

Relationships with Employees

Approach

In the mid-term business plan "Vista2021", "transforming into an organization where excellent challengers are fostered and utilizing the ideas of a diverse range of individuals" is described as the way our group should be. To bring these situations about, we intend to tackle a range of initiatives including the exchange of personnel between departments and the promotion of diversity. We also instituted health promotion initiatives, including mental health measures, to create a pleasant work environment. As a result, we were recognized under the "2017 Certified Health and Productivity Management Organization Recognition Program (White 500)*" in February 2017. We will continue to create organizations and work environments that will allow employees to demonstrate their capabilities to the fullest.

* A program for recognizing "health and productivity management" initiatives with which employee health management is considered from the viewpoint of business administration and put into practice strategically.

Personnel System

Our personnel system is a structure that, through the interactive communication (dialogue) with their superiors, staff as "an independent individual" can work vibrantly with high motivation, utilizing their creativity while feeling their own growth toward the ideal picture of who they want to be. We strive to improve the transparency and persuasiveness of our personnel evaluation to make it fair, and ensure that it better reflects the achievements and contributions of employees.

In "Progress2030", our long-term business plan, we set "a group of innovators who embody dreams" as the vision of what we should aim for as an enterprise. To make this vision a reality with initiatives in the personnel system, we promote the following measures.

- Building a policy on human resource development: "What the leaders of Nissan Chemical should be like"
- Introducing career support programs that encourage individuals to take on "challenges"
- Developing management human resources and globally competitive human resources and enhancing measures for beginning to foster them at an early stage

Respect for Diversity, Personal Characteristics and Ways of Thinking of Individuals

At Nissan Chemical, a diverse range of individuals have been actively contributing to the group with their excellent talents in a wide range of fields irrespective of age, gender and nationality.

We will continue to promote respect for diversity in accordance with our action plans and similar. One thing that we are proud of is our high employee retention rate. We believe that our workplace environment allows each individual employee to play an active part.

Action Plan for Promoting Active Participation of Women in the Workplace (Excerpt)

- Period of the plan Five years from April 1, 2016 to March 31, 2021
- Issue The proportion of women among employees in the main career track is especially low.
- Target Increase the proportion of women among employees in the main career track to 10% or higher
- Actions to take
 1. Increase the proportion of women among new graduates in the main career track to 30% or higher
 2. Assign women proactively to departments with low rates of female employees in the main career track

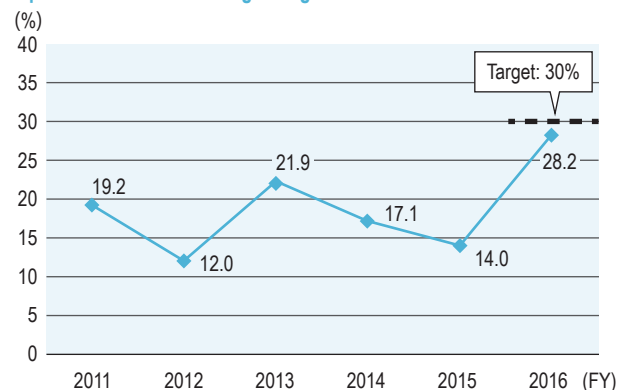
Activities for Recruiting Foreign Students

We recruit foreign students as a measure for developing globally competitive human resources. For this purpose, we are focusing mainly on enhancing public relations activities, such as posting information on job hunting websites, in addition to participating in company information sessions for foreign students. Moving forward, we will continue to promote the diversity of our human resources by employing foreign students continually and create an organization that will allow diverse human resources to demonstrate their capabilities.

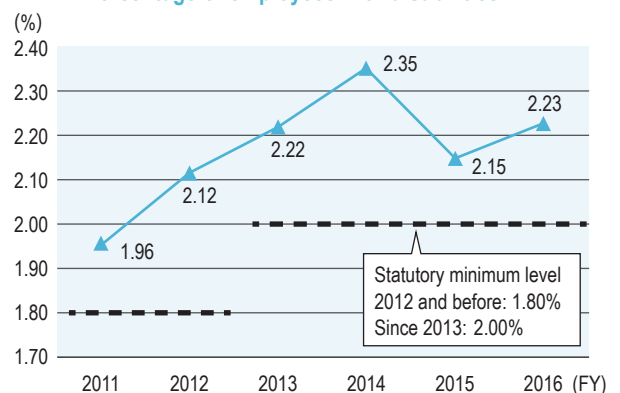
Employment of People with Disabilities

For more than ten years, we have kept the percentage of employees with disabilities at a level above the statutory minimum rate. We will continue to observe the legal requirements and remain proactive in providing workplaces that enable the active participation of people with disabilities.

Proportion of women among new graduates in the main career track



Percentage of employees with disabilities



Training and Capability Development

We believe it is essential for human resource development that “each employee should continue to educate themselves voluntarily in their efforts to develop themselves”. We have therefore introduced various human resource development programs for our employees who aspire to learn new things and develop themselves.

Educational Training System

	Developing leadership			Improving research and development capabilities and production technology capabilities	Developing a cosmopolitan way of thinking	Support for career development	Cultural education										
	Managerial position / C class	A class	Common	Managerial position / C class	Managerial position / C class	Common	Common										
Managerial positions			Evaluator Training	Internal research exchange meeting	Dispatch to external research institutions	R&D strategic planning training	Theme proposal system	Production technology presentation	Strategic OJT	Domestic and overseas study programs	Cross-cultural communication training (Overseas language program, English conversation training, etc.)	Correspondence course	Dispatch to external classes for acquiring specialized knowledge	Acquisition of qualifications	Compliance training	Training on health management / promotion	CSR training
Non-managerial positions	Training before promotion to managerial position	Training for improving on-site capabilities															
	Training before promotion to C3 class	Training before promotion to A3 class															
	Third year self-start training	Business improvement training															
	Second year self-start training																
	New staff self-start training	New employee training															

List of training programs (implemented in FY2016)

Name	Content	Number of trainees	Period
New staff self-start training	Improvement of communication skills / Career training	43	28 days
Second year self-start training	Presentation of assigned research papers	36	2 days
Third year self-start training	Presentation of assigned research papers / Development of junior leadership	33	4 days
Training before promotion to C3 Class / managerial position	Developing the capability of setting essential challenges and the capability of formulating strategies	66	6 days
Training before promotion to A3 class	Developing leadership	22	4 days
Evaluator training	Improving evaluation skills	55	1 day
Domestic and overseas study programs	Fostering next-generation leaders	5	
Overseas language study program	Dispatch to overseas language schools	6	90 days
E-mail writing training	Improving skills in writing e-mails in English	96	1 day
Strategic OJT	Improving the capability of developing human resources	22	
Correspondence course	Improving the business execution capability	851	



▲ People who completed the overseas language study program (fourth class)



▲ Training before promotion to C3 class



▲ Training before promotion to managerial position

Relationships with Employees

Awards Program

Every year we grant awards to employees who have made beneficial inventions, devised improvement measures, or made remarkable achievements and contributions. Regarding intellectual properties, we also reward excellent inventions selected from among patent-pending inventions at an early stage in an effort to create greater incentive for R&D, discover excellent inventions and improve upon their quality and creativity.

Name	Presenter	Content	Number of awards	Number of rewarded
Central Awards	President and CEO	Commend employees who have made beneficial inventions, devised improvement measures, or made remarkable achievements and contributions.	2	9
Division Awards	Head of each division		3	18
Office Awards	Head of each office		11	69
Rewards for Excellent Inventions	Officer in charge of Intellectual Property Department	Reward excellent inventions at an early stage to promote the improvement of R&D capabilities. Rank S rewards are granted to more excellent inventions.	21 (Rank S: 3 inventions)	69

(FY2016)



▲ Central Awards presentation ceremony

Creation of a Comfortable Workplace

We have introduced a wide variety of programs and measures that enable employees to work in a highly productive manner and achieve a good work-life balance. In recent years, we have maintained a high rate of paid leave use of more than 70%. In addition, we have implemented No Overtime Day and other measures to raise employee awareness toward work efficiency and help create a comfortable workplace.

Systems for Promoting a Good Work-Life Balance

Name	Content
Flextime	This system has been introduced at the head office and laboratories.
Childcare Leave	If certain requirements are fulfilled, an employee may take childcare leave until their child is two years old or until the coming April 20 after the child's first birthday.
Paternity Leave	A male employee whose spouse gave birth to a child may take up to seven days of paternity leave (paid leave) within eight weeks of the child's birth.
Nursing Care Leave	An employee may use up to 20 days per year of annual leave which has been saved up for childcare or spousal care and which is no longer valid.
Family Care Leave	If certain requirements are fulfilled, an employee may take up to 365 days of family care leave in total per family member needing care. Family care leave may be taken in up to three installments.
Shorter Working Hours	Specified working hours may be shortened by units of 30 minutes and by up to 120 minutes for looking after children in third grade (elementary school) or younger.
Half-day Leave	An employee may take annual leave by units of half days, with an upper limit of 30 times per year.
Planned Leave	We recommend that 2 days of company-wide planned leave and 3 days of individually planned leave are taken every year.
Annual Leave Accumulation	An employee may save up a maximum of 40 days of annual leave that are invalid and use them as medical leave, leave for their own sickness, leave to conduct a complete medical checkup, leave to look after elderly or sick family members, or for other similar purposes.
Refreshment Leave	An employee may take ten consecutive days of leave (paid leave) within one year after becoming 50 years old. Financial aid is also granted.
Re-employment Refreshment Leave	An employee may take three consecutive days of leave (paid leave) within one month before or after their mandatory retirement.

Promotion of Appropriate Work Hours

- Encouraging employees to take annual paid leave: As a result of labor-management consultations, we recommend that two days of company-wide planned leave and three days of individually planned leave are taken every year. An annual paid leave calendar is created at each workplace. In addition, for employees who have taken very few days of paid leave, the Personnel Department contacts the superiors of such employees and encourages them to take paid leave.
- No Overtime Day: This program is implemented at our head office and plants. No Overtime Day is set at each business location based on its own conditions. Measures including patrols are taken so that the program will not be a mere façade.

Countermeasures against Harassment

The revised Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment and the revised Act on Childcare Leave, Caregiver Leave and Other Measures for the Welfare of Workers Caring for Children or Other Family Members came into full effect on January 1, 2017. These laws make it mandatory for employers to take measures for preventing harassment by superiors or co-workers related to pregnancy, childbirth, childcare leave, family care leave and similar events.

Countermeasures against Power Harassment

- In 2013, we introduced training for obtaining basic knowledge on power harassment as part of the training before promotion to A3 class (positions equivalent to team leaders at plants). More than 100 employees have undergone this training so far.
- Consultation services and explanatory materials are provided on our intranet (internal network) to raise awareness of power harassment.

Measures against Harassment Related to Pregnancy, Childbirth, Childcare Leave, Family Care Leave, etc.

- We have added consultation services and explanatory materials on harassment related to pregnancy, childbirth, childcare leave, family care leave, etc. to the existing ones on sexual harassment.
- We have revised our rules of employment in our efforts to prevent harassment.

Health

We support the promotion of good physical and mental health proactively by working together with the Nissan Chemical Health Insurance Association so that all our employees can enjoy working.

2017 Certified Health and Productivity Management Organization Recognition Program (White 500)

- In February 2017, we were recognized under the "2017 Certified Health and Productivity Management Organization Recognition Program (White 500)".

Mental Health Measures

- We carry out a stress check, analyze its results and give feedback, and provide Line-Care*1 and Self-Care*2 Training as necessary.
 - Stress check (September 2016): Undergone by 99.4% of all employees
 - Organizational analysis of stress check and reporting session: A total of twelve reporting sessions were held for executives at the head office, laboratories, and plants. The analysis and holding of reporting sessions were outsourced to an external specialty company.
 - Training: Self-Care Training was provided twice to new employees and those who had never undergone the training.
- *1 Care provided by manager / supervisor. It includes understanding and improving the work environment daily and providing consultations to subordinates.
*2 Care that can be provided to oneself. It includes being aware of one's own stress and preventing or coping with stress.

Health Promotion Committee

- The members of this committee are selected from the company, the Nissan Chemical Health Insurance Association, and the Nissan Chemical Labor Union, two from each, and meet regularly to discuss health promotion measures. The committee met four times in FY2016.

Regular Health Checkups

- We encourage employees to undergo regular health checkups by targeting a rate of 100%. We achieved the target rate of 100% in FY2016 (Note).

Note: Employees on temporary retirement, etc. are excluded.



▲ Certificate granted under the 2017 Certified Health and Productivity Management Organization Recognition Program

Labor-Management Relationship Based on Open Dialogue and Mutual Understanding

Nissan Chemical and the Nissan Chemical Labor Union have built a good relationship based on mutual understanding and trust. They strive to improve labor conditions and develop systems through discussions as good partners to the management by taking a range of measures, including holding periodic meetings for reporting business results and initiatives for better work-life balance.

All non-managerial employees, excluding those who have concluded a special agreement with the company, belong to the Nissan Chemical Labor Union. The number of its members is 1,417 (including those from some affiliates). (as of March 31, 2017)

Name of the meeting	Content	Number of meetings held in FY2016	Number of participants per meeting
Central Management Advisory Council	The policies and financial results of the company are explained by the management to the labor union members.	2	Company: 6 Labor union: 7
Business Location Management Advisory Council	1) Explanation of the contents of the Central Management Advisory Council 2) Discussions about problems that are specific to each business location	Differs among business locations	Executives of the business location Executives of the labor union branch
Dialogue activities	Opportunities for the management and general union members to have open dialogues. Union members can discuss issues and problems of their own workplaces directly with the management.	3	Company: 3 Labor union: Slightly more than 10
Labor-Management Committee	The Personnel Department and executive members of the labor union regularly exchange opinions about a wide range of problems and hold discussions to solve issues.	8	Company: 3 Labor union: 7
Health Promotion Committee	Two each are selected from the company, the health insurance association, and the labor union as its members, who discuss measures for promoting good health among employees and other issues.	4	Company: 2 Health insurance union: 2 Labor union: 2
Workstyle Committee	This committee was launched in 2017 as a forum for labor-management discussions for reviewing the workstyle.	—	—



▲ Central Management Advisory Council