

October 31, 2025

New Personnel System Introduced to Improve Employees' Engagement

Kumiai Chemical Industry Co., Ltd. will introduce a new personnel system from November 2025.

We consider human capital as the most critical factor for the sustainable growth of the company. In the Medium-Term Business Plan KUMI STORY 2026 (FY2024-FY2026), we have positioned “human capital development / human capital strategy based on the idea of human capital” as one of our key policies and have been advancing various initiatives. The introduction of the new system is a core measure among these initiatives. We aim to enhance employees’ sense of accomplishment and engagement by creating an environment that supports each employee’s challenges and by appropriately evaluating their efforts and achievements.



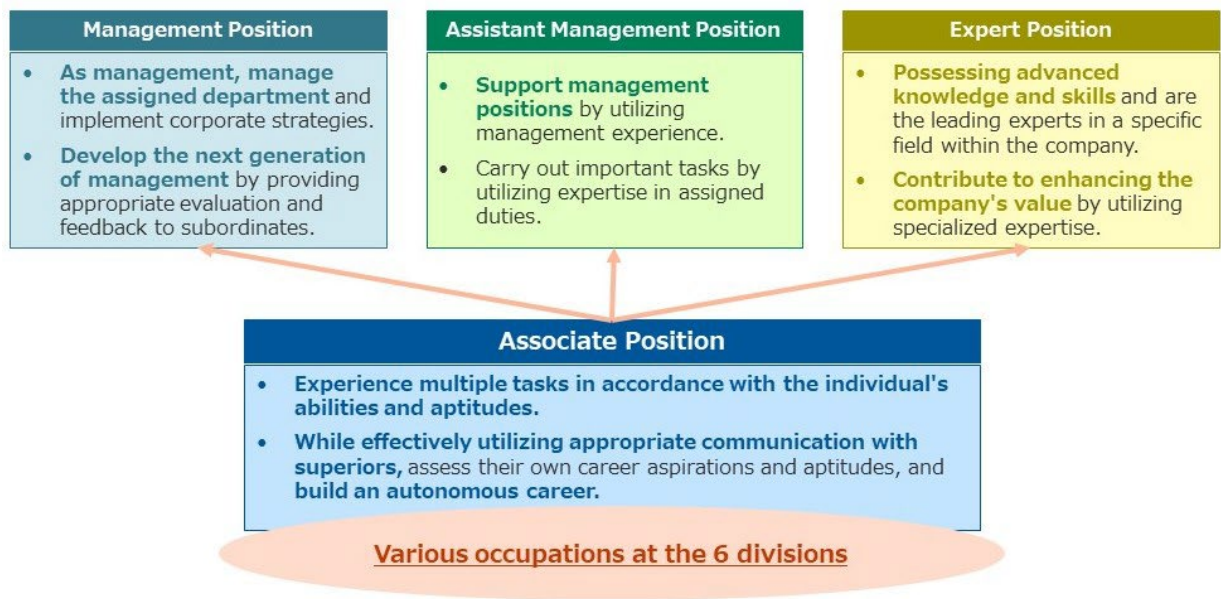
Overview of the New Personnel System

Grading System	- We will create an environment where diverse talents can thrive by introducing role-based grades at the management level and diversifying career paths. - We will support the activities of the specialized personnel who drive our core business by establishing a course that allows them to advance their careers as professionals. - We will clarify grade definitions by grouping the number of grades into broader categories for non-management level and change the system to allow talented employees to be promoted to higher grades earlier. - We will introduce a Regionally Limited Employee System to achieve highly flexible working styles that suit the individual circumstances of employees.
Compensation System	- Basic salary is determined based on ability and role, regardless of age or years of service, and a salary raise is made based on the level of contribution. - We will introduce a system to determine the bonus fund in line with the company's performance, ensuring that the company's growth can be steadily returned to employees. - We aim to raise the monthly salary to enhance the stability of treatment by transferring a portion of the bonus fund to the basic salary. - We will expand the differentiation in bonuses based on employees’ contributions.
Evaluation System	- The evaluation system consists of performance evaluation and behavioral evaluation, enabling a balanced evaluation of both the results and the process of work. - In performance evaluations, employees who take on challenging goals will be highly evaluated. - Through behavioral evaluations, employees who practice our company’s code of conduct will be highly evaluated. - We will achieve transparent and fair personnel evaluations by conducting detailed progress management and feedback through quarterly interviews, and clarifying the evaluation and adjustment processes.

Key Points of the New Personnel System

1. Diversification of Career Paths for Management Level

We create an environment where diverse talents can thrive by diversifying the career paths at the management level. In particular, we support the activities of specialized personnel who drive the core business of our research and development-oriented company by establishing expert positions at the management level that allow them to advance their careers as professionals. Experts will receive treatment equivalent to that of managers based on their level of expertise.



2. Regionally Limited Employee System to Achieve Highly Flexible Work Styles

- We introduce a Regionally Limited Employee System and establish three course categories: Global (G), Block (B), and Regional (R), based on the presence or absence of transfers and their scope.
- The Global (G) is a course with no restriction on work location. The Block (B) is a course in which employees work only within a specific regional block. The Regional (R) is a course that employees work only at a specific work location without relocation.
- Employees select their course category after gaining a certain level of experience following their joining the company. It is possible to change courses even in the middle of their career, enabling highly flexible work styles that suit the individual circumstances of employees.

3. A Personnel Treatment System that Encourages Challenges

- In the performance evaluation, employees who take on challenging goals are evaluated more highly, and "challenge" is included as one of the criteria in the behavior evaluation. This allows for the evaluation of challenges in both the results and the processes of work.
- If an employee's challenge is recognized and they receive a high evaluation, they can be

promoted to a higher grade at an early stage. (Regardless of age and years of service)

- Basic salary is determined based on ability and role. Furthermore, by varying the amount of salary raises and bonus amounts based on employees' contributions to reward their challenges.

***Dreams and Triangle for Happiness**



Our group's slogan is “Dreams and Triangle for Happiness.” We aspire to create a stream in which each individual has dreams and then works to achieve them, and where satisfaction can be experienced through accomplishment, resulting in happiness. To create a system such that the human capital of the “Desirable human capital” can gather in our group, achieve growth through their work, and work sustainably with a sense of accomplishment and job satisfaction. We have formulated a vision for the human capital strategy whose essence is expressed by the slogan “Dreams and Triangle for Happiness.”

<Inquiry for this press release>

Kumiai Chemical Industry Co., Ltd.

Customer Inquiry Form (<https://www.kumiai-chem.co.jp/english/contact.html>)