

## Personnel Strategy toward Becoming A “Top Japanese Pharmaceutical Company”

December 19, 2011 - Chugai Pharmaceutical Co., Ltd. (Head office: Chuo-ku, Tokyo, President and CEO: Osamu Nagayama) (hereafter “Chugai”) announced today that it will implement from January 2012, a new personnel strategy to cope with changes in business environments flexibly and quickly toward becoming a “top Japanese pharmaceutical company.”.

Under the mission of “dedicating itself to adding exceptional value through the creation of innovative medical products and services for the benefit of the medical community and human health around the world,” Chugai has set an ideal image of a top Japanese pharmaceutical company, and it has been working through various innovative changes for realizing such image. Among others, for becoming a top Japanese pharmaceutical company, Chugai thinks that one of the most important key strategies is how it manages “human resources,” and it has sought a new personnel strategy. Accordingly, Chugai will kick the following personnel strategy into gear in January 2012. (Chart 1)

1. “Build a talent management system” which may promote human resource development according to capability and aptitude of our individual employee
2. “Promote a diversity management” which may enable to bring out and utilize various human resources
3. “Improve the human resource management system” which may be the ground for achieving the above goals

### **1. Build a talent management system**

Aiming to become a top Japanese pharmaceutical company, for the purpose of supporting to foster leaders and core staffs in the next generation as well as improving company-wide human resources and enhancing their motivation, Chugai will build a new talent management system for achieving the following goals:

- (1) Formulate and implement a human resource development plan according to capability and aptitude of our individual employee (Chart 2 and 3)
  - All employees voluntarily report their business experiences and future career plan to their supervisors and after discussion between the employees and their supervisors,, supervisors formulate a human resource development plan according to capability and aptitude of each of them.
  - For the purpose of developing capabilities to fulfill expected roles, implement new training programs which are classified into company-wide, department and self-development categories.

- (2) Build and operate a talent pooling system (evaluation – screening – development – assignment) and formulate and implement a succession plan (Chart 4)
- Build a talent pool which will serve as a resource for candidates of subsequent leaders so as to implement well-planned human resource development program including early selection and strategic assignment of younger generation as well as training for selected staffs.
  - Select prospective candidates from the talent pool and foster them as leaders in the next generation

## 2. Promote diversity management

Chugai has focused on the “promotion of the diversity management” as one of its key management topics, under which employees with various senses of values coming from varying backgrounds such as gender, age or nationality, can work lively for creating new values. For addressing these issues, Chugai will establish the Diversity Office in the Human Resources Department and assign dedicated staffs as of January 1, 2012. The Diversity Office will take the strong initiative in developing a corporate culture which accepts diversity and producing working environment in which all of our employees can play important roles, which enables us to ensure our competitive advantage remain strong.

There are many issues to be addressed related to the diversity management, including utilization of foreign employees and elderly people. Chugai will start by working through gender issues that also relates to work-life balance of our employees.

### <Ideal images of gender diversity management and action plans>

Ideal images	Action plans
Both men and women can work for long periods, not to retire due to life events.	<ul style="list-style-type: none"> <li>• Implement and improve certain life-event related programs</li> <li>• Implement a flexible work system</li> <li>• Build a network for raising children and nursing care</li> </ul>
Increases in women who would like to work at the level involved in decision-making and in leadership position	<ul style="list-style-type: none"> <li>• Hold women’s forum</li> <li>• Introduce female employees who may become a role model</li> <li>• Build a network</li> </ul>
The feeling of accepting diversity takes root in the office and both men and women enhance their job satisfaction and have fulfilling lives.	<ul style="list-style-type: none"> <li>• Educational trainings to the manager level</li> <li>• Support male employees to participate in their life events</li> <li>• Reduce extra-hour workloads</li> <li>• Distribute booklets</li> </ul>

## 3. Improve the human resource management system

Based on the previous policies of valuing job accountability and performance, Chugai will streamline its human resource management system to a simpler framework and develop a

system which may serve as a basis for building the talent management system and promoting the diversity management, which enables to select prospective staffs earlier. In addition, by implementing flexible human resource management focusing on the enhancement of independence and self-management of supervisors and their staffs, we will promote fostering of human resources and career developments so that our employees with various talents may become more active.

Chugai will continue to provide each of our motivated employees with good opportunities to exercise their abilities to a maximum extent, with the aim of becoming a top Japanese pharmaceutical company.

<Appendix: Personnel Strategy toward Becoming a “Top Japanese Pharmaceutical Company”>

Chart 1:

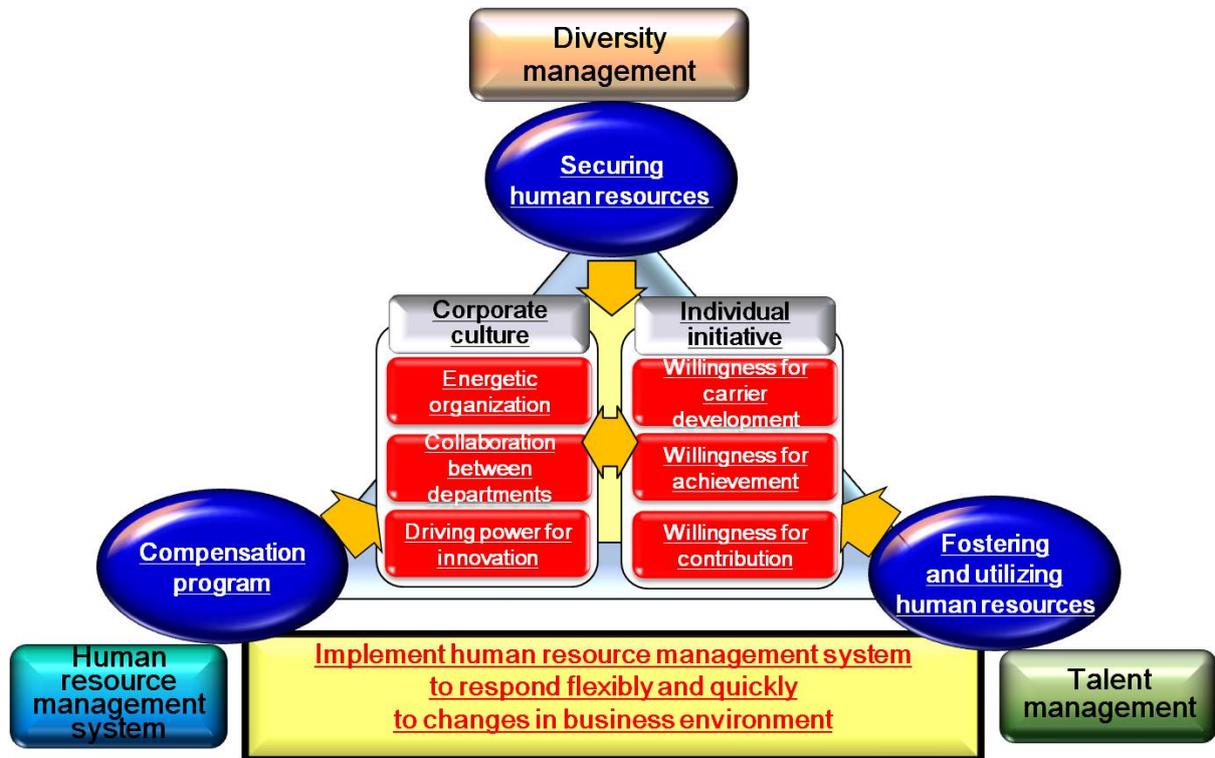


Chart 2

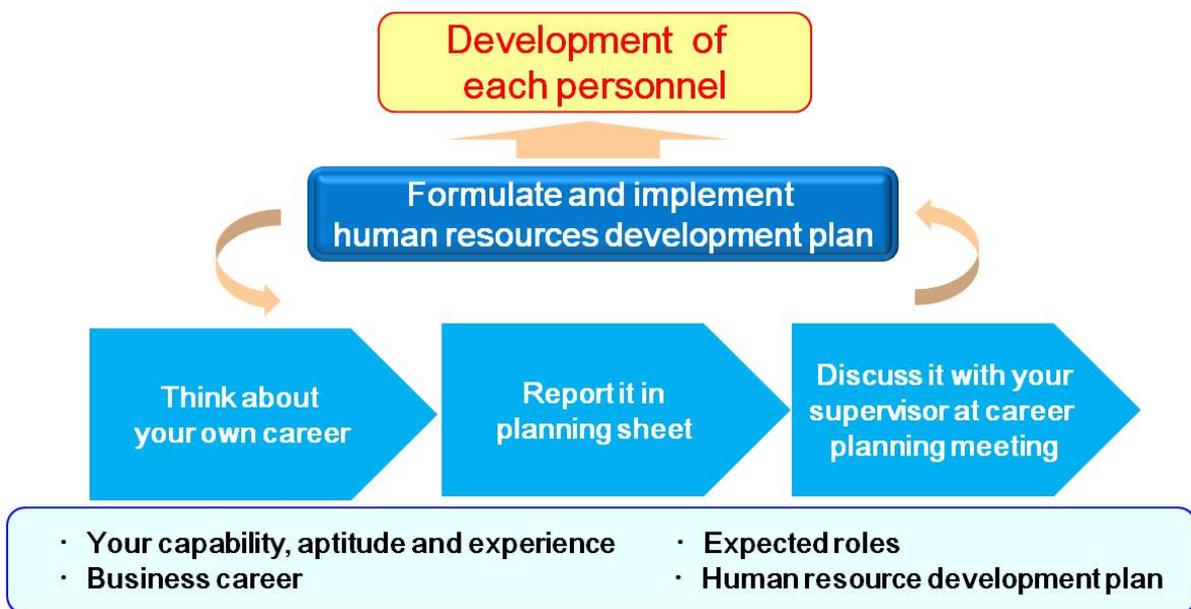


Chart 3

Employees eligible for training	Common program for all employees		Departmental program	Self-development SIP*
	Mandatory	Screening/Selection	Screening/Selection	Selection
According to expected roles	Training for new heads of basic organizations	<p>A program to enhance leadership</p> <p>A program to enhance skills and competencies required for pursuing expected roles</p> <ul style="list-style-type: none"> <li>• Conceptual</li> <li>• Human interaction</li> <li>• Technical</li> <li>• English skill</li> </ul>	<p>Training for strengthening expertise</p> <p>English training</p>	<p>Enhancement and strengthening of basic capability</p> <p>Recommended SIP for promotion assessment</p> <p>3-year training package for new recruits</p> <p>Additional options</p> <p>Language skill</p>
	Training for managers			
	Training for new managers			
	Training after promotion			
	3-year training package for new recruits			

\*SIP : Self Innovation Program

Chart 4

