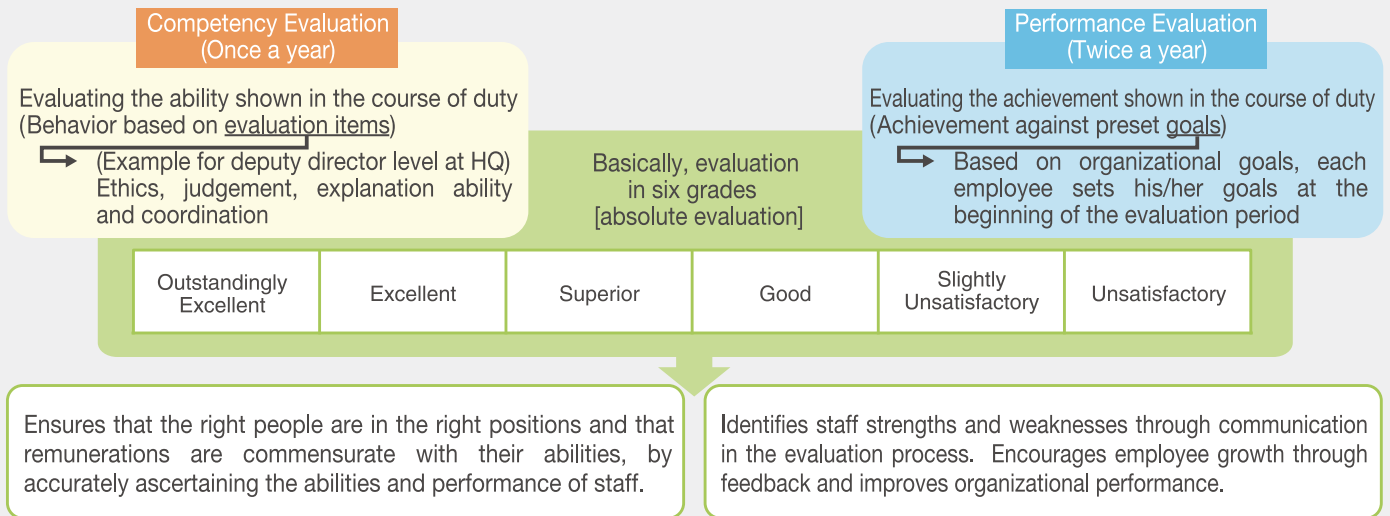


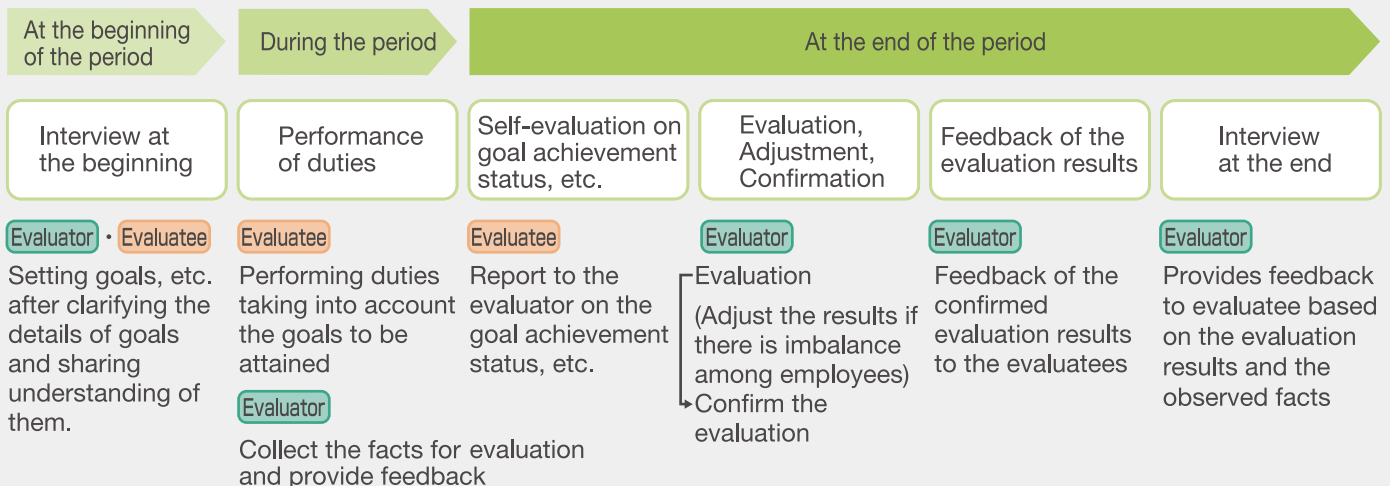
8 Personnel Management based on Ability and Performance ~ Utilization of Personnel Evaluation ~

The personnel evaluation system has been arranged to utilize the results of personnel evaluation for promotion, demotion, dismissal, etc. and remuneration (grade increase, pay step increase, diligence allowance (bonus), etc.) in order to ensure personnel management based on ability and performance, regardless of seniority and the type of recruitment examination the employees passed.

Basic Framework of Personnel Evaluation System



Flowchart of Personnel Evaluation (Basic Pattern)



Cycle for conducting personnel evaluations and utilizing evaluation results



Utilization for Pay Step Increase

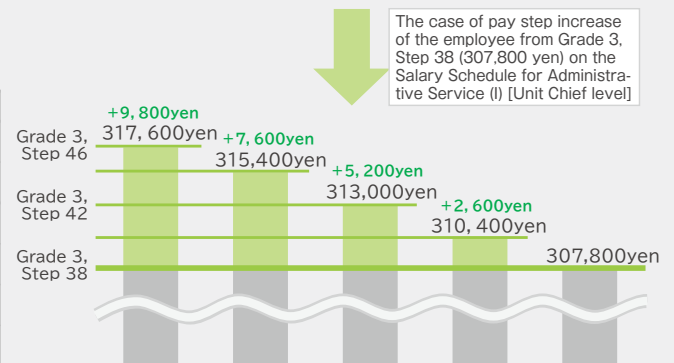
The rank of pay step increase is determined based on the personnel evaluation result for the past year. (Date of pay step increase: January 1)

※The number of pay steps increased and the upper limit of the ratio of employees who can be classified into each rank are those for the employees at Assistant Director level and Unit Chief level (not over the age of 55).

Personnel Evaluation (for the past year)	Competency Evaluation	Rank of pay step increase	A	B	C (average)	D	E
	+	Number of pay steps increased	8 steps or more	6 steps	4 steps	2 steps	No step increase
	Performance Evaluation (2 times)	Upper limit of the ratio of employees who can be classified into each rank	5%	20%			

The rank of pay step increase A and B is determined in sequence starting from employees in the superior groups. Employees are classified into such groups based on a combination of the results of competency evaluation and performance evaluation (2 times).

		Performance Evaluation (Two times, random order)										
		Outstandingly Excellent	Outstandingly Excellent	Excellent	Outstandingly Excellent	Excellent	Superior	Outstandingly Excellent	Excellent	Superior	Good	
		Outstandingly Excellent	Excellent		Superior			Good				
Competency Evaluation (One time)	Outstandingly Excellent	First Group			Second Group							
	Excellent											
	Superior											
	Good											



Utilization for Diligence Allowance (Bonus)

※For employees at the rank of Deputy Director level or below.
※Performance Coefficient is as of April 2025

Performance rank and performance coefficient are determined based on the result of performance evaluation in the previous period.

Performance rank (Performance coefficient)	Ratio of employees	Performance evaluation
Extremely Excellent (124/100 or above and 315/100 or less)	30% or more (among them, Extremely Excellent is 5% or more)	Excellent or above
Excellent (112.5/100 or above and 124/100 or less)		Superior or above
Good (Average) (101/100)	—	Good or above
Not Good (92.5/100 or less)	—	Slightly Unsatisfactory or below

※Upper limit of performance coefficient for performance rank of "Extremely Excellent" is raised (from FY2025)

Determined in the order of the higher result of performance evaluation

Utilization for Promotion

An appointer can promote an appropriate employee among those whose results of personnel evaluation (competency evaluation and performance evaluation) satisfy each condition in the following government position levels.

	Promotion to the position below Director level at HQ	Promotion to Director level at HQ	Promotion to Deputy Director-General level at HQ or above
Competency Evaluation	Results of two most recent evaluations One Superior or above	Results of two most recent evaluations One Excellent or above	Results of two most recent evaluations (in random order) One Excellent or above One Superior or above
Performance Evaluation	Results of four most recent evaluations One Superior or above	Results of four most recent evaluations One Superior or above	Results of four most recent evaluations One Excellent or above

※ Those with evaluations of Slightly unsatisfactory or Unsatisfactory cannot be promoted.
※ In the case of promotion to Unit Chief level, the above requirement is relaxed.

Utilization for Action on Change in Employee's Status (Demotion, Dismissal, and Pay Reduction)

If an employee obtains a grade of "unsatisfactory" in their overall rating of competency or performance evaluation or if his/her work performance is deemed unsatisfactory, and said employee's performance does not improve even when their supervisor has repeatedly given guidance, then actions on change in the employee's status shall be taken.

Note: In deciding whether the employee's work performance is deemed unsatisfactory, the factors to be considered include cases where their grade is "Slightly Unsatisfactory" in the overall rating of competency or performance evaluation.