

Education System Chart by Level

Education by level	Provided to		Title	Content	Required abilities		Acquired skills, knowledge, and techniques
	Senior managerial positions	Department and factory general managers	Executive education	The purpose of this education is to acquire the knowledge, skills, and techniques necessary for management executives to manage a company, and is provided officers and senior managers.	Leadership		<ul style="list-style-type: none">● Goal achievement management● (Creative) problem solving● Creating a vibrant workplace● Leadership● Building management strategies
	Managerial positions	Senior managers, managers	Management education	The purpose of this education is to acquire the knowledge, skills, and techniques necessary for organizational operation as a manager, and is provided to managers.			<ul style="list-style-type: none">● Principles of management● Decision-making● Organizational activation● Subordinate leadership● Problem-solving abilities
	10–15-year employees	Leadership level employees	Supervisor Education	The purpose of this education is to acquire the knowledge, skills, and techniques related to leadership and supervision in the workplace as a supervisor, and is provided to employees in career-track and full-time leadership positions.		Common expertise and capabilities	<ul style="list-style-type: none">● Project management● (Latent) problem-solving skills● Logical thinking skills● Self-expression and persuasion skills● Junior leadership skills● Work management skills (planning)● (Manifest) problem-solving ability● Operational improvement
	5–10-year employees	General employees	General employee training	The purpose of this education is to deepen basic knowledge of the Company's current situation, industry trends, and other basic knowledge necessary for the performance of duties, and to promote self-development as an employee, and is intended for general employees in career-track and full-time positions.	Self-directed action		<ul style="list-style-type: none">● Professionalism (costs, cooperation, discipline, and awareness of actions)● Planning and conceptualization skills
	1–2-year employees	Young employees	New Employee Training	The purpose of this education is to provide new employees with an overview of the Company as well as the basic knowledge necessary for their work, to make them aware of and proud of their position as employees, to motivate them in their work, and to help them quickly become familiar with the Company.	Basic operations	Business etiquette	<ul style="list-style-type: none">● Basic knowledge● Independence, objective viewpoint● Reporting, communication, and consultation● Motivation● Communication skills
	Time of employment	New employees					<ul style="list-style-type: none">● Frame of mind● Business etiquette

<<Coaching Program>>

As part of our human resource development efforts, we have been implementing a coaching program called the Planting Seeds for the Future Project (an organizational capability improvement program that seeks solutions to corporate issues through dialogue) every year since FY2021. By consciously increasing opportunities for communication across organizational boundaries, this program aims to develop the entire organization by encouraging each employee to be, think, and act in an independent manner. By FY2024, approximately 195 employees (29.3% of our total workforce) had taken part in this program. The number of internal coaches trained through this program reached a cumulative total of 20 in FY2024. These internal coaches are hard at work energizing our organization and strengthening its organizational capabilities, both inside and outside of their own workplaces.

3 Improvement of the Work Environment

We aim to create a workplace where employees are satisfied, respect each other, and feel safe psychologically. As part of our work-style reform efforts, we will implement Enhancement of Work–Life Balance, Promotion of Health and Productivity Management, and Promotion of Occupational Health and Safety.

<<Enhancement of Work–Life Balance>>

With an emphasis on diverse modes of work and work–life balance, we are implementing the following measures to create a work environment that makes work more comfortable.

I. Employee Engagement

We have an annual self-assessment system whose objectives are to improve the work environment and employee engagement. For assessments that tie into the improvement of the work environment and engagement, the executive officers in charge of each division work to improve the work environment through interviews with the employee in question. In addition, career-track employees are asked to rate their job satisfaction on a five-point scale in terms of job difficulty, workload, work aptitude, ability to demonstrate their abilities, preferences, and satisfaction. Further, with the aim of promoting women’s success, we provide opportunities from women to make proposals from their own unique perspective. Additionally, seeking to further improve employee engagement, in FY2025 we asked our manager and career-track employees to take part in an engagement survey. Going forward, we will continue to utilize tools such as engagement surveys and strive to improve employee engagement.

II. System Reviews Performed by the Personnel System Committee

The Personnel System Committee, consisting of the Labor Union Headquarters, which represents employees, and the General Affairs and Human Resources Department, meets at least three times a year to review systems that will lead to improved employee engagement. Some of the items taken up and revised or newly introduced by the Committee include increasing the number of times refreshment leave can be used and the number of days of annual leave granted in the first year of employment, raising the limit of accumulated annual leave to 50 days, introducing 10 days of paid childcare leave for men, introducing accrued annual leave, and introducing a travel subsidy system in recognition of employee service at the time of mandatory retirement.

III. Committee on Wage Revision and Bonuses (Lump-Sum Payments)

The Committee on Wage Revision and Bonuses (Lump-Sum Payments), consisting of the Labor Union Headquarters, which represents employees, and the General Affairs and Human Resources Department, meets to revise wages. With regard to wage increases, the Committee has responded in full to union demands for 10 consecutive years, and following a 5.96% increase in 2024, increased wages by 6.3% (average for union members) in 2025.

IV. Introduction of Various Turnover Prevention Systems

We are working to improve the work environment through the Personnel System Committee as a measure to prevent the occurrence of employees leaving the Company permanently due to childcare or family nursing care. As a result, we have improved our shortened working hours for childcare system, placed limits on overtime work (no more than 24 hours per month and 150 hours per year), and expanded exemptions from late-night work, going beyond legal requirements in each of these areas. We have also established other systems, including systems for paid leave for child nursing and other family member nursing care, staggered commuting for childcare, and paid leave for class closures.

<<Promotion of Health and Productivity Management>>

A workplace where employees are physically and mentally healthy and can fully demonstrate their abilities increases the capabilities of an organization. When employees value teamwork and act independently and creatively, it improves

the vitality and productivity of a company and enhances life at home as well. Based on these beliefs, we promote management that emphasizes health and productivity. To this end, we have drafted the following measures to promote physical and mental health in collaboration with the Nippon Chemical Industrial Health Insurance Association, the General Affairs and Human Resources Department, and the Health and Safety Committee.

- Lifestyle disease screening to combat lifestyle diseases
- Improving the implementation rate of specific health guidance (target: 100%)
- Comprehensive medical checkup support
- Breast and uterine cancer screening support for all female employees
- Dental checkups
- Medium-term health promotion planning and implementation by the Health Management Committee
- Establishing an external health consultation service
- Implementing stress checks and improvement activities for mental health
- Workplace mental health care and self-care training
- Training on harassment
- Establishing internal and external consultation services for harassment

<<Promotion of Occupational Health and Safety>>

Workplace safety is a top priority. In order to achieve zero occupational accidents, we are working to reduce potential hazards. Health and Safety Committee meetings are held once a month at each location, and in these meetings, management, employees, and partner companies work together to actively promote health and safety activities and create a safe and secure work environment.

VOICE

A Leave System for Taking Care of Family

H.I. Fukushima No. 2 Factory

Children often become ill suddenly and unexpectedly. This means that in order to take them to the doctor or care for them, the father often has to take annual leave, or leave everything to the mother, resulting in a disproportionate burden on her. Previously, I used my annual leave to take care of my child when sick and to take them to medical appointments and health checkups. Now, however, I can use nursing leave for this. Utilizing nursing leave has reduced the burden unexpected incidents like this place on my wife's time, and I can use my paid leave to enjoy spending time with my family instead.



VOICE

The Time Childcare Leave Has Given Me

M.N. Head Office

After discussing it with my wife, I decided to take a long period of childcare leave, including postpartum father's leave, totaling six months. Actually taking care of the baby, with feedings every three hours and putting them to sleep, I could see that it would have been physically and mentally tough for my wife to handle all this alone while still recovering from childbirth. I'm so glad I took childcare leave. The leave I took was the longest any father had taken to date, so I had concerns about how it might affect my work. However, the time I spent caring for our child alongside my wife and watching them grow was incredibly meaningful. I want to extend my gratitude to everyone involved for their understanding in granting me this leave.



Risk Management

Human capital risks and opportunities are managed by the Sustainability Promotion Committee, which reports and makes recommendations to the Board of Directors regarding their details. The Board of Directors then directs and oversees sustainability measures. We will strive to reduce risk by promoting the development of a work environment that emphasizes diverse modes of work and a work–life balance, as well as by proactively promoting measures that place the health and safety of employees and their families first.

Metrics and Targets					
Human resources strategy policies	Item		FY2026 Targets	FY2024 Results	FY2023 Results
Policy 1 Securing diverse human resources	Promotion of women's empowerment	Percentage of female hires (Note 1)	30% or higher	16%	22%
	Promotion of mid-career recruitment	Percentage of mid-career hires (Note 2)	20% or higher	40%	10%
Policy 2 Human resources development	Systematic education system	Online language training enrollment rate (Note 3)	30% or more / year	22% / year	25% / year
		No. of persons with recommended engineering qualifications (Note 4)	10 / year	5 / year	—
	Coaching program	In-house coach development	30 total	20 total	15 total
Policy 3 Improvement of the work environment	Promotion of health and productivity management	Specific health guidance implementation rate	100%	87%	88%
		Paid leave uptake rate	85% or higher	78%	81%
	Enhancement of work–life balance	Rate of men taking parental leave	100%	92%	93%
		Personnel System Committee meetings	6 or more / year	5 / year	6 / year
	Promotion of occupational health and safety	Rate of employee lost-worktime injuries	0	1	2

Due to the difficulty in presenting them on a consolidated basis for the Group, metrics related to the policies and measures in our human capital strategies are presented on a non-consolidated basis.

(Notes)1. The percentage of new graduate hires (university graduates and above) who are women.
2. The percentage of mid-career hires to total hires (university graduates and above).
3. The percentage of employees in career-track and management positions who have taken this training.
4. The number of engineers who belong to our R&D and Production Engineering Divisions who newly acquired recommended official engineering qualifications.