

Nichimo's Human Resource Strategy

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Strong individuals are the driving force of our organization

To become a company that creates new value for the future,
it is important to grow people (employees) into stronger individuals and connect them.
Mr. Akinobu Kojima, Director and Executive Officer, Ms. Yumiko Yoshie, Outside Director,
and Mr. Taketo Kawamata, Human Resources Team Leader, discussed the type of
personnel Nichimo is looking for and the direction of the Company's human resource strategy.

A corporate group with stable mindset as defined in Nichimo's corporate culture

Kawamata: First, I would like to explain the human resource strategy that Nichimo has been pursuing. The key to this strategy is that we aim to "grow people (employees) into stronger individuals and connect them." The implementation of this strategy is planned in two stages: STAGE 1 through 2025 and STAGE 2 through 2028. The first of the measures undertaken in STAGE 1 was visualization to clarify the skills we are looking for. One example is providing new training opportunities such as videos that can be accessed over the Internet. The second measure was to revise the human resource system from a focus on performance evaluation to process evaluation. The third is the unification and standardization of operations through digital transformation (DX). The theme of STAGE 2 is new roles for human resources. Specifically, we plan to promote women to managerial positions, encourage greater exchanges between Group companies, and establish a job rotation system.

Yoshie: Thank you for the explanation. I've been an Outside Director for about a year now, and during that time Nichimo's unique corporate culture has made a strong impression on me. Maybe it's because the Company is

involved in a variety of marine-related businesses, but I feel that employees have a very stable mindset. Perhaps it's something common to companies in the marine products industry? Nature is constantly changing, so if employees get too excited or upset about it, their work won't get done. I feel that employees have a very stable mindset, stay calm and collected, and can get the job done.

Kawamata: I had never looked at the Company from the outside before, so I wouldn't have guessed that you would have that impression. This is a first for me.

Yoshie: In a typical trading company, there is a strong sense of competition among employees, and you don't really get the stable mindset that I see in Nichimo. I think that at Nichimo, you place more importance on making sure the work proceeds smoothly and steadily than on competition between departments or employees.

Nichimo's desired talent:

Human resources who are mindful of
both "challenge" and "speed"

Yoshie: I think it's a very good thing that Nichimo's culture places value on the stable mindset. On the other hand, it's

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also important **to be conscious of increasing the speed of work while maintaining that calm demeanor**. It's important to respond quickly when possible.

Kojima: As you mentioned, I also believe that **“challenge” and “speed” will be keywords for Nichimo's future growth**. I have many years of experience in the food business section, and the business environment has undergone dramatic changes in that time. We have been constantly required to take on challenges in areas where we have no prior experience. Of course, I experienced failures along the way, but without an intrepid spirit I would not have been able to move forward. Also, in a job like purchasing, you need to act quickly to beat your competitors. That's why “challenge” and “speed” are key. Upon reflection, I believe this holds true for every department.

Being willing to take on a challenge requires a sense of responsibility for how things develop afterward. Facing a challenge without responsibility is not a genuine challenge. To that end, **Nichimo needs people who can take ownership of their work and act quickly**.

Kawamata: To me, training and education is the most important factor in increasing the number of human resources who are mindful of “challenge” and “speed.” The belief that everyone should try their best in their own way will no longer work in the future. Even if we turn a profit, we must be mindful that we do not do anything illegal to do so, and we must take human rights into consideration. That's why it's important to learn the best methods and processes for pursuing profits.

Especially in highly specialized departments, people tend to prioritize their own enthusiasm and preferences. This can sometimes result in these same people acting without considering how it will be viewed from a social perspective or objectively evaluated. To prevent issues such as these from arising, it is important to acquire both work skills and basic standard skills such as compliance. Going forward, it will be necessary to provide training that will generate profits in the right way and help each individual grow steadily.



Yoshie: Yes, we need to **improve employee skills in a way that allows the Company to adapt to society**. That is certainly important.

Kojima: Nichimo has a corporate culture of entrusting work to individuals, giving employees discretion from a young

age, and allowing them to grow while naturally cultivating specialized knowledge in the process. When this is taken too far, though it may foster strong individuals, it may also shift the direction of the organization. That is why **adjustments are always needed to ensure that organizational goals and individual actions are in line with each other**. Leadership and communication within the team are essential to making these adjustments, and this is directly linked to the growth of the Company.

Additionally, over-emphasis on individualism also makes people more susceptible to prioritizing short-term gains. The current medium-term management plan defines our ideal state in 10 years, but we cannot get there by simply focusing on short-term profits. As Mr. Kawamata says, training is key to solving this problem. We must balance strong individuals with strong organizations. In particular, I think it will be important to create opportunities and systems for training younger employees.

Yoshie: When the business environment changes, the Company's business model has to adapt accordingly. The type of human resources needed will also change as the business model changes. The skills that are in demand today may be different five years from now. This is why human resource strategies must always be developed with an eye to future changes in the business model.

If you have an ideal state for the Company to be in 10 years, **you need to start preparing now by gradually hiring personnel who fit that future business model**.

Issues of the human resource strategy and response:
Recruitment, human resources development, active participation by women

Yoshie: With regards to its human resource strategy, I have seen Nichimo steadily taking action and making forward progress. An important issue going forward will be to publicize these efforts to the outside world. There are various approaches that can be employed. For example, how about hosting student internships in the human resources department? This may increase the burden on the human resources department, but it would be a good opportunity to promote Nichimo's human resource strategy. If these efforts are sustained, students' perception of Nichimo will change, and as a result, the Company's brand value will also increase. You may also want to consider holding joint recruitment information sessions.

Kojima: We are very careful when it comes to recruiting new graduates. I think the fact that we provide more detailed and attentive support than other companies is probably what has led to such good results. Before the COVID-19 pandemic, we also made use of joint information sessions like the one Ms. Yoshie mentioned. Now, recruitment via the Internet is evolving and becoming more mainstream. Using this approach, we meet with students frequently to generate interest. The selection transition rate, which indicates the percentage of students who proceed to

the selection process from the information session, is also favorable.

Kawamata: Nichimo's name recognition is still low, and with society as a whole facing the problem of labor shortages, it has been quite difficult to recruit the desired personnel. In order to strengthen human resources under these circumstances, it is critical to establish a system that promotes development of human resources within the Company, even if recruitment does not go as planned. The key is to determine how to best make new employees who join the Company valuable, contributing assets.

Yoshie: There is a growing trend among many companies to encourage employees to take maternity leave, childcare leave, and family care leave. The same is true at Nichimo, as an increasing number of employees are taking childcare leave for their second or third child. Going forward, the Company will likely see an increase in employees taking advantage of these systems and leaving the Company for three to five years. What is important here is to have a system in place that allows employees who have taken long leave to return to work smoothly and to create a workplace atmosphere that supports this. I would like Nichimo to not only improve its human resource system, but also to create an environment in which returning employees can work comfortably. Employees who are keen to return even after a long break have a strong work ethic. Many feel refreshed after taking such leave and bring more energy to their work.

One of the key ways to change corporate culture is active participation of women. Creating an environment where it is easy for women to work will help change the corporate culture. In the past, many female employees left their jobs due to marriage or childbirth, but today, more women are choosing to continue working. As a result, more and more new jobs are being created.

Kojima: Women's participation in the workforce is also an important issue in the business world. For example, in the Food Business, jobs that involve working on boats at fishing grounds or traditional purchasing sites have been difficult for women to enter. On the other hand, I believe that women's unique ideas can be easily utilized in processed food industry. **As we plan to expand our processed food business, promoting diversity, including encouraging women to play active roles, will be vital for future growth.**



Kawamata: I think the marine products industry is one of the industries where women are not likely to advance. As Mr. Kojima pointed out, it is true that there are some workplaces where it is simply difficult for women to enter. However, as the limits of traditional business practices become apparent, **it is essential to incorporate new values, such as women's ideas, and create new styles of business**. This is an issue that needs to be addressed not just by Nichimo, but by Japanese society as a whole.

What needs to be done going forward is to make strong individuals the driving force of the organization

Yoshie: Human resource strategy is now a major issue for every company. As a researcher, I come into contact with a variety of information about corporate management. Although my contribution may be small, I always try to find and share information that Nichimo can utilize.

Kojima: One of the roles of the Director in charge of the administrative section is to review systems while taking a bird's-eye view of the entire administrative section, including the organization, systems, and human resource system. Nichimo is still a small company, so it may be difficult for us to adopt the same methods as the leading examples of larger companies. Nevertheless, we need to quickly find answers to the questions of how to refine our human resources strategy by learning from the success stories of others and create organizations in which women can thrive. Just like with the new medium-term management plan, I would like to picture where I want to be in 10 years, and then backcast from there to figure out what I need to do now to move toward that future.

Kawamata: I believe that the fundamental mission of a company is to sustain its business operations for the long term. It is important that each employee grow to the point where they can think about not just their own work, but also the Company as a whole. If more employees are conscious of their own growth and enriching their lives, while also noticing issues within the organization and being able to point them out, the organization will definitely become stronger. If we have more employees like this, Nichimo will be more stable and able to build a better future. Of course, the current issues are important, but I would also like to think about measures to develop objective employees who are at least somewhat conscious of the future, other departments, and the Company as a whole.