

## All We Do Must on Behalf of Reaching People's Hearts.

We are committed to creating a company where a diverse workforce can maximize their abilities and work with a sense of fulfillment and peace of mind.



Director and Executive Vice President  
General Manager of Administration Division  
**Kota Oda**

**Q** What is your mission as the Director in charge of human resources and how do you think about strengthening YUSHIN's human capital?

**A** The role required of the human resources Director is to participate in management from a human resources perspective and contribute to increasing corporate value and achieving sustainable growth. The following three points are important tasks.

### ■ Human Resources Director's tasks

- (1) Contribute to improving management capabilities by strengthening human capital
- (2) Oversee and manage the personnel system (recruitment and training system, evaluation system, wage system, etc.)
- (3) Instill within the organization the philosophy and policies that the Company emphasizes.

We strengthen our human capital to:

- (1) Achieve YUSHIN's sustainable growth and increase its medium- to long-term corporate value by creating an organization that leverages the values and perspectives of its diverse human resources.
- (2) Promote the recruitment and training of human resources

based on the penetration of our business philosophy, and create an environment in which each and every employee can continue to work actively and vigorously, demonstrating his or her characteristics and abilities to the fullest.

As specific measures, we are working on the following environmental improvements: (1) promotion of corporate identity (CI) activities, (2) development of a personnel system and human resources development policy that permeates our philosophy, (3) ensuring diversity of human resources, (4) enhancement of education system according to career stages, and (5) improvement of job satisfaction and work comfort.

We will aggressively invest in human resources and develop our organization across the Company to make a leap into the future.

### ■ YUSHIN's Human Resource Development Policy





**I would like to hear about your plans and progress in strengthening human capital.**



We have begun formulating and disseminating the CI in FY2021. Currently, We are working on strengthening human capital in three stages for the period thereafter.

During the period from FY2021 to FY2023, we focused on building an organizational foundation for sustainable growth, and concentrated on creating a system and environment to formulate a CI, a new personnel system, and to improve employee job satisfaction. We have positioned FY2024 as a period for strengthening our human capital for further growth, and we will strengthen our organizational development through the implementation of an employee survey, enhance our recruitment policy, and further strengthen our education system. From FY2026 onward, we intend to accelerate the creation of innovation and expand the growth of the organization on a global scale, while leveraging the efforts of the "period for building organizational foundations" and the "period for investing in human resources and strengthening organizational development".



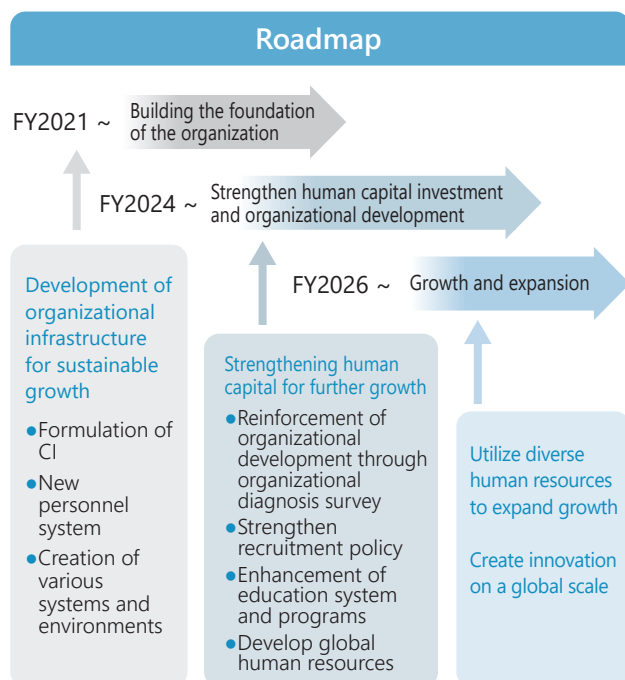
**You have defined the basic concept of your personnel system. How will this approach and its operation lead to YUSHIN's future financial value?**



The philosophy of our personnel system has four pillars: (1) to encourage effort and challenge and recognize those who achieve results; (2) to recognize those who put into practice our action guidelines; (3) to encourage the development of each individual's capabilities and sustainable employee growth; and (4) to develop a fair and open system. Our personnel system emphasizes the perspective of "strengthening the management foundation for sustainable growth".

In order to promote the key strategies set forth in our mid-term management goals (strengthening product competitiveness, global competitiveness, and developing new businesses), it is important to create an environment in which each and every employee can maximize his or her abilities. Strengthening the respective foundations of human resources, systems, and corporate culture will increase productivity as an organization and lead to the achievement of these goals and strategies, which in turn will lead to future financial value.

### Roadmap for Strengthening Human Capital



### Medium-Term Management Targets

- Consolidated Net Sales : 30 billion yen or more
- Consolidated Ordinary Profit : 5 billion yen or more
- Consolidated Ordinary Profit Ratio : 15 % or more
- EPS : 75 yen or more

Strategy: Increase Product Attractiveness

Strategy: Strengthening of Global Expansion

Strategy: Develop New Businesses

<b>Human Resources</b>	Recruiting and developing excellent human resources and improving their professional and management skills
<b>Systems</b>	Establish a system to properly evaluate results and maximize each individual's strengths
<b>Culture</b>	Spread the CI guidelines and foster a corporate culture that encourages effort and challenge.



**How is CI penetration linked to the achievement of management objectives? And how do you drive behavioral change through CI penetration?**



Another perspective that our personnel system emphasizes is to "disseminate within the organization the philosophy and action guidelines that the Company emphasizes". In April 2020, we formulated a CI (Culture Book) and shared it within the Group in order to define the corporate philosophy and direction we should aim for, which we will continue to emphasize in the future, and to realize further growth and leaps forward. Based on the concept of "Above all, reach people's hearts", we have clarified our important ideas and action guidelines, and are working to disseminate them throughout the Group.

I have positioned the CI guidelines as the link between our management philosophy and our business activities and work style. By ensuring that these awareness and actions are thoroughly implemented in our daily work, we will be able to align our vectors with the direction the Company should take and build a human resource base.

We are developing the following specific activities to spread the concept: communications by top management and executive branding training and workshops, enhanced workplace dialog, employee-led ambassador project activities, and sharing of best practices.

We believe it is necessary to look at the effect of CI penetration on behavioral change from two aspects: (1)

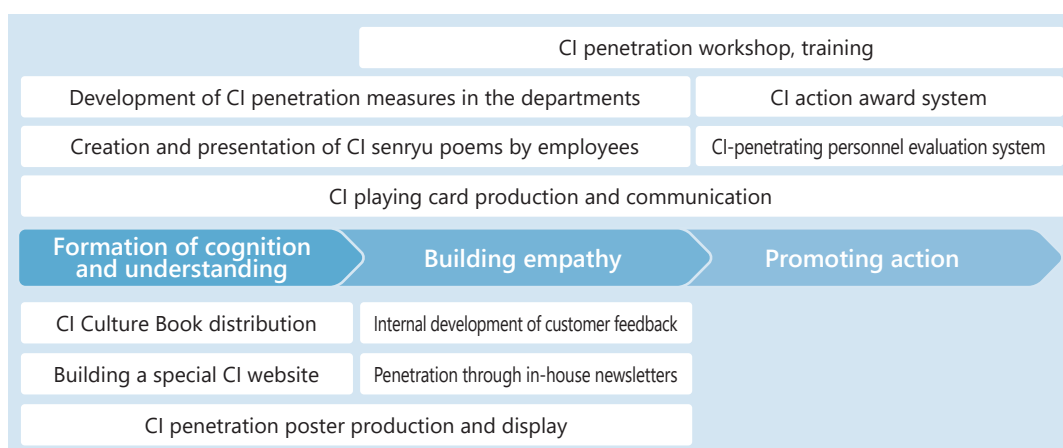
organizational change and (2) individual behavioral change.

We measure the impact of organizational change through surveys of CI penetration. The CI penetration survey, conducted about 1.5 years after the CI was formulated, showed that it is desirable to promote penetration by proactively implementing the following activities as necessary for penetration: (1) initiatives that make the CI more familiar (such as the development of best practices and internal postings) and (2) initiatives that are linked to daily work (such as evaluations and awards based on the degree of CI implementation).

We also aim to incorporate and improve individual behavior into our personnel evaluation system. We have implemented a new personnel system based on our CI formulation. In it, we defined what is expected of employees in their respective jobs in terms of performance responsibility, human resource development and growth, and culture development, and set out the responsibilities and expectations of employees with respect to CI. In addition, performance and behavior evaluations are conducted as personnel evaluations to motivate employees to be aware of the CI guidelines in their work.



### CI Penetration Map





**Please tell us about your human capital development efforts to achieve your management goals.**



We have established Human Resource Development Policy and are strengthening our efforts through collaboration between each department and Human Resources Department.

### YUSHIN's Human Resource Development Policy

- (a) Develop human resources who can embody and practice the corporate identity (CI) based behavioral guidelines
- (b) Encourage continued learning and growth as career progresses
- (c) Define role expectations and promote achievement of results through job performance
- (d) Encouraging effort and challenge, and providing various opportunities and venues for advancement
- (e) Supporting the realization of individual "career design"

As for employee education, we are engaged in the programs shown in the figure. Regarding the development of employees' key talents, while focusing on career and professional development in each workplace, we provide education to enhance the abilities and skills necessary to perform their jobs and support them to aim for autonomous growth. We also offer programs to develop leaders who can drive growth and challenge, as well as training to improve the management skills of managers.

As a recent initiative, we have introduced the "Innovation Project Activity Proposal System" to strengthen the development of human resources with "creativity" and "initiative" and to create opportunities for them to take on new challenges.

To strengthen the foundation for creating human resources that can create value in response to changes in the business environment, we will work to enhance our education system and training programs.



**How do you approach employee surveys?**



As a new initiative this fiscal year, we conducted an organizational diagnosis survey.

The purpose of the survey was to understand the actual status and issues of the organization in order to improve "organizational productivity," "employee motivation," and "organizational engagement," which will lead to the consideration of future human resource policies.

The survey was conducted with the following diagnostic items: (1) penetration of philosophy and policies, (2) leadership and management, (3) human relations within the organization, (4) status of personnel system, (5) business execution mechanism, and (6) employee characteristics. As a result, 99% of all employees responded, indicating a high participation rate.

After the survey, we will plan to implement necessary measures in areas that need to be improved and strengthened, while developing our strengths obtained from the verification of the organizational diagnosis results. We hope to form a virtuous cycle of organizational and human resource management that will continue to provide new value to our customers through the growth of our employees and the enhancement of their job satisfaction.

### YUSHIN's Educational Programs

	Before joining the company	Younger employees	Middle-level employees	Leaders	Managers
Training in common	Pre-enrollment education	Entry training	Business skill improvement training Follow-up training for new graduates	Management development education	Management training
Career support		Counselor system Elder system			Career design training
Professional education		Technical and administrative training			Departmental education, OJT
Departmental education					Compliance education
Thematic education					External training, seminars, internal study sessions
Selective education				Leader development program	
			Overseas trainee system		Overseas pre-appointment education
			Elder training		Counselor training
Self-development					Incentive program for correspondence education, Online English conversation education system
					Incentive program for the acquisition of qualifications
					e-learning