

# Serving Our Employees

People are the core of our business. The Nippon Kayaku Group believes that it is important to provide our employees with an environment that allows them to do their best at work so they can feel the satisfaction of contributing to society through their work. To make this happen, we are always looking for ways to improve our management systems and framework to match our employees' needs of the time.

## Providing an Supportive Environment

### ■ Training programs

We train and develop our employees with mandatory training programs for various job classifications, and for each experience level—from new hires and somewhat experienced, to the more experienced employees. We also offer a variety of self-elective programs to provide our employees with self-improvement opportunities that match their individual needs and job classifications. Additionally, we conduct future manager and leader training programs for selected individuals recommended by their supervisors. Through these programs, our goal is to develop capable individuals who can represent our organization while interacting with society.



Training Center Hisho  
(Takasaki)

### ■ Small Group Activity System

The Nippon Kayaku Group actively promotes efforts to resolve issues in the workplace through creative activity groups. Creative activity groups provide employees with opportunities to enhance their creativity and problem-identification and problem-solution skills through their own self-motivated activities. We also expect these activities to foster information exchange, communication, goal-oriented and issue-driven mindsets, all of which will lead to a more active and participatory workplace. Each year, significant accomplishments from these group activities are announced at the company-wide annual Movement for Tomorrow Conference. In recent years the number of participants from the overseas group companies has increased, adding an international flavor to the conference.



Movement for Tomorrow  
award ceremony

## Providing an Ideal Workplace

### ■ Mental health assistance

In June 2005, Nippon Kayaku began providing full-scale mental health assistance to all employees. To ensure that employees are physically and mentally healthy and able to live a full life at work and at home, the Japanese Ministry of Health, Labor and Welfare issued "A Guideline for maintaining and improving the mental health of workers." Based on the four types of care (caring for oneself, care from line management, care from industrial healthcare staff, care from resources outside the business) in the guideline, Nippon Kayaku provides the following services:

- 1 Form a mental healthcare service structure at each business location and to ensure effective utilization of work reinstatement programs
- 2 Establish an effective employee counseling service by utilizing external EAP\*1 companies.
- 3 Provide periodic mental health training to all employees.

\*1 EAP (Employee Assistance Program): A program that originates in the U.S., initially designed for employees suffering with alcohol dependency. This program provides assistance to employees faced with mental health challenges caused by work related stress such as inter-personal relationship problems. The program may consist of education/training, counseling, and work reinstatement assistance.

### ■ Work hour management

From both a legal compliance and a mental health perspective, the company and the workers' union have worked closely on work hour management by monitoring and ensuring the appropriateness of our employees' work hours. Controlling employee work hours is an important issue also to ensure good work-life balance of our employees. The company has always worked to ensure compliance with the law, physical and mental health, value creation, productivity enhancement, and reduction of over-time work. We will continue to work on providing a better work environment for our employees by reviewing our work processes or by considering more efficient work structures to strengthen our efforts to control employee work hours.

### ■ Supporting national efforts to nurture Japan's next generation

Through our work-life balance promotion activities, we have always been supportive of our country's efforts to nurture our children's generation. In line with national legislation on next generation nurturing activities, we, as a large business, met our requirements by submitted our action plan (First Action Plan: April 1, 2005 through September 30, 2008) to the government. In October 2008, we obtained our 2008 certification as a conforming business and were awarded the Kurumin mark. This was followed by our Second Action Plan (Starting October 1, 2008), and as described in this plan, we are making various internal improvements to make our company an even more "employee-friendly, desirable work place" that "takes good care of our employees", all of which will support the nurturing of our next generation.



■ **Nippon Kayaku senior partner program / Special paid vacation system**

● **Nippon Kayaku senior partner program**

In response to the Revised Seniors Employment Creation Program, we established the Nippon Kayaku Senior Partner Program effective April 1, 2006. It is a program designed for physically and mentally healthy employees who have the motivation and the capabilities to perform their duties and responsibilities in the area they work. We have many people actively utilizing their past experience even after the retirement age. The program is designed to provide employment opportunities up to the age of 65.

● **Special paid vacation system**

Annual paid vacations are designed to expire if unused for 2 years. This is a special system that allows employees to pool unused paid vacation up to a certain limit so they may be used for special purposes. These special vacations may be used for occasions such as the following:

- ① For treatment, rehabilitation, after-care of personal illnesses and injuries
- ② Caring for family member
- ③ Attending self-improvement programs
- ④ Participating in volunteer activities
- ⑤ Medical check-ups and vaccinations of preschool children
- ⑥ Supplemental time-off for childcare
- ⑦ Supplemental time-off for family member care

Voice



Kunio Aoki

President  
Nippon Kayaku Workers' Union

The Nippon Kayaku Workers' Union conducts its activities with a goal to enable all workers to live a fulfilling life while also making contributions to a better society through personal growth and growth of the company. In particular, workers are an important stakeholder in the company with the most intimate knowledge of the workplace; and, as an organization representing these workers, the Workers' Union supports the company by acting as its checking function. At the same time, we strive to improve the work environment for the employees by incorporating the opinions and minds of the employees in our activities such as in demands for improved job security and work conditions and by nurturing mutual trust among the employees; always conscious of our purpose and role in society, and through sincere and trust-based labor negotiations.

Improving our Employee Benefits

■ **Cafeteria Plan**

We offer a Cafeteria Plan benefits system, a self-selective system that is based on the philosophy that we provide support and assistance to each employee's individual activities. Individuals may select a customized benefit plan based on their individual needs, and work directly with a contracted benefits administrator to obtain various special treatments. Regardless of their age, sex, or work location, employees receive a certain number of points, which they use to "purchase" the benefits support of their choice. While this is a very fair system to all employees, we also provide supplemental benefits to those who work on obtaining certain certifications or engage in self-improvement activities, or for those who have special childcare needs.

■ **Welfare facilities for our employees**

**Sports facilities:** The Asa and Takasaki plants have a gymnasium; the Fukuyama, Asa, Takasaki, and Kashima plants have an athletic field; and the Fukuyama and Takasaki plants have tennis courts.

**Membership:** We are a corporate member of Benefits Station, a vacation resort facility.

**Recreation facilities:** The Company owns several in-house recreation facilities. The Takasaki plant has the Finland House *Suomi* with accommodations for eight people, and another club house (for meetings and social gatherings) also with lodging facilities. The Fukuyama, Asa, and Tokyo plants have similar club houses without lodging facilities.

**Vacation lodging:** Our corporate health insurance association operates a vacation lodge (30 person capacity) for our employees, their family members, and guests. It is located in Ito City in Shizuoka.



Ito vacation lodge