With Employees

Our employees are the driving force for advancing the ADEKA Group's business into the global domain. We have a number of initiatives in place to ensure that our employees have a safe and pleasant work environment, where human rights and fair treatment are respected, and which cultivates a vigorous company that values the individuality and intrinsic character of each employee.

Promoting a Work-Life Balance

The ADEKA Group emphasizes the importance of a work-life balance, which encourages each employee to demonstrate their capabilities fully. It is also introducing a system to support flexible and diverse working styles and foster awareness.

Maintaining a Balance Between Work with Childcare or Nursing Care

ADEKA has introduced programs to support employees in balancing their work with childcare or nursing care. In fiscal 2018, 10 employees took advantage of a program that prepares employees who are on childcare leave for their return to the workplace. ADEKA also offers skills enhancement training that employees can take while on childcare leave. These provisions help to ensure that employees who take childcare leave are not impacted through negative evaluations or overlooked for career advancement opportunities.

In fiscal 2018, 20 employees including 13 women and seven men took childcare leave, while four employees took nursing care leave. For the second fiscal year in a row, 100% of employees returned to the workplace after their childcare leave and remained working through the end of the fiscal year. Twenty-seven employees elected to take shortened work hours after returning from childcare leave, while 55 employees took advantage of childcare nursing leave.

<table>
<thead>
<tr>
<th>Item</th>
<th>Targets for FY2018</th>
<th>Results for FY2018</th>
<th>Targets for FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-life Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support plan for nurturing the next generation (April 2016–March 2019)</td>
<td>Are for more than two eligible main employees and one eligible female employee. The company is establishing a childcare leave.</td>
<td>10 employees</td>
<td>10 employees</td>
</tr>
<tr>
<td>Plan on promoting the active roles of women at the workplace (April 2016–March 2019)</td>
<td>Achieve a ratio of 1% female managers by 2021</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Optimizing Working Hours

ADEKA fosters a corporate culture that values the health and vitality of its employees and implements various initiatives to reduce overtime hours. This includes designation of "no overtime" day once a week and individual consultation provided by the labor-management committee.

Promoting Diversity

Active Roles of Women in the Workplace

ADEKA promotes women in the workplace and has formulated an action plan with the aim of having women occupy at least five percent of management positions by 2021. In terms of hiring, the Company conducted seminars for female university students in science programs, which gave students the opportunity to interact with ADEKA's female researchers. Twenty-three out of the 100 new employees that joined ADEKA in April 2019 were women.

Employment of Retirees

ADEKA has a rehiring system of employees up to 65 years of age who wish to continue working after reaching the retirement age (except in special circumstances). The system enables mature employees to continue contributing their accumulated knowledge, skills, and experience.

The system supports various working styles, such as full-time work or three-day work weeks. In fiscal 2018, the rate of employment of retirees was 75%.

Employment of Persons with Disabilities

The ADEKA Group continually strives to improve the work environment and expand job categories toward enabling disabled persons to exercise their capabilities and achieve self-realization. We will continue promoting the active employment of persons with disabilities.

Reminded of the Importance of Childcare Leave

On average, just 6.16% of male employees in Japan take childcare leave. However, I was able to take one week of childcare leave for the birth of my second child, with the understanding and cooperation of my workplace colleagues.

During my leave, I took care of our daughter at home right up until my wife was discharged from the hospital. After she came home, we split the duties of looking after the baby. The leave gave me the opportunity to spend valuable time with my daughter as well as our new baby. The experience reinforced the importance of sharing parenting duties, which is important for me to remember when my wife goes back to her job.

I am grateful to my colleagues for their support and will work hard at parenting and in my job.

Yu Yamaguchi

Regulatory Science Promotion Office, Life Science Materials Laboratory
Cultivating Human Resources

The ADEKA Group recognizes employees as key company resources. We therefore view employees as assets and respect the aspirations of each individual while striving to cultivate human resources that will lead the next generation.

Global Human Resources Training

In fiscal 2018, the ADEKA Group conducted its global human resources training for 21 young personnel and managers working in positions involving international operations, as part of its efforts to develop global human resources and future leaders. In total, 67 employees have completed the program to date. The program encompasses training in marketing, financial accounting, and labor management, as well as language tutoring to improve language skills.

Seminar for Spouses on Living Overseas

ADEKA held a seminar for 18 spouses and children of employees who participated in the global human resources training. The seminar was aimed at easing the concerns of spouses about living overseas and featured a presentation on preparing to live abroad as well as a roundtable discussion with other spouses who will be going abroad on overseas assignments.

International Study Program

ADEKA offers a six-month international study program to develop essential language and cross-cultural skills and learn about local business practices. The program is mainly aimed at young employees and is held in the U.S., China, Singapore, and Canada. Four employees studied abroad in fiscal 2018, bringing the total number of persons who completed the program to 40 people.

Gaining Cross-Cultural Insights and Reconsidering My Own Values

Under the international study program, I attended a local language school to improve my language skills and received training at a Group company, where I learned about their development and production environments and work processes. I got to know the local staff, and living abroad for half a year gave me insight into their lifestyles and culture, which was a good opportunity to reconsider my own values.

Going forward, I intend to actively take on international work and increase my language skills so that I can contribute to ADEKA’s global business development.

Michio Endo
Department I Food Development Laboratory

Mentoring System

ADEKA operates a one-on-one mentoring system in which new employees are assigned a personal mentor who provides ongoing support and guidance. The program accelerates the development of new employees and fosters the abilities of mid-career employees to provide guidance and develop staff.

Business School Program

The program gives young employees and mid-career employees the opportunity to attend an outside business school and study marketing, leadership theory, and other subjects. The aim of the program is to give employees the tools (methods and approaches) to achieve goals in various situations and roles.

Improving the Work Environment

New Personnel System

In April 2019, ADEKA revised its personnel provisions with the aim of fostering a corporate culture that seeks out challenges and preparing an environment that is conducive to value creation and the development of global human resources. The changes bring the provisions more in line with contemporary conditions and include a shift from compensation based on job functions to work-centered (role-centered) compensation. The tools used in goal-setting and performance-evaluation interviews with supervisors were also revised to be based on the type of position and role.

Labor-Management Relations

The ADEKA Group views labor unions as important stakeholders and strives for positive labor-management relations built upon mutual understanding and trust. Labor-management meetings are conducted with the basic objectives of contributing to the company’s growth while maintaining and improving labor conditions. These matters are discussed by labor and management on an equal footing.

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Main Labor-Management Meetings

Labour-Management Council: 12 times per year
Management Council: Twice per year

With Employees
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Occupational Health and Safety

The ADEKA Group considers safety and security to be the most important issues for companies, and as such strives to establish a safe workplace by enhancing the awareness of all employees through the operation of OHSAS 18001, an occupational health and safety management system, the establishment of health and safety committees at every workplace, and the activities of the Zero Accident Committee.

Safety Achievements and Issues for Fiscal 2018

In fiscal 2018, the ADEKA Group recorded 18 work accidents, including those that required work absences and those that did not. The number decreased by three accidents from fiscal 2017. Both ADEKA and Group companies in Japan recorded fewer accidents, while overseas Group companies recorded an increase in accidents requiring work absences.

- **Number of Accidents by Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidents with lost workdays</td>
<td>8 (3)</td>
<td>8 (6)</td>
<td>9 (4)</td>
<td>11 (3)</td>
<td>12 (2)</td>
</tr>
<tr>
<td>Accidents without lost workdays</td>
<td>13 (9)</td>
<td>8 (5)</td>
<td>5 (4)</td>
<td>10 (9)</td>
<td>6 (5)</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate data for ADEKA and domestic Group companies. Scope: ADEKA and subcontractors and the ADEKA Group’s 13 production sites.

Initiatives to Prevent Workplace Accidents and Injuries

At each ADEKA plant, occupational health and safety activities are audited by the president and the Environmental and Safety Division in the first and second half of the year, respectively. The necessary action plans are then formulated for the issues identified and implemented through the PDCA cycle of the management system.

Accidents that required work absences were investigated by visiting the site and instituting corrective measures or providing necessary guidance. Additionally, audits were conducted at three overseas Group companies in fiscal 2018. As a preventative measure, overseas Group companies conduct regular audits every few years.

To prevent accidents resulting from the lack of experience of young employees and newly transferred workers, ADEKA created a new basic safe practices manual and distributed it to all Group locations. Furthermore, all new employees in the R&D, technical and production areas are required to participate in training at the safety experience training facility set up in the Urawa R&D Laboratory. A total of 85 employees have taken part in the training.

Promoting Mental Health

ADEKA implements initiatives to prevent mental health issues as part of its overall efforts to promote the health and well-being of employees. In June 2018, ADEKA implemented stress tests for all employees. The test results were analyzed to study measures for improving the workplace conditions at business locations needing improvement. The Group also conducted mental health education for 235 managers of ADEKA and Group companies to educate managers about their role in supporting mental health.

Occupational Safety and Health Initiatives While Abroad

The ADEKA Group is working to enhance occupational safety and health while abroad, as more and more employees are sent abroad to work at Group locations outside of Japan. In addition to annual health checkups, employees who are on long-term assignments outside of Japan also receive an interview with an industrial physician either by phone or in person when they temporarily return to Japan.

The Group contracts with a corporate medical support service that provides 24/7 access to physicians for consultations and emergency medical assistance, in case medical care is needed while employees are staying in a foreign country. Personnel who are about to be sent abroad and their accompanying family attend workshops that cover medical issues and mental health while living abroad.

Regular Health Check-Ups

ADEKA employees receive regular health check-ups twice a year, as well as special check-ups that include examinations and tests stipulated in the Industrial Safety and Health Act.

ADEKA maintained a 100% rate of employees receiving regular health check-ups in fiscal 2018. If an employee is found to have a medical issue, they are retested and see an industrial physician or public health nurse from the Head Office clinic as necessary. These initiatives reflect a concerted effort by ADEKA to enhance its health management for employees.

ADEKA cooperates with the ADEKA health insurance association to arrange for industrial physicians to give annual seminars on specified health check-ups. ADEKA is also establishing a framework to enable the dependents of employees to receive specified health check-ups at its business locations, and it is working to increase the rate of persons receiving specified health check-ups.