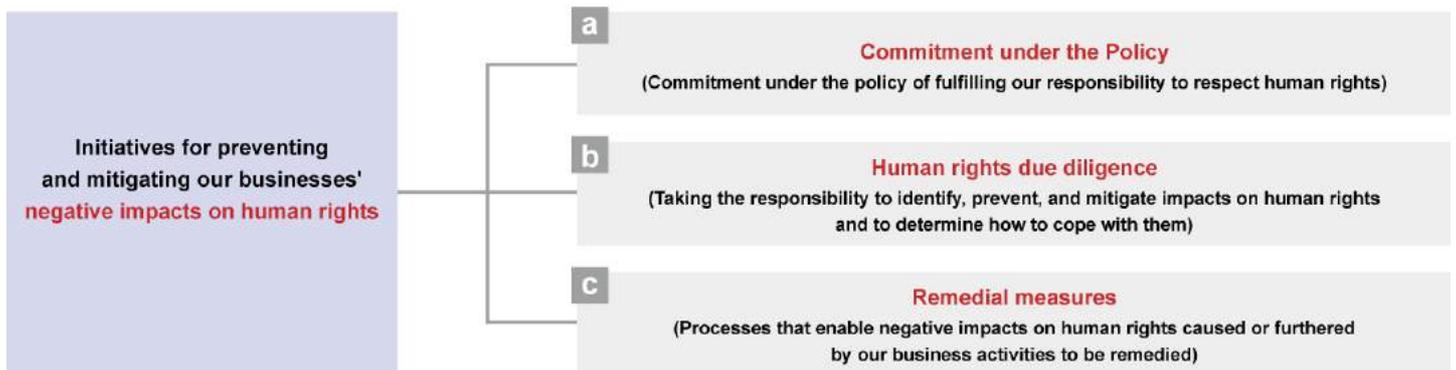
Initiatives taken in FY2022

- Commitment under the Policy:
Announcement of the Human Rights Policy
- Formulation and disclosure of the Policy

- Implementing human rights due diligence
- Gap analysis
 - Formulation of an implementation plan
 - Education and training
 - Risk management
 - Expansion to supply chain
 - Expansion to domestic group companies

- Remedial measures
- Reporting system

3. Human Rights Initiatives



1. Commitment under the Policy

In FY2022, we conducted internal human rights awareness trainings on a group-wide basis in Japan with regard to privacy issues on the internet, human rights, and power harassment (abuse of authority), etc. Total of 7,717 employees underwent a combined total of 7,395 hours of training. We also gave trainings on power harassment as a part of CSR director training. A combined total of 426 hours of training was given to 142 persons. We began to provide human rights training as a part of training for managing directors in FY2022.

2. Human Rights Due Diligence

(1) Human rights due diligence within the Mitsubishi Materials Group

At the Mitsubishi Materials Group, we will perform human rights due diligence to identify, assess, prevent, and mitigate negative impacts on human rights related to our business activities. For the identification and assessment, we will incorporate the opinions of external specialists and include human rights issues throughout the value chain

	Creation of a roadmap for human rights due diligence
	Designing the overall procedures of managing human rights risks
	Human rights risk assessment

(2) Human rights due diligence in the supply chain

See Responsibility throughout the Value Chain - [Procurement and Supplier Initiatives](#) in the ESG Report

3. Remedial Measures

For employees of the Group, we have established consultation offices, including overseas offices. In Japan, we began to comply with the revised Whistleblower Protection Act in June 2022. In other countries, we raise awareness through training sessions and other opportunities to increase the effectiveness.

For inquiries from outside the Group, we currently have a contact for inquiry at our corporate website. We are considering setting up a designated contact point for accepting inquiries from each stakeholder.

Engaging in Dialogue and Coexisting with Local Communities

Social Contribution Activities

Career Lecture at a Junior High School (Mitsubishi Materials Corporation)

In September 2021, the Wakamatsu Plant of Mitsubishi Materials Corporation participated in a career lecture held at Ikki Junior High School run by the government of Aizuwakamatsu-shi, Fukushima prefecture. Approx. 110 students in two grades attended the lecture about the difficulty, value, and fun of manufacturing, the aptitude and abilities that are required for our jobs, the roles we play locally and other topics based on our experience. Quizzes were also included in the lecture. We could not invite the students to see our manufacturing sites or see and touch our products due to COVID-19. We believe, however, that the lecture was an opportunity to explain our work in an easy-to-understand manner and increase the students' familiarity with the Group, and to help the students think about their future.



The career lecture

Communication with Foreigners Working in Japan (Mitsubishi Materials Corporation)

In September 2021, the Sanda International Association in Hyogo prefecture held an online seminar for learning how to communicate effectively with foreign staff members, which was intended for business operators planning to employ foreigners. This seminar attracted multiple business operators, university faculty members and other participants. The seminar included talks by foreign staff working in Japan about their experiences. A foreign employee working at Mitsubishi Materials Corporation's Sanda Plant participated in the seminar and talked about her experiences to people intending to work in Japan and business operators who are working or planning to work with foreigners. The seminar was an opportunity to remember that it is very important that people with different cultural backgrounds and values should take time to communicate with each other to prevent troubles that may arise from different backgrounds and differing cultural understandings of each non-Japanese worker, and that the same applies to workplaces with Japanese workers only, which are becoming more diverse.



Participation from the plant via the internet

Main Recognition for the Mitsubishi Materials Group's Activities

Main Awards and Commendations from Outside Organizations in Fiscal 2022

Recipient	Awarding body or organization	Details	
Central Research Institute, Mitsubishi Materials Corporation	The Japan Institute of Metals and Materials	Industrial Achievement Award	R&D and practical application of high-performance copper alloys
Tsukuba Plant, Mitsubishi Materials Corporation	MONODZUKURI Nihon Conference, The Nikkan Kogyo Shimbun, Ltd.	2021 Cho Monodzukuri Grand Award for Parts, Machinery and Robotic Parts Award	MV1020 and MV9005, the MV-series coated insert grades

Recipient	Awarding body or organization	Details	
Tsukuba Plant, Mitsubishi Materials Corporation	Japan Cutting & Wear-resistant Tool Association	2021 Japan Cutting & Wear-resistant Tool Association (JTA) Award: Technological Achievement Award	Development of CVD coated insert grade MC6115 for steel turning
Tsukuba Plant, Mitsubishi Materials Corporation MOLDINO Tool Engineering, Ltd.	Japan Cutting & Wear-resistant Tool Association	2021 Japan Cutting & Wear-resistant Tool Association (JTA) Award: Technology Encouragement Award	<ul style="list-style-type: none"> • Tsukuba Plant: Development of double-sided insert type general-purpose shoulder mill WWX • MOLDINO Tool Engineering, Ltd.: Development of 8-flute end mill for vertical wall/bottom face finishing
MMC Ryotec Corporation	Japan Cutting & Wear-resistant Tool Association	2021 Japan Cutting & Wear-resistant Tool Association (JTA) Award: Environment Award	Awarded for efforts in environmental activities.
MOLDINO Tool Engineering, Ltd.	MONODZUKURI Nippon Conference Nikkan Kogyo Shimibun	2021 Cho Monodzukuri Grand Award for Parts, Machinery and Robotic Parts Award	ER8WB-ATH, 8-flute end mill for vertical wall/bottom face finishing
Naoshima Smelter & Refinery, Mitsubishi Materials Corporation	Ministry of Education, Culture, Sports, Science and Technology	2021 award granted by the Minister of Education, Culture, Sports, Science and Technology for contributions with originality and ingenuity in the field of science and technologies	Improvement of lead time for sample preparation for analytical estimation of discarded home appliances
PT. Smelting (PT. Smelting (Indonesia) Gresik Smelter and Refinery)	Gresik Regency of the Indonesian Journalists Association	Giri Pancasuar Awards	Support for sports promotion activities in Kabupaten Gresik
PT. Smelting (PT. Smelting (Indonesia) Gresik Smelter and Refinery)	Minister of Industry	Green Industry Award	Granted Level 5, the highest level in the standard applied to the green industry

Our Approach to Society

Signing of the UN Global Compact

Mitsubishi Materials Corporation signed the United Nations Global Compact (hereafter "UNGC") and was registered as a participating company as of March 22, 2022. In addition, it has joined the Global Compact Network Japan, the UNGC's local network in Japan.



The UNGC is a voluntary initiative in which companies and organizations act as good members of society and participate in the creation of a global framework for realizing sustainable growth by demonstrating responsible and creative leadership. The companies and organizations that sign the UNGC are required to observe and practice the Ten Principles in the four areas of human rights, labor, environment, and anti-corruption, which are set forth by the UNGC.

The vision of the Mitsubishi Materials Group is to "become the leading business group committed to creating a sustainable world through materials innovation, with use of our unique and distinctive technologies" based on its corporate philosophy of "For People, Society and the Earth" and we intend to more actively and positively promote sustainability as exemplified by the establishment of a new Sustainability Policy (URL:<https://www.mmc.co.jp/corporate/en/sustainability/>) as of December 1, 2021.

We will support the Ten Principles of the UNGC and practice them in our business activities, thereby contributing to the realization of a sustainable society.

- ▶ [Global Compact Network Japan Website](http://www.ungcjp.org/) <http://www.ungcjp.org/> 
- ▶ [United Nations Global Compact Website](https://www.unglobalcompact.org/) <https://www.unglobalcompact.org/> 

The Ten Principles of the UN Global Compact

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:

make sure that they are not complicit in human rights abuses.

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

the elimination of all forms of forced and compulsory labour;

Principle 5:

the effective abolition of child labour; and

Principle 6:

the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Principle 8:

undertake initiatives to promote greater environmental responsibility; and

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Dialogue with Shareholders and Investors

Dialogue with Shareholders

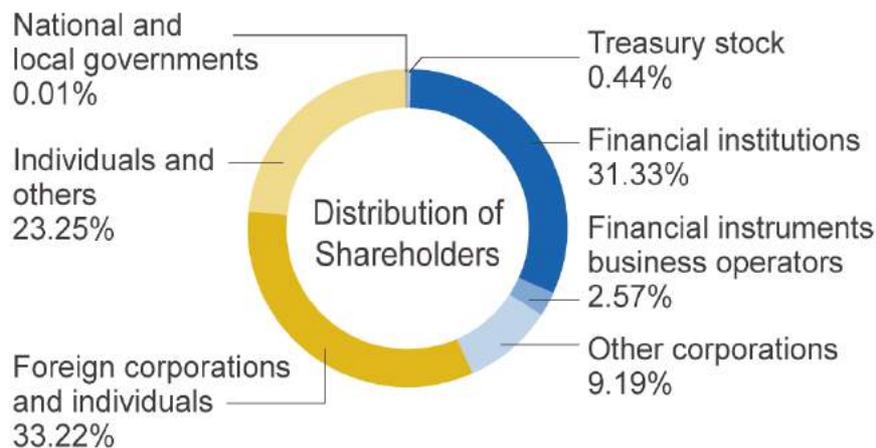
Our Ordinary General Meeting of Shareholders offers an invaluable opportunity for direct communication between our management members and shareholders. We therefore strive to send out convocation notices at the earliest possible date, while also providing details on our Website, to give shareholders sufficient time to consider the matters to be presented and resolved at the meeting. We continue to expand the range of our information disclosure, by posting new content to our annual business report, including details of our policies concerning remuneration and the status of corporate governance.

Besides permitting shareholders to exercise their voting rights in writing or online, we have introduced an electronic voting platform to facilitate voting by both domestic and international institutional investors.

We use slides with accompanying narrations at the General Meeting of Shareholders to help ensure participants' clear comprehension of the presented contents. We also publish shareholders' voting results for every resolution on the Website, after the meeting.

Further, to improve shareholder convenience, a hybrid participation-type General Meeting of Shareholders (live streaming) has been conducted from the 96th Ordinary General Meeting of Shareholders held on June 24, 2021. The streamed video of the General Meeting of Shareholders will also be posted on the Company's website for a certain period of time.

■ Distribution of Shareholders



Dialogue with Investors

In fiscal 2022, financial results briefings (quarterly), Investor Conference, IR Day, and ESG meetings were held for institutional investors and securities analysts.

At each meeting, we explained the contents of our financial results, management strategy and ESG initiatives, etc., and utilize the questions and opinions received from participants by feeding them back to management. We also actively exchange opinions and communicate through individual meetings with institutional investors and securities analysts and participation in conferences hosted by securities companies.

We are also communicating with individual investors by engaging in dialogue with them in briefings for individual investors hosted by securities companies, by posting our shareholder newsletters on our website, etc.

Although opportunities to have conventional face-to-face activities have been reduced, partly due to the impact of COVID-19, we will continue to engage in proactive IR and SR activities by deepening dialogue with stakeholders and maintaining and improving information disclosure, while utilizing telephone conference and online systems.



■ IR and SR Activities in Fiscal 2022

Item	Number of times held during fiscal 2022
Financial Results Briefing (quarterly)	4
Investor Conference	1
IR Day	1
ESG meeting	1
Individual IR/SR meeting	131
Overseas IR	4
Domestic conference hosted by a securities company	2
Briefing for individual investors hosted by a securities company	2

* All of the above were held online (telephone or web meetings).

Improving Customer Satisfaction

Improving Customer Satisfaction

Customer Satisfaction Surveys

As a part of our quality management activities, we analyze complaints and conduct customer satisfaction surveys at all Mitsubishi Materials facilities and group companies in order to reflect the diverse views of our customers. We take analysis results and customers' comments seriously and submit our findings to management reviews, in an effort to provide customers with better quality products and services.

Advanced Products Business

We deliver advanced products that are essential for customers, leveraging our manufacturing technologies like oxygen-free copper, high-performance copper alloys, and silicon, as well as process technologies like bonding different materials. Sharing the future product road map with customers to identify the functional value they demand promptly, we will be a good partner of our customers as their first call vendor.

Metalworking Solutions Business

At our Machining Technology Center, we provide technical support to help our customers use cutting tools correctly. We offer the Machining Academy to increase attendees' knowledge of tools and cutting operations, along with cutting tests and technical support aimed at enabling our customers to use our tools more efficiently. We also offer toll-free telephone technical counseling. With these and other support services, we strive to ensure direct communication with our customers at all times. In fiscal 2022, we focused our efforts on offering web seminars and remote cutting tests. Based on customer demand, we will continue to provide comprehensive solutions through technical diagnoses of processing lines and analyses of cutting operations on them.



Web seminars held through live demonstrations from machining technology center

Metals Business

By taking advantage of the Mitsubishi Process for continuous copper smelting, a unique copper smelting technology that has achieved the industry's top environmental impact reduction, we have long accepted and processed E-Scrap and currently boast the world's number one E-Scrap acceptance and processing capacity of approximately 160,000 tons annually. Against this background, we began operating the new MEX platform for E-Scrap trading, on December 20, 2021 to further improve our customer services. MEX uses the latest digital technologies and includes a large number of features. We aim to be an accessible partner for all customers in Japan and overseas by offering our long-standing experience and high technological capabilities through MEX.

Environment & Energy Business

We are contributing to the creation of a recycling-oriented society through the business of recycling mineral resources and the development of renewable energy.

In the eco-recycling sector, we devise creative measures to continue to improve the recycling process, including methods of recovering raw materials, so as to supply recycled resources (such as copper, iron, and resins) in a well-planned manner by offering grades and quantity demanded by customers. In addition, at each recycling plant, we are proactively providing plant tours to customers as part of our social contribution activities, with the goal of creating opportunities to provide environmental training.

With respect to renewable energy, we inspect and maintain our facilities daily, aiming to contribute to the building of a decarbonized society by maintaining the stable supply of energy with less environmental impact over long periods of time. We also provide new value derived from renewable energy by providing electricity to regional power producers and suppliers under the concept of "local production and local consumption of energy" and participating in the auction for non-fossil fuel energy certificates, in our efforts to obtain trust from customers and local communities.

Employee Communication

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. In particular, our biannual Labor-Management Conference, which is held with the Mitsubishi Materials Federation of Labor Unions, 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 2022, the number of union members amongst those directly employed by Mitsubishi Materials (including employees on assignment) stood at 4,858. Including labor unions of group companies that belong to Mitsubishi Materials Federation of Labor Unions, the total number of members was 7,084.

■ Number of Union Members (full-time equivalent)

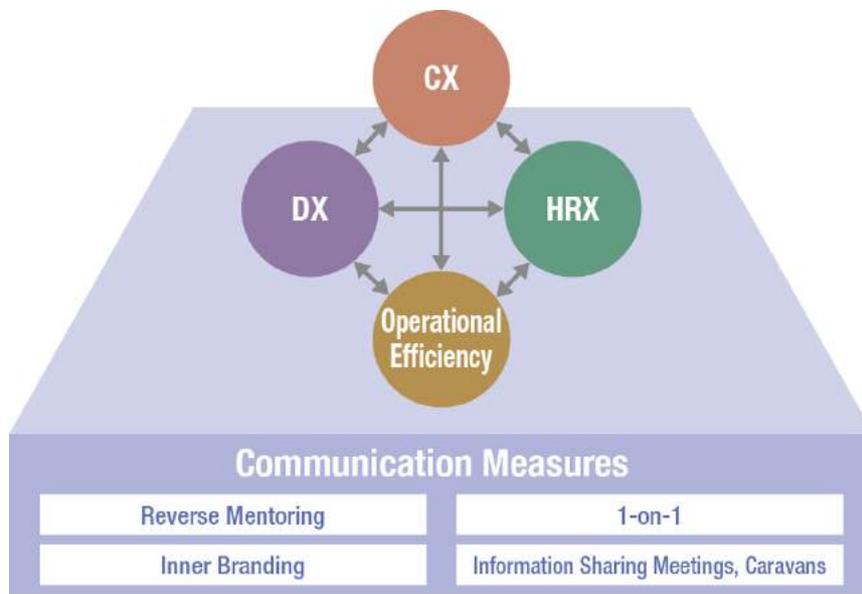
Item	Number of employees
Non-consolidated	4,858
Consolidated	7,084

Communication Measures

Implementing Wide-ranging Communication Measures to Support the Four Management Reforms and Becoming a Free, Strong Organization

The Group is implementing a wide range of communication measures in line with its policy that unrestricted communication is essential to building a better organization.

The Group's vision for governance is to enable smooth, autonomous communication, particularly between Head Office and subsidiaries, between Head Office and plants, and within each subsidiary. Work is also being done to implement workplace revitalization in areas such as dialogue (communication work) and to enhance compliance awareness. These initiatives aim to develop a corporate culture that encourages the building of healthy and open relationships of mutual trust and understanding between managers and employees.



Reverse Mentoring

Reverse mentoring is being deployed on a Company-wide basis with the aim of fostering an organizational culture that facilitates frank communication and open discussion in all directions by promoting communication that transcends hierarchies and organizations. Mentoring is normally a system in which senior employees (mentors) provide advice and support to junior employees (mentees) relating to both work and personal matters. With reverse mentoring, however, young employees become the mentors and give mentoring to the managerial level. This also leads to more equitable communication with the managerial level and interaction between mentors.



Company-wide Implementation of 1-on-1

1-on-1 meetings have been introduced in order to enhance the quality and quantity of communication between managers and employees within workplaces, helping managers to provide continuous and timely support for the growth of those they lead. The hyphenation in "1-on-1" is included as an expression of the connection between managers and employees. These regular meetings are shorter and more frequent than conventional employee interviews, and employees can speak freely with peace of mind in the knowledge that their manager will listen attentively. This enhances the relationship of trust between managers and employees, creating workplaces with an even greater sense of "psychological safety."



Inner Branding

The Group began its inner branding activities in fiscal 2022 with the goal of encouraging employees to take ownership of our Mission. We are implementing numerous initiatives based on the three directions of "1. Communication with management," "2. Connect every single employee and the entire Group horizontally" and "3. Support each challenge." In fiscal 2022, "Ambassadors," members recruited from among employees following applications from across the Group, played a central role in starting initiatives such as half-day workplace experiences and internal radio-style broadcasts. The development of new measures is planned to continue in future.

■ Ambassador Activities

Ambassadors for the promotion of inner branding have been appointed and are currently actively fulfilling this role. Their main role is to create a mechanism for each employee to take ownership of the Group's Mission and apply it in their own behavior. Through discussions at regular monthly meetings, Ambassadors develop an understanding of the current situation and recognize issues while also holding interviews with the President and their colleagues, deepening discussion and formulating action plans. They also disseminated a wide range of information in fiscal 2022 to deepen understanding of the Group's Mission among employees. Furthermore, Ambassadors have been active in promoting inner branding through activities such as guest appearances on internal radio-style broadcasts and half-day workplace experience trials.

■ Half-day Workplace Experiences

Half-day workplace experiences are being carried out as an opportunity for employees to experience jobs at other workplaces. By promoting communication to know (getting to know the people and work at other divisions and Group companies, and understanding how they contribute to the Mission) and connect (horizontal communication and relationship building that transcends divisions and companies, and horizontal communication and relationship building within the workplace) to other divisions and Group companies, we will continue to establish an organizational culture that truly enables free and open-minded communication. This initiative also serves as an opportunity for individuals to consider their own career on an autonomous basis.



■ Internal Radio-style Broadcasts

Created to promote communication with managers and employees, regular radio-style broadcasts where the President personally acts as an entertainment personality, answering a range of questions from Group employees is delivered. Episodes of the show are also archived on Link MATERIALS for employees who are unable to listen to the stream in real time. Questions to the President are also received on a constant basis, and various innovations—including having managers and actual employees who have submitted questions appear as guests—are being trailed. We have received feedback that this opportunity to hear the President’s honest views and get an insight into his personality as he converses with guests in a friendly atmosphere distinct from official management messages leads to a better understanding of the Company and management reforms.

Link MATERIALS: An in-house website for the dissemination of information has been established, acting as a Group-wide communication hub for the timely dissemination of major news items, directional planning leading to revitalized communication and the introduction of initiatives aiming to realize the Group’s Mission.

