



Naoki Taniguchi
Quality Assurance Office,
CEO's Office



Kohka Ning
(Service Planning) Department,
Business Division



Nanako Kawasaki
Mechanical design department,
Technology Division

Employee Roundtable Talk

For Improvement of Job Satisfaction and Achievement of 2030 Vision

In February 2022, volunteering employees started Nikko Mirai Project aimed at redefining Nikko's corporate philosophy. Based on the discussions at the project, the mission of Nikko Group was clarified as **"Update the social infrastructure by leveraging engineering that is one step ahead of others."** Group employees share **"Making the world a resilient and gentle place"** as the future (vision) the Group wants to realize through the mission. Small meetings of top management and employees also have been held and the new corporate philosophy has been shared and put into practice. Along with redefinition of the corporate philosophy, Nikko revised the personnel system so that its employees can play active roles and feel their own growth towards achievement of 2030 Vision. Five employees discussed the formulation and instilling of the vision, how they perceive the operation of the new personnel system, their expectations on achievement of 2030 Vision, and the challenges they find in achieving it. (The talk was held in August 2023.)



Kumiko Kagawa
Development Department, Technology Division



Koji Shiozaki
Sustainability Committee Secretariat
(Financial Department, Administrative Division)

Vision's and mission's connection with my work

Shiozaki: I am serving as a staff member of the Sustainability Committee Secretariat. I belong to the Fund Section of the Financial Department and am engaged in payment and collection of funds. First of all, please tell us the relationship of the vision and mission with your own work and how you perceive them.

Taniguchi: After stints at AP design and the Corporate Planning Department, I am now working in the Quality Assurance Office where I verify the quality and consider mechanisms for maintaining and improving quality. When I was working at the Corporate Planning Department, I participated in the project to formulate the vision and mission. I believe that the high quality of Nikko products is something that cannot be compromised because our vision "Making the world a resilient and gentle place" is achieved through customers using Nikko products. I would like to make contributions from the aspect of quality assurance as I feel "engineering that is one step ahead of others" means offering Nikko products and services, backed by technological prowess and quality, to customers at a reasonable price.

Kawasaki: I am engaged in the design of BP. Initially when I heard Nikko's vision, I felt the scale was big, but now I consider it as a future we can reach by fulfilling the mission. In design work, I repeat trial and error in pursuit of optimization including time and cost, as I believe that if we can design products addressing

the increasingly diverse and sophisticated needs of customers, we will be closer to realizing "engineering that is one step ahead of others."

Kagawa: I analyze and measure machines using analysis equipment at the Development Department. I joined Nikko from a chemicals manufacturer in mid-career recruitment. When the Development Department or other departments find an issue with durability and other properties of a device, my main duty is to analyze the cause and offer tips to solve the issue. I believe it will be "engineering that is one step ahead of others" if the result of the analysis of my team can increase the added values of a product.

Ning: I am supporting customer plants in the Customer Support Center. Safe and secure operation of Nikko plants is indispensable for realization of the vision. I feel that monitoring the operations of AP, BP, and environmental plants right from the time they are shipped and offering complete support to customers is linked to the realization of "Making the world a resilient and gentle place." We also handle inquiries from employees engaged in service in Thailand and other bases in Asia, and I can very much relate to the mission "Update the social infrastructure by leveraging engineering that is one step ahead of others" when considering the local situation.

Expectations on the new personnel system

Shiozaki: In the last fiscal year, Nikko revised the personnel system, which was fully implemented in April 2023. The revised system is aimed at improving the persuasiveness and fairness of the personnel evaluation and raising the motivation of employees. What kind of changes would you like to see in the future? I hope that flexible workstyle will be promoted further and that the evaluation will become more convincing based on the achievement compared with the goal.

Taniguchi: I am hoping that the evaluation will become more convincing because the method of setting goals, which is the base of evaluation, was standardized company wide. I am sure that managers have difficult tasks but I hope goals will be set in such a way so that there are no disparities in the levels between divisions in order to make the evaluation results more convincing.

Kagawa: I am not paying too much attention to personnel evaluation because what is most important to me is that I can enjoy the work I want to do (laughter). I was able to clearly state six goals from the medium- to long-term as well as short-term perspectives considering my growth and ability development, and it became clearer as to what I want to do and what I should do, and by when. I feel it would be easier to evaluate because what I achieved becomes clearer as the

time passes. In my previous job also I set goals and had a goal management meeting every six months, so I feel comfortable with this, but I find Nikko's goal setting meticulous.

Kawasaki: The design division also had semi-annual goal setting, but I did not feel that it was closely linked to personnel evaluation. We are now required to set personal goals that are linked to departmental goals, so promoting standardization of products and development of database, which are the issues of the department, are also my personal goals. I have strong motivation to contribute to the achievement of the developmental goals, but I am a little concerned about how much I can do because of the time constraints due to childrearing.

Taniguchi: It would be good if it can remove worries that the time restrictions from childrearing or other reasons may work negatively in evaluation. I also took childcare leave, and the number of male employees taking childcare leave is also increasing. Even after returning to work, the time we can work decreases temporarily because we use shortened working hour system depending on the situation. I think productivity will improve if the recognition spreads that we are evaluated in a fair manner based on the level of achievement compared to the goals and processes rather than the time we worked. The new system includes five one-on-one meetings a year with the manager for close goal management.

This will offer a forum for communication including own requests between manager and subordinate on a regular basis and I hope this will lead to improved employee satisfaction.

Shiozaki: The Administrative Division tends to set goals that attach importance to the policies of the Company at the top, so I feel it is better if the team has an opportunity to discuss the departmental goals for the Fund Section of the Financial Department. I think I understand the issues and goals of the department to a certain extent, but it probably becomes easier to incorporate the team's goals in individual goals if all members discuss the team goals together and share them.

Learning opportunity and independent career choice

Shiozaki: The new personnel system presents position-based skill map showing what is required of career track and managerial staff. It is indispensable to improve your skills for achieving growth. What are the training programs and learning opportunities you wish to have? Also, what are your opinions regarding career selection?

Kawasaki: I am in the ninth year with the Company and I did not have many opportunities to interact with employees of other divisions after the new hire training and follow-up training. So, I feel I do not know much about the situation outside of the design division. If you become managerial staff, you will probably have more opportunities for cross-divisional training, but it would be nice if there are opportunities to learn based on the same theme before becoming managerial staff. Personally, I want to exchange opinions with employees in similar positions in other divisions regarding nurturing of young employees, which I am yet to get a grip of.

Taniguchi: The other day, I had a meeting with members of the manufacturing division of Ube Kohki, and I gained insights regarding manufacturing technology as they had an approach different from Nikko. We may come up with some interesting ideas from diverse concepts if there are opportunities to learn technologies and skills of not only Nikko but also Group companies. Also, though there is the issue of language, it would be stimulating if local employees of overseas group companies also can participate.

Nei: It has been four years since I started engaging in customer support, and I am interested in learning skills necessary for providing thorough support. If I am well versed in PLC circuits of plant control panel, machine, and electricity, I can respond to customers more quickly. Currently, the Company is developing a new control panel, so I would like to have an opportunity to gain knowledge regarding the new control panel, machine, and electricity.

Kagawa: I joined the Company with prior job experience so I fully understand that the Company expects me to be work-ready. However, it was my first time to engage in development of construction machinery such as AP and BP, so I was initially perplexed

Ning: In customer support, the departmental goals were announced in advance, so I was able to refer to them when setting my own goals. My ultimate goal is to raise customers' satisfaction with swift and meticulous support.

Kawasaki: I have been involved in design for a long period of time, so I also feel like trying something new. While I would like to try the job of chief or section chief, I feel the burden may be heavy while I am engaged in childrearing. I would like to convey my independent idea of career in detail in one-on-one meetings.

as my knowledge of industry terminology and product specs was limited. It is something that can be solved after some time, but if there are opportunities to participate in lectures on industry knowledge and technical terms, and opportunities for asking questions together with other employees who joined the Company as mid-career hires at around the same time, we would be able to start communications smoothly also with other departments. The number of employees joining in mid-career hiring is also increasing and if they flood original employees with questions, it would affect their work. So, I would appreciate if the Company considers having introductory training for mid-career hires.

Ning: I have been in customer support for about three years now, and I feel great satisfaction when I solve a customer's trouble. As a future career, I hope to gain more specialized knowledge and skills such as control program. Going forward, I will be taking calls from group companies in China and other Asian countries, so I want to gain the knowledge and skills I will need for that. I have not really had opportunities to discuss my career with my superior, so I will do so in the one-on-one meetings.

Taniguchi: I have experience working in different departments of AP such as corporate planning, and quality assurance and I feel my views have widened. There are cases where employees left the Company because their transfer wishes did not come true, so I hope the one-on-one meetings with managers would boost freedom of career selection. Meanwhile, it is not realistic that all employees transfer to departments of their choice. So, it would be good to have a procedure in place for transfer between departments such as open application system or FA system. If you can dedicate yourself to the work you want to do, you will be able to feel your growth, and the job satisfaction also increases.

Kagawa: I want to contribute to the growth of Nikko by training myself as a professional of analysis, so I wish to work in the current department for a long time. In my previous job also I was engaged in analysis, but they closed down that department, and I chose to change jobs rather than transferring within the previous company, and joined Nikko. I would like to hone my career further as a specialist.

For achievement of 2030 Vision

Shiozaki: Your workplaces must be implementing various initiatives toward achievement of 2030 Vision. What support do the individual employees need to execute their daily duties while being clearly aware of achievement of the vision? This is something I felt when I attended a group meeting with the president. Directly talking to the president boosted my motivation. I was able to confirm the direction the Company is heading and clarify the relationship between that and my job. I feel that the sense of unity of Nikko will increase if we have more opportunities to directly talk to the upper management in addition to direct superiors.

Taniguchi: I understand that we are in the internal investment phase towards 2030 Vision. I feel it is necessary to make investment to resolve the issue of jobs becoming dependent on individuals. Especially in manufacturing and design, there are many operations that only certain individuals can handle, which results in a situation where the employees cannot take leave or transfer to another department. If we prepare manuals for operations so that anyone can achieve a certain level of results, it becomes easier for male employees to take childcare leave, and this increases the chance of getting a transfer to a desired department or organization. We are increasing the number of employees for the business expansion phase, so I would like to accelerate the company-wide initiatives.

Kawasaki: As Kagawa also pointed out, it is not clear who

would teach what to those who join the company in mid-career hiring when they come to the workplace. It is difficult to address this only through OJT. It is not so often that people well versed in AP or BP join the company even if they join through a system similar to job-based hiring, so it would be good if they are given a certain level of knowledge before assigning them to the sites. The number of veteran employees with lots of experience and engaged in training on site is also declining due to retirement, therefore it would be a good start to prepare introductory manuals for employees with prior job experience.

Ning: In customer support, the number of remote maintenance contracts has been increasing and we can swiftly confirm where the trouble is. However, if there is no remote contract, we can respond only through telephone calls and it takes time to solve the problem because the amount of information regarding the cause of the trouble is limited. I am hoping that the Company would continue investing, as securing experienced operators and enhancing remote support service are indispensable for improving customer satisfaction.

Shiozaki: Thank you all for your valuable opinions today. This roundtable talk was new and very beneficial because my work experience is limited only to the Administrative Division. I will share your opinions today with the Sustainability Committee Secretariat and personnel and general affairs divisions and utilize them in improving employees' job satisfaction.

