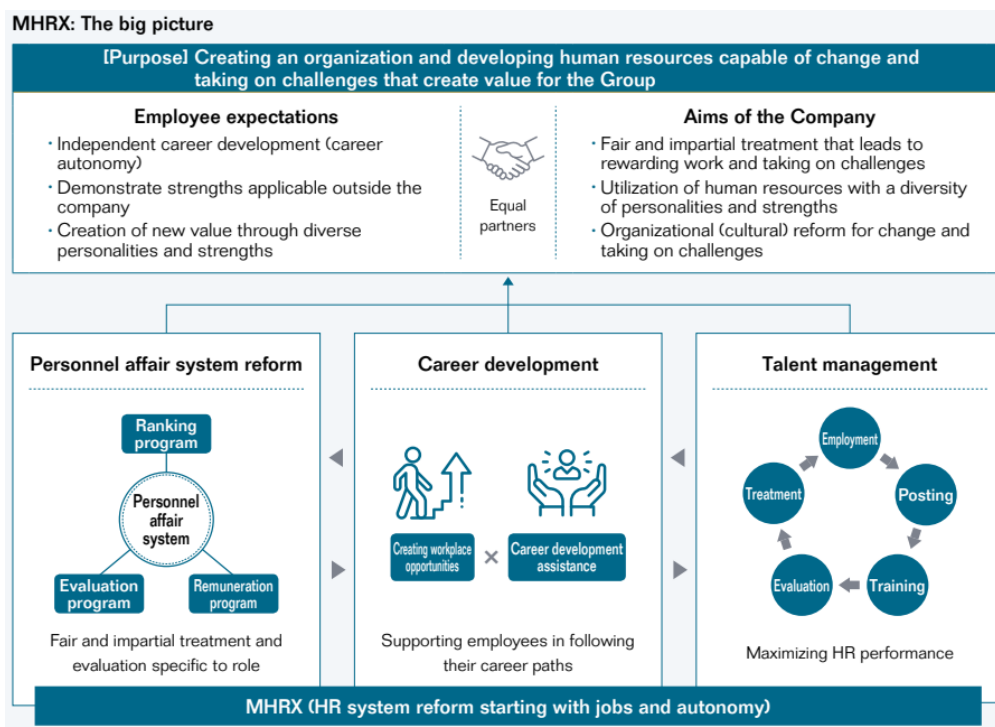


## Mandom begins operation of new job-based HR system from April 1, 2023

Mandom Corporation (Head office: Osaka City, President Executive Officer: Ken Nishimura) launched Mandom HR Transformation (MHRX, pronounced “marx”) starting with jobs and career autonomy last August with the aim of creating an organization and human capital that can transform themselves and take on challenges to create value for the Group. As part of MHRX, we will begin operating a new HR system starting from April 1, 2023 that will completely revamp its programs, including the ranking, evaluation, and remuneration programs.

### ■ The big picture of MHRX

MHRX is an HR transformation aimed at creating an organization and human capital that can transform themselves and take on challenges to create value for the group in order to realize VISION2027, the company’s ideal state for 2027. The big picture of MHRX is shown in the diagram below. It aims to balance enabling each employee to demonstrate their individuality, improve their expertise, and grow in order to become successful and gain more satisfaction from work and increasing company value by making use of its diverse human capital to focus on Dedication to Service (Oyakudachi) for consumers.



<Reference>

Mandom launches HR system reform based on job + career autonomy (disclosed on August 9, 2022) <https://www.mandom.co.jp/release/2022080901.html>

## ■ Outline of the HR system reform (introduction date: April 1, 2023)

### ① Ranking program

Changed from a competency grading system that emphasizes years of experience and assigns grades based on acquired and possessed job competency to a ranking program (job-based) according to role.

#### **【Key points of the ranking program】**

- For key management positions (upper ranks), ranks are determined by formulating a job description that details the job content and human asset requirements for each position. In addition, the formulated job descriptions are utilized in training, placing, recruiting, etc., to adhere to the “right person for the right job” principle.
- For key operational positions (lower ranks), ranks are determined based on the content of the assigned role, thus promoting growth through diverse experiences.
- In line with the concept of a job-based HR system according to role, the system of dismissals from positions based on age limit has been abolished.

### ② Evaluation program

In line with the change to the ranking program according to role, a change to a fair and impartial evaluation system according to role has also been made. Also, an environment in which each employee can continue to take on challenges is prepared.

#### **【Key points of the evaluation program】**

- Each is expected to behave professionally in their assigned roles, and challenges taken on and results based on those challenges and roles are evaluated.
- Supervisors and subordinates discuss “how duties based on expected roles should be carried out” through “backcasting” (as opposed to “forecasting”) and set goal levels.
- To help cope with changes in the environment and circumstances, “job 1-on-1” meetings in which superiors meet regularly with subordinates to check work progress and provide problem-solving support will continue. Failures during challenges can be turned into learning by reviewing them within the same term in “job 1-on-1” meetings, and the learning is evaluated as positive performance.

### ③ Remuneration program

A system that appropriately links the scale of the role and the results achieved through challenges to remuneration is developed so that employees can feel rewarded in terms of conditions as well.

#### **【Key points of the remuneration program】**

- A basic salary range is set for each rank based on the scale of the role, realizing the same pay level for same rank.
- A mechanism is introduced to ensure that the higher the rank with higher expectations, the more upward or downward adjustment to be made to the remuneration amount depending on the evaluation. The performance-linked bonus system that links corporate performance and the bonus amount is shared with employees for improved transparency and satisfaction.

### ■ Other initiatives related to MHRX (introduction period: gradual implementation planned within FY 2023)

#### ① Career development

An environment that supports career autonomy based on both the company viewpoint and the employee viewpoint will be created, and a system in which diverse human capital can play an active role will be prepared.

##### ● Implementation of career training by age group

Provision of opportunities for employees to review their own core values, inclinations, and strengths in line with life events frequently seen in each age group in order to support employees' autonomous career development

##### ● Career consultation desk

A career consultation desk has been established to assist employees at every stage of their career development, from building the career base to becoming specialized human resources.

##### ● Offering optional training programs

In addition to conventional learning support, optional training programs in which participants join of their own volition instead of being required to do so are offered so as to create a continuous learning environment.

- **Strengthening selective training**

Strengthening human resource development for early cultivation of future managerial candidates and promotion of DX

- **Expanding side job opportunities**

Relaxation of the conditions for taking on side jobs and creating opportunities for success outside the company

- **Introduction of an internal recruitment system**

Matching of company needs with career aspirations of the employees to maximize organizational performance by the “right person for the right job” principle, and increasing employee motivation by creating opportunities for success within the company

## ② Talent management

Hiring, reassigning, placing, etc. of human capital based on the “right person for the right job” principle and bringing out the performance of employees to maximize organizational output.

- **Strengthen mid-career recruitment**

Hiring of the best human capital based on the “right person for the right job” principle

- **Human asset allocation with emphasis on expertise**

To develop highly specialized human capital, regular rotations are reduced on the premise of "matching" the desires of employees and the company.