

# Human Resources

Management Resources Underpinning Competitive Edge—Human Resources and Diversity



The EBARA Group must be a team capable of swift transformation if it is to compete in the growing global market. For this reason, we are implementing various initiatives to cultivate a corporate culture that encourages competition and embraces challenges.

## Basic Approach

The Group seeks to create a comfortable workplace environment and foster a corporate culture in which employees are able to fully exercise their talents in engaging in appropriate competition and in tackling new challenges. As another aspect of this culture, we aim to empower all employees and stimulate their growth through fair evaluation. Furthermore, we strive to recruit diverse personnel from around the world with high ambitions and a propensity for innovation based on the recognition that Japan is part of a global market.

### Message from Executive Officer Responsible for Human Resources

Wellsprings of competitiveness represented by organizations that enable all employees to fully exercise their talents and individuality and human resources systems that allow them to play larger roles



**Hisashi Iijima**  
Executive Officer  
Division Executive,  
Human Resources,  
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#### Major Reform of Human Resources Systems

The EBARA Group is developing its business activities on a global scale. At the same time, the number of the Group's 16,317 employees stationed overseas, currently around 9,000 employees, has come to exceed the approximate 7,500 employees working in Japan. At the heart of the Group, EBARA CORPORATION revised its human resources systems, which serve as the basis for the systems, in April 2017. As part of this change, the prior work skill qualification based systems, which tended to favor employees with longer service records, were replaced with merit and job grade based systems, which are not influenced by age or gender. The Group will continue to expand its business in the global market going forward. As our business grows more global, we will also seek to globalize our human resources systems through personnel exchanges and by better tracking and utilizing our human resources. We aim to establish human resources systems that are tailored to providing fair evaluations of the accomplishments and roles of employees in order to reward talented individuals with positions and compensation that match their abilities.

At the same time, we plan to develop organizations that allow for swift decision making and transformation as necessary to win out against global competition. We have therefore taken steps to expand and flatten our organizations, creating three organization levels, to build organizations that make it possible to discover and then foster a greater number of promising candidates for future leadership positions earlier in their careers. I see organizations that enable employees with diverse backgrounds to fully exercise their talents and individuality and human resources systems that allow them to play larger roles based on their talents and ambitions, rather than their number of years with the Group, as wellsprings of competitiveness.

#### Human Resources Recruitment and Development

In recruiting human resources, we are adopting the perspective of promoting diversity. Accordingly, we are working to secure talented human resources with a focus on non-Japanese individuals, women, and people that have experience at other companies. In terms of human resources development, we introduced the Career Management Program in the fiscal year ended March 31, 2016. This program is designed to create an environment in which all talented and ambitious employees are encouraged to think about their career, regardless of their age, gender, or nationality, and to refine their skills while aspiring to play larger roles in the organization. Already, roughly 800 employees have participated in this program, which is gradually taking shape as a program that helps all participants fulfill their dreams. We will continue to promote this important human resources system going forward.

## Priority Strategies and Progress

	Strategy	Progress
Development of a workplace environment in which all employees can tackle challenges and refine their skills, regardless of their age, gender, or nationality	Development of a workplace environment that is conducive to work-life balance Implement the Career Management Program	Commenced full-fledged introduction of telecommuting system in April 2017 Implemented program targeting employees in the Fluid Machinery & Systems Company in the fiscal year ended March 31, 2016, and expanded program to target corporate division employees in June 2017
Fair evaluation of employee roles and successes	Institute role assignment systems that employees accept and evaluation systems that account for employees' efforts to fulfill their roles	Introduced new job grade and evaluation system for managers in July 2017
Operation of organizations at which talented human resources can acquire varied experiences	Expand and flatten organizations	Expanded individual organizations, flattened organization levels, and reduced organization numbers by 40% year on year in April 2017

## Initiatives for Strengthening Organizational Capabilities: Utilization of Human Resources

### Promotion of Diversity

The EBARA Group aims to become an even stronger organization and to continue growing. To accomplish this goal, EBARA CORPORATION will transform its current management team, which is predominately comprised of Japanese men, in order to encourage participation in management by diverse individuals of various genders and nationalities.

At the same time, we recognize the need for us to develop a workplace environment that allows employees to choose from diverse working styles in order to promote diversity. Accordingly, we are implementing various diversity promotion initiatives, including diversity management training for managers and the introduction of a telecommuting system. These initiatives are being conducted in three areas: awareness and corporate culture reforms, system and environment reforms, and work process reforms and visualization.

**Reference** Diversity page of EBARA's corporate website  
[http://www.ebara.co.jp/en/about/csr/social/human\\_rights/1209152\\_3116.html](http://www.ebara.co.jp/en/about/csr/social/human_rights/1209152_3116.html)

### Empowerment of Female Employees

With the aim of supporting the female employees working in various divisions in exercising their talents and developing their careers, EBARA CORPORATION set the targets of raising the ratio of female managers (non-consolidated basis) to more than 5% by April 2017 and more than 7% by April 2020. The April 2017 goal was achieved with a ratio of 5.2% at EBARA CORPORATION.

In addition, the Company was included in the MSCI Japan Empowering Women Index (WIN) in July 2017. This index looks at the top 500 Japanese companies by market capitalization. Categorized based on the Global Industry Classification Standard® (GICS®), those companies exhibiting excellence in terms of gender diversity within their industry are chosen for inclusion.



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### Career Management Program

The Career Management Program was implemented as one facet of efforts to transition to a corporate culture that encourages employee endeavors by inspiring them to formulate their own career plans and work toward accomplishing them. This transition represents a departure from the previous culture, in which employees were expected to perform the work assigned to them in the division the Company placed them. Under the Career Management Program, we are systematically positioning and nurturing employees based on their ambitions and aptitudes and in accordance with the Company's medium-to-long-term business strategies. In this manner, we hope to stimulate the growth of both the Company and its employees. The scope of employees to which this program applies is gradually being expanded and the ability to systematically cultivate human resources is being improved. At the same time, we are promoting communication between supervisors and their subordinates. We plan to extend the Career Management Program to all employees in the future.

**Reference** "Creating a Corporate Culture of Competition and Challenge" on page 11 of EBARA Group CSR Report 2017  
<http://www.ebara.co.jp/en/about/csr/ethics/report/index.html>

### Cultivation of Globally Competent Employees

The importance of overseas Group companies is growing in conjunction with the globalization of our business. The Group previously began dispatching Japanese employees to overseas Group companies with the aim of cultivating globally competent employees. We have recently expanded upon these efforts through the start of human resources development that entails summoning talented employees recruited by overseas companies to work in Japan over a fixed period of time. Employees summoned in this manner are given the opportunity to learn EBARA's manufacturing technologies while also gaining an understanding of Japanese business practices. Upon returning to their country, these individuals help foster smooth coordination with bases in Japan. By adding the human resources element into our efforts to reinforce overseas bases, we hope to build the foundations that will underpin the globalization of our business.

Number of employees dispatched to overseas from Japan: 76  
(Human resources development program targeting employees that have been with the Company for around 10 years)  
Number of overseas employees summoned to Japan: 45  
Note: Figures above are for the period from April 2010 to September 2017.