

Transformation of HR

Message from the  
Executive Officer for HR

“Leveraging Asahi Kasei’s strengths to empower diverse individuals”



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Asahi Kasei’s heritage of “outstanding individuals and team strength”

To me, “A-Spirit,” which is the heritage of Asahi Kasei, is fully realized when each and every person’s individuality stands out and there is a strong sense of unity in taking on challenges. Since our founding, we have developed through the power of technology and people without the backing of any major conglomerate. Our organizational culture is steeped in the formative experiences of overcoming numerous challenges by maximizing the capabilities of individuals and bringing them together. This heritage has been passed down in everything from the commitment and tenacity of our people who developed the homes business and the semiconductor-related business, once new ventures for us, into their current prominent positions in industry; to the tireless spirit of inquiry shown by Honorary Fellow Akira Yoshino when he invented the lithium-ion battery; and to the “bold spirit of challenge” that resonated with overseas companies who have joined us through M&A—and we have these accomplishments as a springboard to aggressively expand our business.

I have performed various duties other than those related to human resources, with a particularly long post in the electronic materials business. Through my time in business planning, the operation of overseas manufacturing bases, and sales,

among other areas, I gained experience in overcoming many challenges by working together with diverse teams of colleagues to rapidly respond to market expansion and meet customer requests to the greatest extent possible. Everyone’s individuality truly stood out, and I would say that the more difficult the challenge, the stronger our bond became. I am sure that I would have felt the same sense of challenge that comes from working together with colleagues even if I had been involved in other areas of business.

When I talk to people outside the company, I often hear them say, “Asahi Kasei has a strong frontline presence.” I feel this comment refers to the fact that our frontline people think and act with initiative rather than waiting for instructions from above, as well as that senior management listens carefully to them when making decisions. It is precisely because of our frontline strengths, that is, by combining the power of individuals and using it to improve teamwork, that we have been able to respond quickly to changes in the business environment, and rapidly and effectively take on challenges in new business fields.

Discovering the future through lifelong growth and co-creativity of diverse individuals

As the underlying business and working environments undergo major changes, the key to our further development is whether we can demonstrate Asahi Kasei’s heritage and respond appropriately to such changes, and I believe that is the essence of our human resource strategies. The challenges and risks that companies face are becoming more complex and multifaceted, and companies are being called upon not only to face the realities on the ground head on, but also to respond in a way that takes into account a variety of perspectives, such as the SDGs and ESG. Given such circumstances, there is a danger that companies will become less ambitious out of fear of risk. A few years ago, when we had a company-wide discussion about the ideals of our human resources, it was pointed out that of Asahi Kasei’s values of “sincerity,” “challenge,” and “creativity,” the spirit of challenge was fading. Therefore, in our current MTP focused on the theme “Be a Trailblazer,” we included the term “A-Spirit” to reawaken the spirit of taking on challenges that is woven into our heritage. In addition, the values and behavior we expect from our employees have been redefined to reflect the new business environment and outlook on work: “lifelong growth and the co-creativity of diverse individuals.”

The term “lifelong growth” was coined with an awareness of how it dovetails with “lifetime employment.” Our goal is to evolve the static “employer-employee” relationship between the company and its personnel into an active relationship where the company supports the autonomous growth of its personnel and the company itself grows as its personnel grow, thereby creating a win-win relationship in this new era.

Our diverse business operations give us access to a wide variety of technologies and markets. In addition, the proportion of overseas markets and human resources has risen significantly, and the number of mid-career hires in Japan has increased dramatically. To be able to quickly seize opportunities while minimizing risks at each workplace, and to continue to generate innovations that address new social issues, we must maximize the potential of this diversity and apply it to our business.

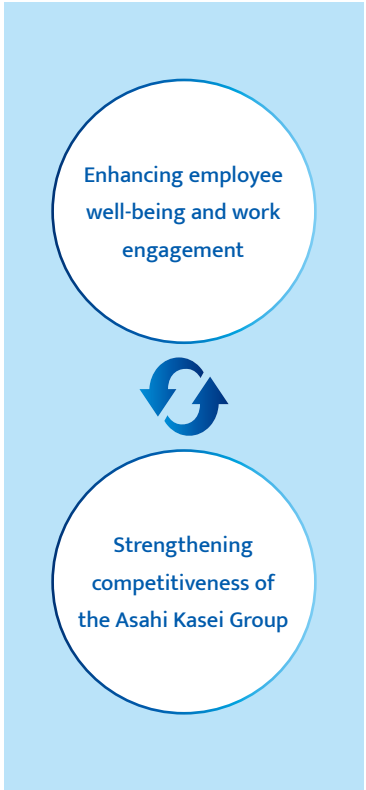
To that end, we are boldly and steadily pushing ahead with diversity in attributes such as nationality and gender while working closely with our frontline personnel to implement a variety of measures to strengthen “co-creativity” that connects and sparks chemistry among qualitatively diverse human resources.

# Human resource strategies for corporate value enhancement

Our “A-Spirit,” the heritage of Asahi Kasei passed on for generations, is the source of our transformative power, which is essential for driving our value creation. In order to reawaken the “A-Spirit,” our human resource strategies are based on “lifelong growth,” where each individual seeks out challenges and autonomous growth, and “co-creativity,” which encourages diversity.

“A-Spirit”			Ambitious motivation	Healthy sense of urgency	Quick decisions	Spirit of advancement
Human resource strategies		Main personnel initiatives		KPIs and FY2023 results*		
<b>Lifelong growth</b> <a href="#">P.63</a> ▶  We encourage each employee to take on new challenges and develop their own careers, and we work to strengthen our management capabilities to make the most of our ambitious human resources.	Autonomous career development and realization of growth	<ul style="list-style-type: none"><li>Autonomous learning platform “CLAP”</li><li>Open position posting system</li><li>Promotion of active participation of senior personnel, extension of retirement age</li><li>Enhancement of career development programs</li></ul>		Action driving growth (KSA survey score) ..... 3.72 Amount invested in human resource development ..... <a href="#">Results are available here</a> ▶ Number of open position posting transfers ..... Total of approximately 500 employees		
	Improvement of management capabilities to draw out the strengths of individuals and teams	<ul style="list-style-type: none"><li>Cultivation of executives and next-generation leaders</li><li>Development of managerial staff</li><li>Executive remuneration linked to Human Resource KPIs</li><li>Organizational development activities at individual workplaces</li></ul>		Group Executive succession preparation rate ..... 260% Workplace dialogue implementation rate ..... 73.9%		
<b>Co-creativity</b> <a href="#">P.64–65</a> ▶  We have positioned diversity, equity & inclusion (DE&I) as one of our management strategies, and we are promoting the development and utilization of diverse human resources from the perspective of “expanding” and “connecting” diversity.	Expanding diversity	<ul style="list-style-type: none"><li>Nurturing of professional human resources as “Group Masters”</li><li>Promotion of active participation of women</li><li>Cultivation of digital professional human resources <a href="#">P.71</a> ▶</li><li>Strengthening of mid-career recruitment</li><li>Flexible workstyles not bound by time and place</li><li>Acquisition of human resources through overseas M&amp;A</li></ul>		Number of Group Masters ..... 347 Percentage of women in the total number of managers and the Group Masters program ..... 4.4% Number of women working as managers ..... 313 Number of digital professional human resources ..... <a href="#">P.95</a> ▶ Mid-career hiring rate ..... 45%		
	Connecting diversity	<ul style="list-style-type: none"><li>Personnel transfers across business sectors</li><li>Visualization of human resources “CaMP”</li><li>Employee (expert) recommendation system</li><li>Active recruitment of outstanding overseas human resources</li></ul>		Number of personnel transfers across business sectors ..... Total of approximately 370 employees Diversity and psychological safety score (according to KSA survey) <ul style="list-style-type: none"><li>Diversity ..... 3.97</li><li>Psychological safety ..... 3.65</li></ul>		

\* Results for employees of Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd., except for the number of digital professional human resources, which applies to all employees globally.



# “Lifelong Growth” to take challenges for structural transformation and growth

To transform our business portfolio, which is the foundation of our value creation, it is essential that we create an environment that fosters human resources that are driven to grow and take on challenges, and that we utilize them in our business. By working toward lifelong growth from two perspectives—individual strength and team strength—we will enhance the corporate value of Asahi Kasei.

## Supporting autonomous growth and career development

### Reform of learning methods: expansion of online learning platforms

We are currently taking on the challenge of reforming our methods of learning. Under the concept of learning together, we are supporting our employees’ autonomous growth and career development by taking advantage of the open atmosphere that is unique to Asahi Kasei. It is said that Gen-Z employees, born between the late 1990s and the early 2010s, are characterized by their diversified career views and increasing anxiety about their careers due to sudden changes in the environment such as COVID-19. In June 2023, we opened Co-Learning Adventure Place (CLAP), an online autonomous learning platform, to support young employees in their autonomous career development. By having employees of the same generation interact through learning, younger employees have more time to study and less anxiety about their careers. We will continue to utilize the knowledge we have gained from this initiative to further reform the way we learn.

#### What is CLAP?

Co-Learning Adventure Place (CLAP) is an online autonomous learning platform that we introduced in 2022 to approximately 20,000 domestic employees. Users of the platform can choose the type of learning they need for their own expertise and career development from more than 10,000 content items from both inside and outside the company.



### Expanding our open position posting system

To enable employees to autonomously develop their careers and grow, we have adopted an open position posting system that allows employees to take on new job challenges. Since introducing the system in fiscal 2003, a total of approximately 500 employees have voluntarily transferred across departments to take on new challenges in new environments. We plan to further improve the content of this program, for example by expanding the scope of in-house concurrent work, which allows employees to gain experience working in a department other than their own for a certain period of time.

## Building organizations that promote vitality and growth, and improving management skills

### Building organizations that promote vitality and growth

In organization building, we focus on visualizing the status of individuals and the organization to encourage effective PDCA management and bring out the best in teams. Once a year, we conduct KSA, a work engagement survey assessing employee empowerment and growth, to monitor “supervisor–subordinate relationships and workplace environments,” “employee empowerment,” and “action driving growth.” Notably, “action driving growth” refers to independent learning behavior and behavior that contributes to the organization, which is the foundation of Asahi Kasei’s traditional team strength, and it has been set as a major human resource KPI.

#### Fiscal 2023 Results

Action driving growth (5-point scale from 1 to 5):  
**3.72** (3.71 in FY2022, 3.69 in FY2021)  
▶ About 70% of employees responded that they are taking actions conducive to growth.

### Workplace dialogue as a source of vitality and growth

As an initiative unique to Asahi Kasei, which places importance on the capabilities of on-site personnel, we promote “workplace dialogue” in which each organization discusses its own challenges, what it aims to become, and initiatives going forward. An analysis of our internal data has shown that the quality of workplace dialogue and the quality of actions for improvement influence employee work engagement and empowerment. We view attentive listening as a fundamental management skill that improves the quality of these activities, and we work to strengthen this ability through measures such as hand-raising facilitation classes, one-on-one classes, and coaching. Courses in coaching were first offered to executives in fiscal 2017 and are now available to all those eligible for the newly appointed general managers training program.

#### Fiscal 2023 Results

Workplace dialogue implementation rate: **73.9%**,  
**51.9%** of dialogue participants initiated actions for improvement

### Systematic training of executives

In parallel with our activities to improve on-site capabilities, we are also working to cultivate and acquire executive management personnel, who are key to organizational management. Since fiscal 2017, we have been implementing training program to strengthen leadership and teamwork in order to promote the development of next-generation leader candidates. Candidates are selected from among general managers and division heads, and several people enter these training programs each year and are promoted to Group Executive\* positions.

#### Fiscal 2023 Results

Group Executive succession preparation rate:  
**260%**  
**91** candidates selected for 35 Group Executive posts

\* Group Executives are appointed by resolution of the Board of Directors from among Executive Officers as individuals with responsibility and authority for improving the corporate value of the Asahi Kasei Group as a whole. Specifically, Group Executives include Lead Executive Officers and above at Asahi Kasei Corporation and Executive Officers at equivalent positions in core operating companies.

# Enhancing “Co-creativity” by leveraging diversity

Our greatest strength in terms of value creation is the diversity of our intangible assets, including the technologies, human resources, and market contacts we obtain in our three business sectors. We will expand this diversity, encourage connections, and thereby foster strong chemistry which drives the transformation of our business portfolio to increase corporate value.

## Enhancing professional human resources

### Personnel with doctoral degrees

As of April 2024, Asahi Kasei has 373 personnel with doctoral degrees, mainly in technical fields, working in a variety of positions, not only in R&D but also in business planning, technical services, and human resources. They contribute to business advancement by utilizing their specialized knowledge as well as their universal abilities and behavioral characteristics, such as logical thinking skills cultivated in doctoral courses, the ability to carry out fundamental research, advanced language skills, and the ability to encourage engagement. For example, technical doctoral human resources who work in HR departments make use of their high level of expertise in many different ways by recruiting talent and helping to find outstanding talent who can lead to value creation.

### Mid-career recruitment

Amid dramatic changes in the business environment, it is extremely important for a company like ours that engages in many different businesses to be organizationally alert to and able to quickly pick up on business opportunities. Based on this understanding, we actively recruit human resources with diverse experience and backgrounds.

#### Fiscal 2023 Results

Mid-career hires (mid-career hire rate): **362** (45%)  
Percentage of managerial positions held by full-time employees\* in Japan: **16.3%**

\* Full-time employees at Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, and Asahi Kasei Medical

### Personnel transfers across sectors and talent management system to visualize human resources

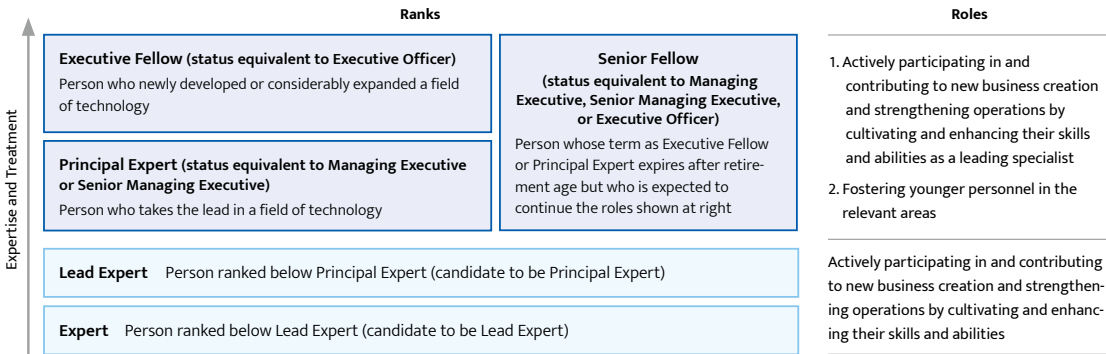
We actively transfer personnel across business sectors to enhance co-creativity. In 2023, approximately 370 employees were transferred, excluding transfers resulting from organizational changes and the like. To further advance these efforts, we have introduced Career Management Place, or CaMP, a talent management system that visualizes human resources and centrally manages information on employee careers, expertise, and other details. Going forward, we will continue to utilize CaMP to ensure appropriate allocation and training of human resources to leverage co-creativity through interaction among diverse human resources.

### Expanding the Group Masters program

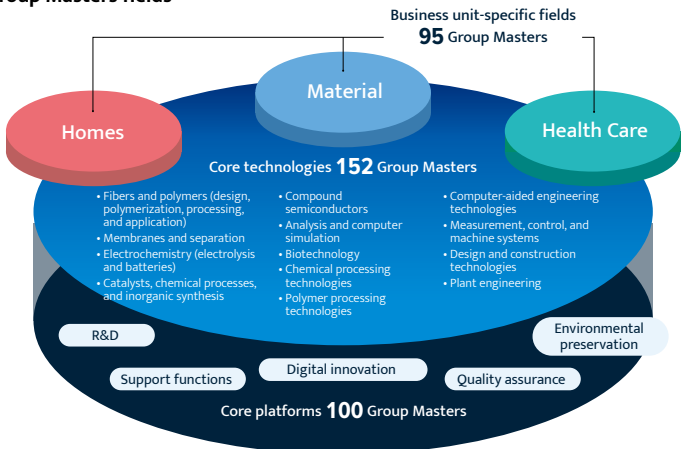
For Asahi Kasei, which has a diverse range of businesses, the development and acquisition of many experts in fields such as technology, marketing, sales, manufacturing, environmental protection, and intellectual property will lead to effective synergies

that will accelerate the creation of new businesses and the strengthening of existing businesses. Under the Group Masters program, we appoint, train, and treat as Group Masters human resources who are expected to not only deepen and demonstrate their own expertise but also contribute to a sector’s business, including nurturing the next generation of professionals. In this way, we build a pool of highly specialized human resources who are useful both inside and outside the company. The program originally started with R&D specialists in our Material sector, but now it includes highly specialized human resources in each of our three business sectors and in recent years has expanded to include clerical departments such as marketing. We will continue to review and enhance our areas of expertise every year in line with our business policies. The number of Group Masters, which we are closely monitoring as a major KPI, has steadily increased since the program began, reaching 347 in fiscal 2023, with a target of 360 in fiscal 2024.

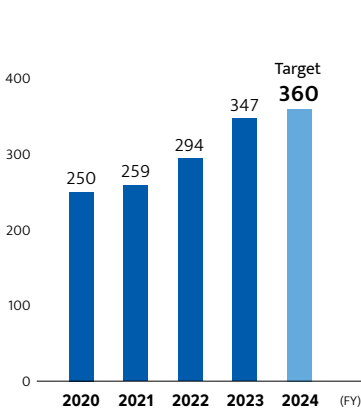
#### Group Master ranks and roles



#### Group Masters fields



#### Number of Group Masters



Pleasant and rewarding workplaces

Active participation of women

We believe that promoting women's participation in the workplace leads to the utilization of diverse human resources regardless of attributes such as gender or age. As such, we are working to create an environment in which it is easy for women to continue working as an important element of DE&I. Starting from fiscal 2022, we set a goal of increasing the percentage of women in management positions with leadership responsibilities and Group Master positions to more than 10% by fiscal 2030 as a KPI for measuring the performance of diverse human resources. As of June 2023, the percentage of women (number of women) in the total number of managers and the Group Masters program was 3.9% (309 women), and this figure increased to 4.4% (351 women) in June 2024.

As a means to continuously foster female leaders, we are implementing various initiatives to build a pool of candidates. Our mentor program, which provides newly appointed female managers with opportunities to proactively consider their career development together with superiors who do not report directly to them, has been participated in by a total of 132 women since we launched the initiative in 2013. We also hold roundtable discussions between female executives and managers to encourage female managers to aspire to further autonomous growth, broaden their perspectives, and change their mindset and behavior to take on future challenges and succeed.

A culture where diverse human resources thrive further

Given that understanding and cooperation in the workplace are important for leveraging the diversity of each employee, and to harness this diversity for organizational strength, we are working to promote employee understanding of diversity and to improve psychological safety.

1. Engagement monitoring

We use the KSA employee engagement survey to monitor the understanding of diversity and the permeation of psychological safety in the workplace. Diversity is measured in terms of whether the opinions of people from all standpoints are respected, and psychological safety is measured in terms of whether people feel comfortable discussing their concerns and differences of opinion and asking for help.

KSA diversity and psychological safety score (out of 5)				
	2020	2021	2022	2023
Diversity	3.87	3.91	3.95	3.97
Psychological safety	3.60	3.62	3.64	3.65

2. Unconscious bias training for executives and managers

Considering that for improving psychological safety in the workplace it is important to be aware of, and learn how to control, the unconscious biases inherent in every individual, we have implemented unconscious bias training for executives and managers since fiscal 2023. In fiscal 2024, the program will be expanded to include all section managers, with the aim of further enhancing psychological safety in the workplace and cultivating managers who can appropriately support employee success.

3. Partial Role Models

As a measure to support diverse working styles and career development, we launched a “Partial Role Model” intranet site, which introduces diverse human resources active within the company, such as female managers and men taking childcare leave. By introducing a variety of role models, the aim is to help employees with various lifestyles and career aspirations to visualize their medium- to long-term career development and increase their motivation to take on the challenge of career advancement.

Global human resources

As our overseas business expands, the ratio of overseas employees has increased to more than 40%, and the active participation of overseas human resources is essential to our value creation efforts. We are expanding the promotion of locally hired human resources to key positions at our overseas bases and nurturing outstanding human resources who can contribute to the entire Asahi Kasei Group.

In the United States, we have established a two-year program to develop the next generation of leaders. Under the program, candidates engage in a variety of endeavors, including global networks of personal connections and holding discussions with headquarters management.

In addition, we are actively promoting talented human resources who joined the company through overseas M&A to important positions and encouraging them to participate in group-wide management. As of March 31, 2024, Asahi Kasei Corp. has six non-Japanese Executive Officers.

Discussing “A-Spirit” with overseas colleagues

As a result of proactive overseas M&A in recent years, many overseas human resources have joined our organization, which presents a challenge in sharing our strengths and corporate culture and promoting increased engagement. In December 2023, we held an online event called “Asahi Kasei is...” for employees from around the world, asking participants “What is Asahi Kasei?” and providing them with the opportunity to contemplate this question. The event was a great opportunity to realize that even though our colleagues are of different nationalities and work in different businesses, we all share Asahi Kasei’s value creation and challenging spirit.



“Asahi Kasei is...” online event  
The event was viewed by over 4,000 employees from 29 countries and regions around the world, more than 30% of whom were outside Japan.

Note: In its [corporate governance report](#), Asahi Kasei has stated its commitment to promoting women, non-Japanese personnel, and mid-career recruits to key positions. For information on initiatives and various data pertaining to the recruitment of people with disabilities, please refer to our [sustainability report](#).