

# Human Resource Management

## High-Level Expertise and a Culture to Support It

Under the new corporate vision, the Kurita Group is aiming to be “a creator of unique value.” This vision is founded on our history of meeting customer’s challenges with results that exceed their expectations and winning their trust, which we have done since our foundation. To ensure that we can continue to add to our past achievements, each Kurita employee must develop a high level of expertise and give their full effort to resolving customer’s issues. Developing human resources like this takes a long time, and the culture of enhancing team cohesion that we have fostered also plays an important part.

The Kurita Group is currently working to reform its business model and the awareness of its employees. Among the many necessary measures to achieve this is accelerating human resource development. However, as we attempt to create value for our customers that they haven’t been aware of, the Kurita Group’s corporate culture of tackling customers’ issues head on will remain the basis of our human resource management.

## Approach to Career Formation

Water treatment technologies have a strong experience engineering aspect, and the experience and expertise accumulated in the process of solving issues at customers’ water treatment sites is an important asset. Moreover, solving issues requires a decent understanding of customers’ production processes. Given the nature of this business, it is important to have core personnel with wide-ranging, high-level expertise gain experience in multiple departments. Since their development requires a long time, stable employment is a basic principle of Kurita’s approach to human resources.

Under our system for developing human resources by giving them experience in multiple departments, it is important that employees themselves have a desire to try new roles. We believe that people acquire motivation from being involved in interesting work, and we have a system that lets employees inform us of the work they want to do and of their wishes to transfer. This allows people to develop their careers themselves.

## Enhancement of Human Resource Development

For many years, on-the-job training (OJT) has played a central role in the Company’s usual approach to developing core human resources. The OJT-based method of training is effective for building the foundation of personnel who implement solutions; however, since this method requires time to develop the personnel, in preparation for a management environment that requires speed and the growth of the Company going forward, we are taking steps to enhance off-the-job training as well, such as revising the human resources development program to a system in which the first three years after recruitment constitute a training period.

The Company has established a training system for each skill level and position and works to widen the scope of human resource development. In response to the global expansion of our business, we implement training programs for selected participants including the “Greater Adaptability to Globalization Course,” which is designed to nurture human resources that are capable of working at a global level. We are also working to develop human resources that will play central roles in our overseas Group companies by conducting training for future executives among local employees and managers.

### Number of Trainees (Persons)

(results for the fiscal year ended March 31, 2018; including employees of the Company and some domestic and overseas Group companies)

Training for those in each position	376*
Training for executives and managers	230*
Training for female employees	20
Greater adaptability to globalization course	18
Training for staff of overseas Group Companies	31

\* Cumulative total number of persons in the fiscal year ended March 31, 2018

## Promoting Active Female Participation

Promoting active female participation in the workplace has been an issue for Japan as a country. The average number of years of service among female employees of Kurita Water Industries is 16.9, indicating a working environment that encourages women to continue working for a relatively long period. On the other hand, due to the longstanding system of developing core business personnel mainly through OJT at customers’ worksites, traditionally considered unsuitable for female workers, little progress was made in appointing women to management positions.

However, as Japan faces the prospect of a society with a shrinking population, the ability to successfully promote active female participation in the workplace has become an urgent issue for the Company in terms of securing management resources. In our five-year action plan for the period from April 2018 to March 2023, we have set the following two targets.

- Have 15 or more women in management positions by April 1, 2023
- Achieve a ratio of 30% or more for women among new graduate recruits for career track positions

We will take initiatives using the following four approaches: support career formation, increase the ratio of female recruits, expand the roles of women, and support career development through the Self-Reporting System.

#### Details of Initiatives

Initiative	Measures taken
Career formation support	Provide opportunities to motivate career-track female employees to actively build their careers, such as career development training.
Increase female recruitment ratio	Provide female applicants with opportunities to talk with female employees at various junctures in the recruitment process in our graduate recruiting activities for career track employees.
Expand the roles for female employees	Assign female employees to departments that have few female workers and systematically appoint them to management positions.
Support career development through the self-reporting system	Make consultations with supervisors mandatory in the self-reporting system and use these opportunities to support career development.

#### Incorporation in the MSCI Japan Empowering Women Select Index

In November 2017, the Company was selected for inclusion in the MSCI Japan Empowering Women (WIN) Select Index, which is an SRI\* index. This index is operated by MSCI Inc. and selects companies from every industry that are recognized for promoting active roles for women by calculating a multidimensional gender diversity score based on female employment data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace and other corporate disclosures.



\* SRI Index: Socially Responsible Investment indexes consider social and environmental aspects as important investment criteria of companies in addition to their financial aspects.

## Preventing Long Working Hours

A central theme in the Japanese government's drive to reform work styles is preventing long working hours. This issue is deeply rooted in Japan's traditional view of work. The corporate culture of the Company and its domestic Group companies is one that places priority on solving customers' issues, even if this means making personal sacrifices, and this has resulted in a tendency to spending as much time as possible to achieve the solutions. However, we recognize the need to review our traditional approach to work and increase productivity in the true sense in order to ensure the physical and mental health of employees and enable participation by diverse human resources.

The Company and its subsidiaries in Japan are promoting initiatives to reduce overtime work in order to resolve this issue. We will encourage every employee to learn to perform their work efficiently and improve our work processes. At the same time, we will establish work rules that set out a balance between working and breaks and create an environment that supports flexible work styles.

## Issue to Be Addressed Going Forward

The human resource management methods and culture that the Company has cultivated since its foundation have been a strength in terms of providing comprehensive solutions to customers issues. However, they are also affected by issues that are common in Japan, and one of our major challenges is to determine how to adapt our practices for overseas cultures and systems as the Kurita Group continues to expand globally. Furthermore, we also need to examine the sustainability of our current system in a society with a shrinking population and its adaptability to the rapidly changing management environment. The Kurita Group is determined to take appropriate measures to address these issues.