

# Human (human resources, culture, organization)

At Nihon Chouzai, we view our employees as an essential management resource and aggressively invest in them. We are working to strengthen our human resources, culture, and organization with the aim of achieving our long-term vision for 2030 and dramatically expanding the business to a scale of Group sales of 1 trillion yen.



**Be Active** **Commitment** **Professionalism**

Our recruitment and development of human resources are informed by three concepts: Be Active, Commitment, and Professionalism.

## Recruitment

To be able to provide high-quality pharmacy services and hone our competitive strengths to expand the organization, we are actively recruiting pharmacists and staff in various other disciplines.

## New pharmacist graduates

Of the duties of a pharmacist, the importance of interpersonal work—whether in the family pharmacist system, at-home medical care, or consultations about drug therapies in various specialized fields—is gaining attention. Securing excellent human resources is the most critical issue for realizing the growth strategy we need to survive ongoing reorganization of the pharmacy sector in Japan. To this end, we are taking steps to recruit talented new pharmacist graduates.

**505** new hires

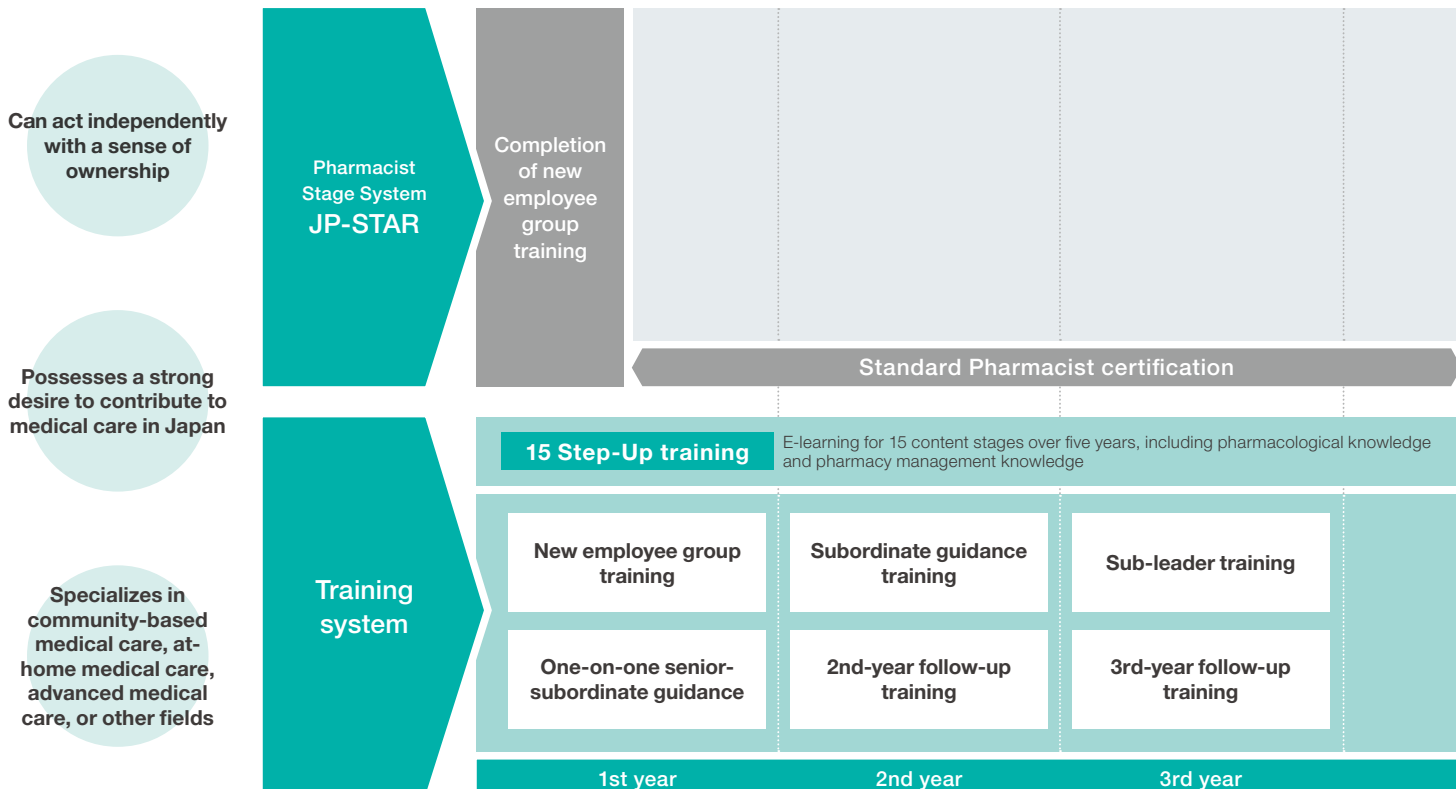
Nihon Chouzai ranked No. 1 in the industry in three categories

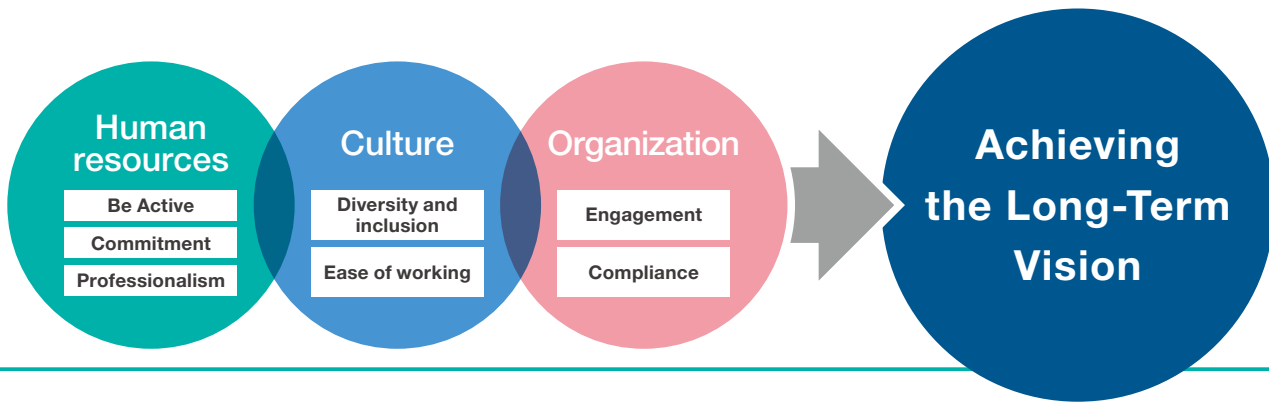
**Company popularity ranking among job-seeking university graduates**  
Mynavi/Nikkei survey 2022

|                           |   |
|---------------------------|---|
| Chemistry/pharmacy majors | <b>1st place</b><br><small>(last year: 6th place)</small>   |
| Science majors overall    | <b>24th place</b><br><small>(last year: 43rd place)</small> |
| Female science majors     | <b>8th place</b><br><small>(last year: 15th place)</small>  |

## The ideal Nihon Chouzai pharmacist and career possibilities

We seek pharmacists who can contribute to the true separation of drug prescribing and dispensing services, as expressed in three concepts: Be Active, Commitment, and Professionalism.





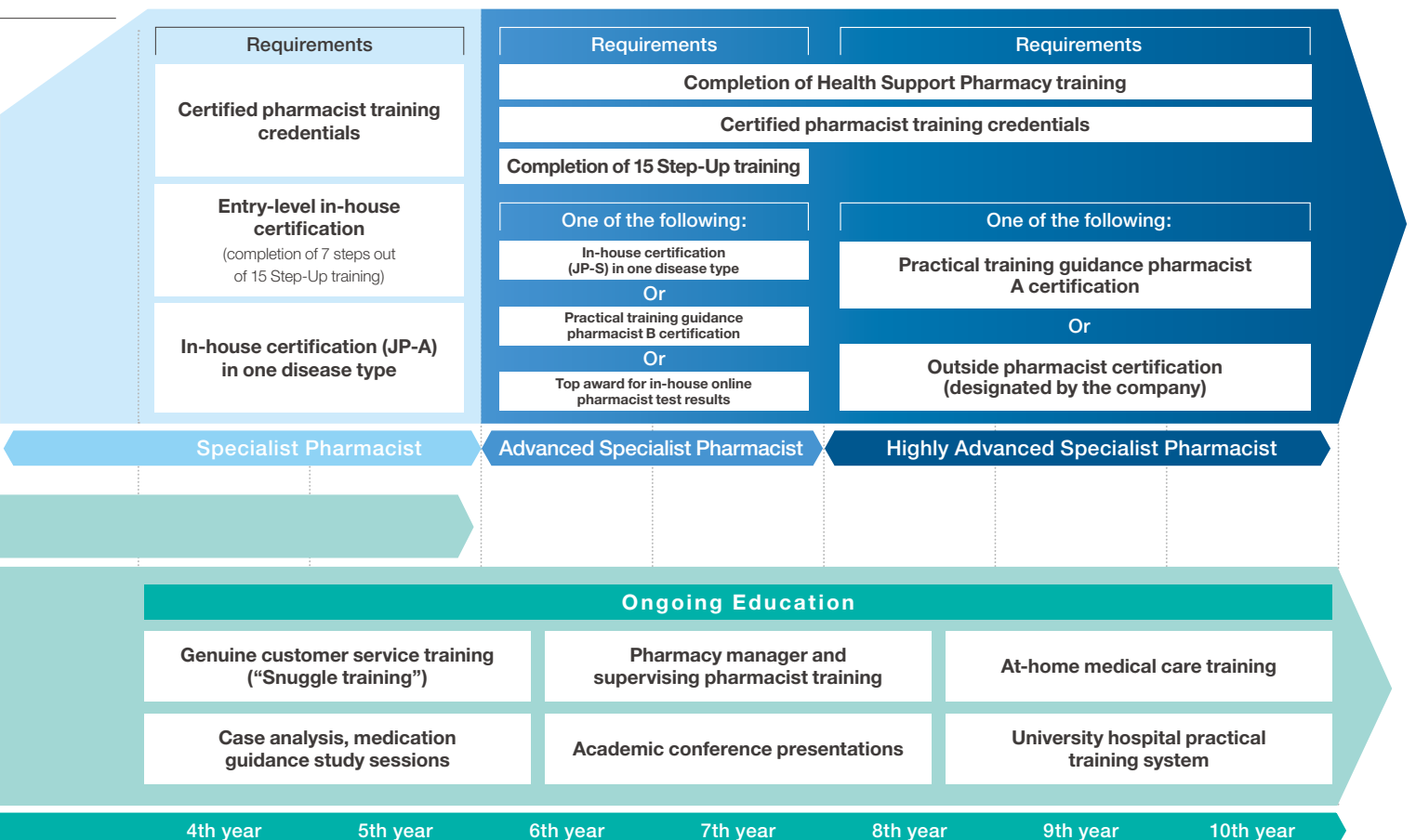
### Managerial resources

We are also strengthening the recruitment of personnel in managerial positions who are capable of mapping out solid strategies for future growth, including new business generation and new operating frameworks. We are capitalizing on a wide range of recruiting channels to attract both new graduates and mid-career personnel, with the aim of securing the best talent in each discipline, from HR and business development to marketing and engineering.



### Personnel development

We provide opportunities for all employees to acquire the knowledge and skills they need in their fields, including theme-based training and career development measures, with training grouped by job description and level in the company.



## Raising up next-generation leaders

Nihon Chouzai has two training tracks to develop the next generation of managers.

### Management seminars

In this next-generation leader development program, each participating team delves into issues facing the company and makes specific proposals to management. Under the direction of Kunio Ito, Professor in the School of Business Administration of Hitotsubashi University, we are fostering the growth of next-generation leaders by instilling an awareness of issues and engaging in repeated exchanges of opinions.



### Coaching

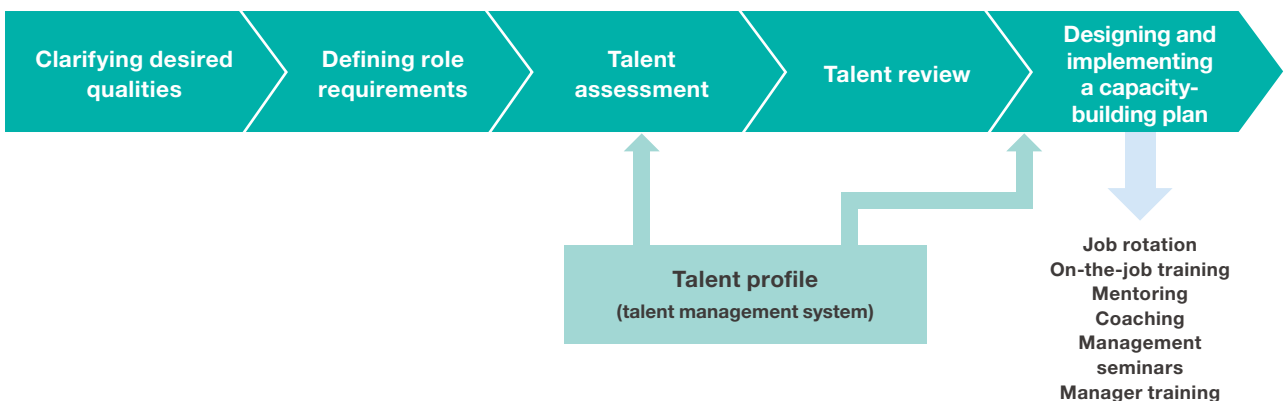
In 2017, we implemented a coaching program with the help of an outside specialist firm to promote one-on-one guidance for selected managers. The results of the program are shared and brought to bear not only in relation to stakeholders but also in offering guidance to subordinates.



## Talent management

We are preparing a talent management program to further develop a cadre of next-generation leaders. As Nihon Chouzai expands its business to achieve the long-term vision for 2030, the need for leaders is growing. We are working to build up a pipeline of employees who can operate from a management perspective, planning to be able to assign needed

personnel to key positions at any time. After clarifying the ideal qualities and qualifications demanded of a next-generation leader, we will assess, review, and identify talented employees, and implement a capacity-building plan to generate leaders who can assume responsibility for the future of Nihon Chouzai.



## Culture

Diversity and inclusion

Ease of working

We aim to foster a culture in which diverse human resources can play an active role.

### Empowerment of women in the workplace

About 60% of Nihon Chouzai employees are pharmacists, and about 70% of these pharmacists are women. Given this reality, we recognize that, to grow the company, it is essential that we create a framework that allows women to reach their full potential and to provide opportunities for the active participation of every employee regardless of gender. This thinking guides our efforts to build a working environment conducive to ease of working.

Female employee ratio

**73.7%**

FY2020

Number of people using reduced working hour system for childcare

**426**

FY2020

Rate of return from childcare leave

**97.0%**

FY2020

- Pre- and postnatal leave
- Childcare leave: 1 year (if enrolling the child in day care is impossible, can be extended up to 2 years)
- One-time childbirth allowance
- Reduced working hours for childcare (can shorten up to 2 hours/day, in 30-minute increments, until the child's entry into elementary school)
- Child nursing leave system (taking leave to nurse a sick child or provide the child with vaccinations or health check-ups)
- Spouse childbirth leave system (a separate system from paid leave, to encourage male employees' participation in childcare)

#### Balanced life support training for child-rearing female employees

Nihon Chouzai offers career design training to female employees who are raising young children. The training seeks to help employees take a more positive view of the life stage of child-rearing.

Our hope is that women who have gone through the training program will gain a clearer sense of direction for their career vision and be able to form a support network with other female employees who are raising children. In turn, we hope these employees can exert a positive influence on their various departments and further develop as role models for other employees.



### Outside recognition (diversity and inclusion)

Nihon Chouzai has been recognized for its ongoing efforts to foster an environment which makes it easier for women to work and to create opportunities for the active participation of all employees regardless of gender. These efforts have earned the company the following certifications from the Ministry of Health, Labour and Welfare.



#### Eruboshi

**Empowering the participation of women in the workplace**  
Obtained in 2018



#### Kurumin

**Support for parenting**  
Acquired in 2021



#### Tomonin

**Support for long-term care providers**  
Acquired in 2021

### Active participation of people with disabilities

Nihon Chouzai is promoting various initiatives to enable diverse human resources to play an active role in business operations.

Nihon Chouzai currently employs 110 staff with disabilities, representing 2.35% of all employees (as of June 2021). This exceeds the statutory employment rate. We are actively seeking to hire more employees with disabilities while broadening the scope of potential job positions.

#### Broadening the scope of job positions

In addition to existing jobs, such as pharmacy work, medical office work, and clerical work, we are expanding the scope of potential job positions, such as serving as a driver for pharmacists conducting home-visiting services.

#### Sign language to deal with customers and give medication guidance

Hearing-impaired pharmacists at some pharmacies communicate with customers using sign language. Moreover, in-house e-learning content is available to all Nihon Chouzai pharmacists teaching the sign language and other considerations needed to deal with hearing-impaired pharmacy customers.

### Promotion of health management

In order for Nihon Chouzai to provide the best possible medical services to the communities we serve, health management aiming to maintain and improve the health of our own employees is a priority.

We have issued a Declaration of Health and established performance indicators striving to promote health, improve productivity, retain staff, and recruit talented employees. We have also built an organizational framework to allow industrial physicians to be involved in our health promotion from a professional standpoint. We are creating a system in which all employees are conscious of their own health and can contribute to fostering a vibrant workplace culture.



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|--|--|
| <h3 style="text-align: center; margin: 0;">Declaration of Health</h3> <p style="margin: 5px 0;">In order to realize the health and well-being of people, Nihon Chouzai declares that its employees will be conscious of their own health and will promote efforts to foster a vibrant Be Active workplace culture.</p> | <h3 style="text-align: center; margin: 0;">Performance indicators</h3> <ul style="list-style-type: none"> <li>■ Hypertension, obesity, anemia</li> <li>■ Smoking rate</li> <li>■ Rate of secondary health examinations and consultations</li> <li>■ Eligibility for specific health guidance</li> <li>■ Rate of mental health leave taken/days</li> <li>■ Rate of paid leave taken</li> <li>■ Cancer screening rate</li> </ul> |
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## Organization

### Engagement

### Compliance

We aim to be an organization that realizes high employee engagement while ensuring rigorous compliance.

## Engagement

We place great importance on employee engagement as the basis for increasing corporate value.

### Survey

**Target**  
All Group  
companies

**Number of  
questions**  
About 150

**Response  
rate**  
96.8%

The Nihon Chouzai Group believes that greater engagement between the company and its employees is essential to increasing corporate value by generating and drawing on group synergies.

We carried out our first engagement survey for the entire Group in 2021. Survey scores in areas regarding the future of the company were extremely high compared to survey data for other companies. This result represents a significant advantage for the Group in terms of achieving stable, ongoing growth.

We will continue to conduct regular surveys, and take steps across the Group to improve employee engagement.

### In-house workshop

As part of our efforts to foster a corporate culture that elicits employee engagement, we held an online in-house workshop drawing participants from across various businesses and administrative departments, including Group companies. In addition to grasping the current situation for employees quantitatively through surveys, we also sought to understand employee attitudes and concerns by means of discussions on the unique characteristics and issues of the Group, as well as engage in dialogue about the future direction of the organization. The workshop enabled a lively exchange of ideas on how to create an organization that can provide customer-oriented value, and how to foster a culture that encourages the autonomous growth of each individual.

We will continue taking action to enhance the effectiveness of the organization and the cohesiveness of the Group, based on the fruits of such discussions as well as an analysis of findings from engagement surveys.

## Compliance

- E-learning on insider trading regulations
- Compliance education for new employees
- Starting June 2021: Compliance lectures held as part of training for newly appointed pharmacy managers
- Distribution of compliance learning materials on a monthly basis, monitoring of learning compliance
- Compliance education using case studies of industry misconduct at the Pharmacy Department managers' meeting
- Use of a finger vein authentication system



New employee compliance training



Finger vein authentication system