# **Human Resource Strategy**

Related Material Issues

Rewarding work and job satisfaction Increase employee engagement



With the aim of strengthening its human capital, Aichi Tokei Denki has set promoting human capital management as a sustainability strategy under Medium-term Management Plan 2026. We have formulated respective KPIs to increase employee engagement, strengthen human resource development and for DE&I, and will push forward efforts toward their achievement.

#### Promoting human capital management

In fiscal 2023, the Company defined its ideal image of human resource development as "human resources who can realize its corporate philosophy." Namely, human resources that serve customers and society through the creation of new value and who broadly win trust. The Company seeks to secure excellent human resources, not only by hiring new graduates, but also by active mid-career recruitment as well.

Such hires who make the most of their career experience gained prior to entering the Company not only rise to become managers, but also to higher levels of management, accounting for 35.7% of executive officers and 40% of the Company's Internal Directors.

#### Increasing employee engagement

Increasing employee engagement contributes to the organization's higher productivity and to retaining human resources by securing psychological safety as well as by making it easier for employees to demonstrate vitality. To implement measures that make for more efficient increases in engagement, the Company has from fiscal 2023 commenced engagement surveys, and that fiscal year's assessment result for engagement amounted to 3.35 (five being the highest). We will continue to review results by respective department and establish issues with the aim of further increasing engagement.

### **Main Education and Training Systems**

In line with setting the image of human resource development to which we aspire, we also took a broad review of our educational framework. In addition to hierarchy-based education according to traditional grades and roles and professional training based on occupation, we conduct training for mid-career hire employees. Moreover, we have newly established courses for elective-type business training that facilitate the acquisition of business knowledge and language learning, management capabilities and other skills to support employee's independent career development, as well as financial literacy, reskilling, and second life-related education according to age group. The content of the newly established employee training and the KPIs related to human capital under Mediumterm Management Plan 2026 are as stated in the table below.

## Training Systems

						En	nployee	training	syste	ems									
	Position-speci training	fic		el-spe trainin		spec rainir			ning by neme		aree ainir	er hire ng	Electiv	e-type l trainin	ousines g	s (		and li rainin	fe plan g
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10th grade	wyly tment h d genera d office																	ve)	ove)
9th grade	on for ne ed depar ppointed prize pr	signees			ning												32)	ınd abo	and ab
8th grade	Education for newly appointed department heads Newly appointed general managers Newly appointed office managers	Training for overseas assignees			Pre- and post-promotion training	E			Overall training by theme		file		SE SE				Financial literacy training (up to age 35)	Reskilling training (age 40 and above)	Second life training (age 50 and above)
7th grade		or overs			promot	tion (0,			ining by		any Pro		and sk	ŧ	X etc.		dn) Buir	ining (a	ining (
6th grade	or newh	ining fo			d post-	educa			erall tra		t Compa		wledge	Management	and D		ıcy trair	ling tra	d life tra
5th grade	Education for newly appointed leaders	Tra			Pre- an	Departmental education (0JT)			000		Training about Company Profile		Business knowledge and skills	Mana	Language and DX etc.		al litera	Reskil	Second
4th grade	Educ					Depar					Trainin		Busine	_	<u> </u>		Financi		
3rd grade			ing	ing															
2nd grade			-ollow-up training	New hire training															
1st class			-wollow-	New hi															

\* Includes future scheduled training.

Please see our website for details on initiatives related to Aichi Tokei Denki's health management.

WEB https://www.aichitokei.net/sustainability/society/health/

### **Promoting Diverse Work Styles**

Aichi Tokei Denki considers the decline in the labor force due to low birthrate and aging population as a risk in human capital management. In addition to improving work efficiency by promoting work style reform and DX, we are developing the environment and systems necessary for diverse work styles with the aim of securing long-term human resources.

#### **Health and Productivity Management**

In our pursuit of maintaining the health of employees, we are committed to



investing in the health of our employees and strive to maintain and improve physical and mental health through joint efforts by the Company, labor union, health insurance association, and employees in order to minimize the decline in productivity caused by absenteeism and presenteeism. These initiatives have been recognized and we are certified as a "Health & Productivity Management Outstanding Organization (Large Enterprise Category)" under the scheme jointly implemented by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (Japan Health Council) for four years in a row, and the Company's health management continues to steadily achieve results.

Regarding physical health, we disseminate regular health information to employees and have introduced the health support app "Aichi Health Plus," among other initiatives, and from April 2024 have gone 100% smoking-free across all worksites. In terms of mental health, in addition to training for the prevention and early detection of mental health disorders, we are also focusing on preventing recurrence by conducting regular interviews for employees who have returned from leave of absence for a certain period of time. Going forward, we will promote health management that contributes to the sustainable growth of the Company by keeping employees physically and mentally healthy.

#### Realization of work styles tailored to life stage

The ratio of our female employees who have taken childcare leave stands at 100%. In fiscal 2023, 72.2% of men took childcare leave, an



increase of 26.5 points over the previous fiscal year. We continue to aim to maintain a 100% rate for women taking child-care leave, and to raise to 100% the ratio of men taking such leave. In addition, we are developing a childcare short-time work system and a childcare leave (paid) system exceeding the statutory standards. We are also working to develop systems, such as those that improve the nursing care support system, and have established a system that allows us to respond flexibly to changes in employee lifestyles, such as nursing care leave, short-term leave for caregivers, shortened working hours, and restrictions on overtime work.

#### Diversity, Equity & Inclusion (DE&I)

Aichi Tokei Denki aims to empower not only women but also employees to pursue an ideal work-life balance based on their respective values, and to play active roles in the workplace and at home. To promote the empowerment of women, the Company implements measures such as conducting questionnaires and career education for female employees and establishing a consultation desk. The proportion of women among employees (career-track positions) is 12.8%, and the proportion of women in management positions is 1.3% (as of the end of March 2024).

Promoting DE&I that accepts differences in values regardless of gender, age, race, nationality, etc. will lead to the realization of a comfortable work environment for everyone, which in turn will contribute to the recruitment and retention of human resources. We will continue to promote DE&I that embraces a diverse workforce and respects the way people work.

## KPI for human capital under Medium-term Management Plan 2026

KPI	Current situation	Target	Status of efforts toward achieving targets					
Increase employee engagement	Engagement assessment result 3.35/5 (FY2023)	Engagement assessment result Up over 0.1 of a point (above 3.45)	Review of results by respective department and estab- lishment of issues while making efforts toward improvement					
Strengthen human resource development	Career-track position training hours 12.1 hours per year/person (FY2023)	Career-track position training hours up 10% (above 13.3 hours)	Newly established for new department heads Expanded content of training for Overseas Assignees Implementing elective-type business training (from fiscal 2024)					
DE&I	The percentage of women among new graduate hires (career-track positions) 27.7% (2022-2024 new graduate average)	30% or more on average over 3 years	Female employees placed even in positions with few females Implementing ongoing career education for female employees Implementing ongoing diversity promotion training for those in management					
	_	Formulate a human rights policy and implement due diligence	Establishing a human rights subcommittee, promoting initiatives to respect human rights					