

We aim to maximize the value of human capital by creating a dynamic, spirited and vibrant organization.



**Yutaka Kashiwagi**  
Representative Director, Executive Vice President,  
Corporate Functional Officer IT, CAO,  
Chief Compliance Officer, Officer for  
Emergency Crisis Management Headquarters



HR Policy under Midterm Corporate Strategy 2024



**Execution of HR Policies in Midterm Corporate Strategy 2024**

Our most powerful asset and most vital management resource is our human capital. To continue creating MC Shared Value (MCSV) in a rapidly changing business environment, we must remain a dynamic, spirited and vibrant organization in which human capital, which is the source of all value creation, can work to overcome challenges with a sense of motivation and pride. We have been working to achieve this goal over the past 18 months through initiatives aimed at realizing the goals of Midterm Corporate Strategy 2024 that are based around three pillars. The first two pillars are "HR Strategy" and "Strengthen Engagement," while the third, which supports the other two, is "Data Utilization."

In terms of the first pillar, HR Strategy, we have prioritized the enhancement of our ability to respond promptly to management strategies. We have taken a flexible approach to the achievement of this goal, including through the establishment of the Industry Digital Transformation Group and the Next-Generation Energy Business Group, while also dynamically repositioning human resources through cross-organizational transfers and concurrent postings. We have also enhanced our ability to adapt to change by strengthening the leadership skills of the people responsible for leading initiatives to improve business value. At the same time, we have also implemented reskilling programs to better equip all officers and employees to address current needs, including DX skills training to facilitate the

integrated promotion of DX and EX.

The focus of the second pillar, Strengthen Engagement, is the realization of the full benefits of measures designed to maximize the capabilities of our organization and human resources by fostering an organizational culture in which a diverse and versatile talent pool can thrive. We have continually held town hall meetings between management and employees based on our belief that human resource networking across different organizations, age groups, and seniority levels leads to the creation of new value. MC also respects the values and aspirations of its employees in relation to their careers and work. We have expanded our open recruitment and reassignment policy and established a new sabbatical leave system so that our employees can gain greater motivation by making autonomous choices. In addition, our health management initiatives include the expansion of support for health promotion activities and initiatives that utilize our integrated strengths to promote well-being through collaborative efforts between the Industry Digital Transformation Group, the Healthcare Department, and medical clinics.

For the third pillar, Data Utilization, we are exploring effective approaches based on the collection and analysis of data about organizations, human capital, and policies, in order to promote and enhance the formulation and implementation of these strategies. In addition, we are demonstrating our commitment to our internal and external stakeholders through the disclosure of quantitative and qualitative data.

**KPIs for Maximizing the Value of Human Capital**

We have set targets for our efforts to maximize the value of our human capital in the form of KPIs that are closely connected with our management strategies. MC sees engagement as the most important theme for ensuring that our diverse human resources can flourish. Our KPIs for our organizational strength in this area are positive response rates of at least 65% every year for both "employee engagement" and "employee enablement" in the Employee Awareness Survey. Both of these indicators reflect various influences and interrelated factors, and there is no silver bullet that will dramatically improve our performance in these areas. Going forward, we will continue to implement policies and measures in response to changes verified and analyzed using a variety of methods.

**Further Promoting the Active Role of Our Diverse and Versatile Talent Pool**

MC regards diversity as essential to the achievement of continued improvement in its corporate value. We have enhanced our systems that support employees through various life events, and in March 2023 launched the DE&I Working Group to consider what steps are needed to ensure that our diverse and versatile talent pool can play an even more active role. The DE&I Working Group, which reports directly to the

President and CEO, is made up of people from a wide range of backgrounds. Their recommendations will be reflected in our ongoing efforts to promote career advancement for women and various other DE&I initiatives.

We are also currently working to create business environments in which our diverse human resources can focus on value creation activities. To achieve this goal, we are implementing business process reforms designed to improve efficiency and productivity. We have also launched new initiatives to enable our diverse human resources to contribute and achieve success in our organization, including the diversification of our recruitment methods. For example, we now hire graduates who have spent a few years working for other companies before seeking new opportunities. We will continue to prioritize practical and agile approaches as we adapt to accelerating change both within and beyond MC.

At the same time, we recognize that the single most important factor affecting the implementation and assimilation of these initiatives is communication. We will continue to use a variety of opportunities for dialogue to seek as much input as possible from our employees both in Japan and overseas, and to reflect their diverse views in our activities. Our goal is to cultivate a more robust organizational culture that enables each MC employee to work in a dynamic and spirited fashion while feeling a sense of commitment to their organization and work.