

Contribute to Make People’s Life More Pleasant and Beautiful

## That Is why Takara standard values its people

Takara standard aims to become a company that continues to be chosen by fostering talent that drives innovation and an organization that generates innovation.



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In recent years, the business environment is undergoing significant changes due to factors such as Japan’s declining population, rapid economic globalization, and remarkable advancements in digital technology. At the same time, employees’ work styles and values are diversifying, necessitating a new human resources system that moves beyond conventional thinking. A company’s growth is only possible through the growth of its talents. To continue strengthening our profitability and achieving sustainable growth, we have undertaken an unprecedented, fundamental reform of our human resources system. Our goal is to create policies that support growth, make employees feel that working at Takara standard is the right choice, and attract new talent. We hope that every employee working at Takara standard, a company that aims to “Becoming a brilliant company together with HORO,” can work with enthusiasm and a sense of fulfillment. The new human resources system reflects this vision.

### Policy on human resource development, including ensuring diversity in talent

#### •Ensure diversity

As we take on challenges in new business fields and accelerate our global expansion, ensuring diversity is essential. We believe that creating an environment where diverse talent can come together and thrive leads to innovation. To achieve this, we have established key performance indicators (KPIs) for diversity, including the promotion and development of female managers, career-track managers, and employment of persons with disabilities. These efforts are continuously being advanced. Additionally, we conduct training for managers responsible for leading diverse teams, focusing on topics such as harassment and unconscious bias and fostering an inclusive and supportive organizational culture.

#### •Strengthen human resource development

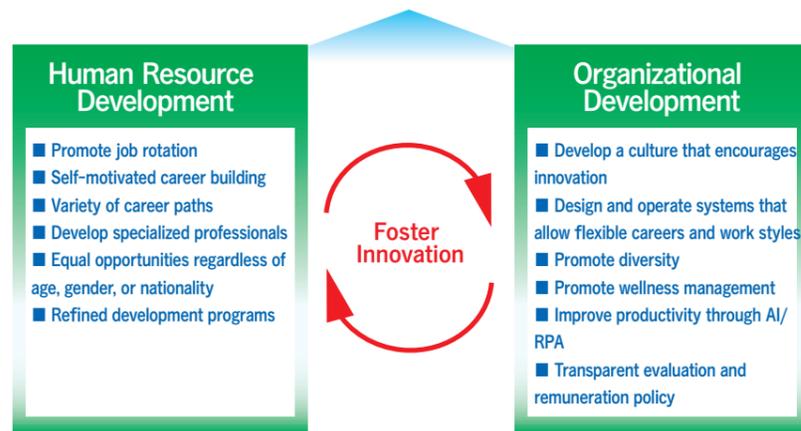
Under the new human resources system, we have redefined our company-wide ideal talent model with three key attributes—Challenger Talent, Development/Growth Talent, and Autonomous and Self-Driven Talent. Based on this policy, we have restructured our human resource development framework.

### Policy on workplace environment development

#### •Creating a comfortable work environment

The new human resources system, launched in fiscal 2024, introduces a specialized career track and allows employees to choose their work location, enabling a system that aligns with diverse values and lifestyles. Additionally, to promote male participation in childcare, we have implemented parental leave training not only for employees expecting children but also for managerial staff. By fostering a deeper understanding of childcare responsibilities among employees, 79.1% of male employees took parental leave during this consolidated fiscal year. Moving forward, we will continue to enhance our work environment to ensure that each employee can work comfortably.

### Takara standard—A Company That Continues to Be Chosen



## Introduction of the new human resources system from April 2024

### Background of the system reform

As part of the core strategies outlined in Medium Term Management Plan 2023, we have undertaken various initiatives, including organizational culture reform and workstyle innovation, to realize diverse ways of working. Looking 10 to 20 years ahead, where workstyles, human resources, and employee values are expected to diversify even further, we have launched a new human resources system that breaks away from conventional thinking.

By establishing a fair evaluation system that recognizes employees’ efforts and challenges, we aim to enhance engagement, support both employee growth and company development, and strengthen our human resource and organizational foundation to drive the continuous growth of Takara standard.

### Early promotion of young employees through the abolition of conventional seniority-based promotion

To facilitate the early promotion of young employees, we have clarified the conditions for advancement. Employees can now progress in their careers regardless of tenure as long as they develop the necessary skills required at each grade level. In addition to setting promotion requirements related to work styles and team management, we have also incorporated the level of challenge as an evaluation criterion. This ensures that employees who actively take on challenges are recognized and supported. The youngest branch manager at present is in their 40s, but if the requirements for promotion are met, a branch manager in their 20s could emerge in the shortest possible time.

### Redefining career paths to enable diverse workstyles

The conventional "regional general positions" as well as "clerical positions" have been abolished and integrated into general positions. Within this category, three distinct transfer types have been established—national type, area-limited type A, and area-limited type L—separating career advancement from geographical transfer requirements. This system ensures that all employees can advance their careers fairly under the same grade requirements. Additionally, employees can reselect their career path every five years, allowing them to align their workstyle with their life plans. For example, our company currently employs approximately 800 showroom advisors as full-time employees. While they can choose to continue working locally, they also have the option to transition into completely different roles in the future, leveraging their experience.

We aim to facilitate self-directed career development by expanding voluntary training programs, dispatching employees to external training programs, and promoting internal recruitment opportunities.

We have also introduced the Next Career System, which aims to provide diverse post-retirement work opportunities while maintaining a balanced wage structure. Additionally, we have implemented the 360-degree evaluation, in which employees receive feedback from superiors, colleagues, and subordinates, encouraging self-driven behavioral improvement. Furthermore, we have launched the Alumni Recruitment (Comeback Hiring) system, which allows former employees to be rehired. By enhancing employee engagement, Takara standard strives to achieve further growth, enhance corporate value, and contribute to the realization of a more prosperous society.

### Change for the “Next Standard”



#### Key Points of the System Reform

- [1] Job grade system Elimination of seniority-based promotion, redefinition of job grade requirements, and abolition of job titles
- [2] Workstyle reform Integration into the general employee category, the establishment of work location categories, the introduction of a specialist track
- [3] Evaluation system Revamping of evaluation methods, self-assessment system, and introduction of multifaceted (360-degree) evaluation
- [4] Next career system Ensuring diverse work options and wage balance post-retirement
- [5] Strengthening recruitment Referral recruitment and rehire program (comeback hiring)
- [6] Social contribution activities Volunteer leave and donor leave

Human Capital Strategy, Achievements, and Disclosure Data Collection

Category	Item	2021	2022	2023	2026 targets	Initiatives
<b>Work satisfaction**</b> (Sense of fulfillment + work comfort) 	Employee satisfaction	73.7%		75.2%	77.0%	By enhancing job satisfaction, we aim to achieve a 77% positive response rate to the statement “I am glad to work at Takara” in the employee satisfaction survey by FY2026.
	Voluntary turnover rate	3.9%	3.6%	4.7%	3.3%	
	Training cost per employee		19,472yen	28,643yen	30,000yen	We will strengthen human resource development aligned with medium- to long-term management strategies, including next-generation business leaders, DX talent, and global talent.
	Training hours per employee		14hour	19hour	25hour	
	Male parental leave utilization rate	45.0%	70.2%	79.1%	100.0%	Starting in FY2023, we introduced parental leave workshop. In addition to employees expecting children, about 500 managers have participated in the workshop to deepen their understanding of parental leave and foster an environment that facilitates its use. We aim to achieve a 100% male parental leave utilization rate.
	Average overtime hours	14.6hour	13.6hour	10.3hour	10.0hour	As part of workstyle reform, we have set a final clock-out time to encourage employees to be conscious of their time and improve productivity. In FY2023, the final clock-out time was moved up from 8:00 p.m. to 7:30 p.m.
	Paid leave utilization rate	56.6%	67.8%	71.1%	75.0%	By promoting a work environment that facilitates the use of paid leave, including monthly paid leave encouragement, anniversary leave, and healthcare leave, we aim for a paid leave utilization rate of 75% by FY2026.
	Number of work-related accidents	18	19	24		In production departments, all factories suspend operations for two hours each month to provide employees with time to reflect on workplace safety, reinforcing the awareness that safety is the top priority.
	Number of workplace issues and harassment consultations	18	60	64		Since FY2022, the establishment of an external consultation desk and the posting of informational posters have facilitated an environment where employees feel more comfortable seeking advice, leading to an increase in consultation cases. This initiative aims to bring issues to light before they escalate and enable early resolution while strengthening education for all employees and harassment training for managers.
	Implementation rate of stress checks	96.0%	96.2%	95.0%		Since FY2022, training for managers of highly stressful workplaces has been conducted to support workplace improvement. Additionally, since high stress is often linked to harassment, we have implemented a harassment check alongside the stress check.
Number of high-stress employees	963名	1,025名	941名			
Percentage of high-stress employees	15.5%	16.1%	14.5%			
<b>Active participation of diverse talent</b> 	Gender pay gap (all employees)	64.4%	65.0%	66.8%	70.0%	While there is no gender pay gap in job grades or roles, differences arise due to disparities in years of service. We are committed to closing this gap by creating an environment where female employees can work longer and supporting their career advancement. Under the new human resources system introduced in FY2024, the distinction between clerical positions and career-track employees has been eliminated, making it easier for capable female employees to advance their careers. *Reference: Detailed breakdown of the gender pay gap by position—managers: 89.5%, supervisors: 79.4%, employees: 79.3%, contract employees: 79.4%.
	Number of female directors	0	0	1		Starting in July 2024, the Company will have two female directors, bringing the ratio of female board members to 22%.
	Percentage of female managers	2.5%	3.6%	5.2%	10.0%	By providing training for female employees who are candidates for future management positions, implementing systematic development programs, and proactively promoting them, we aim to achieve a 10% female management ratio by FY2026.
	Percentage of mid-career hires in managerial positions	9.9%	11.3%	11.8%	15.0%	We will appoint capable employees to management positions regardless of their hiring classification. Additionally, we will actively recruit mid-career professionals into managerial roles.
	Percentage of mid-career hires	40.5%	41.4%	42.6%		By recruiting diverse talent regardless of gender, age, nationality, values, or disability status from the hiring stage, we aim to foster organizational diversity, drive innovation, and revitalize the organization.
	Percentage of female new graduate hires	39.7%	43.3%	39.0%	50.0%	
	Percentage of persons with disabilities	2.2%	2.4%	2.5%	2.8%	

Investment in human capital: Vision for FY2030

**Maximizing corporate value through activating full potential of diverse individuals**

To be a preferred company, Takara standard continues to nurture, leverage and respect individuals.

Investment in human capital: Three-year initiatives

① Facilitating workforce mobility

**[Development of business leaders]**

We will promote the development of young leaders by identifying employees in their 20s and 30s with great potential, helping them acquire leadership skills at an early stage.

**[Promotion of job rotation]**

By providing extensive opportunities and environments to nurture and leverage individuals, we aim to develop an organization where diverse talents are synergistically integrated.

**[Internal recruitment system]**

We aim to enhance job satisfaction and develop human resources through self-directed career formation.

② Enhancing training structure

**[Development of DX talents]**

By developing DX talent and enhancing digital literacy for all employees, we aim to maximize the effects of digital investment.

**[Enhancing training programs]**

We will establish a well-structured training system that allows employees to feel that “Takara standard is a company that nurtures people,” offering programs tailored to career aspirations and growth ambitions.

**[Development of innovation-driven talent and organizational growth]**

We will recruit and develop highly specialized professionals and foster an innovative organization through integration of diverse expertises.

③ Diversity, Equity & Inclusion

**[Fostering a corporate culture that embraces diversity]**

Through DE&I training, we aim to create a corporate culture where diverse individuals respect differences and fully express their unique qualities.

**[Promotion of women’s participation in the workforce]**

We will actively nurture and promote career-oriented women while creating an environment where all female employees can work with peace of mind.

**[Promotion of mid-career hiring]**

We aim to leverage external experience to generate new ideas and values that do not exist within the Company while actively promoting mid-career hires to management positions.