

## Dialog of Outside Directors and Institutional Investors

### Summary of Q&A

We recently held a small meeting (online) of outside directors and institutional investors.

A summary of the Q&A is provided below.

Note: Some parts have been added and modified for clarity.

[Date]

Tuesday, July 16, 2024

[Attendee institutional investors]

9 persons, from 9 companies

[Attendees of the Company]

Katsuhiko Yoshida      Director, President COO & CFO

Atsuko Matsumura      Outside Director

Yuko Haga              Outside Director

Hirofumi Katase        Outside Director

[Comments by Investors Following Dialog]

- It was helpful to understand how the outside directors think about the Company and their awareness of the issues.
- The Company's governance seems to be functioning well. I could clearly see the situation where the outside directors are making sound points and the management is responding to them in a sincere manner.
- I understood that the issues that outside directors feel are closely linked with the capital market.

[Comments by Outside Directors Following Dialog]

- I feel that it was very meaningful to inform and discuss with investors the current status and issues of our management strategy from the perspective of the outside directors. We will continue to make full use of the opportunity to deepen our discussions with investors by referring to the comments received from the participants. (Matsumura)
- I am grateful and relieved that we were able to take the time to have a thorough dialogue with the investors and that we received a certain level of satisfaction from the participants. During the dialogue, I was able to convey not only the good points of well-functioning governance system, but also the challenges of the governance. (Haga)
- I gained a deeper understanding of the problem recognition by institutional investors. It will be very helpful in performing my duties as an outside director in the future. (Katase)

[Summary of Q&A]

Q1. From the perspective of an outside director, what are MinebeaMitsumi's corporate culture, strengths, and issues?

A1. Matsumura: Our unique corporate culture has taken root through the sharing of a clear corporate philosophy and the company credo "The Five Principles" by all employees. Our efforts to create value by differentiating our products and our sincere attitude toward building the best manufacturing system are emphasized at all of our locations, and I feel that our strength lies in the sustainable enhancement of corporate value that can only be achieved by our company. I also believe that the strong leadership and speedy business development of the management team, led by the chairman and the president, and the precise response of the executive officers to their leadership, have created a flow of important matters being submitted to the board of directors one after another for implementation, which I believe is an advantage of the Company. In addition, Chairman Kainuma himself shares the company's direction at each timing by distributing an internal newsletter to employees immediately after the announcement of quarterly financial results. Thanks to the corporate culture, which has been fostered by the Chairman explaining the objectives and effects of measures in his own words, communication within the company is strengthened and created an atmosphere in which employees understand the thoughts of the top management and are willing to do their best in their respective workplaces.

I feel that such communication is particularly effective in fostering a sense of unity in the company, especially for employees who have newly joined our group through M&As or who work at overseas locations far from the Tokyo headquarters. In response to this, there have been many cases where employees who joined the company through M&As in recent years or team-building achievements proposed by overseas workplaces have received awards, and the company as a whole has become excited about the same goal of creating effective teambuilding. On the other hand, what I think is an issue is that there are cases where there is a good and also a bad communication between supervisors and subordinates regarding each employee's work style. Especially among female employees, effective dialogue with supervisors to have a picture of their career path is necessary, and such dialogue would help maximize the power of employees. From the Perspective of DEI management, the percentage of female employees is high at 62% in the global data, however, the ratio of female managers is low at 18.8%. Since the ratio of female managers is particularly low at the Tokyo headquarters, expanding opportunities for females is an issue. In addition, it is important to strengthen communication between young employees and executives in order to utilize fresh ideas for the business from young employees regardless of the gender. It appears that male employees in particular are sometimes so enthusiastic about their duties that they work overtime until late. Therefore, it is necessary to further promote the creation of a work environment that promotes work-life balance and health maintenance by increasing the personnel in busy departments.

Haga: I feel that our company has a corporate culture of taking serious action to accomplish what needs to be done. Another strength of the Company is the speed of its decision-making process under

strong leadership. Decision-making is not the sole responsibility of Chairman Kainuma, but rather is based on a thorough exchange of opinions with the president and senior executive officers. Furthermore, there is a culture that recognizes the abilities of not only the original MinebeaMitsumi employees but also those who joined the group through M&As and those from outside the company. On the other hand, the issue is whether there is always an atmosphere in which subordinates can express opinions that differ from those of their superiors without hesitation.

We believe that what makes the organization strong is the bottom-up proposals without hesitation and the out-of-the-box proposals, in addition to quick decision-making at the top. Young employees may be able to speak up without concern.

Katase: Regarding the corporate culture, first, it is strongly growth-oriented and innovation-oriented, as opposed to the “big company disease” of being comfortable with the status quo and stability-oriented. Second, the organization is not bureaucratic, and decisions are made quickly and on a company-wide basis. The decision-making process is not limited to M&As, but also to each business unit’s operations not in a vertical direction. There are close information sharing and discussions between the head office management led by Chairman Kainuma and each business unit, taking all options into consideration. Therefore, policy decisions, strategic resource allocations, and cooperation among divisions are made promptly.

In addition to the company’s technological strength, other strengths include the Company’s pioneering expansion into Thailand and Cambodia and the establishment of powerful overseas production bases, which can be leveraged as company-wide production bases, as well as PMI know-how.

There is no doubt that Chairman Kainuma’s leadership has contributed greatly to the development of the corporate culture. However, as the Company continues to expand in size, the issue is how to maintain the corporate culture over the long term into the future. Although we have generally taken the necessary measures, such as developing companywide leaders, ensuring that the issues raised by Chairman Kainuma are considered and tackled on a company-wide basis, and establishing a business execution system under President Yoshida’s leadership, we need to take on a challenge to structure a sustainable companywide corporate culture.

**Q2. What is unique about MinebeaMitsumi’s Board of Directors compared to other companies (good points and issues)?**

A2. Haga: The first good and well-functioning point of our Board of Directors is that there is an atmosphere in which outside directors can have a strong voice. I also believe this is very important for the effectiveness of the Board of Directors. We have a system in place that allows us to review the contents of board meeting materials in advance and to understand what discussions have taken place among the top executives beforehand. Although we outside directors are not experts in the industry, we believe it is necessary for us to know what opinions, both pros and cons were discussed within the company in terms of the governance. We receive explanations about M&A and other deals

with clarification of the purpose of the acquisition such as how they will contribute to the corporate value enhancement. Furthermore, at the time of consideration of acquisitions, even PMI plans are thoroughly considered, and as an outside director, I feel that sufficient explanations are provided for me to make a judgment on the matter. I believe this is possible because of their extensive experience in successfully completing M&A transactions.

The role of outside directors is commonly referred to as aggressive governance. Compared to other Japanese companies, however, we have made a strong effort in risk management. There is no need for the outside directors to encourage such efforts, and as a result, we have been able to continue our growth to this point.

Regarding issues, since our board is more of an advisory board with many execution-related agenda items than a monitoring board, there are many execution-related decision-making agenda items, and for time-related reasons, we do not have much time to discuss the long-term direction the Company should take and its grand strategy. Although the agenda has been reviewed considerably over the past few years, we believe that there are still things that can be devised in the preparation and operation of board meetings. In this regard, based on the annual evaluation of the effectiveness of the Board of Directors, gradual improvements are being made. On the other hand, we need to have a deeper discussion about how MinebeaMitsumi's Board of Directors should be in the first place, and Chairman Kainuma understands this. Beyond that discussion, in the future, it will also be necessary to consider the skill sets of internal and external board members.

Until last year, human capital was not discussed much at board meetings and that was an issue. Since the beginning of this fiscal year, they have started to be reported at board meetings. I think this is a topic that needs to be continuously discussed at board meetings. There are many young and talented people in the Company, and we have just started to create a human resource system that will allow us to make the best use of this talent as a whole. As I mentioned briefly in the Notice of the General Meeting of Shareholders, I plan to explain the details in the Integrated Report.

**Q3. While Chairman Kainuma's top-down approach has basically had a positive impact on the Company, I am concerned about the governance risks. How are the outside directors fulfilling their saving functions?**

A3. Haga: Governance and supervision are important roles required of outside directors. In terms of the "saving function," I recall that there have been no critical phases or instances in the past where the executive side has been restrained from making management decisions. The Company is actively engaged in investments, M&As, and other activities, and there have been multiple explanations of large-scale projects, and the points that need to be considered have been discussed. On the other hand, it cannot be said that risk management for the entire company is adequately discussed at the Board of Directors alone. However, information on the content of agenda items and discussions at meetings of senior executive officers is shared with outside directors in advance of Board of Directors meetings, and the quality and scope of information necessary to fulfill their duties as a saving function have been gradually being improved. Chairman Kainuma has strong leadership skills, but

he is also cautious and rather sees risks strongly in a project and never become out of control. As a result, there are some matters that were not brought up to the Board of Directors after discussion at the Senior Executive Officers Meeting before being brought up to the Board of Directors.

There are occasions when I ask simple questions from the perspective of compliance and risk management at the Board of Directors. I believe that the outside directors fulfill a certain function in a way that we provide a different perspective of outside point of view different from the executive side. On the other hand, we have not been able to have major discussions about the direction in which the Company should head. I believe that the time has come for us to discuss the nature of the Board of Directors, including whether or not the Company should require outside directors to engage in the discussion.

**Q4. From the outside, Chairman Kainuma gives the impression of being top-down, but how does he appear to the Board of Directors?**

A4. Haga: From the outside, Chairman Kainuma gives the impression that he takes a strong top-down approach, but in reality, he respects the opinions of those on the front lines and proceeds so that sufficient discussion can take place at board meetings. During the Board of Directors' meetings, when the persons in charge of each department explain the proposals that have come up, if the explanations are not sufficient for the outside directors to make a decision, Chairman Kainuma does not explain everything, but has the persons in charge of each department provide supplementary explanations as necessary. I have the impression that he communicates well with members of the front lines.

**Q5. Have there been any past cases where outside directors have argued against the company's proposal and gained momentum?**

A5. Katase: For about a year now, all of the outside directors have been making regular visits to various plants and bases in Japan and overseas (actual results: Karuizawa, Hamamatsu, Chitose, Hiroshima, Azumino, and Thailand). By seeing and experiencing MinebeaMitsumi's manufacturing and research sites firsthand and talking directly with management and employees, we are able to gain a clearer understanding of the issues and goals felt by the sites. The outside directors, more than before, do not hesitate to ask questions when they have questions, and although we are not experts in the business, we often ask fundamentally sharp questions, and we feel that we give suggestions to the executive side. I think there are particularly active discussions not only on M&A and capital investment projects, but also on engagement, compliance, and internal audit reports.

All M&A deals are explained in detail to the outside directors in advance, and the outside directors raise and discuss various issues such as specific synergies with the Company's existing business and the risks of the business at the meeting. The company will either explain the issues raised by the outside directors on the spot or provide detailed explanations at the board meeting, after which the issues will be discussed. We believe that there is considerable discussion in the series of processes, particularly with respect to large acquisition value issues.

Q6. What discussions have taken place at the Board of Directors meetings regarding executive compensation? What internal changes do you expect to see in the future?

A6. Haga: Discussions were held from the perspective of what kind of mechanism would be appropriate as an incentive to achieve the goals of 2.5 trillion yen in net sales and 250 billion yen in operating income by March 2029. In fact, the Nomination and Compensation Committee, chaired by an outside director, held numerous discussions, and the final proposal was explained to and approved by the Board of Directors. The outside directors expressed the opinion more than a year ago that a framework for executive compensation that would allow the company to have medium- and long-term incentives was needed. However, we decided that it was necessary to take time to consider changes to the compensation structure, and we spent more than a year studying the issue, and as reported at the General Meeting of Shareholders, a new medium- to long-term performance-linked compensation has been added. Originally, even before the revision, the system was designed with a high percentage of performance-linked compensation and there were no major problems. Since there is a clear policy of focusing on net income, some evaluation indicators were changed to make use of this policy and to link management indicators in business activities with evaluation indicators in the remuneration system. While it cannot be denied that the system is a little too short-term oriented, the use of a three-year average of EPS as a medium- to long-term performance-linked evaluation indicator is a commendable attempt to compensate for this.

The first issue for the future is the complexity of the system. Due to the past history, the system has become complicated and may be difficult for internal directors and investors to understand. Second, the proportion of equity compensation in the total amount of compensation is small. I personally think that if the total amount of compensation is made to be in line with the U.S. and European standards, the ratio of stock-based compensation could be increased in terms of being “in the same boat.” I would like to continue discussions with the management team to find the best solution in terms of what would be the most appropriate incentive for the company to achieve operating income of 250 billion yen in the FY3/2029.

Regarding the changes we expect to see in the future, the necessary mechanisms for change have been initiated over the past year. In addition to human resource strategies and executive compensation, a study is underway to examine mechanisms to increase the engagement of each employee so that they can achieve their life goals here at the Company. I believe that the top-down approach that has driven our growth to date will continue to be necessary. I understand that the Company will continue to pursue new strategies one after another with a sense of speed, as it has in the past. However, we are currently considering a slight change in the top-down approach. While the policies and goals should be top-down, how to proceed with them should be more employee-driven, so as to create an environment in which employees can think for themselves, make proposals, and execute them.

Q7. While the mainstay ball bearing business has excellent profit margins, other businesses have not reached double digits. As some investors consider the Eight Spears as a subject of conglomerate

discount, don't you feel that there are any problems in improving the profitability of the companies you have acquired through M&As or synergies between the businesses?

A7. Katase: Since Chairman Kainuma took office as president in 2009, the Company has conducted 27 M&A transactions.

Our M&A principles have been

1. M&As that can strengthen our existing business and/or provide INTEGRATION
  2. Only agree to an appropriate price (within 10 times EBIT; never acquire at a high price)
- and has implemented a strategy of integrating and turning around companies that can expect "1" and companies that cannot expect significant development on their own at a reasonable price.

While some of the PMI projects, such as MITSUMI, U-Shin, and ABLIC, have been successful, others, such as the two connector companies, are still in the process of creating synergies, and we recognize that profitability of these businesses is an issue. A good example is MITSUMI integrated in 2017, and has expanded its performance from a loss-making state to a point where the Semiconductor Electronics (SE) segment, which is based on the former MITSUMI business, is expected to generate 38 billion in operating income in FY3/2025. Among these, analog semiconductors, which were apparently targeted for sale at the time of the business integration, have grown to become the second largest earnings driver after bearings, following the business integration with ABLIC in 2021, the Shiga Plant acquired from OMRON in 2022, and most recently, Minebea Power Semiconductor Devices (MPSD, formerly Hitachi Power Semiconductor Devices).

At present, while the operating profit margin of ABLIC has grown to a high level in the 4Q of the previous fiscal year, the profitability of the Shiga Plant and MPSD is relatively low and in need of improvement. The company aims to achieve 200 billion yen in net sales and an operating margin of 30% as its semiconductor business in FY3/2029 by working to create various synergies, such as sharing pricing strategies, which is one of ABLIC's strengths, with other integrated companies, and a vertically integrated production system for power semiconductors using the Shiga Plant.

There are discussions that addition of new businesses will lead to a conglomerate discount. As evidenced by the recent reevaluation of the trading company business model, we believe that it is important to consider the degree to which synergies among the various business areas are being realized and how the Eight Spears strategy contributes to the long-term growth of the Company. We believe that this model embodies the Company's concept of "sustainability is the essence of management." Specifically, first, by building a diversified business portfolio around the Eight Spears strategies, we have concretely realized synergies such as high added value through INTEGRATION, horizontal deployment of superior manufacturing technologies, and strengthening sales to common customers. Secondly, we have been able to establish an optimal production system by utilizing our company-wide production bases, for example, by transferring production of aircraft parts from Europe and the U.S. to Thailand, which is another advantage of our multiple business operations. Thirdly, by conducting business in a variety of markets, we are able to reduce volatility and build a risk diversification structure, leading to sustainable growth, and we believe that this strategy itself is not wrong.

Due to the business integration, we were able to expand our performance to a record high of 1.4 trillion yen in net sales for the FY3/2024. In order to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen in the FY3/2029, we will focus not only on expansion of scale but also on profitability, and continue to work on creating synergies and improving profitability in existing businesses. We also believe that it is important to execute M&A of companies that are necessary for our company with high margins and with appropriate valuations, without being overly concerned about the main principles of M&A up to now.

**Q8. Is MinebeaMitsumi's strength in promoting M&A and earnings improvement based on the leadership of its founder? Or is there an organized system in place?**

A8. Matsumura: In M&As, there is no doubt that Chairman Kainuma's expert judgement ability for the target of business integration and the leadership in tough negotiations is important. At the same time, the various policies that Chairman Kainuma has been promoting, such as productivity improvement, M&A, and financial discipline, have penetrated the senior management team, so that each business division is now strongly and quickly executing its business, led by President Yoshida. With regard to our M&As, the success of PMI is a major feature of our M&As. In PMI, we do not use outside consultants, but have established a system to facilitate the preparation and execution of business integration by leveraging our experience in many previous business integration projects. U-Shin integrated in 2019, has grown as the AccessSolutions division through business integration with Honda Lock (now Minebea AccessSolutions), and conducted structural reforms in Europe, which had been struggling, and INTEGRATION through business integration. The division's earnings have been improving to the point where operating income of 10.6 billion yen in FY3/2024 and 17.0 billion yen in FY3/2025 are forecasted. We believe that these are the results of productivity improvement efforts of our European and manufacturing divisions under the leadership of Vice President Iwaya, leveraging the experience in the turnaround of MITSUMI, and the work of our specialized manufacturing unit which is one of our strengths of the organization.

**Q9. Operating income, a key KPI, and PER have been on an increasing trend in recent years due to improvements in the earnings of acquired companies, but PBR have been diverging from these figures. What kind of measures are you discussing to improve PBR, as there is also a request from Tokyo Stock Exchange? Also, with regard to your business portfolio, is it almost in the shape you are aiming for in relation to the positioning of your core businesses as currently defined? Are there any future issues or potential replacements?**

A9. Haga: First of all, although our current PBR is above 1, we are by no means satisfied with the current level and feel that we need to have a more active discussion about efficient capital utilization and investment in profitable businesses from the perspective of the overall corporate portfolio. Regarding the business portfolio, a group-wide meeting is held twice a year with the participation of executives from the entire group to discuss profitability, and outside directors also participate in the meeting. Profitability and business plans are discussed and reviewed by business unit, and whether



each business unit is able to generate capital efficiency figure of ROIC with excess profits above the 8% hurdle rate is also analyzed. We are also discussing unprofitable businesses from the perspective of whether we are the best owner of the business. However, the Company is still in a development stage, and the Board of Directors believes that further in-depth and thorough discussions based on ROIC are necessary. Growth to date has been primarily focused on scaled growth as the goal. From this April, the entire company has been working to improve profitability, targeting not only net sales growth but also an operating margin of 10%. With regard to the M&As, we have changed the strategy to target high-margin companies and this has been reported and discussed at the Board of Directors. Furthermore, in improving ROE, ROIC, etc., it is necessary to link management strategies with non-financial strategies such as human resource strategies, in addition to financial initiatives.

As an outside director, we will continue to encourage consideration of the business portfolio from both financial and non-financial perspectives, from a position independent of management, and promote the implementation of measures to enhance corporate value.

#### **Q10. Reflections on the first year of the CEO, COO/CFO structure (achievements and challenges).**

A10. Matsumura: Our management structure is basically CEO is responsible for strategy and COO&CFO for execution, but instead of clearly dividing the areas of responsibility among them, we have adopted a flexible approach depending on their areas of expertise and business conditions. The change from CEO&COO to CEO has allowed Chairman Kainuma more time to focus on important strategies that he must decide on, such as strategy planning, M&As, governance, human resource development, and environmental measures, which has had a significant positive impact on our management strategy formulation. This has had a significant positive impact on the development of the Company's management strategy.

In addition to his CFO position, President Yoshida is also responsible for COO duties, but while he has basically inherited Chairman Kainuma's leadership and speedy execution system, he has also organized his own team with five young employees in the COO/CFO office, which is working on execution while also training the next generation of management. This has resulted in faster execution, higher quality, and a stronger pool of human resources. With this new structure, we feel that the Company is well-positioned to move forward toward its high goals for the FY3/2029.

We are often asked various questions about succession, but our basic idea is that our top management, which operates a wide range of businesses under globalization, needs to have the knowledge and experience of a generalist rather than a specialist. Although the members of the next generation management in the office consist mainly of corporate planning, business administration, finance, IR, and other departments, they can gain experience in various areas, such as the front lines of M&As, head of business units, human resource development departments, and other non-financial areas, and rotate their experience to gain the integrated knowledge necessary for top management. In the COO/CFO office, the executive officer in charge of sales also gains experience for a short period of time, and human resources are being developed in a wide range of areas.

The development of next-generation management has only just begun, and we believe it is necessary

to further enhance our efforts toward succession with a view to sustainable growth for our Company.

**Q11. What is the progress and perceived challenges with regard to fostering successors?**

A11. Matsumura: In order for our company to achieve sustainable growth toward our 100th anniversary and beyond, we consider it extremely important to nurture the next generation of management who can take over the company's past growth engine and steadily respond to future growth. Chairman Kainuma himself has a strong desire to discover, develop, and strengthen the next generation of core human resources, and the Nomination and Compensation Committee has discussed this issue over the past year. In February of this year, a new system for the systematic development of core human resources was introduced, and efforts have begun.

Specifically, we will develop three pools of core human resources: Next Leaders and Future Leaders, who are candidates to succeed head of business headquarters and head of business units, which are important posts for the group, and Hi-Potential Leaders who are young human resources with potential. The policy is to effectively develop (assign and train) these human resources to meet the human resource requirements set for each pool. Through such succession planning, the Company aims to enhance the long-term sustainability of the Group by systematically strengthening the human resources who will take an important positions. It is also the policy to reshuffle the talent pool every year, in order for a system to maintain the motivation of employees who are not selected and provide an ongoing sense of urgency to those who are selected.

The challenge is how to raise the perspective of the next generation of core human resources (especially the Next Leaders). We believe that it is important for our sustainable management to proceed with the same approach to business management and to further enhance our corporate value. With regard to training, three selective training programs (NLP, FLP, and HLP), which are considered effective for development based on the requirements of each personnel pool, were launched in April 2024. The training program is designed to develop leaders who can "look at the big picture and strengthen and evolve the business with rich conceptualization and execution skills," and aims at (1) acquiring the necessary resolve, perspective, skills, and knowledge, (2) acquiring the big picture, conceptualization, and execution skills of a global leader, (3) exchanges among top talents (INTEGRATION activities), and (4) developing one's objectives of the training are to rediscover the source of one's own passion (MY PASSION). In addition to providing training opportunities, the Chairman's Office and the COO/CFO's Office also provide opportunity to shadow the management for a certain period of time, giving them front-line experience to sharpen their judgment as top management. At the same time, it is important to actively recruit top management personnel from outside the company who can evolve businesses with strong leadership.

**Q12. Reflecting on the results of the Employee Engagement Survey and your perception of the challenges.**

A12. Matsumura: The Employee Engagement Survey was conducted in June 2023, and based on the results of the survey, we have begun to understand the current situation regarding our human

resources and organizational issues and to implement effective “employee engagement improvement activities.” We are currently in the process of formulating an engagement improvement plan and putting in place various measures to realize a virtuous cycle between the Company’s sustainable growth and the maintenance and improvement of employee engagement. First, looking back on the survey, our score (FY2023, the ratio of favorable responses) for “sustainable engagement,” which is the overall evaluation, was 60%, slightly below the average for Japanese manufacturing companies. On the other hand, for our first survey, the response rate was a high 85%, with the active participation of 7,603 employees.

The results of the survey confirmed that the Company’s strengths include a high degree of employee empathy with its corporate philosophy and attitude toward social contribution, as well as clear goals and objectives that are well understood by each and every employee. On the other hand, the survey also identified the following areas for improvement: reform for the next generation, operational efficiency, communication and collaboration, and talent management. These results have clarified the measures that we need to take going forward, and we expect that there will be much room for improvement in the future.

The levels and trends of scores for the three main companies, MinebeaMitsumi, MITSUMI, and U-Shin, are generally the same, with no particularly notable differences. On the other hand, a relatively high rating was recorded by ABLIC, which has been implementing effective employee engagement improvement activities since 2017 through a combination of top-down measures and bottom-up measures based on employee feedback. We feel that it is also important to horizontally extend the measures of departments that received high ratings to other departments. Since FY2024, we have positioned the improvement of employee engagement as a key issue for group management, and are strongly promoting improvement activities through a three-tier approach: “the entire company,” “each business unit (workplace),” and the business headquarters that support them. Specifically, the Company as a whole has been working on the following three initiatives. Specifically, as a company-wide initiative, the president will systematically hold town hall meetings throughout the fiscal year in which he visits each business site and directly talks with employees to continuously convey messages from the management team to employees. At the same time, the Company has begun “interactive management training” for managers (general managers and deputy general managers) to create a strong, self-driven organization that draws out the initiative and autonomy of employees. Based on employee feedback gathered through the survey, the Company is also considering revising its personnel system in the next fiscal year. In conjunction with these efforts, each division (workplace) plans to promote improvement initiatives based on an analysis of the current situation at each workplace, with the support of the business headquarters.

As I mentioned at the beginning of today’s discussion, the Company faces challenges in terms of employee self-realization and career paths, and various detailed measures are needed to realize the maximization of employee capabilities. What is important is that employees share the corporate philosophy and are motivated to voluntarily contribute to the company, thereby increasing their engagement and improving corporate performance. I am highly motivated to give advice on this topic

from the perspective of an outside director.

-END-