

Best Practices on Acceptance of Specified Skilled Workers in the Agricultural Field

Mitchan-kobo Co., Ltd.

– Introducing easy-to-understand personnel evaluations and making every effort to create a comfortable working environment –

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| <p>Basic information Location: Mashiki-machi, Kamimashiki-gun, Kumamoto Prefecture Mitchan-kobo Co., Ltd. Incorporated in 2015, and managed by three sisters. Cultivated area: 73 greenhouses (3.5 ha) Major crop: Baby leaf Employee composition: 12 Japanese + 6 foreigners (3 specified skilled workers (i) + 3 specified skilled workers (ii))</p> |  |
| <p>Characteristic initiatives</p> <ol style="list-style-type: none">(1) A five-day workweek system has been achieved, which is rare for an agricultural corporation. It is a workplace with many female workers, and the company is making every effort to create a workplace where they can work with peace of mind by enhancing benefits such as support for maternity leave and childcare leave.(2) A personnel evaluation system was introduced in 2022. For each task, the company clarified whether each worker is capable of performing it or not, and visualized the difference in merit pay. At the same time, it motivates employees by specifically showing their shortcomings. A specified skilled worker (ii) has been appointed as the factory manager to provide guidance to workers regardless of whether they are Japanese or foreign workers. | |
| <p>(1) Desire to make the company “another place where they belong”</p> <ol style="list-style-type: none">1) From around 2014, Japanese applicants stopped applying for our jobs, so we had a chronic labor shortage. At the recommendation of our tax accountant in charge, we considered hiring foreign workers. The previous president (father of the current president Ms. Mitsunaga) told us that if we cannot consider them just as our own children, we should not hire foreign workers, so after serious consideration, we decided to hire them. In recruiting them, we chose those who are honest and have a good-natured smile.2) In 2016, we accepted three women from Vietnam as technical intern trainees. We helped them in their personal lives, but we left the work site to the employees. Then, the Kumamoto Earthquake occurred, and when we told them that their parents must be worried, they said, “We cannot leave here. We want to work here.” We slept and ate together for about a month after the earthquake. We heard the voices of Japanese employees that “we want to work with them forever.”3) At present, there are six specified skilled workers who are former technical intern trainees of our company, and three of them are specified skilled workers (ii). There are also foreign workers who got married, gave birth, and work as a couple. We have been trying to make the company another place where they belong, and some foreign workers say that they want to work here for a long time, so we believe we have been able | |

to make it a place where they can work with peace of mind.

(2) Revisiting working styles to motivate foreign workers

- 1) We introduced a five-day workweek system in 2022, but foreign workers were strongly against it. We used to have only Sundays off, but foreign workers always slept at home, woke up in the evening, and went shopping. We wanted them to rest their bodies more, and we didn't feel it was healthy, as they are still young. We told them to give them a salary raise and have them take more rest, and they said, OK. The labor cost didn't increase consequently, and on the contrary, their work went smoothly.
- 2) We have workers who came to Japan at the age of 18 and have been working for 8 years. All of their youth was in Japan, but on Coming-of-Age Day, we prepared a kimono for them, and before COVID-19, we went on a training trip to Tokyo and had a karaoke tournament with them. We want them to not only work but also enjoy Japan.
- 3) In addition to support for maternity leave and childcare leave, we have also introduced childcare support allowances for employees who support employees who are raising children. In 2023, we received the Minister of Agriculture, Forestry and Fisheries Award in the Workstyle Reform category of the National Award for Excellent Management Entity. When we said, "thanks to everyone," the foreign workers responded that they had just done what they were supposed to do, so we held a dinner party to thank them for the award.

We feel that when we receive an award and interviews, it motivates our employees and improves their skills.



(3) Introduction of personnel evaluation system and career advancement

- 1) Salary is based on a monthly salary system, and the basic salary is 180,000 yen at the time of joining the company. At present, it is 200,000 yen for specified skilled workers (i) in their 3rd year and 230,000 yen for specified skilled workers (ii) in their 8th year (overtime pay is separately provided in both cases). We promise to raise the basic salary if we make a profit. We also offer merit pay, but in response to a question from foreign workers about why the amount varies among foreign workers, we introduced a personnel evaluation system in 2022.
- 2) The amount of money is set for each item, such as the amount if they know well about the work including seeding and harvesting and are able to perform it by themselves, or the amount if they can perform it by asking others how to do it. Based on the evaluation sheet, we meet with everyone and tell them what they should learn in order to increase their salary. It takes more than one hour per person, but they themselves seem to value that time.
- 3) We have allocated leaders in fields and a factory. In the factory, we appointed a specialized skilled worker (ii) as a leader, and the leader performs personnel evaluation, regardless of whether they are Japanese or foreign workers. She makes a very strict assessment, but she is lovely and reliable. In order for employees to work for a longer period of time, we support employees in taking the exam for Specified Skilled Worker (ii), and three employees have passed the exam.
- 4) Personnel evaluations are not conducted to judge employees, but to clarify what they are capable of and what they are not. By informing "let's work on this point" at

the interview, foreign workers can see themselves objectively. We believe the important thing is not to assess the salary but to notice what they are not capable of. They do really work hard the next year.

[Interview with a foreign worker]

(1) How long have you been working in Japan? Please tell us about your work.

→ I'm from Vietnam. I came to Japan four years ago. At first, I worked as a technical intern trainee in construction, but after I got married, I have been working together with my wife at Mitchan Kobo where my wife had been working. My parents are farmers in Vietnam, and I helped them grow rice and Japanese mustard spinach. Now I'm engaging in the tractor work, laying out mulch, and harvesting every day.



Mr. Ron.

(2) Did you get used to the work quickly?

→ Japan is very convenient because there are many tools and machines. It was difficult at the beginning, but as I studied, I began to understand gradually.

(3) How do you spend your days off?

→ On my days off, I play with my 2-year-old child. I also grow vegetables in a greenhouse in my field. I grow radish, cabbage, and spinach. I used to grow sweet potatoes and loofahs. Vegetables are expensive, so I grow them by myself. Food is delicious in Japan, but prices are high.

(4) How long do you plan to work in Japan?

→ The president and everyone are very kind and generous, so I enjoy every day. I want to continue working in Japan for a long time.