

(Declaration)

April 1, 2017

To all employees of the SMM group

Reforming Our Working Style

This year's new year's greetings from the President outlined four targets for 2017, namely 1) rebuilding our organization culture to allow the maximum freedom possible, 2) implementation of a growth strategy in response to environmental changes, 3) steady, group-wide progress of CSR activities, and 4) strengthening of our management foundation.

SMM believes that new value is created through the growth of each and every employee and that this will lead to the growth of the whole group, so in this fiscal year we are implementing reforms to our working style to enable all employees to work with a sense of satisfaction.

This does not simply refer to implementing measures to eliminate deaths from overwork and reduce working hours in line with the government's policy of strengthening working hour management to ensure fair working hours and the efforts made in each industry to allow people to have a richer, fuller life under the name of a better work life balance, but also to the reconstruction of the ability to work. Thus far, the key to success has been how many man-hours we can cram into a given month, quarter, or year. Working many hours was the source of manufacturing, and the key to corporate development. However, population decline in Japan means that the number of hours that can be invested will decrease and it will be difficult to increase competitiveness. We have to ensure that we can deliver even better results that we have so far in a given period. We also have to put in place an environment in which employees can skillfully use their time to work efficiently and happily, and those who can work and want to work can take advantage of their capabilities.

Firstly, we have to reconsider our approach to work. We have to change the conventional approach of productivity over a period and pursue productivity for each hour. We will rethink our approach to work that took lots of overtime as a prerequisite, how we create materials, and how we hold meetings. We will then put in place a framework for work that allows people to choose the best working

style for them in light of their personal and family wishes and commitments. We very much hope that you use the time created by these working style reforms as an opportunity for personal betterment and development. We cannot grow as a company if our employees do not invest in themselves and raise themselves to another level.

SMM would like to ask for your cooperation as we go about reforming thinking and working styles, and take on the challenge of creating a company in which all employees can vibrantly go about their work.