

Labor-management relations

Labor-management negotiations

The preamble to FineToday's labor-management agreement concluded with its labor union states, "In recognition of the social mission of our business, we will strive toward sound corporate growth while maintaining and improving the economic and social standing of employees, based on solid labor-management relations grounded in integrity and trust." Based on this principle, opportunities are made available for discussions through joint management councils, labor-management study meetings, and discussions with the three top union leaders (chairperson, vice-chairperson, and general secretary), to achieve solutions to various labor-management issues including working conditions. One labor-management council was held during FY2022.

In addition, FineToday Group recognizes the importance of international standards such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and also strives to build and maintain healthy labor-management relations at the international facilities with respect for the labor laws and regulations of each country and region.

The labor union has adopted a union-shop system, and as of the end of March 2023 all general employees (permanent, full-time employees other than those in managerial posts) were union members. Similarly, general employees of Fine Today Industries Co., Ltd. (FTI), which produces personal care and other products and joined the FineToday Group on April 1, 2023 from Shiseido Co., Ltd., are union members.

— Employees subject to the labor agreement <FineToday>

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(FY2022)

— Main topics of labor-management negotiations (FY2022)

- Relationship between the employer and the labor union at FineToday
- Future measures based on the findings of employee engagement surveys

Dialogue between employees and top management

FineToday actively provides opportunities for direct, two-way dialogue between the Representative Director and CEO and employees, regardless of their forms of employment.

About 60 sessions took place during FY2022, including One-on-One Meetings for direct dialogue between the CEO and employees, get-together events with individual sections, and site visits. The CEO asked employees about subjects such as their careers and current duties, while employees spoke directly to the CEO about their views and questions concerning management policies and other topics.

Such dialogue provides a valuable opportunity to deepen mutual communication, as management ascertains information on

matters such as the thinking of our workforce of employees with diverse backgrounds. Employees have responded positively to this initiative. For example, one commented, "It makes me feel like I have a part to play in management and what's going on today."

We set plans to continue to provide various opportunities for exchange of opinions, as well as increasing chances for dialogue with employees at facilities overseas and FTI employees.