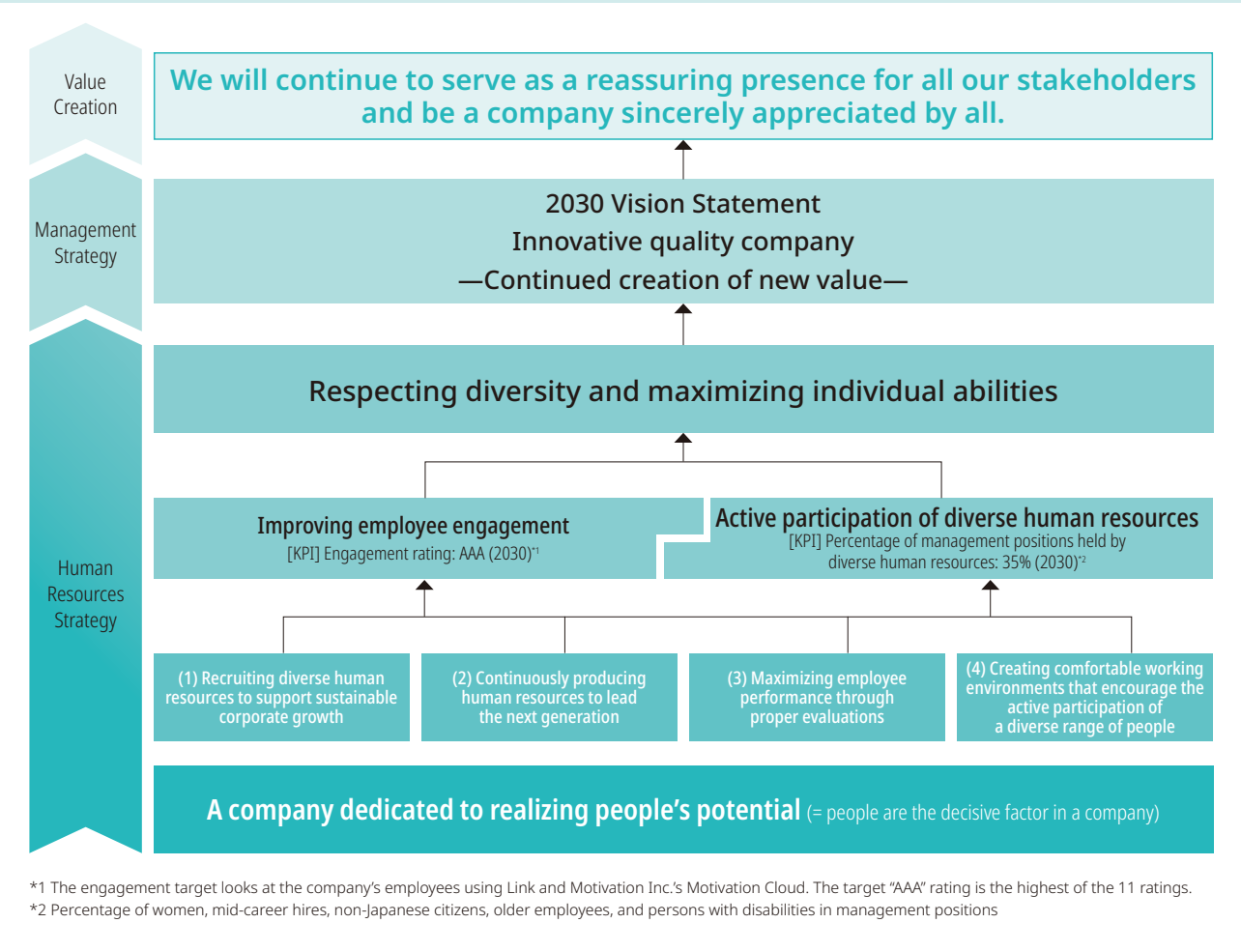


# Social

## 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 seventh (with a 100% 3-year average usage rate) among the 1,714 companies surveyed by Toyo Keizai Inc. in its 2024 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

#### Balancing Work and Childcare to Realize My Career

I took about one year of childcare leave after giving birth. At the time, I was working mainly from home due to the COVID-19 pandemic, and I was worried about handing over my work remotely, but with the understanding and co-operation of those around me, the transition went smoothly.

While on leave, I was able to closely watch my child grow and spend precious time together. When it was time to return to the workplace, I was worried about whether I would be able to keep up with all the changes, but thanks to my supervisor’s careful explanation of the company’s trends and the workplace structure, I recall being able to return to work with peace of mind. As I work part-time, my colleagues divided up the workload to ensure it was manageable for me, and I felt a strong sense of support from everyone at work.

These days, I think many people are more worried about career development after taking childcare leave than about whether they will be able to take childcare leave. For various reasons, there are times when everyone must prioritize life over work. TS TECH has systems in place for these eventualities, and given the culture of mutual support, I feel the company has established an environment that enables employees to realize their own careers.



**Asuka Watanabe**  
Corporate Development and Engineering Division  
Development Control Department

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, 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 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.

We also provide age-specific training to encourage autonomous career building, and are working to expand opportunities for self-development learning that responds to employees' desire to learn.

Human Resource Development through Diverse Training Systems

	Rank-Specific	Selective	Dispatch	By Age	Self-Development
Managerial	New Manager Training	TS Executive Business Management School—Advanced TS Executive Business Management School—Basic	Top Management Training	Career Design Training Life Plan Seminars	Correspondence Courses
Non-Managerial	Management Preparation Training Mid-Level Training (Sixth Year) Third-Year Training for New Employees New Employee Training	TS Camp Management Assessment Training TS Trainee Program	Training Prior to Overseas Postings		

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 to become leaders.

The Advanced course was launched in 2024, with 14 managers participating in the program, which lasted approximately six months.

Participant comments

- In these times of great uncertainty, I felt that it was necessary to gather a wide range of information about the future and indicate the direction we should take going forward.
- It was motivating to visualize my leadership situation from multiple perspectives, including those of my colleagues, superiors, and subordinates.



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: 82.1% [Fiscal 2024 (non-consolidated)]**

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 2024 (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

Strengths

- Open and frank attitude from superiors
- Attentive listening to subordinate opinions
- Financial soundness

Weaknesses

- Appropriate hiring and placement
- Sense of solidarity throughout the company

Improvement Efforts

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

Voice

Maximization of Human Capabilities Leading to Enhanced Corporate Value

In recent years, we have been proactively working to improve employee engagement and develop the next generation of managers, so that our diverse workforce can work with pride and a sense of fulfillment, maximize their individual capabilities, and continue to grow and thrive.

We believe that the engagement of each and every employee is an important factor in improving organizational strength, and accordingly, we regularly conduct engagement surveys of all employees. The results are shared with management and each organization, and then analyzed. Improvement measures for issues are considered and promoted at division, department, and section levels.

We also view the development of management talent to lead the next generation as an important management issue, and have opened the TS Executive Business Management School as an educational program for executive candidates. The purpose of this program is to develop the management skills and mindset of business managers.

We will continue to rapidly develop human resources and create a better organization to maximize the potential of our people and improve organizational performance, thereby achieving sustainable corporate growth.



Hiroaki Hizume  
General Manager of Human Resources Department, Corporate Administration Division