



# Cultivating Talent and Creating a Positive Work Environment

## Risks and Opportunities

GRI 2-12,16,25/3-3

The Risk Management Committee conducts comprehensive assessments of risks and promotes measures to address them.

### Risks and opportunities for human capital

Theme	Risk description	Opportunities
<b>Delays in fostering human resources</b>	<ul style="list-style-type: none"> <li>Delays in implementing human resource development plans and insufficient capacity building may delay the development of core human resources responsible for business growth and hinder sustainable business growth</li> </ul>	<ul style="list-style-type: none"> <li>To prevent delays in human resources development, we have established a system that regularly implements a PDCA (Plan-Do-Check-Act) cycle. At human resources meetings, which are attended by Directors who are concurrently serving as Operating Officers as well as Operating Officers with a title, there is deliberation on the company's human resources development policy measures and evaluation of their implementation. This ensures the steady implementation of measures to develop human resources who support sustainable business growth</li> <li>We set targets for human resources development, using training costs as a metric. The progress and results are reported to the Sustainability Committee, which is attended by all Directors. The Committee discusses response policies and other matters to ensure the continuous improvement of human resources development measures</li> </ul>
<b>Labor shortages</b>	<ul style="list-style-type: none"> <li>The decreasing workforce and number of young people, as well as the expansion of job openings due to the prosperous economy, may delay the securing of necessary employees and delay business plans</li> </ul>	<ul style="list-style-type: none"> <li>For new graduate hires, we are working to prevent mismatches with applicants' expectations by promoting a better understanding of our business, such as through plant tours. For mid-career hires, we aim to increase the potential for securing highly skilled human resources in line with our business plans by expanding the channels where job information is released and enhancing the information available on our website</li> <li>We have established a system (job return system) to make it easier for retirees to rejoin the company, providing opportunities to secure experienced human resources</li> <li>We set targets for the ratio of hiring of female new graduates recruited for career-track positions and the ratio of hiring of mid-career workers for executive and career-track positions. Progress and results are reported to the Sustainability Committee, which is attended by all Directors. The Committee discusses response policies and other matters to ensure the continuous improvement of initiatives to secure human resources</li> </ul>
<b>Rise in turnover rates</b>	<ul style="list-style-type: none"> <li>An increase in the number of employees leaving the Company due to reasons such as dissatisfaction with the Company, family caregiving, or other circumstances could hinder business promotion and execution</li> </ul>	<ul style="list-style-type: none"> <li>We have established an opportunity (1 on 1 meeting) for supervisors and subordinates to hold a dialogue about their careers once a year. We are working to understand individual wishes, to support career development, and promote creation of comfortable workplaces, as well as to enhance systems that help employees balance work with nursing care, childcare, etc.</li> <li>We established our new career consulting service to provide opportunities to obtain expert advice, support independent career building and promote human resource growth, and foster human resources who are highly motivated to do their jobs</li> </ul>