# Human Resources Strategy

The TS TECH Group upholds "A company dedicated to realizing people's potential" as one of its corporate philosophies, believing that "people are the decisive factor in a company."

With this thinking as the foundation of our human resources strategy, we strive to maximize the value creation capabilities of every employee by providing a comfortable working environment, strengthening human resources, and fostering the desire to grow and contribute. This, in turn, helps to increase our corporate value.

## Creating employee-friendly workplaces

# **Efforts to Help Our Diverse Workforce Thrive**

We recognize the importance of diversity and promote various initiatives so that diverse human resources can leverage their individual abilities to excel.

#### Promoting women's participation

After gathering input widely from employees, we have undertaken initiatives including introducing maternity uniforms, publishing childcare support guidebooks, and establishing in-house nurseries, thereby earning various government certifications.



Kurumin Certification (May 2015) Certified as a company that supports childcare based on the Act on Advancement of Measures to Support Raising Next-Generation Children



Eruboshi Certification (October 2016) Certified as a company with the highest rating of 3 stars for outstanding measures to promote participation by women in the workplace

#### Transferring skills of veteran employees

We have extended the retirement age to 65 and enabled each employee to choose their own retirement timing after turning 60. By developing an environment where veteran employees can continue working, we have increased options for individual life plans while securing a period for them to pass on their specialized skills and knowledge, thereby enhancing business continuity.

#### Employment of people with disabilities

We undertake various initiatives to hire and retain people with disabilities. For job seekers, we provide work experience opportunities to deepen understanding of job content so they can join the company with peace of mind. We regularly communicate with Hello Work public employment security offices and vocational support centers to improve workplaces to suit the needs of those with disabilities. Additionally, we conduct employee questionnaires and interviews to identify and improve challenges faced by employees with disabilities

#### Enhancing Work-Life Balance

We have established various systems to help employees balance work and home life and allow them to select from diverse work styles the one that suits their current life stage.

In terms of paid leave, we are working to put in place a system offering greater convenience for employees, including allowing paid vacations to be taken in halfday increments. As a result of this and other efforts, TS TECH has maintained a high rate of paid leave use among employees, as exemplified by our placing seventh (with a 98.5% 3-year average usage rate) among the 1,702 companies surveyed by Toyo Keizai Inc. in its 2023 ranking of the 200 companies in Japan with the highest rate of paid leave use.

In addition, we are also promoting work-style diversification by enhancing each system, such as by introducing flexible working hours without core time and a telecommuting system to improve labor productivity through efficient time allocation, and by extending the availability of part-time work until a child completes elementary school.

By enabling flexible work styles with these initiatives, we are supporting a balance between work and parenting/family caregiving commitments and enhancing work-life balance.

#### **Promoting Occupational Safety and** Health Management

Our Basic Policy on Occupational Safety and Health states, "Based on our philosophy of 'A company dedicated to realizing people's potential,' we position safety and health as fundamental to business activities and aim to continuously improve the workplace environment." Starting in 2023, we have been deploying occupational safety and health management system activities based on ISO 45001. We aim to create safe and healthy workplaces by implementing systematic measures to prevent occupational accidents while also pursuing human resource development, such as improving employees' risk reduction capabilities with training and conducting risk assessments at each site.

In terms of health management, we make various efforts to improve employee health. In addition to implementing stress checks, we have systems in place to allow employees who feel mental or physical distress to receive specialized care early on, using partnerships with various medical specialists. We also regularly hold inhouse training to promote proper understanding of mental health.

Outcome

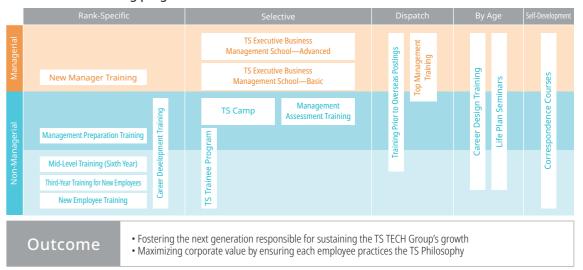
• Active participation of diverse human resources in a workplace environment where everyone can work with peace of mind > pp. 125–126 · Improved operational efficiency and fewer long working hours through diverse work styles

#### Strengthening human resources

#### Human Resource Development through Diverse Training Systems

We have incorporated management-related content such as finance, accounting, and marketing into the curricula of each rank-specific training program. Our aim in this is to further enhance the motivation and capabilities of all employees while also fostering managerial talent. We are also working to increase training efficiency, including by offering trainings online, and to expand educational opportunities for employees to proactively build their desire to learn.

#### Education and training programs



#### Fostering motivation to grow and contribute

#### **Improving Motivation with Fair Evaluations**

We enhance employees' willingness to take on challenges and make contributions by properly evaluating actions and results commensurate with each employee's role and rewarding them accordingly with compensation, rank, commendations, etc.

In addition, employees receive feedback from superiors at least twice a year regarding work performance and the acquisition and demonstration of skills in order to make them aware of their performance and encourage growth.

## **Fostering a Management Participation Mindset**

We have introduced an incentive system using an employee stock ownership plan to foster a mindset among employees of participating in management from the same perspective as shareholders.

• Employee stock ownership plan participation rate: 85.0% [Fiscal 2023

Outcome

· Deepening trust with employees with proper evaluation and dialogue Fostering a sense of unity to improve performance based on a management participation mindset

# Educating Employees about the TS TECH **Philosophy and Putting It into Practice**

We continuously conduct TS TECH Philosophy Education so that each and every employee understands the concept that "the existential value of TS TECH can only be found by embodying the 'TS TECH Philosophy" as a shared value and puts this into practice. We are also working to expand efforts to share success stories involving employees who put the TS TECH Philosophy into practice.

# **Initiatives to Deepen Mutual Understanding Among Employees**

We conduct an annual engagement survey with the aim of building a workplace environment where all of our diverse employees can find meaning in their work. In this survey, we define engagement as "mutual understanding between the company and employees," and measure satisfaction with and expectations of various factors such as job content, organizational culture, systems and benefits, in order to grasp the current situation and identify issues.

Our 2030 target is to achieve the top Engagement Rating among the 11 levels, which is AAA. Efforts to make improvements tailored to each workplace, such as further enhancing the evaluation system and encouraging communication among employees, translate to enhancing employee motivation and strengthening organizational capabilities and labor productivity.

• Engagement rating: C [Fiscal 2023 (non-consolidated)]