

# Focus: Human Capital

Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce

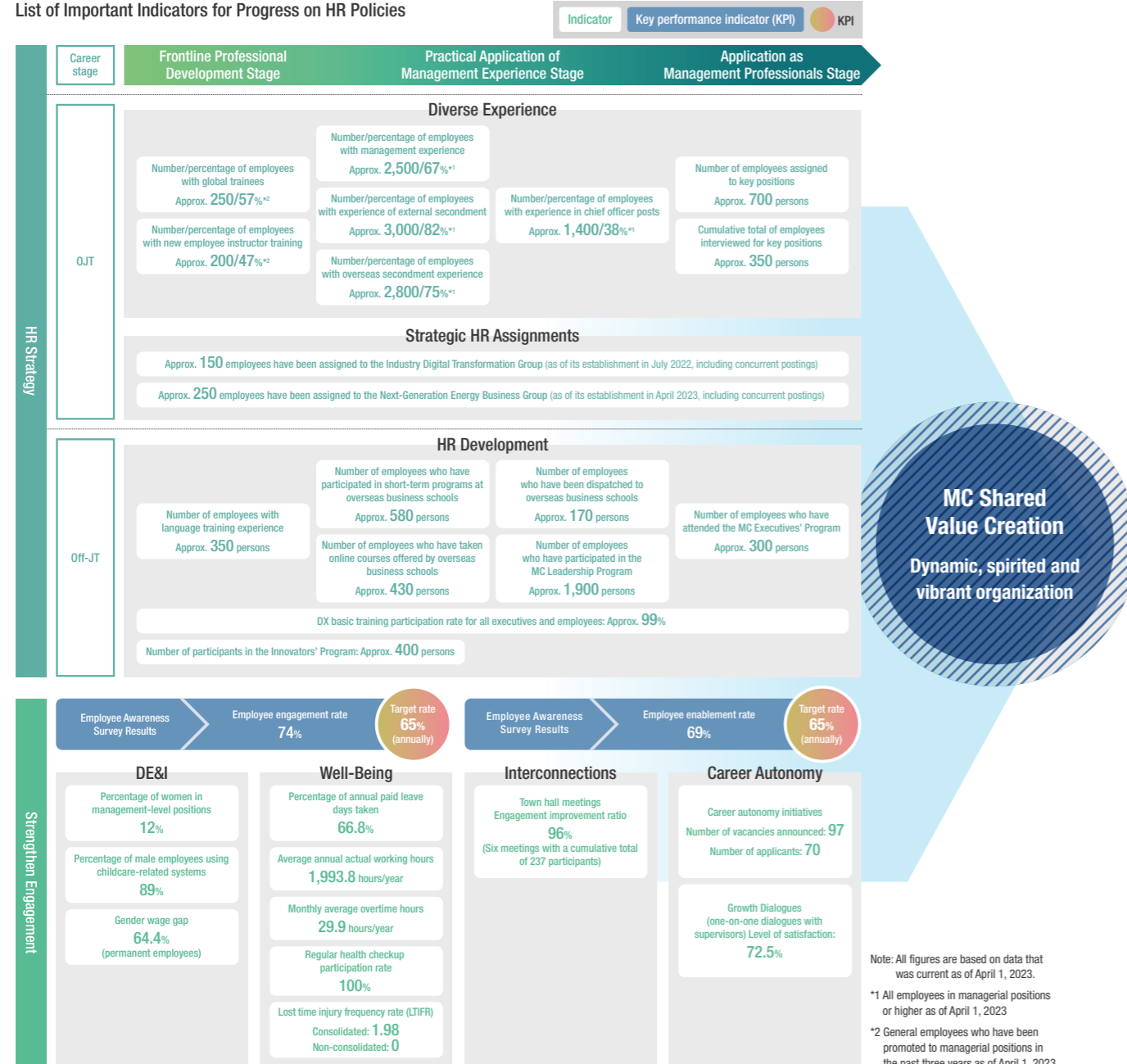


## Maximizing the Value of Human Capital —Creating a Vibrant Organization by Interconnecting a Diverse & Versatile Talent Pool

### Progress on HR Policies Aimed at Maximizing the Value of Human Capital

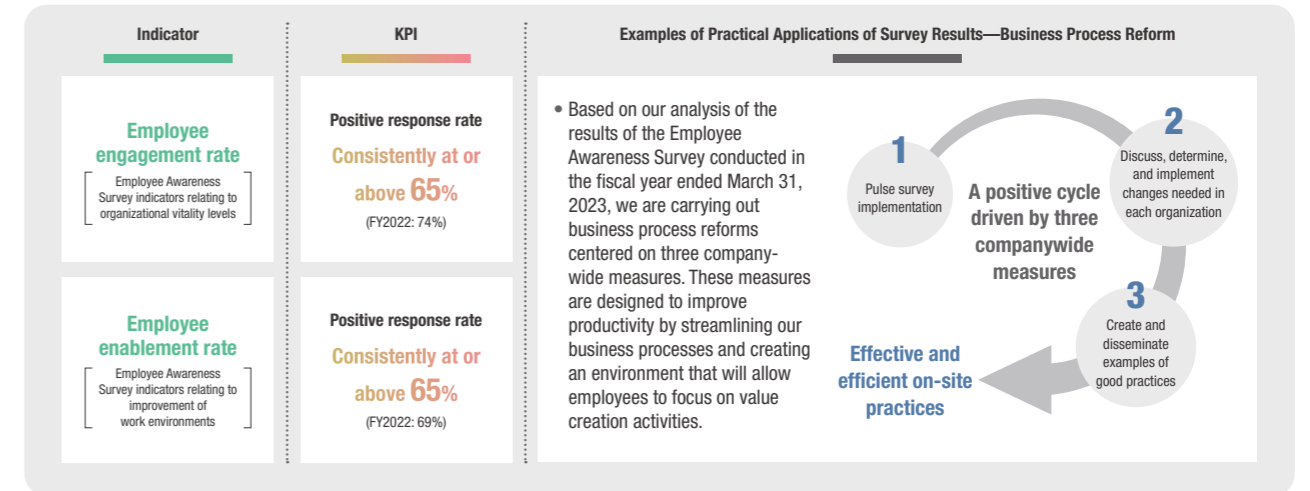
To ensure that we can continue to realize MC Shared Value (MCSV) creation in an extremely unpredictable business environment, we are working under Midterm Corporate Strategy 2024 to implement human resource initiatives designed to maximize the value of our human capital through a dynamic, spirited and vibrant organization. In line with our HR Strategy pillar, we are strategically developing the next generation of leaders by pursuing initiatives aimed at providing our employees with a range of experiences and training opportunities that are unique to MC. We are also working in accordance with the Strengthen Engagement pillar by implementing initiatives aimed at cultivating a strong organizational culture in which our diverse and versatile talent pool will be highly engaged and can work together across organizational lines to play an active role in our activities. In addition, we have listed and visualized important indicators to track progress on these measures. This information is also being used as reference data for deliberations about strategies and policies.

#### List of Important Indicators for Progress on HR Policies



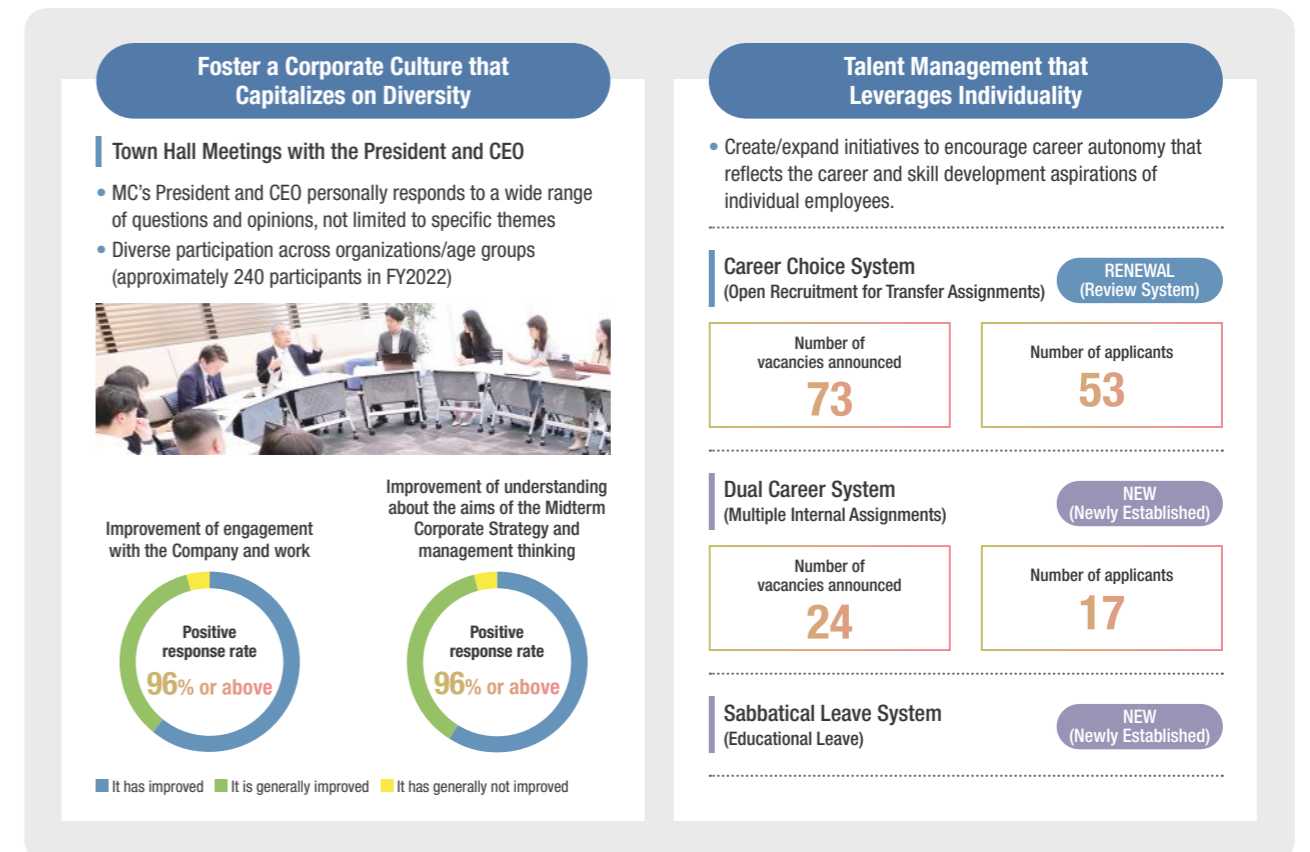
### Employee Engagement—KPIs Relating to the Success of a Diverse Workforce

We see employee engagement as the most important factor in our efforts to develop a dynamic spirited, and vibrant talent pool and organization through HR policies linked to our management strategies. We have therefore increased the frequency of Employee Awareness Surveys from once every three years to annually and also established quantitative KPIs. Employees receive feedback about the survey results so that they can use this information to make improvements in their own organizations. At the management level, we analyze and discuss these survey results, identify issues that need to be addressed on a companywide level, and reflect our findings in policies.



### Initiatives to Strengthen Engagement

We are working to foster a corporate culture that capitalizes on diversity by encouraging communication across organizational, occupational, and generational lines. We are also creating an environment in which people in our diverse and versatile talent pool can realize their full potential and develop their own careers. Through these efforts, we aim to enhance employee engagement and contribute to MC's sustainable growth.





# Next-Generation Leaders to Ensure MC's Future

—Strategic Development through Diverse Experiences



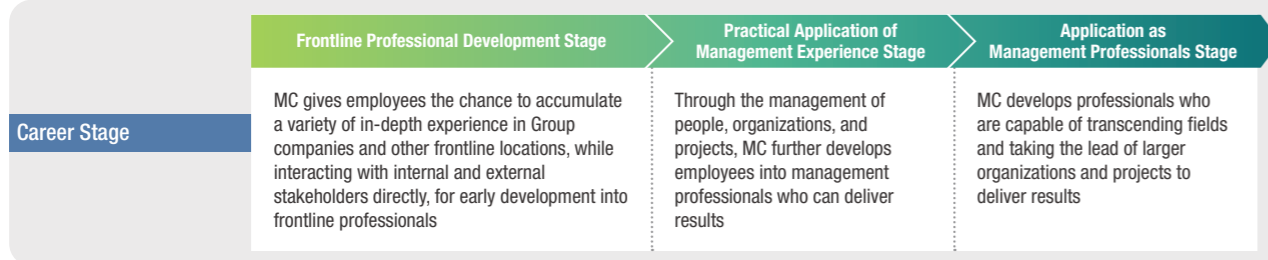
## MC's Basic Policy on HR Development

The individuals that make up our diverse and versatile talent pool consistently use their foresight, their aspirations, and their ability to anticipate future needs to tackle the challenge of finding solutions to societal challenges. We believe that this talent pool is our greatest asset and the very source of value creation at MC.

### Profile of Human Resources Sought by MC

MC's unique and universal human capital = The source of value creation

- High aspirations for addressing societal challenges
- Foresight to anticipate the times and derive new value
- Execution skills to quickly materialize concepts by involving stakeholders beyond national and industrial boundaries
- High moral and ethical standards based on the spirit of the Three Corporate Principles



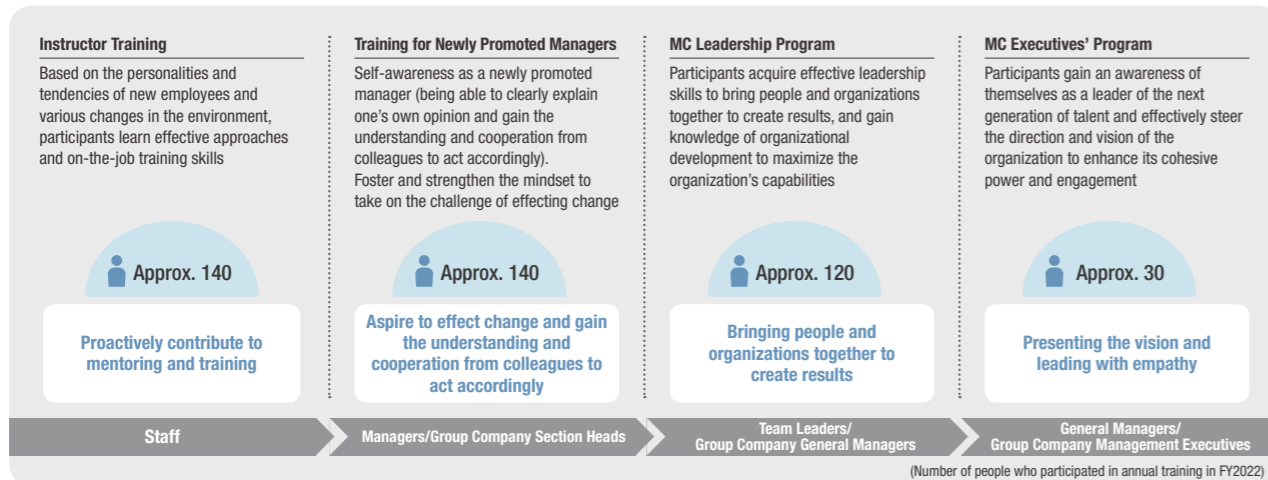
We continue to produce human resources with a management mindset and a commitment to increasing the value of the business by providing employees with opportunities to accumulate a variety of experience in stages through both on-the-job training (OJT) and off-the-job training (Off-JT) according to their career stage.

Specifically, we ensure that employees can steadily gain experience according to their career stage and gain the qualities that they will need to support the future success of MC, including leadership development and global experience. We also take steps to strengthen adaptability to changes in the business environment, including reskilling.

## Leadership Development

We have introduced measures focused on the phased development of the leadership qualities needed to drive value creation under our business management model. Examples of the management skills that we seek to develop include the ability to support the growth of subordinates and utilize our diverse and versatile talent pool.

### Training Structure for the Phased Development of Leadership Qualities



## Global Experience

As we continue to expand our business activities around the world, we are working to enhance the global competitiveness of our human capital by providing opportunities for employees to gain overseas work experience. In addition, we ensure that employees acquire advanced management skills and have opportunities to build global human networks by sending them to attend courses at overseas business schools according to their career stage.



Eriko Matsumoto

General Manager, Business Promotion Dept., Head of Business Development and Pharmaceutical Business Unit and Manager, Pharmaceutical Business Unit Manager

### Practical Application of Management Experience Stage

#### Overseas Business School Alumni

The dream that inspired me when I went to study at business school in the United States was starting a business from the ground up. After learning about entrepreneurship, I gained experience in business development by investing in and collaborating with venture companies and startups that I had discovered myself. I am now seconded to MC Healthcare, Inc.\*, where I have used what I learned to propose the creation of Cotocellar, a web platform for matching the needs of hospitals with DX products. As General Manager of the Business Promotion Department, I am involved in new business development activities. I aim to build Cotocellar into a key source of income while also using my leadership skills to create medical business models for each region.

\* MC Healthcare, Inc. provides management and purchasing support for medical materials and pharmaceuticals, etc.

### Number of Participants in the Global Trainee Program (FY2020–FY2022)



### Overseas Business School-Related Systems

Target group	Overview	Number of people/year
Dispatch to overseas MBA programs	Open recruitment Participation in MBA programs at leading schools in Europe and North America	5-10 persons
Use of short-term online programs	For newly promoted managers All newly promoted managers are given opportunities to attend online single-subject programs offered by overseas business schools	Over 100 persons
Dispatch to short-term programs	For top management We send top management staff to attend short programs through which they can acquire comprehensive knowledge of management skills, such as administration and leadership, while also building global networks	Approx. 50 persons

## Strengthening Adaptability in a Changing Business Environment—DX Training

We have introduced a range of measures to ensure that individual employees can utilize their core strengths, expertise, and DX knowledge and skills in cross-organizational initiatives. These measures include on-demand courses that are available to all MC employees, as well as six-month advanced training programs with practical content for those in charge of DX projects, new business launches, and related activities.



Naofumi Matsuzaki

Strategy and Planning Office, Logistics & Food Distribution Div., Consumer Industry Group

### Frontline Professional Development Stage

#### Winner of the 2nd MIL Innovation Award

I joined the MC Innovation Lab (MIL) program because whenever I spoke with the executives and engineers of startup companies, I got the sense that I was being left behind in terms of my technical knowledge and skills. Initially, it was very challenging to develop an original app with zero programming experience, but I ended up winning the program's top award. My sense of accomplishment at that time was comparable to how people must feel after completing a full marathon. I am now engaged in strategic planning and new business development activities as a member of my division's Strategy and Planning Office. My work involves evaluating companies and businesses from a more in-depth perspective, including technical aspects and usability.

Number of employees who have completed training for DX/new business creation

Approx. 90 persons







# Frontline Value Creation Leaders

## —Matching Talent to Business Strategies through Talent Visualization

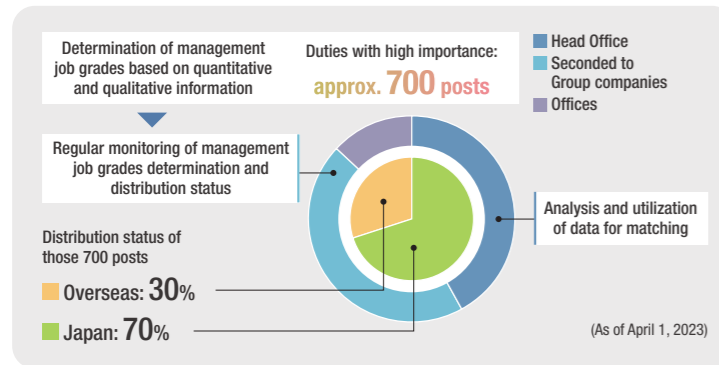


### Contributing to Value Enhancement through Business Management Backed by High Aspirations

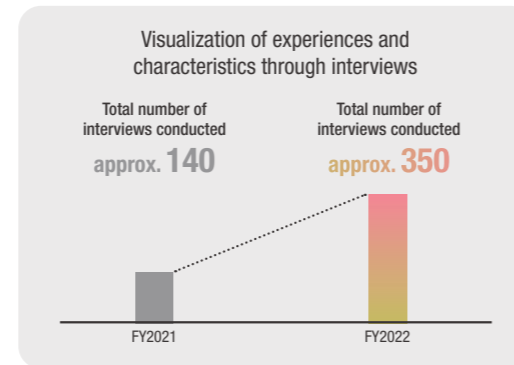
Approximately 700 people with a wide-range of experiences made possible by MC hold key positions and perform vital roles\* on a consolidated basis. Through those roles, which include business management activities in various regions and at sites and Group Companies in Japan and overseas, these people contribute to the realization of management strategies, such as the Value-Added Cyclical Growth Model and the integration of EX and DX initiatives. We have prioritized the visualization of these extremely important and challenging duties and the talent needed to perform them as the basis for a matching process designed to promote the placement of the right people to the right positions.

\* Including Officers, Division COOs and General Managers of MC, heads of business sites in Japan and overseas, as well as management executives of MC Group companies for which our employees are responsible.

#### Visualization of Duties

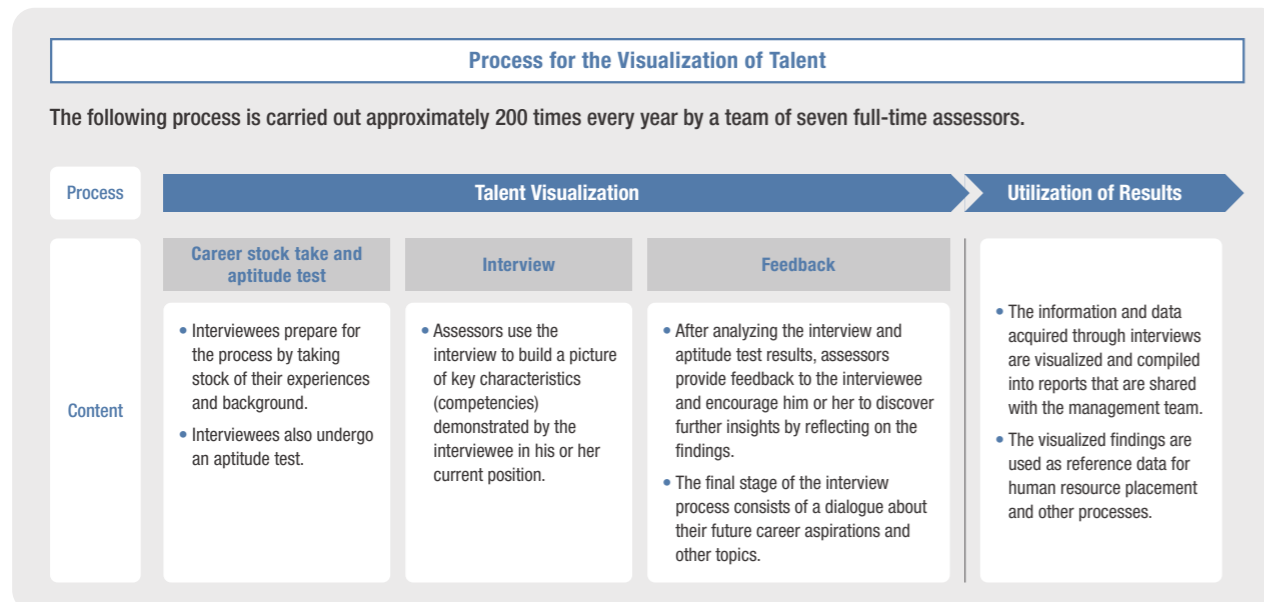


#### Visualization of Talent



### Optimizing Human Resource Placement through Talent Visualization

We have equipped an HR subsidiary with the capacity to visualize the talent required for key positions and created a team of seven full-time assessors with backgrounds at MC to drive the visualization process. These assessors carry out individual interviews and provide interviewees with personalized feedback and dialogue based on various data, such as aptitude test results. To date, approximately 350 interviews have been completed. We will continue to pursue this process with the aim of matching people with tasks based on their abilities and motivation, regardless of age or gender. The resulting data resources will also be analyzed and used to develop the next-generation of leaders as well.



#### Application as Management Professionals

An interview with a Manager in a key position

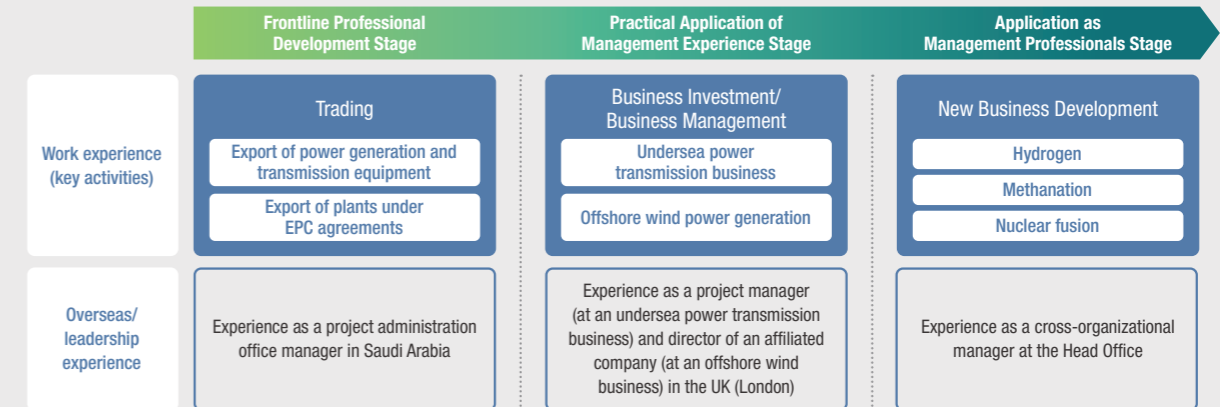
## Overcoming challenges and creating cross-industry and cross-segment value by building “interconnections”

Toshiaki Nobuhara

General Manager,  
Hydrogen Business Development Office,  
Next-Generation Energy Business Group  
General Manager, International Utility Dept.,  
International Power Div., Power Solution Group



#### Key Career Experience



#### Realizing Bigger Ideas through Vertical and Horizontal Networking

I currently hold positions in two separate organizations. My most important role in this context is to create new value through networking.

My approach to organizational management in the Hydrogen Business Development Office of the Next-Generation Energy Business Group, which was recently established in FY2023, focuses on building organic interconnections among people gathered from a wide range of fields, including natural gas, industrial infrastructure, and power solution. Synergies are achieved by bringing together the passion and individuality of people with advanced expertise and extensive experience in their respective fields to generate a kind of “next-generation energy.” Another advantage resulting from my dual roles in both this new organization and in an organization that has evolved a business model based on our long tradition and involvement in the power sector, is that I am able to guide our efforts toward bigger concepts and new forms of convergence by bringing together human resources and intelligence from both of these organizations.

#### A Track Record of Overcoming Challenges through Networking

Looking back over my own experiences, I realize that the connections that I forged with various people within and beyond MC provided the driving force that has enabled me to withstand various pressures, overcome difficulties, and achieve successes without fear of failure. Those experiences made me who I am today. In my third year with MC, I was assigned my first overseas position as manager of the administration office for a power plant

construction project in Saudi Arabia. I still consider the experience of working alongside external partners and internal stakeholders to overcome challenges as one of my foundational experiences.

Later, when I was placed in charge of an offshore wind power development project in the UK, I faced challenges that included Brexit and the COVID-19 pandemic. Despite these issues, we completed the project through collaboration with both internal and external stakeholders. In fact, I still keep in touch with those involved in the project, whom I see as comrades who helped me to overcome various challenges.

Even today, my interconnections continue to expand, such as through my network with the gas industry as I engage in the development of our methanation business in North America.

#### Contributing to the Creation of MCSV

Going forward, I will continue to place a high value on my connections with various stakeholders. I am determined to play a central role in our efforts to create new cross-segment and cross-industry value.

