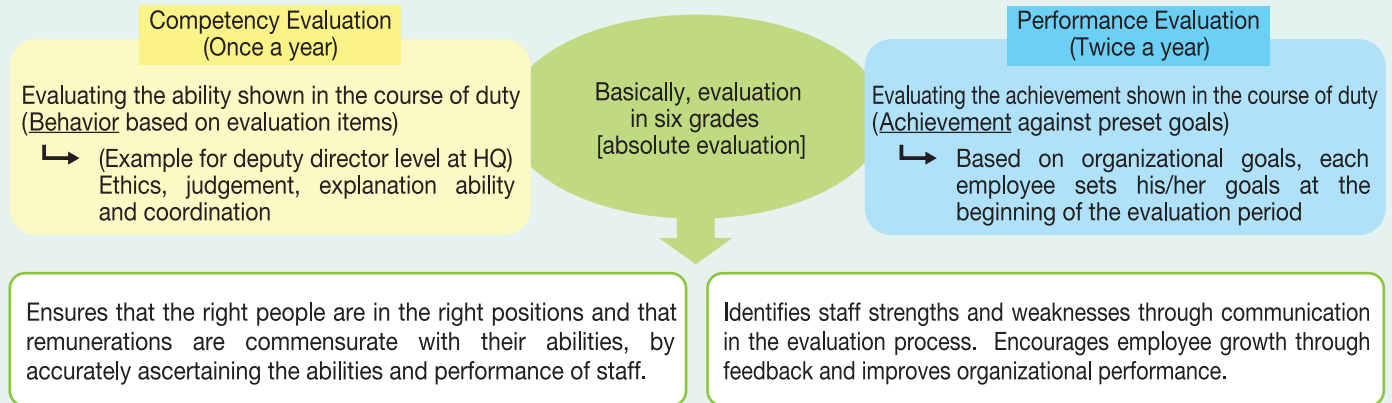
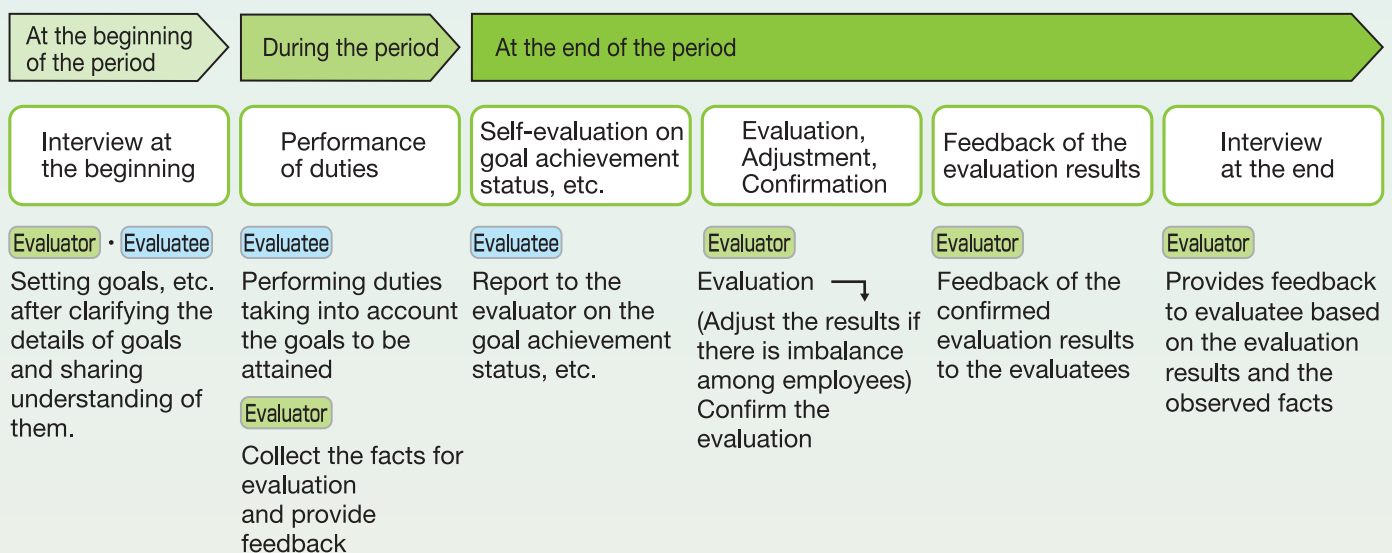


The personnel evaluation system has been arranged to utilize the results of personnel evaluation for promotion, demotion, dismissal, etc. and remuneration (grade increase, pay step increase, diligence allowance (bonus), etc.) in order to ensure personnel management based on ability and performance, regardless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

Basic Framework of Personnel Evaluation System



Flowchart of Personnel Evaluation (Basic Pattern)



Toward the Promotion of Human Resources Management based on Merit and Performance

From October 2022, to grasp the ability and performance of employees in a more detailed and accurate way, the grades of personnel evaluation have been basically subdivided from five to six levels. Based on the revision, the NPA has amended the system of promotion, grade increase, pay step increase, and others to appropriately reflect the six-graded results of personnel evaluation to appointment and remuneration.

Grades of personnel evaluation

Before Revision

S	A	B	C	D
Remarkably excellent	Exceeds ordinary	Average	Slightly unsatisfactory	Unsatisfactory by far

After Revision

Outstandingly excellent	Excellent	Superior	Good	Slightly unsatisfactory	Unsatisfactory
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Utilization of personnel evaluation results

Reflects the six-graded results of personnel evaluation in appointment and remuneration more appropriately

Utilization for Pay Step Increase

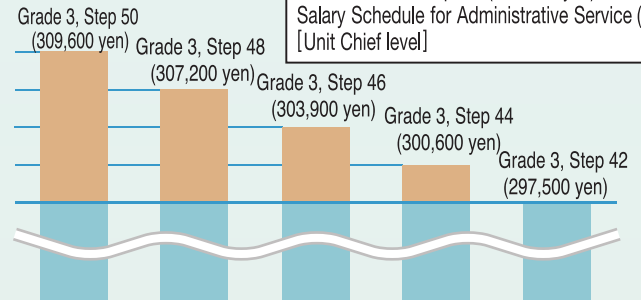
The rank of pay step increase is determined based on the personnel evaluation result for the past year. (Date of pay step increase: January 1)

※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).

The case of pay step increase of the employee from Grade 3, Step 42 (297,500 yen) on the Salary Schedule for Administrative Service (I) [Unit Chief level]



Pay step increase from January 2024

The combination required to be classified into the superior groups:

- Competency evaluation is Superior or above and
 - At least one of performance evaluation is Superior or above
- (For those in superior groups, the following conditions must be met to be classified into the highest group)
- One Outstandingly excellent evaluation and;
 - Two Excellent evaluations or above

Utilization for Diligence Allowance (Bonus)

※For employees at the rank of Deputy Director level or below.
※Performance Coefficient is as of April 2023

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 (119/100 or above and 200/100 or less)	5% or more	Excellent or above
Excellent (107.5/100 or above and less than 119/100)	25% or more	Superior or above
Good (Average) (96/100)	—	Good or above
Not Good (87.5/100 or less)	—	Slightly Unsatisfactory or below

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 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.

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: Cases where the employee's work performance is deemed unsatisfactory include those where their grade is "Slightly unsatisfactory" in the overall rating of competency or performance evaluation.