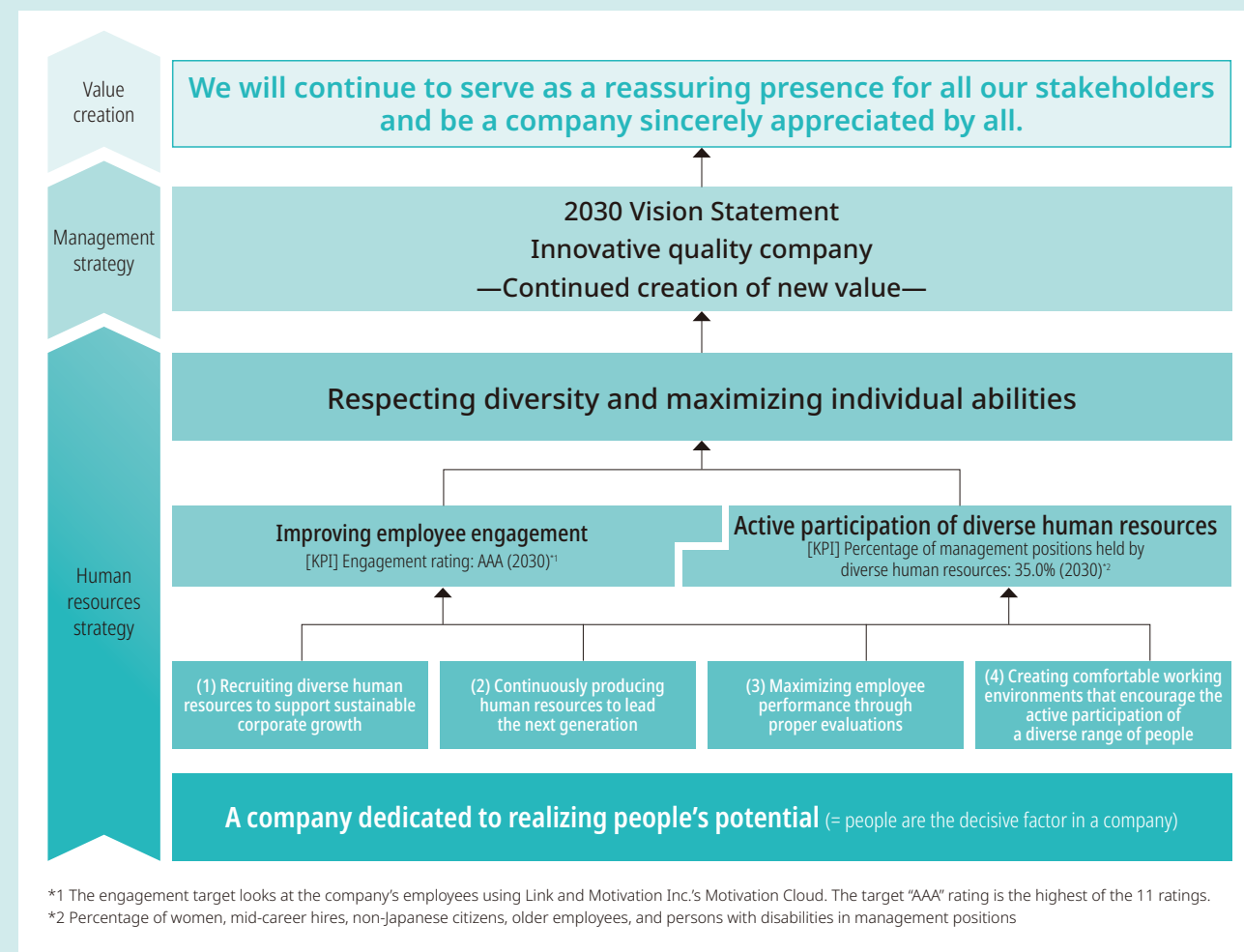


Social

Human Capital Initiatives

The TS TECH Group upholds “A company dedicated to realizing people’s potential” as one of its vision statements, 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 set the retirement age at 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 ensure a sufficient period of time 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 half-day 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 third (with a 102.4% 3-year average usage rate) among the 1,715 companies surveyed by Toyo Keizai Inc. in its 2025 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 with no 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.” We conduct occupational safety and health activities so that all employees can work safely, with peace of mind and enthusiasm. In line with the TS TECH Code of Conduct,* we set more quantitative targets and operate in accordance with ISO 45001, the international standard for occupational health and safety management systems, which involves implementing measures, evaluating progress, conducting internal audits, and reviews by management (as of September 2024, all domestic sites had obtained ISO 45001 certification). Specifically, we will create a safe and healthy working environment by implementing planned and prioritized measures to prevent industrial accidents in conjunction with human resource development, such as improving employee risk reduction capabilities through training and conducting risk assessments in each workplace. Additionally, in preparation for emergencies, we place the highest priority on human life and work to minimize damage by conducting regular drills and maintaining internal regulations.

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 occupational health physicians and other specialists. We also regularly hold in-house training to promote proper understanding of mental health.

* Specific guidelines set forth to ensure that every individual in the Group consistently acts with integrity and conducts themselves in an appropriate manner

Voice

New perspectives on creating a better organization gained through childcare leave

When I was a section chief, I took about four months of childcare leave following the birth of twins. Although my leave of absence coincided with a busy time of year, my supervisor respected the timing of my request, and thanks to the understanding and proactive cooperation of my colleagues and staff, we were able to put in place a system that allowed me to take childcare leave and focus on raising my children. In addition to the comprehensive systems, I feel that the culture in which employees support each other is one of the company's great attractions.

After returning to work, I took on a new role as a section manager, witnessing the growth of my section members and the evolution of the team, and was greatly inspired by an organization that continues to grow stronger every day. Through my experience raising children, I have also gained a perspective that allows me to empathize more deeply with the feelings of employees who are struggling to balance their work and family lives.

Supported by both the system and the culture, this experience has been a great asset when considering section staff working styles and how to create a better organization. Just as I have been supported by many people, as a manager I will do my level best to create a work environment in which everyone can cope with work and life events with peace of mind in the years to come.



Hiroyuki Abe
Manager
Administration Section
Accounting Department
Corporate Business Administration Division

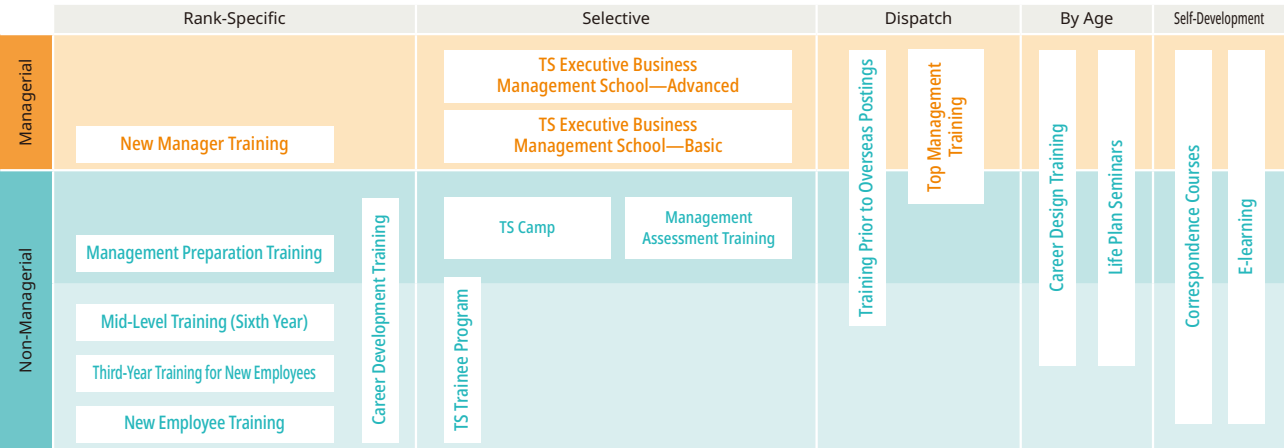
Strengthening human resources

Recruiting and Retaining Diverse Human Resources Who Will Support Growth

To retain human resources responsible for the next generation, we are developing a wide range of recruitment channels and focusing efforts on the recruitment of human resources with various knowledge and experience.

We are expanding recruitment methods and promoting recruitment activities, including year-round recruitment, which enables us to hire international students, recent graduates looking to change jobs, and other human resources with diverse experiences throughout the year that would not have been possible through traditional mass hiring. We also recruit former employees, which provides an opportunity for employees who left the company for various reasons to resume work at TS TECH. Additionally, we engage in referral recruitment, which enables us to hire talented human resources introduced from trusted employee

Human Resource Development Framework



Next-generation manager development

TS Executive Business Management School

With the aim of cultivating the next generation of managers, we aim to provide effective human resource development by dividing the program into two courses. The Basic course is designed for the systematic acquisition of management literacy and a sharper perspective on overall optimization, while the Advanced course visualizes participants' influence on those around them and develops their capacity (mindset) to become leaders.

On the Advanced course, which we launched in 2024, 14 participants used 360°appraisals* to form a visual picture of their own strengths and weaknesses as seen through their peers and others around them. On the basis of those results, the course led to changes in their behavior as leaders who can drive their organizations by providing individual coaching.

* A method by which an employee is subject to evaluation by multiple people, including superiors, subordinates, and colleagues



networks, which reduces mismatches after new hires join the company.

Human Resource Development through Diverse Training Systems

We aim to be an organization that can continue to create new value, and strive to develop autonomous human resources who can set their own goals and take action.

We also believe it is necessary to develop employees of all ages and ranks who will lead the next generation, and are creating training programs to this end. In addition to the mindset and skills required for the future, the training content also includes a gradual acquisition of knowledge related to management, with the aim of acquiring the ability to set issues from a company-wide perspective.

Having installed an e-learning system introduced with the aim of encouraging independent learning and strengthening our in-house training, we are working to build a more effective human resource development system by combining the new system with our existing training system.

Maximizing training effectiveness

Action Plan Sheets

To maximize the effects of each training session and foster a culture of self-development through the setting of personal goals, we ask participants to set out a plan of action on action plan sheets after each training session.

Participants reflect on their current situation based on what they have learned in the training, set a vision for the future, set specific action plans, and are encouraged to change their daily behavior. In executing these plans while receiving appropriate advice from superiors, participants are able to build their own careers autonomously, while also contributing to the invigoration of communications within the organization.

Initiative examples

- Strengthening ability to guide and develop junior employees
- Acquiring qualifications to expand knowledge in preparation for overseas postings
- Strengthening planning and proposal capabilities with a focus on the future



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 on a regular basis 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: 79.0% [Fiscal 2025 (non-consolidated)]**

Career Development Support That Encourages Motivation to Grow

To accelerate the autonomous growth of employees, we ask all our employees about their career plans and implement job rotations that take those plans into account. Having also introduced an internal job posting system that allows them to apply directly to departments that are hiring, we are creating an environment in which our employees are able to proactively shape their careers.

Going forward, we will continue to support the career development of our employees, for example by holding regular interviews with their superiors to help them realize their career plans, and by providing training with the aim of improving their superiors' interview skills.

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.

• **Engagement rating: C [Fiscal 2025 (non-consolidated)]***

* An engagement rating for our employees assessed through Link and Motivation Inc.'s Motivation Cloud. The target "AAA" rating is the highest of the 11 ratings.

Initiatives designed to improve engagement

Debriefing sessions on improvement measures at each division

Persons in charge at each division identify and share organizational issues and resolution measures, as well as clarify issues and measures that must be addressed by the entire company.

Seminars for general managers and section managers

Seminars are provided to introduce key points for formulating improvement measures appropriate to the conditions in each department, as well as positive examples of organizations that have improved their engagement scores, leading to the formulation and implementation of effective measures.

- Departmental improvement measure examples**
- Implementing 1-on-1 meetings
 - Strengthening explanations of company and division policies
 - Sharing business progress status and study session content
 - Holding of roundtable meetings within divisions

Optimal utilization of human capital to lead to corporate growth

"A company dedicated to realizing people's potential" is one of the vision statements that the TS TECH Group has adopted. This represents our desire to remain a company where all employees have dreams and passion and can work with enthusiasm, based on the idea that people are the decisive factor in a company.

On the basis of this philosophy, we are reviewing our job rotation (JR) operations as one of the measures to maximize the potential of each and every employee. By changing from the traditional, company-led JR system to one that takes into account the wishes of our employees, we are working to boost employee motivation and bring about human resource assignments that empower employees to maximize their performance. We have also put in place an internal recruitment system, creating a mechanism that allows current employees to apply for positions previously open to external mid-career hire quotas. In this way, we will create an environment in which employees can make proactive career choices on their own initiative while leveraging their own strengths, which we hope will lead to increased motivation within the organization and employee growth.

It is my belief that these initiatives will not only stimulate the vitality of the entire organization but also lead to improved corporate competitiveness through the optimal utilization of human capital. In the years to come, I will continue to promote the creation of a work environment in which each and every employee can shine and thrive.

Voice



Satoru Yamaki
Manager
Human Resources Planning Section
Human Resources Department
Corporate Administration Division