

Creating Fulfilling Workplaces

We believe that each employee demonstrating his/her skills and abilities will lead to company growth. Therefore, we strive to develop a workplace where diverse human resources can flourish.

Basic Approach to Human Resource Development

In an ever-changing medical environment, Nihon Kohden strives to become the beacon that lights the path forward to the future of people and healthcare around the world through creating a new value with the philosophy we have upheld since our founding. With strong passion in our hearts, Nihon Kohden aims at realizing our Long-term Vision for 2030. Human resources are essential for realizing our Long-term Vision and the source of value creation for Nihon Kohden. We will recruit human resources who share Nihon Kohden's Management Philosophy and Long-term Vision, and embody its Core Values (Integrity / Humbleness / Diversity / Initiative / Customer centric / Goal oriented / Creativity). We will also endeavor to create environments that foster employees with high ethical standards, ambition, curiosity, and empathy who can autonomously and continuously grow and undertake the challenges of new value creation.

Introduced a New Personnel System

With a view toward realizing our Long-term Vision for 2030, we are promoting the development of human resources who embody our Management Philosophy, Long-term Vision, and Core Values as well as aiming to establish a human resource management system that is globally consistent and coherent. In April 2021, we introduced a new role-based personnel system for managers and established an expert course to facilitate the promotion of highly skilled persons, in addition to a management course to develop management level employees.

A new personnel system for general employees is also to be put in place in April 2023, and this will create opportunities for motivated and capable employees to actively challenge themselves and grow.

Along with the introduction of a new personnel system for general employees, we plan to revise the retirement benefit system, extend the retirement age, and revise the reemployment system.

International Training Program

One of material issues for sustainability to realize our Long-term Vision is to “Foster a corporate culture of pride in contributing to healthcare,” and we have set “Development of human resources who can succeed globally” as a KPI for this in the Three-year Business Plan. The target is set at over 45 hours of education per person for a cumulative total of 3 years, and actual results in FY2021 was 18.6 hours per person.

The International Training Program is a program designed to provide employees with the experience, knowledge, and adaptability they will need to be successful globally. Through the program, we provide employees with the opportunities for long-term study at overseas language schools, on-the-job training at overseas offices, practical training at overseas research institutions or companies, and study at overseas universities or research institutions. As of April 2022, 23 foreign employees work at offices in Japan, and 46 Japanese employees* work at overseas offices. We will continue to expand and enhance this program to develop more global human resources with even more advanced skills.

* Excluding Japanese employees hired locally.

Creating Fulfilling Workplaces

■ Management Philosophy Training at Overseas Subsidiaries

We believe that it is important for employees of the Nihon Kohden Group with different backgrounds from various cultures and languages around the world to act in accordance with common goals and Core Values. Nihon Kohden provided educational materials to the entire group and started an education program about its Management Philosophy through group-work study at its overseas subsidiaries in 2019. Each employee can systematically learn about the history of the Company's foundation, Management Philosophy, and Core Values. The program provides an opportunity for employees to deepen their understanding of the Company culture and recognize the value and meaning of their jobs.

Nihon Kohden has also developed training programs on a global scale to promote understanding of its Core Values and instill Nihon Kohden's DNA.

In FY2021, the Human Resources Department and the Phoenix Academy (Human Resource Development Center) took the lead in organizing the Global HR meeting. With the common goal of understanding the essence of the Core Values, each personnel manager gave a presentation on the initiatives they have proactively implemented in each country and how they have instilled the Nihon Kohden's DNA in their workplaces. This was the first step toward creating a forum for sharing knowledge and case studies globally and discussing the Company culture and climate on a global scale.



Management Philosophy Training in Malaysia



Online Global HR Meetings

Diversity & Inclusion Promotion

Policy

By respecting diversity and creating a workplace environment in which each individual can demonstrate his/her full potential, we seek to improve job fulfillment, create new value, invigorate the organization, and enhance corporate value.

As indicated in the Core Values, the Nihon Kohden Group promotes diversity & inclusion throughout the organization. We develop the new potential of our teams by leveraging diversity based on empathy and trust. We respect the individuality of each person and strive to create workplace environment where a diverse range of people can work with vigor and enthusiasm, regardless of gender, age, disability, nationality, or race.



Creating Fulfilling Workplaces

■Promotion of Women's Participation and Career Advancement

In accordance with the Act on Promotion of Women's Participation and Career Advancement in the Workplace, Nihon Kohden has formulated an action plan and promoted the development of a workplace environment in which women can play an active role. Nihon Kohden has also promoted initiatives to realize a comfortable and fulfilling work environment for not just women but all employees of Nihon Kohden, so that each employee can demonstrate their abilities to the fullest.

As a result, we obtained the Women's Participation Promotion Act certification mark called Eruboshi from the Minister of Health, Labour and Welfare in October 2021.



We formulated an action plan for 5 years from April 1, 2021 to March 31, 2026 and set a target of increasing the ratio of female managers to at least 12% and the ratio of male employees taking childcare leave to at least 30%.

One female outside director was appointed in June 2020, and two female operating officers were appointed in April 2021. The ratio of female managers in FY2021 was 7.9% in the parent company, which was an increase of 30 basis points from the previous fiscal year. The ratio of new female recruits was 23.7% in April 2022. To encourage male employees taking childcare leave, prior to the revised Child Care and Family Care Leave Law which is being enforced in stages from April 2022, we worked to raise awareness within the Company by publishing information on the rate of childcare leave taken in the Company Newsletter, together with interviews with male employees who have taken childcare leave and an overview of the law revision.

■Mentor System

Since FY2015, Nihon Kohden has established a mentoring program covering mainly newly appointed female managers and others in mid-career. Mentors with extensive knowledge and industry experience help them resolve career development issues and support their personal growth. The program has been expanded to include male employees since FY2021 to support the career development of a larger number of human resources.

■Networking Events

Networking events especially for female employees started in FY2016. We have held 5 events so far, with a total of 92 employees participating.

In FY2021, the Beacon Terrace, an employee exchange meeting for all employees, was established from the idea of the Nadeshiko PJ, a network of female employees mainly in sales positions. One exchange meeting was held with 35 participants in FY2021 and we plan to hold a total of 5 exchange meetings in FY2022.



Meeting of the Beacon Terrace

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Topics

Holding a Seminar on Unconscious Bias Management

In November 2021, Nihon Kohden held a diversity promotion seminar for supervisors entitled Unconscious Bias Management.

This third seminar was attended by 61 senior managers from sales branch offices and area services in Japan, who were the supervisors of the previous participants. Through a lecture on the impact of unconscious bias on people and organizations and a lot of work, participants were able to confront their own unconscious bias. Although the event was held online to prevent the spread of COVID-19, small-group discussions provided an opportunity for the active exchange of opinions among participants who work in distant locations.

We will continue to implement training programs to promote diversity & inclusion, aiming to realize a workplace environment where each and every employee can play an active role freely and vigorously without being constrained by unconscious bias or prejudice.



Unconscious Bias Management Training

■Targets and Results for Ensuring Diversity in Core Human Resources

	Results in March 2022	Targets for April 2026
The ratio of female managers*1	7.9%	12% or more
Appointment of female directors and operating officers*2	1 female director, 2 female operating officers	4 persons or more
The ratio of foreign nationals in CXO*3 or higher positions at overseas subsidiaries	46.4%	50% or more
The ratio of mid-career hires in management positions*1	42.2%	40% or more

*1 Employees at the parent company and domestic sales branches.

*2 Directors and operating officers at the parent company.

*3 C-suite such as CEO, COO, CTO, CFO.

For further details on human resource development, diversity & inclusion promotion, and work-life balance, please refer to our website.

https://www.nihonkohden.com/sustainability/csr_employees.html



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Reforming Working Styles

Nihon Kohden has been implementing Working Style Reforms to enable greater flexibility in work styles, improve the work-life balance of employees, and maximize results without relying on long working hours. In FY2021, the annual paid leave usage rate was 46.5%.

The Good Job Award, which gathers examples of initiatives that lead to improved productivity and work-life balance in each department, has been held annually since FY2019. There were many applications in FY2021 as well, and the efforts to share information across departments and the effective use of the newly introduced groupware were highly evaluated.

Teleworking has been encouraged since FY2020 to prevent the spread of COVID-19. We have changed the teleworking allowance in FY2021.

These new ways of working have been making rapid progress and we will consider constantly adopting them after the end of the pandemic.



Trophies for the Good Job Award



Good Job Award ceremony

Programs to Support Work-life Balance

Nihon Kohden reviews existing programs including Childcare Leave, Family Care Leave, Reduced Working Hours, Shifted Working Hours, and Work at Home System as necessary. In FY2021, we improved and expanded some systems such as the Reduced Working Hours, Work at Home System, and Flextime System to promote flexible working styles.

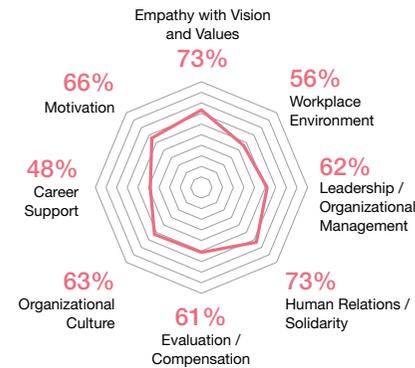
Programs	Content
Childcare Leave	A system that allows employees to take leave until the child of an employee reaches the age of two.
Family Care Leave	A system that allows employees who have members in need of nursing care to take leave of up to two years.
Reduced Working Hours	A system that allows applicants to reduce their daily working hours by up to a maximum of two hours (starting in FY2021; previously, the maximum was one hour). From FY2021, employees also can take advantage of the Flextime System at the same time. The program is available for employees who meet certain criteria such as having a child in the sixth grade of elementary school or younger.
Shifted Working Hours	A system that allows applicants to shift their working hours by up to one hour without changing the daily working hours. This system is available when certain conditions are met while the child of an employee is an elementary school student or younger.
Work at Home System	A system that allows applicants who are pregnant, or responsible for providing childcare or nursing care to work at home. This system is available when certain criteria are met. Currently, to prevent the spread of COVID-19, all employees can use the system.
Leave to Provide Nursing Care for Children	A system that allows applicants to take leave of up to five days per year (ten days when there are two or more children), when a child up to the sixth grade of elementary school requires nursing care.
Flextime System	Employees can manage their own daily working hours within the predetermined total working hours for a certain period.
Side Job Permission System	A system that allows applicants to have side jobs outside of working hours. This system is available when certain criteria are met.
Accumulated Paid Leave Program	Annual paid leave that has expired due to prescription can be accumulated separately. In addition to the injury or illness of the employee or his/her family, employees are able to take leave when they need to care for a child during temporary closure of the child's school or suspension of classes at the school. This system is available when certain criteria are met.

Creating Fulfilling Workplaces

Employee Satisfaction Survey

Nihon Kohden has set Employee satisfaction as a KPI in order to Foster a corporate culture of pride in contributing to healthcare, which is one of material issues for sustainability in the Three-year Business Plan. In FY2021, an employee satisfaction survey was conducted for the first time among all 4,400 employees of the Nihon Kohden Group in Japan. Among all 46 items in 8 categories, we found that the ratio of positive respondents was higher for the Long-term Vision and Core Values (Empathy with Vision and Values). On the other hand, the ratio of positive respondents was relatively lower for the Company's support system for strengthening employees' expertise and developing their career (Career Support). We will share the survey results and employee opinions with all executives and managers, and evaluate and implement related measures on both a company-wide and departmental basis.

■The Ratio of Positive Respondents



Health Management of Employees

With the aim of further improving the health of employees and their families, we have increased the amount of partial coverage of expenses for optional tests during annual health examinations (health support payment) since FY2021, added temporary employees to the list of eligible employees, and expanded the scope of coverage to include family health examinations for dependents of employees. In April 2019, Nihon Kohden joined the consortium of companies promoting non-smoking efforts, which was established by Tokyo-based companies. We started smoking cessation programs to contribute to achieving the Government's goal of reducing the smoking rate to 12% by FY2022. The employee smoking rate in the FY2021 survey was 19.3%, down 3.3 percentage points from the previous FY2019 survey. Our activities to promote non-smoking are above all for the benefit of our employees and their families, as well as in response to requests to promote measures against passive smoking. We will continue to promote initiatives to realize a healthy society, such as company-paid outpatient visits to smoking cessation clinics as an optional health examinations.

Harassment Prevention Initiatives

Nihon Kohden aims to contribute to the world by fighting disease and improving health with advanced technology and to continue to be an ethical company that is widely trusted by society. In its Ethical Company Declaration, the Company declares that we respect the human rights of all people, and do not discriminate or commit any acts which infringe on the personality or dignity of an individual. The Company also strives to prevent harassment by clearly prohibiting it in the Nihon Kohden Code of Ethics and Conduct, Nihon Kohden Group Human Rights Policy, and Employment Regulations. In order to prevent harassment and quickly resolve it when it occurs, we have established an internal consultation counter as well as an external consultation counter which anyone can feel free to consult, and we respond appropriately to consultations. At the time of consultation, we make every effort to ensure that the privacy of the consultees and actors is strictly observed, and that they are informed that they will not be treated unfavorably in any way for reasons such as the content of the consultation or their cooperation in confirming the facts. In response to the enforcement of the Power Harassment Prevention Law in June 2020, we have also conducted annual e-learning programs for both general employees and managers to ensure a proper understanding of the revised law and harassment (FY2021 results: 2,964 general employees, 95% participation rate; 1,544 managers, 95% participation rate). Harassment training has been provided also to newly appointed managers to ensure proper understanding of harassment and to prevent its occurrence.