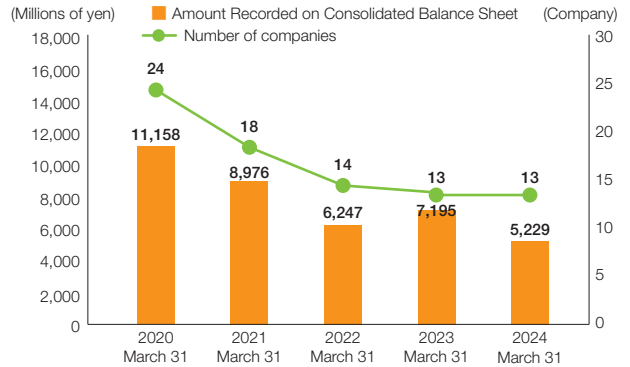


## Cross-shareholdings

Our policy regarding cross-shareholdings remains unchanged from the past, and the rationale for our shareholdings by company is examined at the Management Council attended by all members of the Board of Directors' Meeting. Our policy is to keep the amount recorded on the balance sheet for policy stockholdings at less than 10% of net assets at the end of each fiscal year, and it is 7.2% as of the end of March 2024 (end of the final year of MP-13). Our policy was to reduce this by at least 30% compared to the end of March 2021, and we achieved a 41% reduction.



## For the Final Year

The final year brought in the start of MP-14 in which we will celebrate our 100th anniversary. While our 100th anniversary represents an important milestone, we view it as a milestone that will allow us to continue providing Oyakudachi (Dedication to Service) to our consumers and achieve sustainable growth for the next 100 years—in this regard, building a foundation for growth is a topic of the utmost priority with MP-14. In addition to improving profitability, we will allocate funds in a quest for new areas that can go on to serve as a foundation for the future and establish a budget

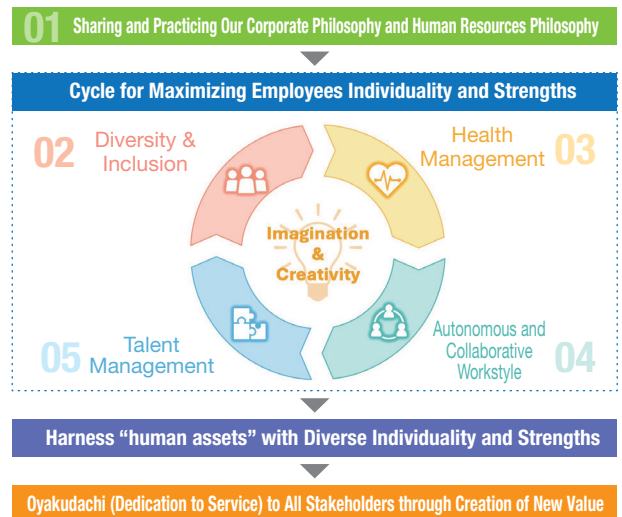
framework for M&A that also includes borrowing. By taking this approach in a steady manner, we hope to quickly recover to a PBR exceeding 1.0, and plan on making changes over the next four years with the view to enhancing our corporate value. Furthermore, we are seeking to promote understanding of the Company through both internal and external dialogue, and to address concerns raised by external parties by sharing them internally. To this end, we seek the continued support of our shareholders, institutional investors, and other stakeholders.

## MP-14 Human Resources Strategy

### Mandom Group's Human Capital Management

The Mandom Group pursues "Human Assets" as one of the Mandom Principles that form our code of conduct, and has formulated our human resources philosophy of "Happy individuals make a happy company" based on this principle. The company invests actively into the growth of employees and harnesses the diverse personalities and strengths of each and every employee in full based on this human resources philosophy, with the aim of "realizing mutual growth of employees and the company" by also achieving growth for the company and providing society with Oyakudachi (Dedication to Service). The series of initiatives in place as part of management to achieve this are positioned as "Human Capital Management," with a priority on five key areas based on "(1) Sharing and Practicing Our Corporate Philosophy and Human Resources Philosophy," "(2) Diversity and Inclusion," "(3) Health Management," "(4) Autonomous and Collaborative Workstyle," and "(5) Talent Management," with the aim of maximizing the individuality and strengths of all employees of the Mandom Group.

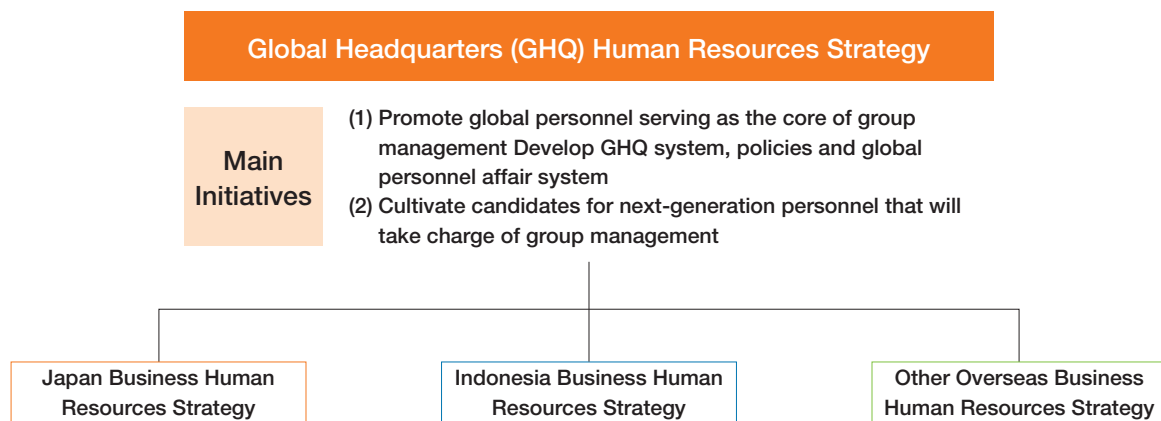
Five Perspectives of Human Capital Management Initiatives - Schematic



### MP-14 Group Human Resources Strategy

To promote full-scale group management from MP-14 and on, we will also be changing our perspective from the traditional Japan-centered approach for human resource functions, and invest in human capital from a group perspective, with the aim of maximizing the human capital performance of each and every group employee to improve organizational capabilities and maximize corporate value.

In line with this, the first step for the Mandom Group will be placing our human resources strategy of the Global Headquarters (GHQ) that unites our group at the highest level, then formulating a human resources strategy for each segment based on this GHQ policy, and promoting initiatives in line with these strategies.



## ■ MHRX (Mandom HR Transformation) Initiatives

In Japan, we began introducing a HR system (MHRX, Mandom HR Transformation) from MP-13 starting with jobs and autonomy in order to create an organization and a pool of human resources that are capable of change and taking on new challenges to establish new forms of value, and introduced the job-type personnel affair system as part of these efforts. Over roughly one year since its introduction,

the following results and issues related to MHRX have gradually become apparent in Japan. Given these current conditions, we will continue to promote reforms in Japan and disseminate these initiatives to overseas groups during MP-14, with the aim of creating an organization and a pool of human resources that are capable of change and taking on new challenges across the Group.

## ■ Results of MHRX

### Increasing opportunities to play a role by assigning the right person for the right job

We have started successfully appointing the right person for the right job and achieving faster promotions of skilled human resources, regardless of their age or years of experience. An example that illustrates this is a comparison before and after

the first year of MHRX, with a lower average age of employees in newly appointed management roles. Furthermore, as a result of our efforts to quickly select skilled human resources regardless of their age or years of experience, the average age of those promoted to lead staff (the highest level of staff) in FY2023 was lower by around five years.

### Promoting organizational flattening and transferring authority

Together with the introduction of the new personnel affair system, we clarified the roles of each managerial and professional position in Japan, and revised the organizational structure accordingly. This resulted in the number of management positions being reduced from 142 to 121 in

FY2023, thereby achieving a flattening of the organization. We are also fostering a swift decision-making process by reviewing our internal decision-making authority, and developing an environment in which employees are able to take on challenges in an autonomous and proactive manner by delegating authority to subordinate organizations.

### Raising employees awareness of career autonomy

In Japan, new “optional training programs” were launched to create an environment in which employees are able to select what they need to learn for themselves. The six programs we run during its initial year in FY2023 reached capacity,

and served to boost the awareness of career autonomy amongst employees. An “internal recruitment” system was also introduced, with five employees developing their careers autonomously with the system in FY2023.

## ■ Current issues with MHRX

### Slow rate of understanding and dissemination of MHRX

The results of the 2023 Mandom survey in Japan revealed room for improvement with “performance management,” and also highlighted uncertainties about employee treatment such as compensation and benefits. We took these results onboard and deemed it was necessary to ensure the correct understanding and dissemination toward employees

regarding MHRX and the job-type personnel affair system, in order to eliminate any anxieties they may harbor. In light of this, during FY2024 we will provide training and opportunities to hold dialogue as a way of promoting understanding of “managers” who are the key persons spearheading change from within the departments they are in charge of, in order to promote future understanding throughout the company.