

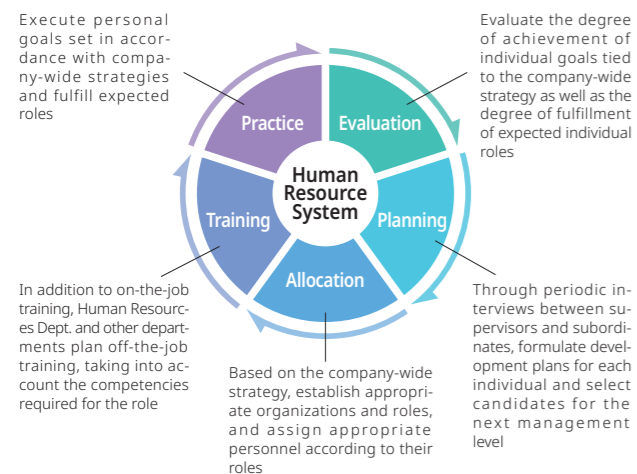
N.E. CHEMCAT encourages employees to be proactive about taking on challenges and strives to promote diversity to “build an environment and structure that allows employees to share the joy of working for N.E. CHEMCAT and constantly breed innovation,” as stated in Vision 2030.

Human Resource Development

Human Resource System That Encourages Employees to Be Proactive about Taking On Challenges

To create the infrastructure for encouraging employees to take on challenges, we introduced and are operating a human resource system. The system is designed so that each employee can recognize clear roles and goals, take

Five Components of the Human Resource System



on challenging and rewarding work, and have it evaluated appropriately.

In FY2023, we introduced a new internal recruitment system for new posts and a special bonus system for employees who have demonstrated outstanding performance.

Human Resource Management Promotion System

N.E. CHEMCAT formulates and implements various human resource policies based on the human resource strategy in its medium-term management plan.

Personnel evaluations and changes in role grades, personnel transfers and annual hiring plans, succession plans for key posts, and the selection of candidates for the next management level are discussed by the Personnel Committee, which is chaired by the president. This ensures a medium- to long-term perspective in the management of human resources.

Human Resource Development

Our human resource development is mainly based on on-the-job training, which involves communication with supervisors and senior employees in daily work as well as guidance and advice provided via regular interviews.

We also provide training for new employees and coaching training, as well as off-the-job training for each employee grade. The goal is to help them acquire the skills required to fulfill their roles and to develop and improve their competencies.

N.E. CHEMCAT actively supports independent learning for each employee, including support for obtaining a doctoral degree and English language training, and e-learning courses that can be selected at will by interested employees.

Promoting Diverse Work Styles

Flexible Work Styles

N.E. CHEMCAT operates systems that allows employees to work flexibly. Such systems include the flex systems and the telecommuting system.

We also strive to maintain a balance between work and life through appropriate management aimed at preventing long working hours and encouraging employees to take annual paid leave.

Support System for Childcare and Nursing Care, etc.

To support the activities of employees with childbirth, childcare, and nursing care needs, the company has introduced a variety of support systems that exceed legal standards. In FY2022, 100% of female employees who are eligible for childcare leave took it. The percentage of eligible males that took childcare leave exceeded 50% at 57%. This achieved one of the goals set in the General Business Owner Action Plan under the Act on the Promotion of Women's Active Engagement in Professional Life.

We also began providing a new nursing care seminar in FY2022 to provide appropriate support to employees when they face the need to provide nursing care.

Creating a Positive Workplace That Is Easy to Work in
N.E. CHEMCAT strives to improve the workplace environment based on stress checks and suggestions and recommendation from the labor union.

We also provide insurance coverage for illness and injury and a group life insurance program so our employees can work with peace of mind.

Diversity and Inclusion

Believing that acceptance of diversity leads to the creation of innovation and enhancement of corporate value, the company is working to create a work environment in which the individuality of employees and the abilities of diverse human resources can be fully realized.

In FY2022, the mid-career employee employment rate exceeded 70% and the employment rate for people with disabilities was 2.6%, exceeding the legally mandated level.

Women in Management Positions

Of the approximately 700 employees at the company, approximately 11.0% are women. The percentage of women in management positions has been increasing in recent years and was 4.9% in FY2022.

	FY2019	FY2020	FY2021	FY2022
Percentage of regular employees who are women	10.0	10.9	10.8	11.0
Percentage of women in management positions	3.3	4.6	4.3	4.9

Human Resource Development System

	OJT	OFF-JT				Self-development support																
		Position-based training	Knowledge & skills training	Selected training (training for potential managers)	Function-specific training (conducted by each organization category)	Dispatch to outside the company	Individual learning															
Officers		Off-site meetings																				
Managers	M3	Assignments/guidance through regular meetings with supervisors																				
	M2																					
	M1		Middle management program New manager training	Coaching training	Evaluator training																	
Employees	S4	Training for new employees Instructor system English training for new employees	New supervisor training																			
	S3		Followership training																			
	S2																					
	S1																					
			Mid-career employee training	English training outside the company	Basic skills training (logical thinking, facilitation, anger management, precious metals management, etc.)	Compliance training (legal compliance, human rights, harassment)	Diversity training (life planning, career design, nursing care)	Pre-assignment training for overseas assignment	Performance Improvement Support Training	Practical placement and guidance	Senior Management Program	Education related to health, safety, environment, and quality	Education related to Responsible Care (RC) activities	Training related to Lean Six Sigma (LSS) activities	Training necessary for the execution of operations (in-house training, dispatch to external seminars)	Support for obtaining a doctoral degree	Support for acquisition of a bachelor's degree in liberal arts from the Open University of Japan	Dispatch of external seminars	Support for acquisition of qualifications	Support for taking various correspondence courses	Provision of e-learning (management, technical skills, health management, languages, PC, etc.)	Support for online English training

Childcare Leave	Extension to 2 years old is possible depending on the situation of the childcare center. (The rate of employees who have returned to work after taking childcare leave is 100%.)
Shortened Work Hours for Childcare	Available until the child graduates from elementary school
Nursing Care Leave	Can be taken up to three times for a period of up to 93 days for a family member in need of nursing care
Family Support Leave	Available for up to 40 days per year for nursing care of family members who are injured or ill or in need of nursing care *Can be taken even if not in need of nursing care
Job Return System	Employees who have left the company due to marriage, childbirth, childcare, nursing care, or a spouse's transfer are eligible to return to work if they so desire.

General Business Owner Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

We have established and are implementing the following goals in order to create an environment in which all employees can balance work and child-rearing and in which all employees can work comfortably so that they can fully demonstrate their abilities.

1. Encouraging employees to take annual paid leave by informing their supervisors of the status of their use of annual paid leave.
2. Using the intranet to inform employees about childcare leave based on the Child Care and Family Care Leave Law and various systems based on the Unemployment Insurance Law.
3. Appropriately managing the transition of employees' overtime work and striving to reduce working hours.

N.E. CHEMCAT strives to create a workplace environment in which employees can work safely and in health.

Occupational Health & Safety

Seven Safety Action Rules

Under the safety policy that safety takes precedence over everything else, N.E. CHEMCAT has established Seven Safety Action Rules to ensure safety and health.

Seven Safety Action Rules

- Follow the rules**
All company employees shall comply with laws, regulations, and other internal rules.
- Implement thorough safety precaution**
In order to prevent injury, supervisors shall give due consideration to safety (pre-screening, education and training) before utilizing new employees or introducing new equipment, new substances, or new tasks.
- Standardize operational procedures**
Workplace supervisors shall standardize operational procedures in order to ensure safety.
- Wear protective gear**
Personnel working on site shall wear appropriate protective gear.
- Patrol the workplace**
Supervisors shall patrol the workplace in a timely manner to identify any on-site issues. Identified problems shall be corrected in a timely manner without leaving dangerous locations or dangerous tasks unattended.
- Report obligations**
If an accident, injury, or emergency should occur, work shall be stopped immediately, and the situation shall be reported to a supervisor as quickly as possible.
- Prevent recurrence thoroughness**
Following an accident or injury, all workplace employees shall reflect seriously on the circumstances, determine the cause, and take steps to prevent recurrence.

Health & Safety Promotion System

N.E. CHEMCAT has established health & safety committees at each of its plants. These committees include safety managers, health managers, industrial physicians, and work supervisors, and a system is in place to reflect the opinions of employees at workplace and safety meetings. The initiatives reported to the committee are reported to the company-wide RC Committee, which oversees the progress of the initiatives.

Health & Safety Management System

We have obtained OSHMS certification for our health and safety management system, which is qualified by the JISHA method.

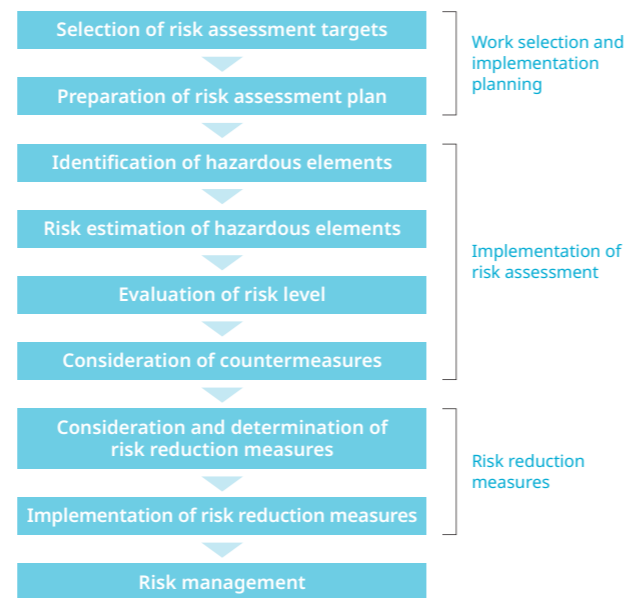
Plants with Certified Health and Safety Management Systems

JISHA-qualified OSHMS	Numazu Plant, Tsukuba Plant
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Implementation of Risk Assessment

We support the mental and physical health of employees by conducting risk assessments that place the highest priority on preventing serious accidents and implement essential safety measures such as the maintenance and management of necessary equipment. In addition, we are working to improve work that involves heavy labor or working in hot weather to create a workplace that is easy to work in, even for elderly workers.

Risk Assessment Procedures



Safety Targets

With the aim of achieving zero lost-worktime injuries and injuries without lost worktime, we are working to create a safe and healthy work environment for all employees. In FY2022, two lost-worktime injuries occurred.

Occupational Accidents	(Number of accidents)			
	FY2019	FY2020	FY2021	FY2022
Lost-worktime injuries	1	1	2	2
Accidents without lost worktime	2	2	0	0
Fatal accidents	0	0	0	0

Safety Training

We conduct safety-related education and training and make educational materials available on our safety and health bulletin board.

Safety Training (Examples)

- Safety principles
- Disaster preparedness education (BCP for major earthquakes/wind, flood, and earthquake disaster prevention)
- Education on chemical substance management
- Training for employees who work with chemical substances
- Education on management system of chemical substances in products
- Education on basic knowledge of protective equipment (for new and mid-career employees)
- Education on prevention of exposure to liquids (chemical hazards)
- Education on full body harness fall arrest equipment
- Training for high-pressure gas handlers
- Education on compliance with relevant laws and regulations
- Traffic safety training
- Heatstroke prevention education
- Risk assessment of chemical substances

In FY2022, we conducted off-site hazard simulation training provided by the Sumitomo Metal Mining Group. The five N.E. CHEMCAT employees who took the course serve as on-site trainers. They take the initiative on and serve as role models in safety activities, urge other employees to practice safety, and work to sustain zero accidents and injuries at each plant.



Hazard simulation training course

Workplace Accident Prevention Activities

To prevent occupational accidents, we conduct regular facility safety inspections and health and safety patrols, as well as workplace patrols by management, and shareholder audits.

Health

Supporting Employees' Mental and Physical Health

Employee Health Management through Health Checkups

Regular health checkups are conducted once a year to maintain and promote employees' health. We also help to maintain the health of employees by providing thorough physical examinations.

Specific health checkups	Specific health checkups are conducted for all insured employees and dependents between the ages of 40 and 65. For those who are selected for "motivational support" or "active support" in the specified health checkup, an action plan is prepared under the guidance of a doctor, public health nurse, etc., and health guidance is provided to improve lifestyle.
Thorough physical examination	Insured persons and their dependents can undergo physical examinations without age limitation.

Mental Health

The company conducts annual stress checks to not only address mental health issues but also promote mental health in a broader sense, including the revitalization of workplace communication.

In fiscal 2022, 98.6% of employees underwent stress checks. We are following up with high-stress individuals through interviews.

Health Consultations

N.E. CHEMCAT partnered with an outside organization and introduced a system to provide mental and physical health consultations 24 hours a day. In addition to daily health counseling, we also provide services such as referrals to medical institutions where consultations are available during the year-end and New Year holidays.

Employees who request health counseling meet with an industrial physician or receive health counseling from a healthcare provider at least once a month at our head office and plants.