on Chouzai has been

Where the Nihon Chouzai Group is going How Nihon Cho

How Nihon Chouzai Group Will Create the Future A found

# Reinforcing Human Capital

# 2 Boosting Employee Fulfillment and Satisfaction

Having long regarded human assets as the most important source of value creation, the Group has focused on cultivating human capital and honing the expertise of our pharmacists in particular. Our aim as we work to achieve our long-term vision is to maximize the capabilities of our employees by encouraging self-learning, which empowered employees to grow and chart new career paths. We are in the process of expanding our framework to better support career autonomy.

Furthermore, to boost employee engagement, we gauge gaps in engagement levels by carrying out regular surveys. Going forward, as a PDCA cycle based on survey results gets underway, we will seek to instill actions across the Group to further enhance employee engagement.

# Career autonomy, heightening expertise

#### Expertise

#### Cultivating pharmacists and other highly specialized medical personnel

In the mainstay Dispensing Pharmacy Business, to fulfill its mission to be healthcare professionals, Nihon Chouzai is working to develop personnel who have a patient-centered perspective and a high degree of expertise. We have expanded the organization by opening multiple pharmacies across Japan. We therefore see it as a key management issue to seek to strengthen the human capital needed to manage the organization and continue to cultivate the next generation of leaders who can guide this process.

In the Dispensing Pharmacy Business, we are working to recruit pharmacists of a high caliber while further reinforcing our high-level educational programs. We launched the Pharmacist Stage evaluation system in April 2018. Under this system, we encourage employees to acquire inhouse certification and offer full support to this end, preparing them for the next step of obtaining more advanced outside certification. Acquiring outside certification requires not only pharmacy experience but also hospital-based training. More than 30 of our pharmacists undergo such clinical training every year.

For details For de

#### Initiatives to support career autonomy

#### Enhancing Training for Specific Professional Skills

Nihon Chouzai's new personnel system spells out the qualities and abilities required for each professional qualification. We have started training to support employees in bringing these qualities and abilities to bear on their work. In the new middle-class training, which is common to all job positions, and in the new high-class training for career-track employees, training considers specific actions employees can take to properly understand and fulfill the roles expected of them at each job level. We also support employees in carrying out these roles in the workplace by aligning their expectations with those of the company through interviews with their superiors and follow-up training.

#### Providing Venues for Self-Learning

We want to empower all employees to take the initiative in shaping their own career paths. To this end, we launched an initiative to support employee learning by offering an online self-development curriculum on a platform accessible to all employees. We also provide digital training to motivated applicants seeking to acquire practical knowledge and skills. This training targets employees who are interested in broadening their knowledge about business in general and who are eager to use IT to improve work efficiency.

How Nihon Chouzai Group Will Create the Future A

A foundation to support value creation

NIHON CHOUZAI GROUP INTEGRATED REPORT 2024

### Improving employee engagement

# Group Engagement Surveys

With the aim of building a more robust organization and fostering employee growth over the longer term, we regularly take stock of employee engagement levels. Results of the engagement survey conducted in FY2023 revealed positive views of the Group's management stance of taking initiatives ahead of other companies, strong buy-in for the Group philosophy, and a robust desire among employees to grow. We have taken steps to improve engagement, including instilling the Group philosophy, expanding opportunities for communication from management, and overhauling the personnel system. We will continue to take a range of measures targeting even further improvements in engagement going forward, such as promoting flexible working styles and strengthening our career support framework.

# Group Engagement Survey 2023

Number of respondents (five Nihon Chouzai Group companies): 6,366 (response rate 92.4%)

#### Trends revealed as strengths

Growth ambition

**Business** 

strategies

Group

policies

Employees have a strong desire to grow, and want to contribute to their workplace and to colleagues by seriously engaging in healthcare. We have created an environment where people support the growth of their colleagues.

The company's management stance of embracing leading-edge initiatives and business development attuned to industry needs have gained buy-in from employees, and our management strategies received high marks.

We have gained strong buy-in for the Group vision of being the most trusted partner in healthcare, Our Mission of giving people the closest possible support, and our basic approach to healthcare, and are seen to be putting these into practice.

# Introduction of a New Personnel System at Nihon Chouzai

We introduced a new personnel system in April 2024. The new system aims to cultivate personnel who can embody our Group philosophy of giving people the closest possible support and contributing to society through the provision of high-quality healthcare services. The system indicates the direction employees should aim for, spelling out a model of the kind of person we are looking for to serve as a guideline for employees working in the Group. The system does away with former promotion requirements based on age and length of service. It also seeks to foster a greater sense of satisfaction among employees, with evaluations incorporating a behavioral assessment based on the Group philosophy and the model of the kind of person we are looking for. The system also brings in balanced benefits that more closely reflect job responsibilities and expertise. We aim in these ways to revitalize our personnel, shaping them into a foundation upon which we can achieve our long-term vision.

Model of the kind of person we are looking for We are looking for professionals with sound, excellent character, strong leadership abilities, and the capacity to draw on a high level of expertise while gaining the trust of those around them. They will be unafraid of change, embrace challenges, bring together diverse strengths, and get strong longer-term results, thus helping to address social issues, primarily in the healthcare field.



Supporting employee growth and career development by introducing a system that assigns two types of grades to each employee: a professional skills grade that stresses experience and ability, and a position grade determined by the degree of job responsibilities

The evaluation system uses two criteria—a behavioral assessment based on the Group philosophy and the model of the kind of person we are looking for, and a performance assessment based on the extent to which organizational goals are achieved—allowing more in-depth two-way dialogue between superiors and their teams and fostering a greater sense of satisfaction

Formulating a clear compensation system that reflects the level of responsibility, ability, and accomplishments

## Efforts to Instill the Group Philosophy and New Long-Term Vision

We are working to instill the Group Philosophy, which was formulated in April 2022. Through a combination of top-down and bottom-up initiatives, we aim to inculcate throughout the Group an outlook that expresses the Group's purpose in society and defines the actions needed to lead to future growth. Our goal is to create opportunities for employees to become aware of and take a personal stake in the Group philosophy. One step to this end is running a serial column in the in-house Group newsletter in which employees talk about the Group philosophy in their own words.

To realize Long-Term Vision 2035, announced in September 2024, we are also working to deepen employee understanding of and buy-in for the long-term vision. We are targeting better communication

by distributing materials to employees and posting video messages from President Kasai. We are also exploring and implementing measures to raise awareness of the longterm vision so that each employee can take a personal stake in the vision and apply it to their work. One effort involves planning an inhouse newsletter to field questions about the long-term vision submitted by employees.

