

Now! Fostering Resonac's Corporate Culture

Purpose

Change society through the power of chemistry

Values

- Passionate & Results-Driven
- Agile & Flexible
- Open Minds & Open Connections
- Solid Vision & Solid Integrity

Change starts from our own actions.
Value ⇒ Action. That's the Resonac Way!



We are sometimes asked "Can the Purpose and Values really be inculcated?" The answer is "Yes." To Resonac, our Purpose and Values are not just for decoration. We use our values as the basis for our actions and from this year, we are reflecting them in our MBO. By taking action that is consistent with our values, these values are instilled in one's own value standards, and that awareness leads to a sense of Purpose. This is the Resonac way.



Our progress toward the inculcation of the Purpose and Values

Prior to the integration of former Showa Denko and the former Hitachi Chemical to form Resonac in 2023, we consolidated and effectively integrated our management structure in 2022, and established the Purpose and Values, our corporate philosophy.

Since the management integration, each employee has been implementing a variety of initiatives aimed at implementing our Purpose of "Change society through the power of chemistry" and our four Values.

	2022	2023	2024	2030
Announced our corporate philosophy (Purpose and Values)	① Promoting recognition and understanding Know and understand the Purpose and Values			Foster a rewarding corporate culture that offers a high degree of psychological safety, in which diverse personalities are respected and co-creation can occur Establish an organization in which co-creation culture is the corporate identity and where diverse human resources can thrive and generate innovation 2025 targets Degree of empathy with P: 70% Degree of empathy with V: 75% Degree of P implementation: 55% Degree of V implementation: 60%
	② Making them tangible and a personal concern Appreciate the Purpose and Values and autonomously implement them			
	③ Establishing a mechanism for the autonomous implementation Make action based on the Purpose and Values into a routine			
Theme	Dissemination From understanding to empathy	Diversity and co-creation Implementation	Deeper dialogue Autonomy	
Policy	Dissemination from management Formulation and deployment of PV e.g., Roundtable	Interactive communication between management and employees e.g., Moyamoya Meeting	Learn about own origins and purpose Learn about own daily activities e.g., Purpose Exploration Café	
Change	Degree of empathy with P: 47% Degree of empathy with V: 51% Degree of P implementation: 24% Degree of V implementation: 25%	Degree of empathy with P: 63% Degree of empathy with V: 64% Degree of P implementation: 48% Degree of V implementation: 51%	PV implementation: higher than or equal to the previous year	

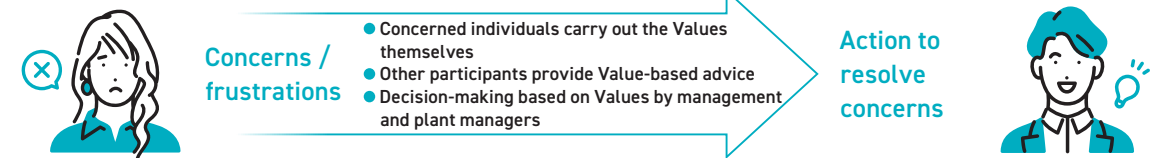
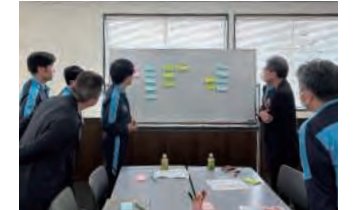
*P = Purpose, V = Values

[P86 / List of Non-financial KPI Targets and Results](#)

Specific measures for instilling Purpose and Values

1. Moyamoya Meeting – Creating an environment that facilitates psychological safety and implementation of values

Since 2023, the CEO and CHRO have been visiting business sites to hold Moyamoya Meetings where employees come together to discuss how to solve the concerns and frustrations that they face on a daily basis through our Values and co-creation. In these meetings, participants give advice to each other from the perspective of the Values, and propose practical solutions to these problems. Upper management and plant managers subsequently make decisions whether to adopt the solutions, then and there. The purpose of these meetings is to (1) ensure psychological safety so that they can openly speak their mind, and (2) encourage employees to take action based on the Values to solve problems.



Example of changed behavior in employees through the Moyamoya Meeting itself

Employees participate in the Moyamoya Meeting and express their opinions and frustrations

Open communication with management Feeling that their concerns were addressed immediately

Plant volunteers started holding Moyamoya Meetings independently, enabling smoother communication within the organization

Example of changed behavior in employees from cases raised at the Moyamoya Meeting

Frustrations raised by employees
 Too many meetings, there are meetings one doesn't need to attend taking time away from other tasks

Management's response
 CEO Takahashi explained how to improve the efficiency of meetings and select participants through the employee website and other means

Changes in employee behavior
 Each employee was able to revise their own and subordinates' flow of routine work, including meetings

Demonstrating our Values!

2. Purpose Exploration Café – Exploring personal purpose and its connection to Resonac through dialogue



In 2023, we held Value-based discussions (in Moyamoya Meetings). In addition to this, in 2024 we have been holding "Purpose Exploration Café" in order to foster a sense of personal connection with our purpose, thereby facilitating autonomy among our employees. Participants delve more deeply into their true values by reflecting on their past and receiving feedback from others through dialogue. This helps them to gain an awareness of their own purpose as well as a deeper sense of purpose. The workshops also aim to provide an opportunity for employees to think about the overlap between Resonac's purpose and their own purpose, thereby encouraging them to take the first step toward achieving our purpose.



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Specific measures for instilling Purpose and Values

3. Global Award AHA! – Promoting the implementation of Values

We are implementing AHA! (Awards of Harmony), a global award that all Resonac Group employees can submit preliminary entries to. Cross-organizational teams establish declarations of action based on our Purpose and Values, set targets and concrete initiatives, and submit entries themselves. Afterwards, during the team exchange event, screening, and the award ceremony for the winning teams, we aim to discuss our experiences of the Values practiced in the challenge and empathize with each other. This will serve as a valuable stimulus for further practicing these Values and fostering "co-creation" beyond the framework of the program. In fiscal 2023, 921 teams from 11 countries participated (totaling about 11,500 employees) in the AHA! award, sharing many experiences of implementation of values.

- Point 01
Opportunities for personal growth
- Point 02
A connection of equals

AHA! Meeting 2023

Screening events were carried out for the 921 participating teams, of which 13 teams were selected for Gold Awards, 36 for Silver Awards, and four for Progress Awards. The AHA! Meeting held in March brought together around 300 people, including the award-winning teams, executive officers, and other related parties to award the winning teams, praise them, and share their activities.



Gold Award winner (1)

We want to further inculcate the Values in Oita!

At the Oita Petrochemical Complex in the Olefins and Derivatives business, the team worked to improve awareness, understanding, and implementation of the Purpose and Values. Under the keywords of "Agile & Flexible" and "Open Minds & Open Connections," members from various departments of the Oita Petrochemical Complex gathered to plan and implement unique Value inculcation activities that had not been conducted at the complex before, such as broadcasting a video message from the complex representative, holding an exchange meeting attended by all departments, and creating a mascot character. The results of the post-implementation questionnaire showed that the awareness and understanding of the Purpose and Values had increased from approx. 50% to 80%.



AHA! evaluates initiatives with a focus on the process itself. The Progress Award recognizes efforts to pursue a high goal, even if these efforts failed to produce results at the time of assessment.

Gold Award winner (2)

We want to co-create with customers and realize next-generation technology!

Resonac Korea's sales team received orders for CMP slurry for next-generation products by accelerating co-creation with customers. We need to listen to customers' needs for next-generation products and technological trends for front-end semiconductor materials, and incorporate them into the development of Resonac products. The team demonstrated the two Values of "Passionate & Results-Driven" and "Solid Vision & Solid Integrity" to listen to customer needs and also rapidly reflect them in product development. This is the result of communication activities with customers as well as the development team.



Engagement survey – Fixed-point observation of the penetration of Purpose and Values

Resonac regularly conducts engagement surveys focused on listening to employees' voices in a timely manner and utilizing them in management through various measures.

Following the engagement survey conducted before the integration of the two companies (2021), issues such as empathy with the corporate philosophy, ensuring psychological safety, and job satisfaction were raised. Therefore, we have implemented various measures to address these issues, including the following.



We listened to the voices of all employees through engagement surveys and implemented steady improvements. We also set KGIs and KPIs and carried out measures to achieve them.

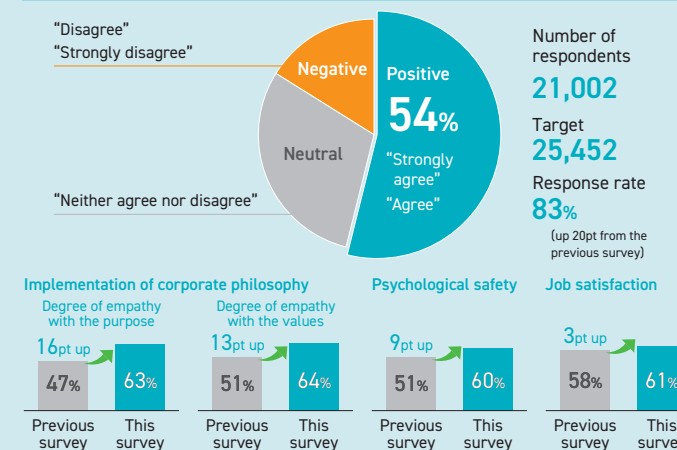
Examples of implemented measures

Town hall meeting / Roundtable	<ul style="list-style-type: none"> The CEO and CHRO visit plants in person to discuss the Purpose and Values with employees. Carried out at 63 plants in 2023 The Moyamoya Meeting was also held at the same time
Training sessions to bolster the co-creative collaboration capabilities	<ul style="list-style-type: none"> Training to promote behavioral changes in the necessary elements for co-creation, such as psychological safety, unconscious bias, and constructive discussion There were 1,172 participants in 2023 As a result of the training, the behavioral change rate rose from 23% in 2022 to 32% in 2023 For all managers
REBLUC	<ul style="list-style-type: none"> A community where each member explores the kind of future they want to contribute to, their own will and sense of purpose, and then takes concrete actions to "change society through the power of chemistry" Members consist of volunteers There were 36 participants in 2023 65% responded that employees who have participated in the initiative are creating a positive impact on the people around them

In the 2023 survey, the response rate improved from 63% to 83% compared to the 2021 survey, indicating a rise in employee interest toward the engagement survey. Furthermore, the positive response rate for psychological safety, which we are placing importance on, rose from 51% to 60%. On the other hand, the score for engagement itself remains at 50% level, the same level as the previous survey. Based on the results of our survey analysis, we have set the following four companywide priorities and plan to make continued efforts for improvement.

Regarding the inculcation of our corporate philosophy, which we consider important, degree of empathy for our purpose and our values increased significantly from 47% to 63%, and 51% to 64%, respectively. We will continue our efforts to improve the inculcation of our Purpose and Values.

Engagement score



Future actions

Feedback from employees is not reflected in management measures	Interactive communication between all employees
The flow of work processes with poor productivity	Promote business process reform as a company-wide activity
Inadequate career development support for employees	Provide more career information, support personal growth, create opportunities for dialogue
A foundation for greater engagement across the company and in the workplace	Ensuring psychological safety

*Previous survey: September 2021, This survey: implemented in July 2023
*Based on a comparison with 2022 figures, as our Purpose and Values were released in December 2021