

Human Resources – Aim to be an excellent and vibrant company where employees thrive on challenges

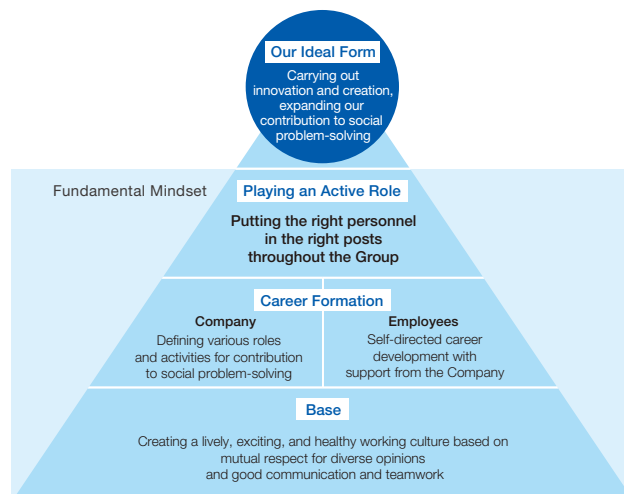
SEKISUI CHEMICAL Group positions human resources as the driving force behind its ability to generate innovation and realize its Long-term Vision. Accordingly, we are working to put in place vibrant workplaces that enable diverse human resources to take on challenges and play an active role.

Stance Toward Human Resources

Based on our belief that employees are precious assets bestowed on us by society, the Group offers various opportunities to support individuals pursue career autonomy* and enhance their unique skills while taking on the challenge of working together with employees to help solve social problems by creating opportunities to pursue various socially significant missions and challenges. For the Group to contribute more than ever to solving social issues in the face of mounting hurdles to realize a sustainable society, we are undertaking the following measures outlined in our Medium-term Management Plan through to fiscal 2022.

- Implement the Long-Term Vision, deepen ESG management
- Transform to a challenge-oriented corporate culture
- Shift to human resources management based on having the right person in the right place

Human Resources Management Principles



* Career autonomy: An approach to independent employee career development whereby employees aim to work with vitality in a location to which they are uniquely suited as they prepare to play the roles expected of them by the Company.

Vision Management and KPIs

To realize our Long-term Vision, it is important for each and every employee to demonstrate their abilities and break free from convention while continuously taking on challenges. We will therefore regard the degree of challenging behavior expression rate as a KPI in terms of human resources and measure the level by questionnaires while aiming for improvements.

We will look to ascertain on a regular basis whether employees are in fact engaging in challenging behavior and whether the organization is conducive to taking on challenges. Our findings will then be used to make improvements at each workplace.

	Fiscal 2021 Results	Fiscal 2022 Target
Rate of challenging behavior expression*	13%	17%

* The percentage of respondents who replied in the affirmative to the question: "Are you taking concrete actions to take on challenges toward realizing Vision 2030?"

To roll out the Long-term Vision, managers essential to workplace operations drew up a vision for their own organizations, engaged in dialogue with members in the form of workplace workshops, and incorporated this vision into the visions of each department and in the business plans for the fiscal year. The impressions and opinions from the workshops were then fed back to management. Following on from these endeavors, steps are taken to share the collective advice and know-how of the managers of each workplace. This is then used to by each workplace to reconsider and put in practice action plans.

SEKISUI CHEMICAL Group also periodically conducts an engagement survey targeting all employees. The results of each survey are analyzed and used as the basis for policy planning. With the aim of increasing engagement, we launched the Engagement Drive Project, made up of members from the human resources departments of each organization in fiscal 2020. From fiscal 2021, we are accelerating activities, including efforts to foster a culture that encourages challenges.



Employee Career Development and Ensuring the Right Person Is Assigned to the Right Place

SEKISUI CHEMICAL revised its human resources system in fiscal 2022. Through backcasting, steps were taken to clarify the missions and roles that are necessary to achieve the ideal form. Efforts are also being made to support employees to challenge and improve themselves regardless of age or year of employment while shifting to a system for human resources that ensures that the right person is assigned to the right place. Moreover, SEKISUI CHEMICAL transitioned its career training from a conventional framework based on the axes of age and continuous service to one based on the axes of role and occupation.

SEKISUI CHEMICAL has initiated steps to conduct career interviews from fiscal 2022 in an effort to promote the development of career autonomy by individual employees. Each individual employee makes a declaration on his or her career based on past experience, future roles, and expectations. Based on this declaration, superiors conduct interviews with each employee, and will support employees in acquiring the necessary skills and experience required to realize career plans when considering systematic training and work assignments in collaboration with the Human Resources Department.

Improving Human Resources Capabilities

SEKISUI CHEMICAL Group is working to develop both business leaders, who will someday shoulder management, and human resources, who support its manufacturing processes. We are putting in place a support program to help employees acquire the necessary knowledge, skills, and know-how at an early stage in a bid to sustainably develop the next generation of leaders. In addition to creating an environment that is conducive to human resources, who will support the foundations of management in practical terms in the workplace, accumulate experience over the long term and acquire highly specialized knowledge and skills, we are deploying the Meister System to strengthen the abilities of human resources in the workplace.

The Group has established a training manager (brother/sister) program aimed at enabling new employees to smoothly adapt to their assigned workplaces and quickly hit the ground running. This experience of training junior staff also promotes the growth of young employees who later take on these responsibilities. To acquire knowledge from outside the Company and enhance its business potential, the Group is increasingly active in the hiring of mid-career employees (experienced personnel). Moreover, we conduct follow-up training that covers various areas including basic knowledge of the Group as a part of efforts to put in place an environment in which mid-career hires can quickly demonstrate the high levels of competence and specialized skills they have accumulated in previous positions.

Human Resources

Diversity and Inclusion

Not only perceiving diversity by differences understood from such attributes as gender, age, and race, we also focus on differences that include careers, values, and personality, based on SEKISUI CHEMICAL Group's Diversity Management Policy. We understand, recognize, and utilize the differences between each and every employee as strengths.

Allowing Diverse Human Resources to Excel (Women's Empowerment)

With regard to promoting the empowerment of women, we are advancing initiatives divided into four stages: enhancement of the employment of women, retention and active participation, promotion to managerial positions, and follow-up training for promotion to post-managerial positions (executive directors). By, for example, increasing the hiring of women who will play key roles and implementing training programs including hands-on training cycles and career building, we are working to foster greater awareness while enabling women to take on the challenges of leadership and learning by themselves from an early stage.

After their promotion to managerial positions, we aim to raise awareness of higher-ranking positions at exchange meetings for women in management positions and to systematically develop them by, for example, having them provide their experiences to line managers. From April 2021, there were two female executive officers. We are endeavoring to foster the next generation, such as by opening an in-house academy.



▼ Selection as a Semi-Nadeshiko Brand

https://www.sekisuichemical.com/news/2022/1372870_38754.html

Trends in the Number of Employees and Ratio of Women (SEKISUI CHEMICAL Non-consolidated)

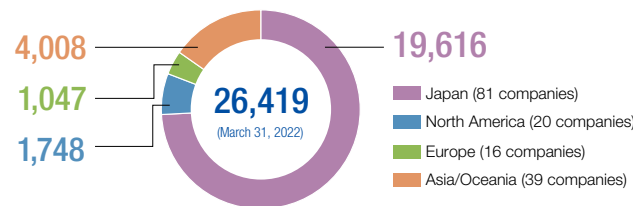
	FY2018	FY2019	FY2020	FY2021
Total number of employees	3,918	3,956	3,960	3,902
Ratio of women	15.0%	15.9%	16.5%	16.7%
Total number of managerial positions	1,366	1,376	1,381	1,395
Ratio of women	3.2%	4.1%	4.3%	4.3%
Number of women in management positions	44	56	60	60

Targets for promotion of women's activities	FY2025	FY2030
Number of women in management positions (goals)	80	120

Allowing Diverse Human Resources to Excel (Global)

Expanding our business overseas is key to realizing our Long-term Vision. Not only is it important to globalize employees in Japan, but we also recognize the need for employees working throughout the world to demonstrate their distinctive characteristics in providing products and services that meet the needs of each country and region. We have introduced and are promoting the use of our Learning Management System, which will serve as one of the foundations for the fostering of human resources, in four areas around the world (United States, Europe, China, and ASEAN). As a measure to roll out our Long-term Vision, the presidents of our local subsidiaries in each region held internal vision caravans in fiscal 2021 laying the groundwork for employees around the world to head in the same direction.

Number of Employees by Region



Allowing Diverse Human Resources to Excel (Seniors/People with Disabilities)

(Seniors) The retirement age was extended from 60 to 65 at SEKISUI CHEMICAL and eight Group companies in October 2021. To increase opportunities for employees regardless of age, plans are in place to complete the extension of the retirement age across the entire Group during fiscal 2025.

(People with Disabilities) We incorporate support from experts for hiring people with disabilities to meet the needs of each Group company, extending from career development to putting in place working environments.

Allowing Diverse Human Resources to Excel (Balanced Support)

SEKISUI CHEMICAL Group is introducing a variety of systems designed to enable employees to work flexibly in tune with their life events and lifestyles including child and nursing care. To encourage male employees to take childcare leave, we are promoting such initiatives as message videos by the Director of the Human Resources Department and e-learning geared toward those in managerial positions.

Promotion of Work-style Reforms

As a part of its Work-style Reforms 1.0 initiative, SEKISUI CHEMICAL Group has been actively channeling management resources to such endeavors as capital investment and the introduction of systems aimed at improving productivity since 2018. At the same time, management and employees have worked in unison to reduce working hours by pooling their knowledge and expertise across the Group. From fiscal 2021, as part of the Work-style Reforms 2.0 initiative, ESG investments have been made to reduce working hours. Steps are also being taken to improve the quality of work and increase productivity by encouraging employees to work independently. Moreover, we are working to create a flexible work environment that allows employees to work irrespective of location both in the office and remotely, and are revising our work system. In fiscal 2021, we accelerated the deployment of each system to each Group company and made great progress in the introduction of working from home/flexible hours systems. We are also working to optimize working hours, paid leave utilization, and flexible work styles throughout the Group, which are linked to the Work-style Reforms.

Promotion of Health Management

Based on the belief that employees are precious assets bestowed on us by society, we are promoting activities in the following five segments in a bid to achieve the physical, mental, and social well-being of all employees.

1. **Physical health: Health checkups and measures to prevent lifestyle diseases**
2. **Mental health: Stress checks, training program and counseling center**
3. **Organization: Systems and workplaces where people can work with peace of mind**
4. **Group-wide initiatives**
5. **Increase motivation and productivity**



▼ Selection as a 2022 Health & Productivity Stock

https://www.sekisuichemical.com/news/2022/1372336_38754.html