Reinforcing **Human Capital**



Ensuring Diversity and Building a **Sustainable Organization**

Recognizing that supporting the active contribution of diverse personnel and securing and cultivating the human capital needed to take the reins of future management are indispensable to enhancing longer-term corporate value, we are planning and pursuing measures to create a working environment where employees can thrive regardless of race, nationality, age, gender, disability, or other characteristics.

We believe there are two ideal areas to strive for over the longer term; basing the development and placement of human resources on our business strategies and consistently ensuring the sufficient quality and quantity of personnel; and pursuing growth by understanding and bringing together diverse personnel in different positions.

To achieve this, we will foster an environment in which diverse personnel can flourish, including further increasing the ratio of female managers. In addition, we will work to build a human capital portfolio that contributes to sustainable growth, including formulating succession plans and cultivating leadership talent.

Building a talent portfolio

Cultivating management talent to lead sustainable growth

Succession Plans

It is vital for the longer-term growth of the Group to continuously formulate and update succession plans for the key positions that will shoulder the next generation of management. We are currently considering targets for formulating and monitoring such plans.

As for the General Manager of the Pharmaceutical Department, which is a key position in charge of directing the pharmacy business, we have already put a succession plan in place targeting section head-level employees. We are selecting a final candidate after analyzing the potential of the various candidates, including their ability to make management judgments, through a diagnosis of their strengths and weaknesses and interviews.

Developing Leadership Talent

We are running a variety of programs to develop the next generation of leadership talent, including mid-career employee training for new graduates on career tracks and evaluator training to ensure fair and impartial personnel evaluations.

We also offer outside training for newly appointed executive officers and other managers to teach the various skills and high-level perspectives needed for management. In FY2024, a total of four executive officers took part in three training courses.

Details of initiatives https://www.nicho.co.jp/en/sustainability/esg/human/

Next-Generation Leadership Development Project: NextForum

As a new initiative to develop leadership talent, we have begun conducting group training sessions called NextForum. The aim of this program is to share the knowledge and experience of the various Group companies and departments, deepen mutual understanding and buy-in, broaden the perspective of each participant, and encourage changes in work-related awareness and behavior. A total of 10 members selected from various Nihon Chouzai Group companies are taking part in this Group-wide training program, which will run for about a year. Training includes lectures by top management and in-depth discussions at training camps.

Participants are working hard towards the outcome of the training, which is a personal declaration of behavioral commitments. This project was born from suggestions offered by its predecessor, the Mitsuhara Business Academy (MBA) project. Going forward, our aim is for the project to continue as an autonomous, employee-driven initiative.



Securing pharmacists and other talent is vitally important to our ability to offer high-quality pharmacy services and enhance the competitive strategies needed to expand the organization. We face the need to address major changes in the operating environment due in part to deregulation, regulatory reform, advances in digital transformation, and industry restructuring. We are thus focusing on reinforcing our framework for recruiting new graduates and mid-career professionals to be pharmacists, registered dietitians, medical office workers, and career-track employees.

Where the Nihon Chouzai Group is going

Career-Track Employees

We are stepping up our recruitment of career-track employees to help set out a robust growth strategy for the future, including creating new businesses and frameworks. With the goal of securing excellent talent in various specialized fields, including human resources, planning, sales, finance and accounting, marketing, and IT engineering, we are engaged in activities capitalizing on a wide range of channels for both new graduate and mid-career hiring.

Reinforcing Recruitment of **New Pharmacist Graduates**

The importance of a pharmacist's patient-centered 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 talent is the most critical issue in realizing the growth strategies needed to survive ongoing restructuring of the pharmacy industry in Japan. To this end, we are taking steps to recruit talented new pharmacist graduates.



Developed a wealth of media to convey the appeal of Nihon Chouz

Ensuring diversity

Empowerment of Women in the Workplace

External Evaluations and Participation in External Organizations

The percentage of female pharmacists has traditionally been high in Japan. About 70% of Nihon Chouzai pharmacists are female. For this reason, we are pursuing Group-wide initiatives to promote the active participation of women, including supporting the careers of our female employees and raising awareness among managers.

Action Plan

- Increase the ratio of women in managerial positions to over 13% (April 2022-March 2025)
- Increase the ratio of full-time male employees who take childcare leave to over 40%.

As of March 2024: Female manager ratio 13.3% Female area manager ratio 17.6%

> As of March 2024: Male employees taking childcare leave 84.3%

Female employees

72.4% *Nihon Chouzai only Number of people using the childcare reduced working hours system

632 people

Retention rate of employees returning to work after childcare leave

97.4%

(As of March 2024)

Diversity and Inclusion (DE&I)

Mid-Career Hires

To hone employee expertise and create new value different from that of existing employees, we are focusing on recruiting not only new graduates but also experienced employees. By acquiring highly specialized talent from outside the company, we not only fill open positions but also introduce new perspectives and experience, which brings renewed vitality to the organization as a whole.



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 144 staff with disabilities, representing 2.8% of all employees (as of June 2024). This exceeds the statutory employment rate. We are actively seeking to hire more employees with disabilities while broadening the scope of potential job positions.

Initiatives

https://www.nicho.co.jp/en/sustainability/esg/human/