

June 13, 2013

Action Declaration of Corporate Executives to Promote Diversity and Inclusion
in Recruitment, Development, and Deployment of Human Resources, Aimed at
Economic Growth

—To Attract Excellent Human Resources from around the World—

(Summary Translation)

Keizai Doyukai

(Japan Association of Corporate Executives)

Action Declaration of Corporate Executives

To reinforce international competitiveness, which is essential for the growth of any business, the utmost priority must be placed on enhancing the attractiveness of individual companies so that they can act as a magnet for excellent human resources from around the world, irrespective of gender, age, nationality, etc. To this end, businesses must take a flexible and multifaceted approach (preparation of multiple tracks and functions) in recruiting, developing, and making the best use of people with diverse abilities. Following the issuance of the "Action Declaration for the Appointment of Female Managers and Executives," to achieve true diversity from a global perspective, we, corporate executives, hereby declare to adopt the following actions:

1. We are determined to instill our respective core global visions in individuals in various regions in the world and seek to obtain their understanding and empathy for our inherent corporate values, in other words the unique DNA of our member companies. We are also determined to exert our leadership in building adequate corporate governance systems in consideration of the differences in stages of development of countries, markets, industries, and human resource markets.
2. In recruiting and employing new employees, we will clearly publicize our companies' employment and human resource management policies. At the same time, we will communicate the merits of working at our companies, and adopt flexible recruitment methods.
3. In fostering and evaluating employees, we will adhere to a performance-based merit system and enhance the fairness and transparency of the system to achieve global standards. We will take full responsibility for human resource development and select and foster candidates to become next-generation leaders irrespective of their gender,

age, and nationality. We will also deploy employees more efficiently by putting the right person in the right location through such means as a global posting system.

4. To invigorate our own organizations, we will voluntarily prepare succession plans that may lead to open competition for the posts we currently assume, and which ultimately promote cultivation of our successors.
5. As members of Keizai Doyukai (the Japan Association of Corporate Executives), we maintain a lofty vision on management strategy, and cultivate in ourselves, as well as in our employees, the awareness that promoting diversity in human resources is an essential management strategy.

Proactive Action Plan to Reinforce Global Competitiveness

1. Determination: Companies will establish and promote their respective core global visions to communicate their corporate values and judgment criteria, and to gain local people's understanding of, and empathy for these values and criteria. At the same time, each company will thoroughly empower and transfer authority to leaders of a local company in accordance with the respective stages of development in the external environment and internal operations of the local company, while promoting thorough corporate governance.
2. Recruitment: In recruiting and employing new employees, individual companies will clearly publicize their employment and human resource management policies, philosophies, and the merits of working at these companies. At the same time, companies will adopt and clearly publicize flexible, multi-track recruitment methods, as well as flexible payment systems.
3. Human Resource Development: Each respective company will promote the "visualization" of its personnel system by offering definite information on the type of human resources desired, and prepare and clearly indicate training programs toward building a pool of such human resources. Moreover, companies will radically reinforce programs to select and develop potential future leaders through fair and transparent evaluation methods, and disclose information on such programs.
4. Evaluation: Each respective company will establish a merit-and-performance-based global evaluation and remuneration system, and guarantee the fairness and transparency of the system. To put the right person in the right location, each company will adopt a post-based deployment system through the introduction of such means as a global job posting program. While the characteristics of the respective regions should be considered, the consistent operation of evaluation and remuneration systems should be sought in order to enhance their reliability.
5. Reshuffling: To invigorate decision-making boards, their members should be selected,

based on thorough consideration of the capabilities of candidates, irrespective of their gender, age, nationality, etc. This will ensure that excellent candidates, particularly younger ones, have the opportunity to be appointed as board members.

(references)

■ Creating Diversity on Decision-making Boards Appointing Female Managers and Executives to Strengthen Corporate Competitiveness (Summary) May 28, 2012

<http://www.doyukai.or.jp/en/policyproposals/2012/120528a.html>

■ Opening up of the country in terms of human resources aiming to establish global human resource markets toward the realization of economic growth October 5, 2012

<http://www.doyukai.or.jp/en/policyproposals/2012/121005a.html>

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