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Creating a Pleasant Working Environment

Message from the Representative
The ADEKA Group concentrates on developing and bringing out the full potential of each and every employee, and strives to cultivate a corporate culture that makes it easy for employees to work by giving proper credit to acquired skills and the results achieved accordingly.

For the realization of a better quality of life, it was decided in FY2015 that employees would be given paid leave for child-care and a more comprehensive system to allow for the raising of children.

In this way, effort was invested in promoting a better work-life balance and greater diversity.

The company will continue fostering the next generation of human resources based on the key phrase, “respecting diversity and individuality,” in promoting a safe and motivating work environment where employees will continue to grow.

ADEKA Human Resources Principles

▶ Respect the human and personal qualities of employees
▶ Support self-realization by employee
▶ Develop human capital who have a positive social impact
▶ Develop employees with initiative

Human Resources Data  Target: (1) Consolidated, (2) – (7) Non-consolidated

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) No. of employees</td>
<td></td>
<td>3,034</td>
<td>3,099</td>
<td>3,241</td>
</tr>
<tr>
<td>(2) No. of employees</td>
<td></td>
<td>1,530</td>
<td>1,545</td>
<td>1,561</td>
</tr>
<tr>
<td>(3) Average age of employees</td>
<td></td>
<td>38.4</td>
<td>38.5</td>
<td>38.9</td>
</tr>
<tr>
<td>(4) Average number of years of service</td>
<td></td>
<td>15.5</td>
<td>15.5</td>
<td>15.9</td>
</tr>
<tr>
<td>(5) Ratio of female employees (%)</td>
<td></td>
<td>13.5</td>
<td>13.6</td>
<td>13.2</td>
</tr>
<tr>
<td>(6) Ratio of female managers (%)</td>
<td></td>
<td>2.3</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>(7) Number of newly graduated recruits</td>
<td></td>
<td>57</td>
<td>54</td>
<td>49</td>
</tr>
</tbody>
</table>

Targets and Actual Results for Fiscal 2015 [Support Plan for Nurturing the Next Generation (April 1, 2015 - March 31, 2018)]

<table>
<thead>
<tr>
<th>Targets</th>
<th>Actual results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing childcare nursing leave, and promoting the involvement of male employees in childcare</td>
<td>Employees given some paid leave for child-care starting April FY2015 (introduction of system to allow for taking leave accumulated over said period)  Improvement in convenience by allowing childcare leave to be taken half-a-day at a time, instead of whole days, starting April 2015</td>
</tr>
<tr>
<td>Enhance the relevant systems in order to promote work-life balance amongst employees</td>
<td>As the result of a labor-management initiative to promote the taking of five or more days of paid leave per year, the rate of achievement was 72.5% (an increase of 9.6 points over the previous year)</td>
</tr>
</tbody>
</table>

Promoting Diversity

The ADEKA Group’s Code of Conduct clearly emphasizes respect for fundamental human rights, and all employees of the ADEKA Group are in compliance with this. Furthermore, in every aspect the processes of recruitment, hiring, and promotions we respect the value of diverse human resources, regardless of nationality, age, sex, race, or disability, and have developed a level playing field where each individual can enact his or her personality and play an active role.

Work regulations, too, were laid down to respect the diversity and individuality of people, and prohibit any form of harassment thereof.

Promoting Diversity: Initiatives for Fiscal 2015

<table>
<thead>
<tr>
<th>Employees of overseas Group</th>
<th>1,084</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-employment rate for retirees</td>
<td>100%</td>
</tr>
<tr>
<td>The employment rate of people with disabilities</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Corporate activities rooted in local communities

Overseas, the ADEKA Group actively hires local people. ADEKA (SINGAPORE) PTE. LTD. engages in recruitment activities in neighboring countries, and in FY2015, two local people were recruited in Indonesia.

Moreover, to make sure that employees of all nationalities and opinions are able to coexist and give full play to their individuality, the company strives to establish a work environment based on the local culture.

However, many countries have a culture of job hopping, and companies run the risk of wasting time and resources on training employees. The ADEKA Group shares management policies and runs joint training programs with other bases to promote solidarity within the group, and the number of local employees has been increasing by the year. The number of veteran local employees has also been increasing.

Active participation of women

The ADEKA Group is open to recruitment and promotions regardless of gender, and supports the active participation of women.

Planning of seminar to promote the active participation of women

This seminar was planned and organized with the aim of contributing to the fostering of careers among female students who carry the future of Japan on their shoulders, prompted by the enactment of laws to promote women’s participation in society in April 2016. The seminar provided an opportunity for exchanges between women employees in a variety of positions and students.

Feedback was received from students saying things like, “It helped clear up vague anxieties I had toward work” and “I found it very useful in thinking about work.” The company will continue implementing initiatives to support the active participation of women.
Taking advantage of the system to attending business school

The company is investing considerable effort into fostering the next generation of younger employees, who form the backbone of the company, through the system allowing them to attend business school. By learning the theories behind marketing and leadership, they train to think and act in a way that allows them to achieve their goals in a variety of positions and roles. By learning at an external school, they also acquire the ability to see the company more objectively, and it is hoped that the initiative will lead to the fostering of people who will breathe new life into the company.

Advantage of the system for attending business school

From a desire to acquire knowledge on everything about managing companies, I took advantage of the system for attending business school to acquire extensive knowledge in everything from administrative strategies to accounting, marketing and finance.

At the school, I competed in friendly rivalry with people from other companies, which was stimulating, and something I would not have been able to experience within the company. I also learned to think rationally at all times, which I have found to be useful in preparing and negotiating within and outside the company. It has allowed me to carry out deeper analyses of the industry and companies.

Based on what I learned at business school, I will be afraid of making mistakes, and be more assertive in offering proposals, to engage more actively in my work.

Main Systems Aimed at Providing Childcare/Nursing Care Support

*The underlined sections are areas in which we have exceeded the legal requirements.

- **Maternity leave**: 6 weeks before birth (14 weeks in the case of twins) / 8 weeks after birth
- **Childcare leave**: Until the child reaches one year of age, in principle 4 weeks in one case of up to one year may be approved under special circumstances. / Calculating from the first day of childcare leave, special accumulated leave may be approved for up to the anniversary days. / The period of special accumulated leave will be regarded as paid leave.
- **Childcare nursing leave**: For employees with children below grade four of elementary school, it is possible to take up to 30 days of leave per year, regardless of the number of children. In addition, in which case the family is engaged in child-rearing activities (excluding vaccinations and health screenings for the child, as well as the suspension of classes). / Childcare nursing leave may be taken in half-day units.
- **Spousal maternity leave**: A total of up to 365 days for each person requiring care during the childcare leave. / A total of up to 385 days, combined with nursing care leave of absence.
- **Nursing care leave**: A total of up to 120 days per year for each person requiring care.
- **Shortened working hours**: Children: Until the end of the child’s fourth year in elementary school / Nursing care: A total of up to 50 days, combined with childcare leave of absence.