

Human Capital

Basic Policy

The Group emphasizes human capital, which is the foundation to realize its Mission Statement “Customers First” and create three values for society, the environment, and the economy through its business activities.

The Group also works on various measures to enhance human capital and promote DE&I, under the Long-term Vision of “Diversity, Equity & Inclusion—Become a Global Company by Combining Diverse Talents and Knowledge, Fostering Mutual Respect.”

Governance

At Taikisha, the Management Meeting discusses matters related to business execution in the Group and makes decisions swiftly. Among these matters, important ones are submitted to the Board of Directors for deliberation. In addition, the Corporate Policy Review Meeting examines and verifies the progress toward achieving each fiscal year’s management policy and reports to the Board of Directors. The Board of Directors then deliberates risks and opportunities related to human capital and monitors the targets and their progress.

Meanwhile, the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, strives for consistent human resource development in cooperation with the executive side. To this end, the Committee promotes discussions on introducing the group-wide corporate officer system with a view to recruiting overseas talents and enhancing the monitoring of the succession plan.

Risk Management

When it comes to risks related to human capital, each of the departments in charge identifies items and determines the degree of risk with taking into account the “impact on management” and the “frequency of occurrence.”

● Risk and opportunity

Material Issues	Risk and opportunity	
Quantitative/ qualitative human capital enhancement (recruitment and training) and business process transformation	Risk	<div>• Lack of human resources that support the global strategy</div> <div>• Outflow of human resources due to intensifying competition for talent</div> <div>• Lack of human resources that can create innovation</div>
	Opportunity	<div>• Quantitative/qualitative enhancement of human resources for responding to the expansion of business opportunities</div> <div>• Expansion of human capital by securing and developing talented human resources</div> <div>• Lead to the creation of new businesses and the provision of innovative services</div>
Creation of pleasant working environment	Risk	<div>• Outflow of talented human resources due to the effect of working environment</div> <div>• Stagnation and decrease of employee engagement, and decrease in labor productivity</div> <div>• Violation of the Agreement 36 as a result of long working hours and occurrence of health disorder</div> <div>• Occurrence of employee turnover for the reason of nursing care or childcare</div>
	Opportunity	<div>• Creation of exciting working environments that generate innovation</div> <div>• Creation of working environment where diverse human resources can take on challenges and demonstrate their abilities</div> <div>• Improvement of labor productivity, health and motivation</div>

Among them, items with a high degree of risk and a significant impact on our strategies or financial status are selected as risks that should be preferentially dealt with and reported to the Risk Management Committee after formulating priority management policies and targets.

The Risk Management Committee assesses the degree of each risk and discusses the priority management policies and targets from a company-wide, comprehensive perspective, and formulates basic policies. Then, each department in charge monitors the progress of its activity plan and reports the results to the Committee. The status of risk management is reported to the Board of Directors twice a year after discussing the matter at the Internal Control Committee. In addition, the Management Meeting discusses the risks and opportunities of human capital, reviews human resource strategies, and reflects them in long-term management strategies. Issues related to the risks of human capital are reported to the Board of Directors alongside the reporting from the Risk Management Committee.

The material issues of human capital, which are the basis of our human resource strategies, and risks and opportunities that the Group has recognized and considered are as follows.

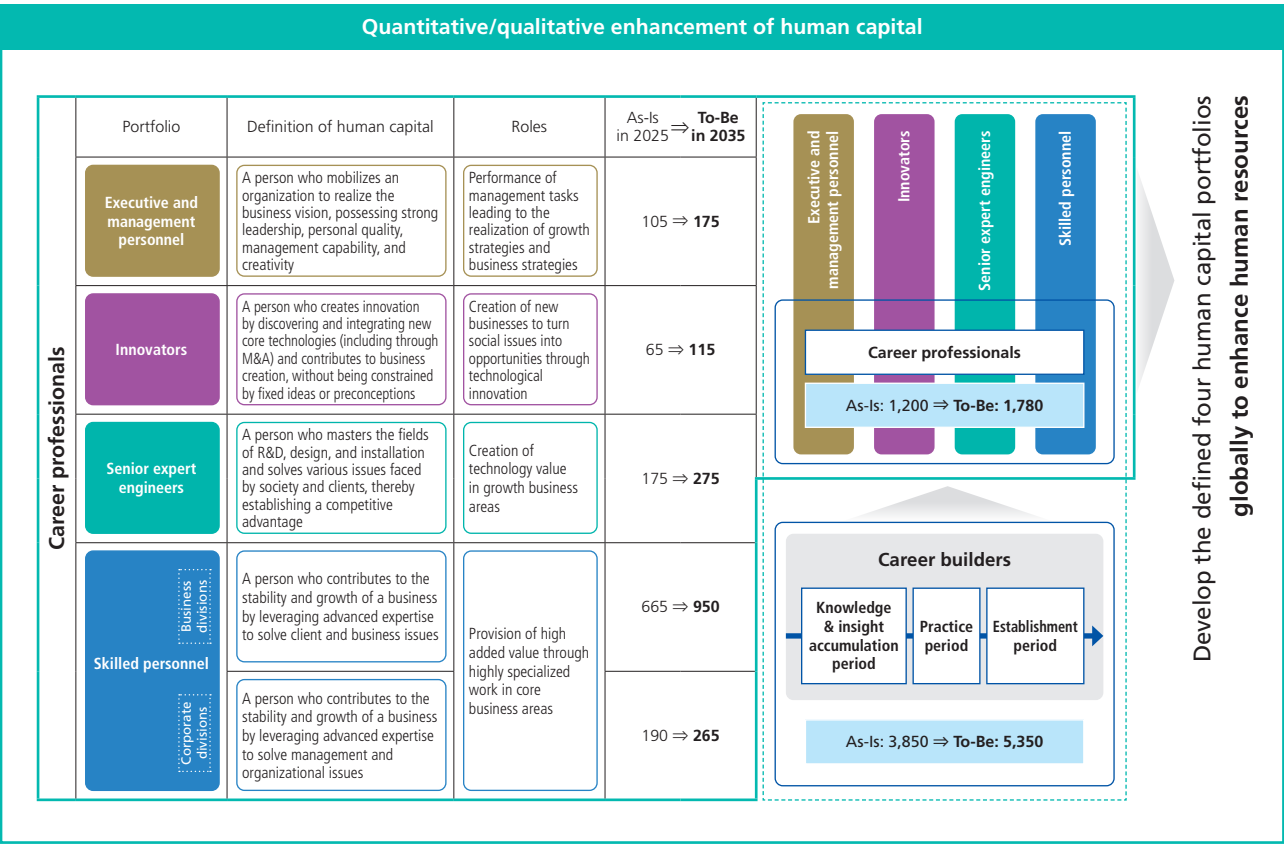
The Enhancement of Human Capital in the Long-term Vision and the 10-Year Plan 2035

In the 10-Year Plan 2035 announced in May 2025, which outlines what we aim to achieve by 2035, we have presented three human resource strategies and two key initiatives. Through these strategies and initiatives, we aim to enhance human capital, which is a focal point for the success of the Group’s growth strategy.

Human Resource Strategy 1 Creation of Global Human Capital Portfolio Management System

We have defined four career professionals who support the Group’s growth strategy and clarified the roles that each career professional is expected to fulfill, as well as the skills and expertise that each professional should possess. Through this, we visualized the “As-Is (current status)” and “To-Be (ideal profile)” of human resources and used them to enhance human capital.

Furthermore, we develop a global human capital database and establish the foundation for managing human capital portfolio and human capital management worldwide in collaboration with the Business divisions, the Corporate divisions, and overseas affiliates.



Human Resource Strategy 2 Recruitment and Training of Necessary Human Capital

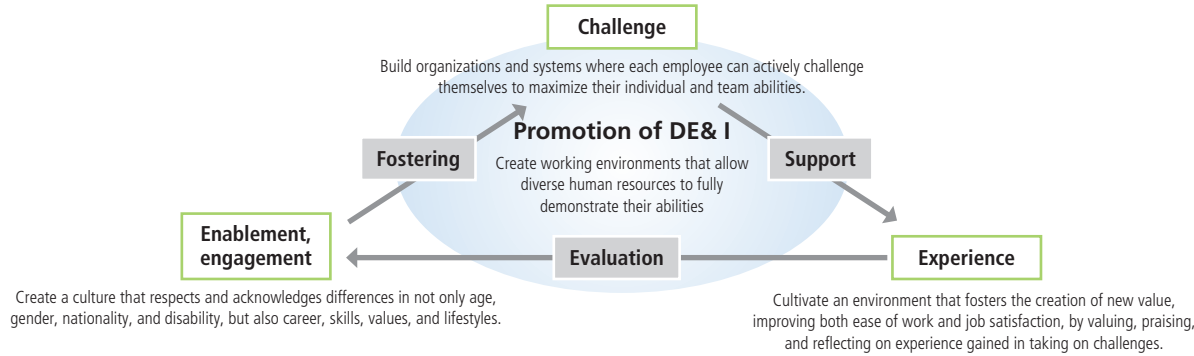
We enhance new graduate recruitment by using scholarship programs to facilitate the recruitment of excellent foreign nationals and partnerships with technology-focused universities. Additionally, we pursue effective human resources recruitment and utilization strategies through diverse approaches. These include career recruitment (such as scouting, referrals, and alumni) to enhance immediately effective talent, as well as personnel system reforms (such as internal job rotation, extension of retirement age, and job-based employment).

In terms of human resource development, we establish a training system based on the four human capital portfolios to support autonomous career development. In addition to the training, we develop human resources through on-the-job experience. We also work to improve training programs for young employees and identify their potential, aiming to promote early-stage human resource development according to their proficiency level. Furthermore, in response to globalization, the newly established ASEAN Management Division implements early training of local management candidates mainly for Asian markets, and provides human resource training tailored to the specific conditions of each country.

Human Resource Strategy 3

Creation of Working Environments That Generate Innovation and Excitement

We create exciting working environments that generate innovation, where employees find motivation and ease in their work and are encouraged to take on new challenges. To this end, we support each employee in actively taking on challenges and properly evaluating their experiences acquired from such challenges. Along with this, we advance Diversity, Equity & Inclusion (DE&I) by creating working environments that allow diverse human resources to fully demonstrate their abilities.



As measures to respond to globalization, we enhance loyalty and engagement by instilling our core philosophy related to human capital. In addition, we develop and implement effective measures by assessing employee satisfaction and engagement levels and identifying issues.

Key Initiative 1

Expanding Engineering Capabilities

We will strengthen the operation of the highly specialized human resources certification system designed to train talent specialized in technology strategy. We will also enhance engineering capabilities through the training and expansion of “end-to-end solutions experts” capable of handling all design, building, and after-sales support processes. Additionally, we will establish a new specialized training institute to train specialists in particular fields including semiconductors and pharmaceutical manufacturing.

Key Initiative 2

Enhancement of Global Response Capabilities

To Japanese employees, we will provide training steps according to their ages to support them in achieving high performance across borders. These training steps include an overseas trainee system that offers opportunities for early experience of overseas work, as well as experience as an overseas affiliate manager, an appointment as senior management, and training as a CEO candidate. As for local staff, we will appoint talented individuals as local staff executives at an early stage to enable them to participate in management at overseas affiliates. Furthermore, we will develop them by providing global experiences both in Japan and overseas affiliates.

Indicators and Targets

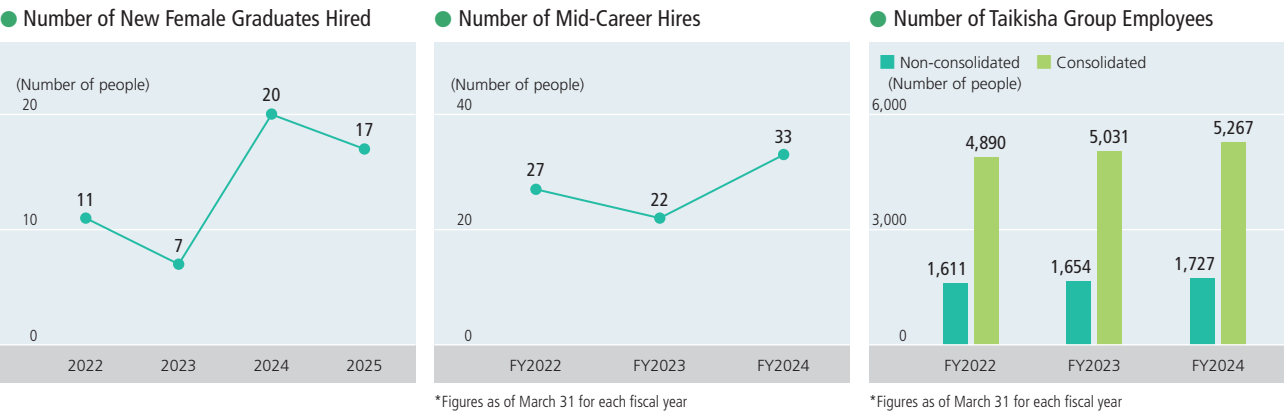
The indicators and targets for the Group’s human capital stated in the enhancement of human capital under the Long-term Vision and the 10-Year Plan 2035 are as follows.

Indicators and targets for human capital (FY2027)			
Creation of Global Human Capital Portfolio Management System Recruitment and Training of Necessary Human Capital		Creation of Working Environments That Generate Innovation and Excitement	
The number of career professionals	1,350 (up 15%)	Curiosity and excitement about work <sup>*2</sup>	60% or higher
•Executive and management personnel	125 (up 20%)	Culture of courageously embracing challenges <sup>*3</sup>	75% or higher
•Innovators	80 (up 20%)	Career development <sup>*4</sup>	50% or higher
•Skilled personnel in the Corporate divisions	210 (up 10%)		
Expanding Engineering Capabilities		Enhancement of Global Response Capabilities	
•Senior expert engineers	205 (up 15%)	Persons with global skills based on management experience at overseas affiliates	160 (up 60%)
•Skilled personnel in the Business divisions	730 (up 10%)		

<sup>\*1</sup> The percentage in the parenthesis indicates the rate of increase compared to the figures as of April 2025.  
<sup>\*2</sup> Calculated based on the percentage of affirmative responses to the question “positive emotions toward work” in the engagement survey conducted by the Company.  
<sup>\*3</sup> Calculated based on the percentage of affirmative responses to the question “voluntary actions” in the engagement survey conducted by the Company.  
<sup>\*4</sup> Calculated based on the percentage of affirmative responses to the question “support for career development” in the engagement survey conducted by the Company.

Recruitment

Taikisha creates recruitment plans based on a long-term business plan and forecasts of employee age demographics, and actively engages in recruitment activities. To minimize talent outflow, we identify and analyze former employees’ working conditions and reasons for leaving, and implement measures to improve the internal environment. To strengthen the response of our domestic organizations to globalization, we facilitate exchanges such as assignments and short-term deployments from overseas sites to Japan, in addition to hiring new graduates and mid-career professionals with a focus on international students in Japan.



Human Resource Development

Basic Policy for Human Resource Development

**As-is:**

One of our top priorities is “securing and developing human capital.” To this end, we are focusing on developing management leaders and professional talent. In our management candidate development program, we aim to improve candidates’ practical decision-making skills by cultivate the management knowledge and strategic thinking that the next generation of leaders require. Moreover, we utilize our highly specialized human resources certification system to promote the development of high-level human resources with specialized knowledge and skills.

**To-be:**

In working to realize our Long-term Vision, we position human capital as a crucial element in our competitive advantage, and we aim to further leverage the diversity of our human resources going forward by fostering a free and open corporate culture. We will enhance workplaces that encourage tackling challenges, promote systems that make growth palpable, and systematically develop management leaders and professional talent. Additionally, we will establish mechanisms that support autonomous learning and growth and thereby increase our corporate value.

Global Human Resource Development

Taikisha currently has 28 overseas consolidated subsidiaries in 19 countries and regions, and overseas consolidated net sales account for 47.7% of the total net sales. As of June 30, 2025, the number of non-consolidated domestic employees stands at 1,727, which is dwarfed by our non-consolidated international workforce of 3,540 employees. Under the circumstances, we are making efforts to promptly address further changes and growth in the global markets. As part of these efforts, we are gradually transitioning to localized management structures, having appointed local officers as the presidents at seven out of 28 overseas consolidated subsidiaries in FY2025. Additionally, we established the ASEAN Regional Management Department in Singapore in March 2025 to reinforce the Group’s global corporate functions. One of the key roles of the ASEAN Regional Management Department is to promote the systematic development and both quantitative and qualitative enhancement of core personnel at our overseas subsidiaries, who support the growth strategy of the Group. We aim to enable local staff to take the initiative in managing their organizations based on business strategies they have developed themselves. We will comprehensively review the training programs that each overseas subsidiary has implemented individually and will organize them into common programs for management and customized programs tailored to each overseas subsidiary and organizational level, in order to promote more effective talent development. We will raise employee awareness and streamline organizational operations by developing and using a global human capital database. This will promote talent development across the entire group and further strengthen collaboration and exchange among overseas subsidiaries.



Global Management Training

Taikisha conducts training programs aimed at developing management personnel who can demonstrate leadership and practical skills from a global perspective. In FY2024, we conducted an approximately one-year-long training program with a total of 15 members, consisting of 9 individuals from overseas sites (including 8 local staff and 1 Japanese employee on overseas secondment), and 6 from Japan.

The trainees covered a wide range of topics and an active exchange of ideas took place. The topics included management concepts for the future, designing business systems that create new value, research on the direction of the national economy and industries, and planning for human resource development and organizational culture reform toward 2030.



Final debriefing for Global management training

Overseas Trainee Development

At our overseas sites, we aim to enable local staff to directly mentor team members. To this end, we invite management executive candidates to Taikisha headquarters for a two-year training program.

The training includes not only language skills but also classroom learning, practical CAD training, and on-site training.

Overseas Trainee System

In FY2024, we introduced our overseas trainee system. Under this system, junior employees are dispatched to overseas sites in order to rapidly develop talent capable of expanding our global business. As part of our initiatives to enhance global response capabilities under the 10-Year Plan 2035, we encourage employees to take on challenges in order to invigorate human resources and the organization.

As the second-term trainee, one employee has been dispatched to India since January 2025. In addition, since June, four employees have been dispatched as the third-term trainee to the Philippines, Malaysia, India, and Vietnam, respectively, where they are participating in approximately 10-month training programs.

VOICE

The First-Term Trainee of the Overseas Trainee System

Yuki Watarai (joined the Company in 2019), dispatched to Taikisha USA, Inc. (the United States)

I participated in board meetings and policy-decision meetings and learned the decision-making process closely from the management. I had a valuable experience as I discussed my analysis of focus markets in the United States with the president. Utilizing my personal contacts and knowledge, I want to continue to identify market opportunities and risks in any country or region and take swift actions.



Discussion with the local president



Accounting training by local staff

Katsuya Yamoto (joined the Company in 2020), dispatched to Taikisha Engineering (M) Sdn. Bhd. (Malaysia)

I had a broad experience, including client visits, participation in various meetings, and visits to sites in neighboring countries. I interacted with many local staff and gained a deep understanding of the local lifestyle and working style. These experiences led to an improvement in my language skills. I want to keep learning and further strengthen my leadership abilities.

Certification of Highly Specialized Human Resources

Amid the rapidly changing business environment, Taikisha believes that it is necessary to differentiate from others by leveraging specialized technologies as strengths and evolving into an enterprise that creates new value. Consequently, we have introduced our “highly specialized human resources certification system,” a framework designed to ensure the perpetual succession of “Taikisha, the Technology Company.”

This system aims to realize our career development policy, which is that “Each employee should be professional and have high market value.” To this end, we have identified the top senior expert engineers (persons with exceptional skills and achievements) in each field to make a differentiation.

The number of certified highly specialized human resources (FY2025)

1. Senior Technical Expert	4
2. Technical Expert	5
3. Senior Technical Specialist	6
4. Technical Specialist	4

Creation of Working Environments That Generate Innovation and Excitement

Basic Policy for Diversity, Equity and Inclusion

As-is:

Under the president’s message of “promoting DE&I to become an organization that fosters innovation by embracing challenges,” we are working to improve our workplace environment while leveraging the unique diversity we have cultivated over 70 years of global operations. In addition, we are undertaking initiatives to improve ease of work and motivation to work by supporting work-life balance through the promotion of active roles for female and senior employees, promoting employment of people with disabilities, and providing support for balancing work with childcare and nursing care.

To-be:

Looking ahead to the next 100 years, we believe that promoting DE&I is essential. In addition to age, gender, nationality, and disability, we respect and acknowledge deep-level diversity attributes that cannot be identified by appearance, such as career, skills, values, and lifestyles. We strongly promote initiatives that leverage the strengths of each individual, aiming to create a culture that fosters innovation and generates new value.

Promoting Women’s Career Advancement

Taikisha is working on measures to promote female employees’ career advancement, including the provision of motivation and job-related education so that they can take managerial positions or positions requiring highly specialized skills. Such measures are being implemented based on our Basic Policy for Diversity, Equity & Inclusion, taking into account individual employees’ needs. In our action plan (April 1, 2025 to March 31, 2028) under the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we have set a target for the ratio of female workers in managerial positions to 6% or more by the end of March 2028. We aim to further raise the ratio to 10% by FY2030.

As part of this initiative, we conducted a career design training program in FY2024 to encourage female employees to aim for higher-level careers in the future. In FY2025, we will conduct training for female managerial candidates, targeting both female employees and their supervisors, to create an environment throughout the company that allows female employees to pursue managerial positions.

In September 2025, we held a dialogue session between Director Soejima and female managers. At the session, Director Soejima shared her experience of balancing work and childcare and sent a message to female managers: “I hope you will build your careers with confidence.”

During the session, they actively exchanged opinions on initiatives and issues related to promoting women’s career advancement.

Aiming to foster an environment that enables female employees to succeed, we will continue to take proactive measures to enhance their motivation and skills. Specifically, we will expand initiatives to minimize stagnation in female employees’ career development, while respecting their intentions and considering their life events.



Dialogue session between Director Soejima and female managers

Systems to Support Work-Childcare Balance

To create a work environment where all employees can balance work and childcare and exhibit their full capabilities, Taikisha promotes the uptake of childcare leave among not only female but also male employees. The ratio of employees who took childcare leave in FY2024 reached 100% among female employees and 71.1% among male employees. In addition, we have set a target of 50% for the ratio of employees who take childcare leave of 14 days or longer with a view to fostering good relationships with partners and improving family well-being. In FY2024, we achieved the target with a ratio of 55.5%. We view these results as an indication of a deeper understanding in working environments about taking childcare leave. We will continue to work on creating and enriching environments where all employees can participate in childcare, while also building workplaces that are easy to work in.



Systems to Support Work-Nursing Care Balance

To help employees strike a balance between work and nursing care, Taikisha has put in place systems that exceed legal requirements. These include a system for compensating approximately 80% of salary of employees taking nursing care leave covered by the nursing care leave compensation insurance whose premium is fully paid by the Company. We also provide a system that allows employees taking nursing care leave to use accrued paid leave from the last ten years for nursing care leave within the limits set by laws and regulations. In addition, company-wide awareness activities are conducted including in-house seminars

explaining the importance of preparing in advance for future caregiving needs and key points for balancing work with caregiving. The results of pulse surveys show that the systems to support work-childcare balance and work-nursing care balance both have challenges in internal communication. Given this, we have shared information through the company newsletter, posted a practical handbook for employees on the corporate intranet, and implemented other means. In this way, we work to ensure each employee can use the systems without concern.

Engagement

Basic Policy on Improving Engagement

As-is:

To create a workplace environment where each employee is healthy and finds fulfilment in their work, we will continue to make use of the pulse surveys introduced this fiscal year. In doing so, we aim to deepen mutual trust among employees and promote the creation of a workplace where each employee can exhibit their full potential. Additionally, as part of our effort to create an organizational culture that fosters innovation, we are implementing a career development system that promotes work-life balance while allowing employees to get a sense of their own growth.

To-be:

Due to the diversification of human resources and changes in values, the relationship between companies and employees is shifting from a mutually binding model (binding and being bound) to a mutually selective model (choosing and being chosen). Consequently, companies must continue to be chosen and fully harness their employees' capabilities. At Taikisha, we are committed to respecting the individuality and values of each employee and creating workplace environments that foster motivation to take on new challenges. By doing so, we aim to further increase employee engagement and thereby improve overall corporate productivity.

Implementing Pulse Surveys

We introduced monthly pulse surveys in 2024 with the aim of improving employee engagement. Previously, we had conducted engagement surveys in the form of stress checks, and shared group analysis results with management to improve workplace environments. However, the

new pulse surveys dive deeper into factors specifically related to engagement. This will help to effect more concrete management changes, and aid in planning and implementing HR initiatives. Company-wide results will be published internally after each pulse survey, helping to invigorate internal communication.

The response rate of surveys exceeds 90% every time. Overall, the results for aspects such as “communication with supervisors and colleagues,” “positive attitude and pride in work” have been favorable. However, it was evident that there may be employees who have concerns about career management for the future. In light of these results, we will intensify our efforts to implement career development initiatives that are satisfactory to employees.

Purpose of surveys

•Improve employee engagement (Understand each employee’s awareness and the current situation in working environments from various angles to identify issues within the organization and workplace)

Envisioned use of survey results

- Promote a cooperative relationship where employees recognize each other’s strengths and complement each other’s weaknesses, regardless of position, age, or role
- In such a workplace culture of open atmosphere, exchange opinions frankly on issues such as long working hours and pleasant working environments and strive for specific improvements to tackle issues, aiming to create a workplace where everyone can work with peace of mind

Result of implementation:

•Average response rate for FY2024 was 91.9%.

KENKO Investment for Health

As human resources supporting the Company’s growth, employees are one of the most important management resources. The Company therefore recognizes maintenance and improvement of mental and physical health of employees as one of the top management issues. Accordingly, the Company announced a KENKO Investment for Health Declaration in 2020, and has been recognized as an Outstanding Organization of KENKO Investment for Health Program (White 500) for four fiscal years in a row since FY2021. In FY2025, the Company has been recognized as an Outstanding Organization of KENKO Investment for Health Programs. To maintain and promote healthy minds and bodies among employees, Taikisha is implementing activities led by the Diversity, Equity & Inclusion Promotion Section and overseen by the Chief Executive of the Administrative Management Headquarters responsible for health management promotion.

To improve employees’ lifestyle habits and health awareness, Taikisha is also working to plan, implement, evaluate, and improve various initiatives, including regularly held smoking cessation support programs and walking events, recognition as the Sports Yell Company, and health seminars.



Promotion of Health Management



Long-Term Strategy Development Project: Next 100th

Led by the president, the long-term strategy development project “Next 100th” was launched to envision how Taikisha should be in 2040 in order to survive for next 100 years. With 2040 as reference point, we began working in FY2023 to envision the ideal state of the Company and formulate the necessary long-term plans.

While Taikisha has a management succession plan in place, we believe that it is necessary to plan one generation ahead in developing human resources capable of viewing the Company with a long-term management perspective. Therefore, mid-career employees in their 30s and 40s, who are likely to be the next generation of major company leaders, are participating in this project.

In discussing long-term strategy, our aim is not only to involve executives but also to incorporate ideas from the next generation. We seek to engage employees who have traditionally not been involved in management to consider from a management perspective what kind of company they want to create.

In the FY2024 project, mid-career employees developed ideas for new businesses in their respective teams and presented them at an open discussion session for executives. At the session, all participants exchanged opinions. These ideas have been adopted as themes to be given priority for consideration by the Business Development Headquarters in FY2025.

