Human Resource Strategy

Related Materiality

- Advance human capital management
- Enhance organizational diversity
- Promote health and productivity management and workplace safety and health

For more details on human resources data, please refer to our website.
https://www.hodogaya.co.jp/english/csr/stakeholder/employee/



Message from the Executive Officer in Charge of Human Resources

The Hodogaya Chemical Group regards human resources as a source of corporate competitiveness and the driving force behind sustainable growth, and views investment in human capital as a key management priority for enhancing corporate value as it works to realize its Management Philosophy, PURPOSE, and VISION. Under the new Mid-term Management Plan CODE/CHORD 2030, which began in FY2026, we will promote investment in human capital with the strategic goal of enabling all officers and personnel to experience job satisfaction (motivation to work and ease of work) while enhancing organizational capabilities.

Shinichi Sato Director and Managing Executive Officer



Key Initiatives under the Mid-term Management Plan CODE/CHORD 2030

We are implementing the following initiatives to achieve "CODE/CHORD 2030."

- **Initiatives to enhance organizational capabilities through greater job satisfaction (motivation to work and ease of work)**

Introduced in FY2026

- Hybrid job-based personnel system combining the membership-based model with position-based compensation
- Expansion of J-ESOP eligibility to all employees, including those at domestic subsidiaries
- Student loan repayment support program
- Full implementation of the flextime system across all Head Office departments, with trials at plants

Priority initiatives going forward

- Review performance-linked bonuses
- Continue promoting women's advancement, promote advancement of senior employees
- Proactively recruit highly specialized and highly skilled human resources

Key human resources investments and initiatives through FY2025

FY2025

- Certification as a Health & Productivity Management Outstanding Organization (six consecutive years) (ease of work)
- Expansion of J-ESOP eligibility to managers and selected other employees, including those at domestic subsidiaries (motivation to work)
- Additional bonus payments to employees who cover for colleagues taking childcare leave (motivation to work, ease of work)

FY2024

- Trial expansion of the flex-time system (ease of work)
- Decision to introduce a "book summary service" (Human resource development)

FY2023

- Introduction of the employee stock benefit trust (J-ESOP) for managers (motivation to work)

FY2022

- Formulation of telework regulations (ease of work)
- Introduction of training for next-generation management personnel (Human resource development)
- Introduction of a multi-assessment system (multifaceted evaluation system) (Human resource development, motivation to work)

FY2021

- Measurement of engagement scores and implementation of training to improve engagement (motivation to work, ease of work)
- Start of career education for female employees (human resources development and job satisfaction)

Please see this page for progress toward achieving the numerical targets. Non-financial Highlights ▶P.48

Analyzing Engagement Scores and Making Improvements

The Hodogaya Chemical Group analyzes engagement scores and implements measures tailored to identified issues to improve engagement and achieve its strategic goals. Employees show strong alignment with the Company's philosophy and strategies and a high level of satisfaction with the working environment. At the same time, challenges remain in areas such as support from colleagues and recognition of employees' input and opinions. We aim to create a psychologically safe workplace where everyone feels comfortable speaking up.

Target Gradually improve the engagement score

Result Items showing improvement since measurement began (rate of improvement from FY2021 to FY2025)

Key driver: item	Initial score	Recent score	Rate of improvement
Organizational culture: embracing challenges	50	56	12.0%
Health: workload	53	58	9.4%
Environment: work-life balance	59	64	8.5%
Health: stress response	54	58	7.4%

* Trends include an emerging culture that recognizes and celebrates taking on challenges, as well as reduced workloads and stress resulting from improved work-life balance.

Future Challenges and Countermeasures

The Hodogaya Chemical Group has set the strategic goal of enabling all officers and personnel to experience job satisfaction (motivation to work and ease of work) while enhancing organizational capabilities. Since April 2026, we have introduced a hybrid job-based personnel system and a student loan repayment support program and expanded J-ESOP eligibility. Going forward, we will remain attuned to developments in human resource management and respond to a wide range of HR challenges and changing values.