

## Human Resources Strategy / Healthy Company

### Diversity

#### Aiming to diversify management by promoting global HR development and utilization of females in the workplace

Amid continuing globalization, overseas production accounts for approximately 63% of production (in volume) at Nippon Chemi-Con and of our approximately 7,000 employees, about 64% are outside Japan. Regardless of age, gender, or nationality, we emphasize individuality among our diverse human resources. We believe that the new ideas created as a result of this diversity will contribute to the creation of technology that benefits both the environment and people.

Also, Nippon Chemi-Con faces the reality that women only represent 2.0% of employees in management positions. To address this and the Women's Workplace Utilization Promotion Act enacted in April 2016, we drafted a plan to (1) increase the number of women in management positions by 50% by 2020 and, (2) increase the percentage of female hires to 30% and higher for technical and manufacturing positions, and 40% and higher for sales and administrative positions. We will continue to promote various initiatives aimed at promoting the utilization of women in the workplace.

#### Composition of employees

Japan **35.7%** Overseas **64.3%**

### Utilization of Foreign Students in Japan

Nippon Chemi-Con practices the hiring of foreign students studying in Japan. Amid continuing globalization, our belief that the hiring of human resources who live in Japan and have an understanding of Japanese culture is vital. Since 2012, we have aggressively recruited foreign students in Japan. As of April 2018, we have 21 such personnel on staff who are involved in a variety of roles in the company.



### Promoting the Hiring of Persons with Disabilities

Nippon Chemi-Con proactively conducts the hiring of persons with disabilities. Not only does this include staff on site in our various factories and offices, but we also work to allow telecommuting to ensure a comfortable working environment for persons with disabilities. We are aiming for persons with disabilities to represent at least 2.5% of hiring by 2020. The Nippon Chemi-Con Group will continue working to expand our overall hiring and provide work opportunities for persons with disabilities.

### Nippon Chemi-Con Education Policy

In our 8th medium-term management plan, we outline developing the human resources for 10 years ahead as one of our core strategies. What is happening on the global stage? What is our position and what must we study? To achieve continuous innovation, we ensure that all our employees understand the following education policy.

#### Nippon Chemi-Con Group Education Policy

Requirements of a Nippon Chemi-Con Group employee common to both domestic and international offices

1. Employees who can take on increasingly difficult challenges
2. Employees with high communication skills
3. Employees who can independently think and act from a global perspective

### About Nippon Chemi-Con Group Education and Training System

At Nippon Chemi-Con, we have established various education systems of tiered training for personnel development, including position-based training, distance learning (Nippon Chemi-Con Business School), and OJT. Tiered training is a system of curriculum that serves as the foundation for long-term personnel development. Our main office sponsors fifteen tiered training sessions where we provided education on the skills required for each tier. In 2016, we established an additional system for employees who have been with the company for five years. We are focused on providing training that is in line with the needs of society and the company. Since 2017 we also conduct OJT leader training at domestic affiliate companies. We aim to equip new hires with the ability to quickly engage in and contribute to business operations. This training will also help develop the basic management skills of supervisors in charge of education and training.

Additionally, since 2010 our domestic production division has conducted global leadership training for select young employees. This training covers themes that transcend position and office and provide education that cannot be gained through tier-based training.

With the goal of increasing employee skill levels at our overseas affiliates, since 2006 we have selected employees from overseas offices to participate in training conducted in Japan. Since then, already over 130 overseas employees have participated. Among those who have completed the training are numerous employees who are already working as managers overseas. This fiscal year we also started overseas training as an educational program for global personnel. This program is application based and selects domestic employees to partake in practical training at overseas affiliates.

Moving forward, we will continue striving to develop human resources capable of thinking, deciding, and acting based on a global perspective and who are able to lead a team comprised of a diverse range of individuals towards goal achievement.

Furthermore, we have partnered with a distance learning provider to offer distance learning courses covering nearly 200 subjects twice a year. This system enables employees to freely select courses to promote skill improvement. As an

incentive, employees who complete courses with high scores are eligible for partial tuition subsidies from the company. Also, employees who complete coursework are allotted “career points,” which are a parameter in the evaluation of promotions and raises. Linking this education system to our HR system helps promote self-improvement.



## Healthy Company

### Slogan

## Individual Commitment to Health

### Activity details

Based on the approach that the mental and physical health of employees is a benchmark of company management, we are collaborating with health insurance unions to enhance employee health management efforts. When employees and their families are healthy, employees are able to work with peace of mind, which leads to growth for the company. In particular, we identify keywords such as

rate of smokers, metabolic syndrome prevention, and mental health to implement initiatives that help improve the health awareness of each employee.

Also, since 2017, we have participated in the Survey on Health and Productivity Management conducted by Ministry of Economy, Trade and Industry. By further quantifying the “health”, we advance an effective approach toward ensuring health.

### Activities during FY2018

#### I Reinforcing smoking rules, reducing smoking – Reaching national smoking average (17.9%)

Society is paying greater attention to measures against smoking because tobacco impacts not only the smoker but also the health of non-smokers due to second-hand smoke. Tobacco increases the risk of lung cancer and ischemic heart disease, and can greatly impact future health. We promote various anti-tobacco measures from the desire to promote health maintenance.

#### II Metabolic syndrome prevention measures – Reducing BMI of 25 or higher to 20% or lower by fiscal year 2020

We believe that obesity (BMI of 25 or higher) leads to severe diabetes and other future health risks. As such, we promote obesity prevention and improvement among employees by providing instruction regarding lifestyle changes. As obesity is spreading among younger generations, from the time of hiring we conduct blood tests as part of health examinations in order to emphasize the importance of health from an early stage. Furthermore, we promote improved health awareness by using internal magazine to introduce improvement case studies.

We also conduct behavior modification seminar at all sites once a year to provide an opportunity for our employees to think about health management and lifestyle diseases prevention.

#### III Mental health support – Continuation of stress check system

We conduct the stress check system at all workplaces to expand opportunities for discovery with a focus on prevention. In doing so, we are working to prevent the rate of workers who suffer from mental illness or require a leave of absence. At the same time, we provide line care training for management personnel to provide opportunities for learning how to respond to consultations from subordinates.

#### IV Achieving work-life balance

We work to create a comfortable work environment that enables balance between work and childcare or family care in order to provide all employees with the opportunity to reach their full potential.

We also have established an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Through this plan, we aim for paid leave utilization rates and child care leave utilization rates of 70% and higher, and to reduce average overtime to 29 hours or less per month, per employee. We are near achievement of these goals.

We will continue enhancing systems that promote flexible and diverse working styles.