Integrated Report 2021

Human Resources Strategy：Detailed Report

Fiscal Year Ended March 31, 2021

Beyond the Horizons
Accelerate
Expand
Upgrade

ITOCHU Techno-Solutions Corporation

CTC
Challenging Tomorrow's Changes

Contents

Basic Approach

Human resources are CTC's most important form of capital. The company's enterprise value cannot be enhanced without employee growth.

As suggested by the "Challenging Tomorrow's Changes" slogan of our corporate philosophy, we implement a human resources strategy that enables each employee to grow autonomously as they enjoy the challenge of adapting to changes. Our human resources strategy is also closely linked to our business strategy.

In addition to providing a range of growth opportunities according to individual aptitudes and goals, we aim to create a corporate culture in which diverse professionals collaborate and thereby achieve mutual improvement.

Accelerating Initiatives for Manifesting Comprehensive Power by Boosting the Individual Techniques and Skills of Employees

I offer my sincere condolences to the families of those who lost their lives to the novel coronavirus disease, and extend my sympathies to all those who were infected or are otherwise impacted by COVID-19. In regard to measures against COVID 19, CTC places utmost priority on the safety of everyone concerned, including our employees, clients, and business partners. As such, our main working arrangement is working from home, and we endeavor for business continuation through the utilization of information technologies.

Our values, lifestyles, and the order of priority of various matters changed greatly with the spread of COVID-19. Under the new set of values, there is greater importance placed on how our human resources, or each of our employees - who are CTC's greatest assets - face social issues. Going forward, we will accelerate our initiatives for manifesting the comprehensive power of the CTC Group by boosting individual techniques and skills, creating an environment that will enable respective strengths to be unleashed, and mobilizing the skills of each individual.

To enable individual strengths to be exhibited to the utmost, we are implementing "wellbeing management." This includes various initiatives that encourage autonomous professional growth, creating diverse, flexible work environments, and aiming for the health and happiness of our employees and their families. Furthermore, we will recognize anew CTC's strength and flexibility, which allow us to continually undertake new things and keep on changing. We will also promote diversity and inclusion that make the most of diverse personalities regardless of age, gender, nationality, experience, or career, and continue to engage in the development and management of diverse leaders.

As indicated by CTC's slogan, "Challenging Tomorrow's Changes," we have a corporate culture of taking on challenges. Based on our ultimate mission as a company, "Leveraging IT's potential to change future for the Global Good, "we will keep on trying so that we may fulfill our corporate social responsibility.

President and
Chief Executive Officer

Ichiro Tsuge

CTC Group
Philosophy, Materiality &
Medium-Term Management Plan

CTC Group Philosophy

The CTC Group Philosophy is comprised of four components - our Slogan, Mission, Values, and Code of Conduct. Our slogan constitutes our commitment to society to fulfill our mission, while our mission expresses how we will contribute to the world through our core business and the objectives we aim to achieve through our business activities. Our values are the important keywords we must keep in mind to accomplish our mission, while our action guidelines are the words that serve as the starting point for the decisions and actions of each of our employees.

New Materiality (Material Topics)

In fiscal 2021 we redefined our materiality, based on the CTC Group Philosophy and our approach to sustainability. With the determination to help achieve a sustainable society throughout core business, our three material issues are to solve social issues through IT, develop human resources to carry the future, and implement responsible business activities.

Slogan

Challenging Tomorrow's Changes

Mission

Leveraging IT's potential to change the future for the Global Good.

Values	Action Guidelines
Challenge for Change	Are you determined? Are you constantly trying new things without ever giving up?
Challenge for Value	Are you creative? Do you generate value that exceeds customers' expectations?
Challenge for the Future	Are you free thinking? Do you strive to map out a brighter future?

Solve social issues through IT

- Endless pursuit of advanced technology
- Joint business creation with various partners
- Providing safe and reliable IT services

Develop human resources to carry the future

- Developing diverse professionals
- Creating corporate culture to respect and bring out the best in each other
- Contributing toward development of human resources who create the future

Implement responsible business activities

- Better, effective governance
- Contributing to action against climate change
- Responsible actions by each individual

Medium-Term Management Plan (Fiscal 2021-2023)

In April 2021 the CTC Group formulated its new medium-term management plan "Beyond the Horizons: To the Future Ahead."

The previous medium-term management plan "Opening New Horizons: To See a New Landscape" which ended in fiscal 2020 was in some ways a warm-up period. For three years we pursued higher earning power by enhancing our areas of strength, while challenging ourselves to transform our business.

Now, over these next three years we will continue the activities we have engaged in to create added value for our customers, and to provide the optimal information technologies. At the same time, we will co-design our customers' very business itself together with them, and advance into new areas where we can create new prosperity for society. For this new medium-term management plan we have defined three basic policies, each with three priority scenarios.

Beyond the Horizons: To the Future Ahead

Accelerate Create new prosperity	**Accelerate new initiatives that support customers' innovation**	**Priority scenarios** ● The everyday DX for customers' tasks, customers' businesses, and consumers ● Expand community development and joint business creation ● Provide high-value added services and state-of-the-art technologies
Expand Spread current prosperity	**Further exploration and market expansion in our areas of strength**	**Priority scenarios** ● Expand our 5G business, based on "creation" ● Strengthen our XaaS business ● Deploy domestic business models globally
Upgrade Increase feasibilities	**Future-minded personal transformation and practical application**	**Priority scenarios** ● Greater overall strength by combining the growth of individuals with having the right people in the right places ● Transform our business infrastructure to adapt to changing environments ● Harmonious co-existence with diverse stakeholders

Issues and initiatives toward achievement of "strengthening overall capabilities through a combination of individual growth and the assignment of the right people to the right places."

Executive Officer and General Manager,
Human Resources Management & General Affairs Division

Hisashi Sawanobori

A Human Resources Strategy tha Increases the Feasibility of the Medium-Term Management Plan

— One of the basic policies of the Medium-Term Management Plan "Beyond the Horizons: To the Future Ahead" is "Upgrade, increase feasibility (Practicing self-improvement with an eye to the future)." It is aimed at human resources development and strengthening the management base. What kind of initiatives do you plan to promote from the aspect of the human resources strategy?

While keeping "strengthening overall capabilities through a combination of individual growth and the assignment of the right people to the right places" in mind as the emphasized scenario to follow, we will start by considering how we can maximize the strengths of our human resources, who are CTC's most important capital.

Until recently, IT was a kind of tool adopted by companies for the purpose of achieving operational efficiency and cost reductions. However, now in an age when the term digital transformation is very widely used in society, many companies are considering IT as a part of the infrastructure or the management base that supports a company itself from its foundation. Companies are embarking on major transformations that include business models, organizations, and even corporate cultures. Amid such trends, the role played by CTC, which is a system integrator, is also beginning to undergo significant change. When you think of human resources involved in IT, you probably think of engineers who possess computer and other digital skills. In addition to further honing such specialized capabilities, we need to develop human resources who are well-versed in multiple technologies and fields, including business design, AI, cloud computing, and are in possession of operational knowledge of various industries. In other words, we must nurture human resources who have something extra to offer in addition to IT, such as "IT plus business creation" and "IT plus distribution and finance."

No matter how good an application or solution may be, it will be meaningless if it cannot deliver a user experience and results that are of value to our clients. Based on a knowledge of the management issues and business strategies of our clients, our future engineers will need to have, as a basic skill, the ability to propose and build systems that will support the success and growth of our clients by way of information technology. To nurture as well as recruit such human resources, CTC's policy is to promote the enrichment of our human resources measures and systems into those that will encourage professional growth and boost employee motivation.

Strengthening the Organization by Developing Diverse Professionals

With that said, it is no easy task to develop engineers who can cover everything by themselves. Besides, you need more than engineers to begin with to make a business or company possible. In fact, if you look at the breakdown at CTC, 70% are engineers. The remaining 30% is composed of those in sales and corporate roles, combined. Of course, there is no question that engineers, who support our strengths in technology, are important to CTC. However, it is when diverse professionals in all areas, whether sales, finance, or human resources, are combined, and the right people are assigned to the right places that the strength of an organization is maximized. My personal awareness is that our company works through the strength of all employees, including those on the front lines and those providing support from the rear.

Recently, we often hear the phrase "highly skilled IT professional" being used. There is a need to develop a mechanism or environment that enables not only engineers but also diverse professionals possessing high skills in their respective lines of work or sections to exhibit their maximum performance.

Accelerating Individual Growth

— What exactly does the "individual growth" sought by CTC refer to?

We would like to see our human resources exhibit autonomy and try everything without fear of failure, and enhance their own added value as an individual. If many employees can do that, then the number of diverse professionals will naturally increase within the company. It should not be about working doggedly every day while following conventional ways of doing things or rules. Employees should think on their own about what skills are needed to exhibit their best performance as professionals in their job, take action, and acquire those skills. CTC has many employees who want to try new things and develop their own abilities. We have a deep-rooted corporate culture that recognizes employees who seek professional growth and take on challenges, provides support, then

extends a helping hand to them should they fail. The role of HR is to further foster that kind of a culture and prepare mechanisms and environments for providing challenges and opportunities for growth to motivated employees. For example, we would like to carry out job rotations more actively and encourage voluntary capability development through encounters with new people and new work.

I personally experienced many job rotations. My life as a working adult got off to a start as an engineer. I then moved to the sales team, and served as a manager for about 12 years. I later became the General Manager of the Institute of Open Innovation Research "MIRAI," which utilizes information technology to launch new businesses. I am currently General Manager, Human Resources Management & General Affairs Division, and I supervise the human resources strategy. As I developed my career in such ways, I was able to acquire multifaceted perspectives and skills. This has proved to be a great advantage for me as I am today. My hope is that by experiencing the operations of various departments, employees who will be playing a leading role in CTC's future will also develop into human resources who have acquired and are able to utilize wide-ranging skills that are outside of their field of expertise.

Promotion of the Assignment of the Right People to the Right Places by Making the Strengths Possessed by Employees Visible

— How will you go about promoting the assignment of the right people to the right places?

To carry out appropriate staffing when implementing organizational reform or launching project teams, we need to have a firm understanding of what kind of human resources we have at present within the company and their number. We need to know what kinds of skills and careers are possessed by each employee, and what their aptitudes are. As part of the visualization of the technical skills of engineers, and for career development support, CTC has had mechanisms in place even before now for understanding the experiences and careers of each employee. However, we will now further promote a company wide initiative for enabling the visualization of the

strengths of our human resources from all aspects, including their capabilities and characteristics. Through v isualization of not only the capabilities of individual employees but even their characteristics, we would like to strengthen our in-house human resources database into one that will enable us to flexibly and swiftly form the best human resources portfolio as necessary.

The visualization of our in-house forces will enable us to greatly advance our effort to assign the right people to the right places, which is our priority scenario. If we can allocate people to positions that match their capabilities and characteristics, even more than in the past, then we can maximize the performance of each employee. By doing so, we will be able to not only greatly enhance our overall capabilities as a company but also strengthen our growth potential. Furthermore, it enables management to instantly obtain quantitative understandings of what technologies or business areas our human resources have strengths in, and conversely where the weaknesses are and what areas need reinforcement. This makes it possible for us to formulate accurate business strategies or make appropriate investment decisions. We would like to develop this gradually through a three-year plan.

Executing the Human Resources Strategy and Human Resources Management Measures by Connecting Management, HR, and Those On Site

—— HR is in charge of conveying and instilling the human resources strategy and measures formulated by management to each department; how do you go about advancing this?

Broadly speaking, we do it in two ways.

One is done at the level of each business group. While maintaining autonomy, each business group at CTC also provides, under a closely collaborative organizational structure, full-stack IT services that combine various IT services. Instead of being pyramid-shaped, the organizational structure is like that of a mountain range with many peaks. Each business group has an internal planning and supervisory department, which is responsible for the strategy of the group's business. Employees with HR experience are assigned there, and each group promotes its own human resources strategy. We will apply the strategy and measures formulated for the whole company to each business while collaborating with these planning and supervisory departments. The way in which the strategies and measures will be rolled out will be left up to each business group for the most part. Plans that fit the respective workplaces are drawn up and executed. Matters are not carried out in a top-down manner. So, for example, if a business group says that a certain kind of training is needed, then HR will listen to that opinion and provide resources as needed. Sometimes, they are rolled out across-the-board to other business groups.

The second is through the Human Resources Measures Committee. This is an advisory organ of the Management Committee. One of the assigned officers becomes the Chair. Representatives from each business group are assembled once a month centering on those at the general manager level, for meetings. The design of the human resources system and the adoption of new measures that concern the whole company go through this committee before being implemented company wide.

The Role of HR in Supporting Response to Changes in the Management Environment

— The COVID-19 pandemic forced us to undergo sudden changes, such as in our working style. What kind of response did you take?

In regard to CTC's response to the COVID-19 pandemic, first of all, we had already introduced a work-at-home system in 2010 for childcare and nursing care. We had also already conducted a trial in December 2019 for the introduction of a system that allows all employees to work remotely up to two days a week. Under the declaration of a state of emergency in April 2020, we made working from home the main work style for all employees, in principle. Working remotely from home five days a week continues to be possible to date. The mindset of our employees also changed. Before this, employees used to think that it would not be possible for them to focus on work while at home. However, once they tried it, they saw that it was actually possible. They started voluntarily combining the times and locations for working, and they are now choosing ways that enable them to work more efficiently and effectively. Although people were forced to work from home as a measure o prevent infection from spreading, it still greatly advanced our efforts to change work styles.

I personally feel that while there were things that we gained through remote working, there were also things that are being lost. Many conferences and meetings are being carried out remotely every day. However, there are things that are gained or come about only through actual face-to-face communication. Going forward, we will probably see a hybrid work style that combines working from home, teleworking, and working at the office becoming common. What we would like to do is to respect the freedom to choose work styles while also encouraging "chemical reactions" to take place by "mixing" diverse individuals together—this so that we can boost our overall strength as an organization. With a hybrid work style as the assumption, upgrading CTC's various existing systems while staying in tune with the company's policies and strategies will provide an opportunity for HR to show what it can do.

The ideal is that HR serves as a go-between between management and those on site, spreading company wide the messages and requests made by management. We would make only a minimum set of rules, and each division would work in styles that would match their needs and enable the greatest performance to be exhibited.

Toward a Strong, Flexible Organization Capable of Responding as Occasion May Demand

— Lastly, can you tell us about five to ten years from now; the outlook of the HR strategy in the medium- to long-term?

It is said that we are in the "VUCA age," and it is becoming extremely difficult for us to see into the future. However, there are things that can be forecast. For example, a person gets one year older each year, so we know what the age composition of employees would be like in ten years' time. In regard to age and other matters for which the future can be forecast, we need to develop human resources systems and take measures in preparation for the future and will enable everyone to work actively for as long as possible, regardless of their age. On the other hand, it is difficult to predict exactly how technologies and businesses will change in the next ten years, and take necessary measures. But CTC is what it is because of its human resources. So, what we can do is change the organization through the capabilities of our human resources and make CTC an organization that can adapt to any kind of change.

We can nurture diverse professionals and prepare mechanisms that will allow us to quickly identify the optimal solutions for our staffing needs in accordance with our business strategies. Responding flexibly as needed to rapid changes in the business environment, and enhancing the company's resilience are going to be of greater need in human resources strategies. We will also need to keep in mind that human resources will expand the possibilities of the business strategies themselves. "Strengthening overall capabilities through a combination of individual growth and the assignment of the right people to the right places," which is an emphasized scenario of the new Medium-Term Management Plan, is not just the target for the next three years. You could say that it is an indispensable initiative for CTC to achieve sustainable enhancement of its corporate value over the next ten, twenty, thirty years and beyond.

Basic Concept of Our Human Resources Strategy in the Medium-Term Management Plan
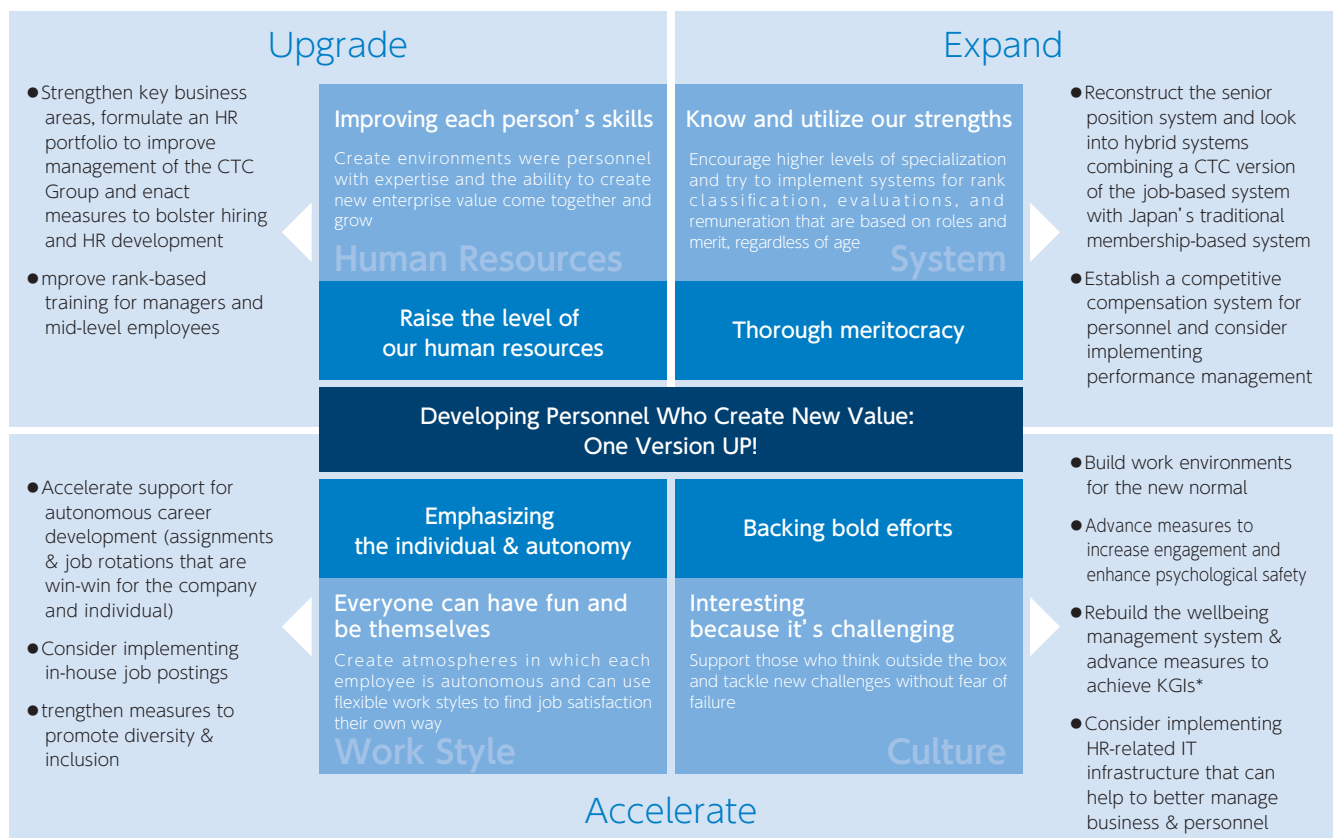
Human resources, systems, work styles, and organizational culture - taking a four-pronged approach to transformation

The ideal CTC employee is a creative individual who relishes change and can take the lead in changing conditions to convert diversity into value. To foster such employees, our human resources strategy is focused on personal growth, taking on challenges, and creating a supportive environment for those who pursue ambitious initiatives. Among employees, we are also instilling the concept of autonomy to think and act for themselves, as well as the concept of collaboration for diverse personalities to combine their capabilities to achieve goals.

Identified as part of our materiality, efforts to develop human resources to carry the future will be integral to implementing our corporate philosophy. For this reason, our medium-term management plan for fiscal 2021 through 2023 "Beyond the Horizons-To the Future Ahead" sets out "greater overall strength by combining the growth of individuals with having the right people in the right places" as a priority scenario with the aim of changing the future for the global good in line with our corporate philosophy.

To advance these initiatives, we have established "Developing Personnel Who Create New Value: One Version UP!" as the basic concept of the human resources strategy in our medium-term management plan. We are accelerating the creation of a cheerful environment where employees can harness their capabilities, focusing on the four areas of systems, human resources, work style, and organizational culture to reach their One Version UP!

Upgrade

- Strengthen key business areas, formulate an HR portfolio to improve management of the CTC Group and enact measures to bolster hiring and HR development
- mprove rank-based training for managers and mid-level employees

Improving each person's skills
Create environments were personnel with expertise and the ability to create new enterprise value come together and grow

Human Resources

Raise the level of our human resources

Know and utilize our strengths
Encourage higher levels of specialization and try to implement systems for rank classification, evaluations, and remuneration that are based on roles and merit, regardless of age

System

Thorough meritocracy

Expand

- Reconstruct the senior position system and look into hybrid systems combining a CTC version of the job-based system with Japan's traditional membership-based system
- Establish a competitive compensation system for personnel and consider implementing performance management

Developing Personnel Who Create New Value: One Version UP!

Emphasizing the individual & autonomy

Everyone can have fun and be themselves
Create atmospheres in which each employee is autonomous and can use flexible work styles to find job satisfaction their own way

Work Style

Backing bold efforts

Interesting because it's challenging
Support those who think outside the box and tackle new challenges without fear of failure

Culture

- Accelerate support for autonomous career development (assignments & job rotations that are win-win for the company and individual)
- Consider implementing in-house job postings
- trengthen measures to promote diversity & inclusion

- Build work environments for the new normal
- Advance measures to increase engagement and enhance psychological safety
- Rebuild the wellbeing management system & advance measures to achieve KGIs*
- Consider implementing HR-related IT infrastructure that can help to better manage business & personnel

Accelerate

* KGI: Key Goal Indicator

Human Resources | Improving Each Person's Skills

At CTC, we develop and hire our human resources according to information gained from sources such as career and experience visualizations through our career development support system, and skills visualizations through our engineering skills inventory. By advancing efforts such as these, we are building a strategic human resources portfolio as well as monitoring mechanisms, as we seek to develop and hire human resources who are even more closely linked to our business strategy. In order to expand the strengths we have built up thus far, and accelerate new initiatives that define the strategy in our Medium-Term Management Plan, we are implementing priority measures such as "One Version UP!" for each and every employee to refine their skills with various capabilities in multiple fields outside their own specialization, and improving our management to build a 'powerful yet nimble' organization that encourages personal growth and flexibly adapts to change. Through these efforts, we will create environments where personnel with expertise and the ability to create new enterprise value come together and grow.

Work Style | Everyone Can Have Fun and Be Themselves

The CTC Group is devoting more energy to Diversity & Inclusion initiatives that aim to support employees in autonomously and independently developing their own careers, and to establish environments where diverse personalities utilizing various work styles combine their capabilities to take on new challenges and achieve self-fulfillment. We will build organizational culture to more flexibly accommodate the circumstances and hopes of each individual, and implement measures aimed at the optimal job rotations and personnel assignments for both individual and company. This culture will be characterized by work styles that employees can design themselves and everyone can enjoy being themselves, working with their own individual passion, where diverse human resources feel respect for one other and find their own fulfillment in their work, while at the same time pushing each other to be better.

System | Know and Utilize Our Strengths

The multiple career path personnel system we have currently implemented promotes more advanced specialization. We are now giving this system a new overhaul to administer evaluations and compensations commensurate with roles and merit, regardless of age. We plan to implement the new system in fiscal 2023. We are also looking to revise the specialization-driven senior position system in line with changes in technology, business, and the social environment. Our aim is to gain closer insight on the competencies and objectives of each individual employee, while enabling them to know and utilize their strengths, maximizing individual capabilities and simultaneously enhancing our organizational strength.

Culture | "Interesting Because It's Challenging" as Organizational Culture
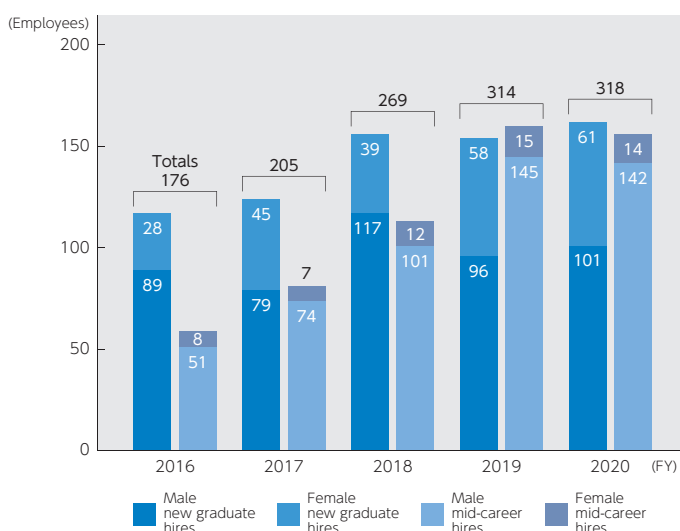
As expressed by our slogan "Challenging Tomorrow's Changes" which encapsulates the CTC Group Philosophy and represents the origin of our corporate brand, CTC has the spirit of respecting challenge. When we evolved the group philosophy in 2015 to show our future determination comprised of our ideas, we tabulated comments from employees. The most frequent word to appear was "challenge," which we feel is indicative of our organizational culture. To further instill the spirit of respecting challenge and supporting those who think outside the box and tackle new challenges without fear of failure, we will continue fostering work environments with a culture of independence, responsibility, creativity, cooperation, and trust, while advancing measures to raise employee engagement. The freedom to choose work hours and locations according to the nature and purpose of the work aims to boost creativity, promote growth by spreading the feeling that it's interesting because it's challenging, and embolden attitudes to continue taking on challenges, for the health and happiness of each individual employee.

Employee Headcount (Consolidated & Non-Consolidated) / Operating Income Per Employee (Consolidated)

Legend: Consolidated employee headcount / Non-consolidated male employee headcount / Non-consolidated female employee headcount / Operating income per employee
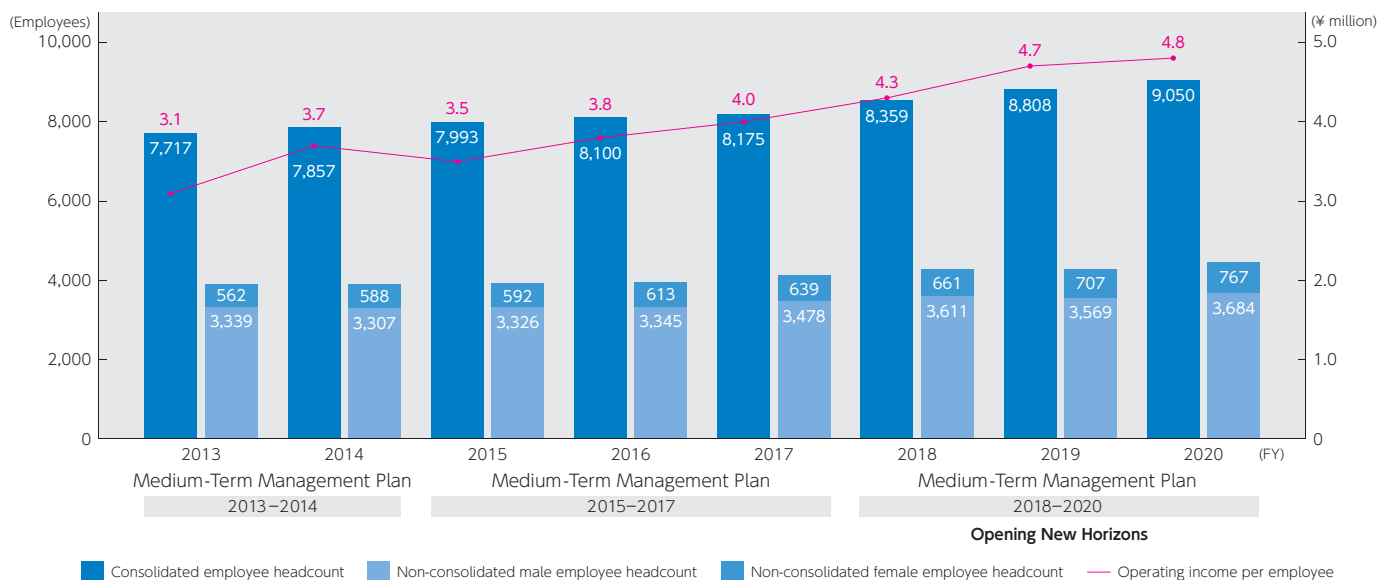
Human resources-related initiatives have been designated as priority measures since the fiscal 2013-2014 medium-term management plan as part of efforts to strengthen our management infrastructure. Since fiscal 2014 we have been working to change work styles and build diverse, flexible work environments. Then in 2015, in combination with our multiple career path personnel system implementation, we also overhauled our human resources development system. This included greater efforts toward measures such as supporting autonomous, independent career development, promoting diversity & inclusion, and more. Starting in 2016, our operating income per employee has been steadily increasing.

Number of New Hires (Non-Consolidated)

Legend: Male new graduate hires / Female new graduate hires / Male mid-career hires / Female mid-career hires

We are hiring diverse human resources irrespective of age gender, or nationality. In fiscal 2020 our ratio of new graduate to mid-career hires was roughly 50-50.
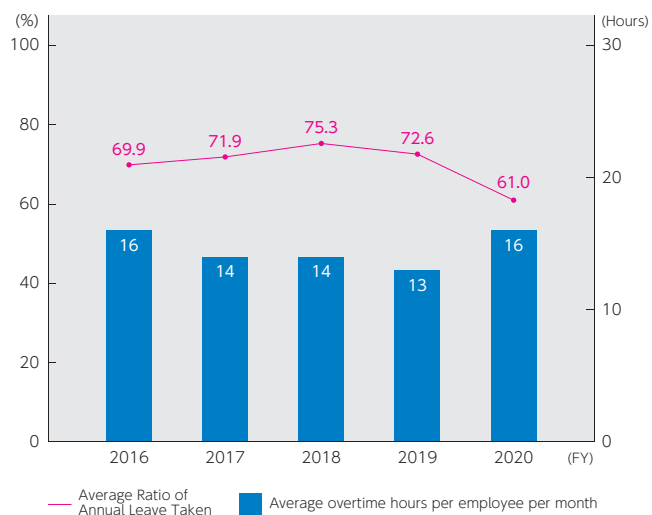
Female Managers (Non-Consolidated)
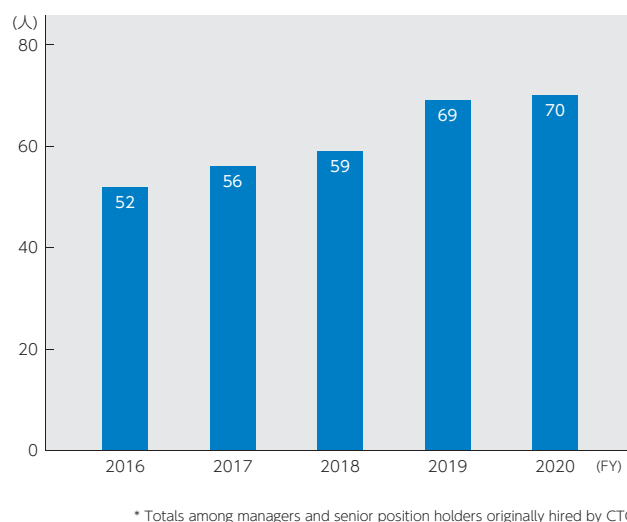
* Totals among managers and senior position holders originally hired by CTC

With women's participation and advancement as the centerpiece of our diversity & inclusion efforts, we have been working to implement various different measures. The increase was only marginal in fiscal 2020 due to decreases resulting from retirements, but the results of efforts during fiscal 2020 are reflected in our total of 81 female managers as of April 1, 2021, steadily increasing from only 19 on payroll in fiscal 2013.

Overtime Hours Per Employee / Average Ratio of Annual Leave Taken (Consolidated)

(%) / (Hours)

	2016	2017	2018	2019	2020
Average Ratio of Annual Leave Taken	69.9	71.9	75.3	72.6	61.0
Average overtime hours per employee per month	16	14	14	13	16

— Average Ratio of Annual Leave Taken
■ Average overtime hours per employee per month

We took stronger measures against overtime work starting in fiscal 2013, endeavoring to establish balanced work styles. Starting in fiscal 2019 we shifted our work styles theme to "job satisfaction" and we are now striving to establish diverse, flexible work environments. Overtime hours which had been 23 hours per person per month in fiscal 2013 decreased by seven hours in fiscal 2016 and remained at about that same level in fiscal 2020.

Rate of Returning to Work After Childcare Leave (Consolidated)

(%)

	2016	2017	2018	2019	2020
	97.5	98.9	100	100	98.8
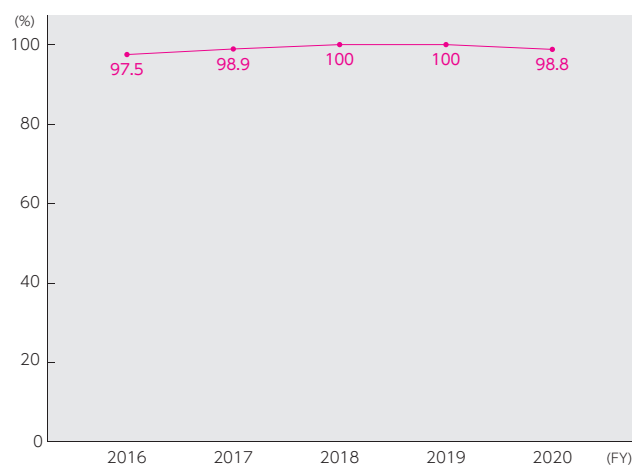
We are engaged in ongoing efforts to develop childcare support systems, establish diverse, flexible work environments, and implement organizational awareness initiatives including between employees and their superiors. Our rate of returning to work has remained steadily close to 100%, and we are also working to encourage male employees to take childcare leave.

Ratio of Employees Who Responded "I'm Satisfied With My Job" (Consolidated)
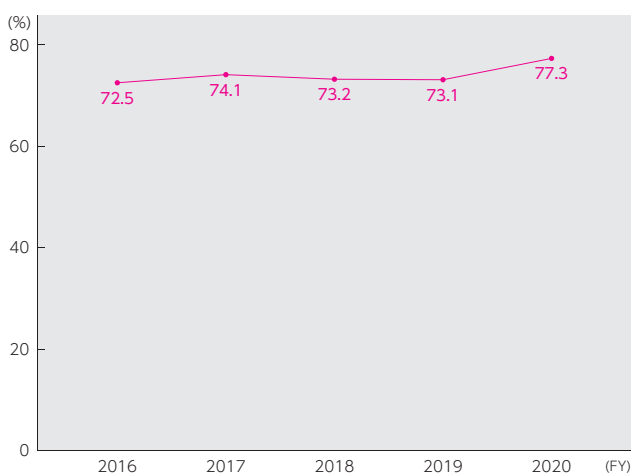
(%)

	2016	2017	2018	2019	2020
	72.5	74.1	73.2	73.1	77.3

* Ratio of "Yes" plus "Relatively, yes" responses to the question "Are you satisfied with your job?" (from health checkup interviews and stress checks)

We have expanded the range of options available to employees including for work hours and locations, and have offered an increasing level of freedom in work environments while implementing various initiatives aimed at increasing job satisfaction. In fiscal 2020 our focus completely shifted to work styles, mainly working remotely, and in fiscal 2021 we are striving to offer even more freedom of selection in our work environments.

Turnover Rate (Consolidated)

(%)

	2016	2017	2018	2019	2020
	3.0	2.8	3.0	3.4	1.8
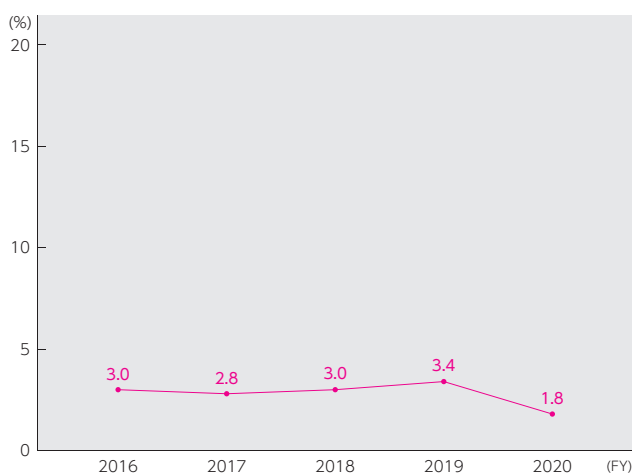
* Figures pertain to employees originally hired by CTC

We implemented the multiple career path personnel system which places emphasis on diverse careers and human resources development. Through efforts to establish a comprehensive career development support system, create diverse, flexible work environments where diverse personalities can combine their capabilities, and more, we have been able to maintain a turnover rate below the industry average.

* Results of the 2020 Survey on Employment Trends by the Ministry of Health, Labour and Welfare: 9.2% turnover rate in information and communications industry

Priority Measures

Human Resources: Improving each person's skills	• Strengthen key business areas, formulate a personnel portfolio to improve management of the CTC Group and enact measures to bolster hiring and human resources development • Improve rank-based training for managers and mid-level employees
System: Know and utilize strengths	• Reconstruct the senior position system and look into hybrid systems combining a CTC version of the job-based system with Japan's traditional membership-based system • Establish a competitive compensation system for personnel and consider implementing performance management
Organizational Culture: Interesting Because It's Challenging	• Build work environments for the new normal • Advance measures to increase engagement and enhance psychological safety • Rebuild the wellbeing management system & advance measures to achieve KGIs • Consider implementing HR-related IT infrastructure that can help to better manage business & personnel
Work Style: Everyone can have fun and be themselves	• Accelerate support for autonomous career development (assignments & job rotations that are win-win for the company and individual) • Consider implementing in-house job postings • Strengthen measures to promote diversity & inclusion

Major Initiatives in Fiscal 2021

Human Resources: Improving each person's skills	• Implement onboarding programs according to changes in work environments, for those joining the company mid-career • Strengthen management capabilities, establish human resources development system for DX
System: Know and utilize strengths	• Conduct surveys of all employees and interviews by rank regarding human resources systems, while engaging in ongoing considerations
Organizational Culture: Interesting because it's challenging	• Implement PDCA by conducting engagement surveys • Build work environments for the new normal • Bolster measures to achieve KGIs for wellbeing management
Work Style: Everyone can have fun and be themselves	• Expand job rotation measures aimed at supporting career development • Strengthen measures to promote diversity & inclusion based on the three-year action plan starting in fiscal 2021

Fiscal 2021-2023 Medium-Term Management Plan   Examples of Initiatives & Targets

Human Resources: Improving each person's skills	• Create a dynamic personnel portfolio linked with management strategy and build monitoring mechanisms • At least 35% ratio of female new graduate hires (every fiscal year)
System: Know and utilize strengths	• Encourage higher levels of specialization, and try to implement human resources systems that evaluate and remunerate based on roles and merit
Organizational Culture: Interesting because it's challenging Work Style: Everyone can have fun and be themselves	• Respect the diverse values of employees, and make further efforts to offer them work styles they can design autonomously • Achieve KGIs specified in the wellbeing management medium-term plan • 90 female managers (by April 1, 2024) • At least 20% ratio of female regular employees (by fiscal 2023) • Exceed the statutory requirement for employment rate of persons with disabilities (every fiscal year)

A New Personnel System Toward Enhancement of Competitiveness and Sustainable Growth

The development of a new personnel system commenced under the basic concept of achieving the "One Version UP!" of employees and organizations.

Deputy General Manager,
Human Resources Management & General Affairs Division,
and General Manager, Human Resources Department

Satoshi Jitoh

Background to the Fundamental Review of the Personnel System and Challenges

As indicated by "Challenging Tomorrow's Changes," theslogan of CTC Group Philosophy and the origin of our corporate brand, CTC values the spirit of taking on challenges. Fortunately, CTC has been marking record performance for seven straight years. This is the result of each of our employees taking on new challenges and opening up new business fields for the company.

Six years have passed since the current personnel system was launched in April 2015. With the progress in digital transformation efforts, information technology is fulfilling even greater roles within companies and society. The demand for IT-savvy human resources, namely engineers possessing advanced skills in areas such as digital transformation, artificial intelligence, 5G networks, and cloud computing, is rapidly increasing. On the other hand, Japan's labor pool is shrinking, and shortages of human resources are becoming increasingly dire. At CTC, too, cultivating and hiring as many human resources as possible with advanced skills, and improving and preparing environments and systems for them to exhibit their utmost performance for as long as possible are indispensable for the company to continue maintaining strong competitiveness going forward and achieve sustainable growth.

CTC currently offers a multiple career path personnel system that provides two career paths, one for management positions and the other for senior-level positions. It is based on a post qualification system that evaluates the level of fulfilling role expectations. On the one hand, the emphasis placed on human resources development and the current system that evaluates actual behavior in comparison with role expectations show the distinct character of CTC. On the other hand, we have also set up the first few years after a new graduate joins CTC as the time for acquiring sound business skills. A certain number of years are set for each role as the period for development through business assignments. If the employee is an engineer, the period as a junior engineer falls under the time management system. Growth, such as in the ability to allocate one's own time or move forward with an assignment, is used as part of the evaluation criteria. After promotion to a mid-level position, the discretionary work system is applied, and so on. Systems

related to work hours are also applied. In accordance with their evaluation, there are some employees who leap forward in their careers at a young age in the shortest of time. We would like to upgrade our system into one that is even more in tune with the times, whether it is in relation to the accelerated speed of the growth of our human resources or from the perspective of hiring valuable talent in a timely manner.

One of the major points in regard to improving and preparing the new system is to actualize employee compensations that are commensurate with their level of contribution to their roles or to the company's performance. We will revise the system so that performance-based pay will be available to not only supervisor or higher employees, who are candidates for promotion to a management position, but also to a wider range of employees. This is to meet the expectations of employees who exhibit their abilities irrespective of age. As the competition becomes even more heated in the labor market, we will work to revise the system into one that will attract individuals with skills and talent. The other is to design and operate a flexible system that is based on an equal relationship between the company and individuals. Now that we are in an age in which it is the individual who chooses a company and not vice versa, I feel that it is becoming even more important that we work to stay close to the desires and circumstances of each individual and actualize the job satisfaction of each employee.

To implement the plans formulated by the company, there is a need to develop the personnel system. The management strategy and the human resources strategy must be in sync. CTC's Human Resources Department reports directly to the president. As an organization, we are also closing the distance between HR and corporate management. Furthermore, in FY2020, we established a new section for human resources strategies. The sole mission of the section is to consider the human resources strategy in the medium- to long-term, and plan personnel systems. Following a fundamental review of the personnel system with this Human Resources Strategy Section at the center, we formulated the basic concept and the priority measures of the human resources strategy so as to enable each measure to function organically toward achievement of the new medium-term management plan.

Taking a Four-Pronged Approach to Transform CTC, with "One Version UP!" as the Basic Concept

With "Developing Personnel Who Create New Value: One Version UP!" as the basic concept, we will take a four-pronged approach to transform the organization in the three years beginning in FY2021. The approaches are, in addition to the aforementioned system, "human resources," "organizational culture," and "work styles."

"Human Resources"

To overcome existing issues and make our management base even stronger, the goal given the greatest priority is "fostering advanced human resources." Fostering advanced human resources has two aspects: developing our employees, and recruiting human resources with advanced skills. We will promote initiatives that will emphasize honing the skills of each individual. CTC differentiates between "technique" and "skills." In relation to engineers, technique would refer to technical skills, while "skills" would refer to comprehensive strengths, including the ability to combine techniques, the ability to build relationships with clients, the business skills acquired through business assignments, and managerial literacy. The "fostering advanced human resources" initiative is about enhancing not only the skills of each employee in their respective area of expertise but also enhancing their capabilities in other areas so that their "skills," which refer to their overall capabilities, are honed.

"Organizational Culture"

In regard to "organizational culture," we would like to instill the spirit of taking on challenges, mentioned at the beginning, and make it deeply rooted in the hearts of employees in all job categories. We want to create an environment in which they grow while tackling new challenges without fear of failure. Under "Values" and "Action guidelines" in CTC Group Philosophy, you will find the words "Challenging the Change—Are you determined? Are you constantly trying new things without ever giving up?" This, too, is at the core of the basic thinking in the current development of our personnel system. As a company becomes larger, they become less tolerant of failure, and it becomes more difficult to daringly try new things. However, there is no advancement or growth without tackling challenges. It needs to be, "It is all right to fail. Learn new things from that failure, and then try more new things." Tackling challenges is what makes CTC what it is—the DNA that drives dramatic leaps forward.

Furthermore, in terms of the diverse experiences gained by trying new things, we will also promote measures that will help employees further hone their skills and enable new perspectives and flexible ideas to arise.

"Work Styles"

As for "work styles," the fourth area, we will further strengthen our support toward career development. We would like to enrich our support and develop a system that will encourage the autonomy and independence of employees so that they will actively design their own careers. For some time, CTC has had in place a system that supports autonomous career development by employees. Career design programs are implemented for each age group, and employees with career counselor qualifications conduct interviews. There is a full set of basic support systems in place. They are in use by those at each working level, but we would like to make the systems capable of responding more flexibly to individual circumstances and desires. As part of this, we will take the job posting system, which has already been adopted by some business groups, and roll it out company wide.

We will also further strengthen our diversity and inclusion initiatives. In regard to the promotion of the active participation of women, we are continuing our initiatives to increase the share of women in management positions, in addition to expanding the number of women hired. The number of female managers and manager candidates is steadily increasing. From FY2021, we will be taking our efforts a step further, and we will be promoting comprehensive diversity and inclusion initiatives.
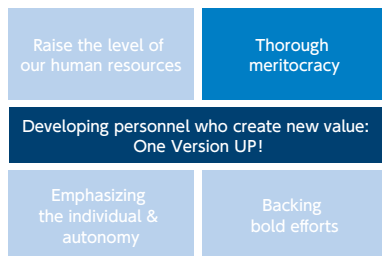
Heavily Reflecting Employee Opinions

The target for introducing the new personnel system is April 2023. This fiscal year (FY2021), we will complete the grand design and go as far as developing the outline. From the next fiscal year (FY2022), we will solidify the outline and develop the details, and explain the new system to employees at around the end of the first half of the year. That is our current blueprint.

The design and construction of the system will, of course, be led by HR. However, we will be heavily reflecting the opinions of those working on site to ensure that the system will not be imposed on them. When CTC designed the existing personnel system, HR proposed plans for the system. Details of the design were worked out at meetings of the Human Resources Measures Committee, composed of members centering on those at the general manager level. Discussion of how the system would be seen by those working on site were repeated on a regular basis. This time around, in addition to activities by the committee, there will also be input from managers, supervisors, and young employees. We will create opportunities to hear various opinions so that we can soundly reflect the opinions of employees who are working on site at the front lines. We would like to make it a system that was created together with employees. This includes the results of the questionnaire survey carried out toward all employees.

Personnel System

Priority measures for human resources
strategy in medium-term management plan

Raise the level of our human resources	Thorough meritocracy
Developing personnel who create new value: One Version UP!	
Emphasizing the individual & autonomy	Backing bold efforts

Expand | **Thorough Meritocracy**
Know and utilize strengths

Encourage higher levels of specialization and try to implement systems for rank classification, evaluations, and remuneration that are based on roles and merit, regardless of age

- Reconstruct the senior position system and look into hybrid systems combining a CTC version of the job-based system with Japan's traditional membership-based system
- Establish a competitive compensation system for personnel and consider implementing performance management

Basic Approach

There can be no new value creation nor sustainable growth for the company without the growth of the company's personnel. Aiming for the growth of both our company and employees, CTC has been advancing initiatives for our employees and the company to have an equal relationship, sharing the same spirit and objectives, and for every employee to achieve their growth autonomously in line with their competencies and goals, harnessing their capabilities to the fullest in propelling our business forward.

Personnel Systems to Promote Employee Growth and Energize the Organization

Since CTC composed the Engineering Specialist System in fiscal 2013, we have been bolstering the technical capabilities of our engineers while making career tracks toward senior positions available to them in addition to management positions. Then, to provide all of our employees with a wider selection of career paths, in fiscal 2015 we began offering sales personnel and other employees career paths toward either senior or management positions by implementing the multiple career path personnel system. Since these systems were initially introduced, the ratio of senior positions to managers has been roughly 30-70.
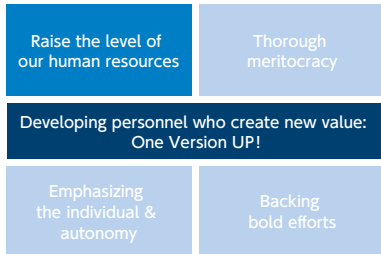
In the senior role career path which requires significant specialization, we established principal as the highest position among engineers, sales personnel, and other employees respectively, and treated these as the equivalent of a general manager. Then in fiscal 2018 we established fellow as an even higher position. Ranking above both the management and senior positions, fellows add value to the CTC brand through market creation and customer acquisition, and by leveraging their specialized expertise to make recommendations and proposals directly to senior management.

For development purposes, experience with job rotations has been added as a requirement for promotions in this system, and we are providing employees with opportunities to experience many different types of jobs. Furthermore, we are evaluating based on the actual skills that were utilized commensurate for the expectations of the role, regardless of age. Employees can even be promoted early, depending on the evaluation. Conditions for promotion, evaluation criteria and expectations of the role are disclosed to all employees in the form of a Stage Definition Form. To conduct fair evaluations, we have evaluation meetings for general employees at the department and division level, and for managers at the division and group levels. Relative centering adjustments and evaluative adjustments are made to the evaluations. We also adjust our personnel systems flexibly and appropriately by validating after their implementation and according to changes to the business environment.

Even now, we are designing a new system to implement in fiscal 2023 that will overhaul our current system to make us even more competitive in the market by promoting more advanced specialization while evaluating and compensating commensurate with role and contribution level, regardless of age.

Hiring

Priority measures for human resources strategy in medium-term management plan

Raise the level of our human resources	Thorough meritocracy
Developing personnel who create new value: One Version UP!	
Emphasizing the individual & autonomy	Backing bold efforts

Upgrade | **Raise the Level of Our Human Resources**
Improving Each Person's Skills

Create environments where personnel with expertise and the ability to create new enterprise value come together and grow

● Strengthen key business areas, bolster hiring to improve management of the CTC Group

● Fiscal 2020 ratio of new graduate to mid-career hires

Roughly 50-50

● New hires per year from Fiscal 2019 onward

Over 300

● Ratio of female new graduate hires

From **24%** joining in fiscal 2016

to **38%** joining in fiscal 2021

● Target ratio of female new graduate hires (starting with those hired in fiscal 2019)

Above 35

To be achieved every year

Basic Approach

CTC combines superior products and services from around the world to put together the optimal solutions and provides full stack IT to our customers in various industries and industry types. As such, we need to have diverse personnel with a variety of knowledge and experience. Since our founding, we have done business by organically combining the acquisition of talent from outside the company with our own in-house human resources development, according to our priority measures and scenarios. We are formulating an HR portfolio to put the right people in the right places, while at the same time bolstering our hiring efforts to achieve our management strategy.

Recruiting

In recruiting personnel who will be responsible for the growth of our business, we emphasize the importance of intellectual curiosity, which is essential as the motivation for ambitious initiative, and a willingness to take on challenges both autonomously and as a team player at the same time. In our new graduate hiring, we hold group internships in the summer, fall, and winter, and provide work experiences according to the phase of the student's job-seeking activities. The purpose is to give them a deeper understanding of the IT industry and work styles through our CTC group philosophy and business activities. In our hiring for agile and security-related personnel, we also coordinate with the related departments and universities to organize hands-on internships that let students experience the actual workplace environment.

　For our mid-career hiring where we expect to find talent with extensive knowledge and experience who can immediately contribute, we are working to recruit a broader range of diverse personnel and deploying initiatives to find better matches, mainly in our priority business areas. We have also made the highest designation of fellow in our multiple career path personnel system available to offer to talent with transcendent technical skills.

■ Three Paths for New Graduates

Open Recruitment

Determine job type after joining CTC considering the person's competencies and aspirations.

Job Field Recruitment

Determine job type at the time the person applies to CTC.

Univement Recruitment (coined by combining 'unique' and 'achievement')

Recruitment that emphasizes the person's track record including skills and special experiences such as sports or research.

■ Main Initiatives in New Graduate and Mid-Career Hiring

	Main Initiatives
New Graduate Recruitment	● Introduce a recruitment system for three types of career paths catering to individuals' diversifying values and needs: Open Recruitment, Job Field Recruitment, and Univement Recruitment. ● Recruit personnel who are educated in our key business areas and cutting-edge technological areas by offering even more internships that provide a clearer image of our work to students with expertise in AI, DX, science, engineering, etc. ● Elect employee recruiters from among a broad range of ages and ranks, from young to mid-level employees, managers to senior position holders, to handle events and individual interview with students in order to promote greater understanding of CTC. ● In addition to organizing more of our activities online, plan to conduct recruitment that leverages technology and implement AI screening for better matching. ● Promote women's participation and advancement by targeting at least a 35% female hiring ratio every year with the goal of building a personnel pipeline from the hiring stage up to manager roles.
Mid-Career Recruitment	● Build a system for recruitment activities linking the Human Resources Department for all of CTC with the planning and supervisory departments in each business group to recruit in a timely manner for key business areas throughout the company and in each business group. ● In addition to direct recruiting by individual business groups on their own, also introduce hiring routes through employee referrals to approach potential job seekers who are difficult to reach through recruitment methods such as staffing services and job advertisements. Encourage a broad range of ages and ranks to use these hiring routes, while also preventing hiring mismatches.

● Support After Joining

We have implemented a three-year on-the-job training (OJT) system for our new graduate hires, with individual follow-ups according to the circumstances, including consultations with career counselors during the second year. Along with changes to work environments, mainly involving the shift to working remotely, we are also strengthening our onboarding programs for those joining the company mid-career to help them get adjusted more quickly and contribute. This framework provides support throughout the first year from multiple angles, from expanded training for those joining us mid-career to regular follow-up interviews, opening up communication between mid-career hires in the same cycle and helping them build personal networks outside their organizations and projects. We also follow-up early-on to stay informed on their monthly situation, and more.

Our ongoing mid-career recruitment efforts to incorporate diverse knowledge and experience to CTC have brought our ratio of mid-career hires to new graduate hires to 45-55 among current employees. As a result, we have developed a culture of harnessing individuals' capabilities to the fullest regardless of when they join the company, and of mutually recognizing and leveraging diverse personalities and ways of thinking.

■ Main Initiatives
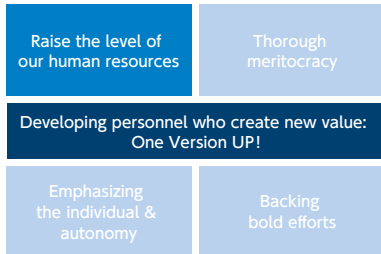
Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
● Rebuilt the recruiter system for new graduate recruitment ● Launched topic-specific seminars in new graduate recruitment ● Bolstered PR about our workplaces being conducive to success and advancement regardless of gender	● Expanded initiatives that coordinate with departments such as security and global at business sites	● Expanded recruiter activities in new graduate recruitment	● Implemented career path system in new graduate recruitment ● Introduced referral route for mid-career recruitment ● Moved all recruitment activities online	● Implemented onboarding program for those joining the company mid-career

Human Resource Development

Priority measures for human resources strategy in medium-term management plan

Raise the level of our human resources	Thorough meritocracy
Developing personnel who create new value: One Version UP!	
Emphasizing the individual & autonomy	Backing bold efforts

- e-Academy Participants (fiscal 2017-2020)

Over 1,900

- Number of trainings sessions that went online and participants in fiscal 2020

53 sessions
3,759 participants

* Sessions were held via Zoom, cumulative gross participants counted

- Number of in-house e-learning programs in fiscal 2020

441 programs
(+20% year-on-year)

Related Information

▶ **P.36** Career Development Support System

Upgrade | **Raise the Level of Our Human Resources**
Improving Each Person's Skills

Create environments where personnel with expertise and the ability to create new enterprise value come together and grow

- Strengthen our business in key areas, formulate a personnel portfolio to improve management of the CTC Group and enact measures to improve human resources development
- Improve rank-based training for managers and mid-level employees

Basic Approach

CTC's career and human resource development policy advocates "self-starting career development for every individual" as well as "support for self-initiated learning." We provide our employees with development through their work, train their knowledge, skills, and mental approaches, and offer elective learning opportunities according to their respective skills, traits, purpose, and ambitions. Actively supporting our employees to autonomously develop their own careers, we are engaged in helping every employee achieve their own One Version UP!

Three Pillars of Human Resource Development

At CTC, we have three pillars to support the growth of each individual employee. These are on-the-job training (OJT) incorporating job rotations and challenging "stretch assignments," educational "off-the-job" training (Off-JT) for the learning needed in each department in the context of the company as a whole and the nature of the business, and personal development to offer diverse learning options according to each employee's own skills, interests, and ambitions. We have introduced the career development support system as an initiative to also organically combine these three pillars to support careers over the medium to long term.

In fiscal 2020 we moved all training systems throughout the company online due to the outbreak of COVID-19 and conducted all programs according to plan without any impediments or learning stoppages. Even now, we continue to conduct our trainings fully online. Our social mixer attended by the President & CEO after new employee training in fiscal 2021 was held using avatars at the CTC Digital Base virtual facility provided by CTC.

Priority Measures in HR Development

As priority measures toward achieving our Medium-Term Management Plan, we have designated (1) leader-level personnel, (2) DX personnel, and (3) global personnel, and we are engaged in their intensive development.

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● **Developing & boosting management capacity at the leader-level**

At CTC we are constantly updating our management concept of achieving a sustainable society and continuously driving growth, and we boost individual skills while upgrading our organization. To develop our next generation of management, we are holding company-wide human resources development meetings to formulate a selection and promotion plan, and we are engaged in development over the medium to long term. For the management-level personnel in each organization, we are conducting engagement surveys of all employees with the goal of improving management. Based on the results of these surveys we are taking timely actions according to the circumstances in each organization, including expansion of rank-based training. Going forward, we will also expand our initiatives for mid-level employees, including for leaders who are candidates for management-level positions.

● **Learning Programs for DX Personnel**

In order to accelerate the new initiatives in our 2021-2023 Medium-Term Management Plan, we are upgrading our learning programs for personnel working on DX. With our Engineering Skills Inventory which visualizes the skills of engineers, we are defining the model types of personnel for DX, identifying in which areas we need improvement, and taking the measures for each area. The Business Innovation & DX Organization which integrates Institute of Open Innovation Research "MIRAI" with the DX organizations scattered throughout CTC was newly established in fiscal 2021. Through job rotations within and outside of business groups including this new organization and expanded implementation of CTC-wide programs, by expanding programs needed by individual business groups, and more, we are simultaneously spearheading both CTC-wide and individual business group initiatives. CTC is also leveraging its existing human resources development initiatives in partnership with CTC Technology Corporation to offer the DX Personnel Development Program, a learning initiative to train personnel who handle DX.

● **Developing Global Personnel**

Being that CTC's business model revolves around providing optimal solutions that combine superior products and services from throughout the world for customers in various industries and business types, our global partnerships are at the very core of our strength. In recent years we have also put together an organization that spans the entirety of the ASEAN region, and we are looking to further expand our global business. Key for spearheading these initiatives will be our Global Business Leader (GBL) training, selecting personnel with business experience and achievements domestically and developing them to drive our international growth. This seven-month program has three pillars - the mentality that global personnel need to have, English language proficiency for doing actual business, and practical communication skills.

Related Information

■ **Main Initiatives**

Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
● Overhauled training systems in conjunction with human resource system revisions ● Introduced an engineering skills certification system ● Revised mentor-mentee systems ● Launched initiatives for developing global personnel ● Launched a next generation leader selection & development program ● Introduced 360-degree observation for executive officers ● Conducted group training on work styles for all managers	● Reconstructed engineer personnel development systems and rolled out Engineering Skills Inventory in a unified manner CTC-wide ● Conducted ASEAN foreign language training for corporate staff	● Introduced company-wide learning programs & industry-academia collaboration initiatives for AI ● Expanded IT basic technology learning programs for new employees	● Moved all human resource development systems online ● Stabilized operation of Engineering Skills Inventory and began considerations for DX personnel development program initiatives ● Created systems to improve the technical skills of advanced technology engineers ● Expanded elective training for business skills	● Launched initiatives to bolster learning programs for DX personnel ● Continued efforts to create systems to improve the technical skills of advanced technology engineers ● Expanded elective training for IT ● Expanded rank-based training for management personnel

■ Skills Inventory Overview

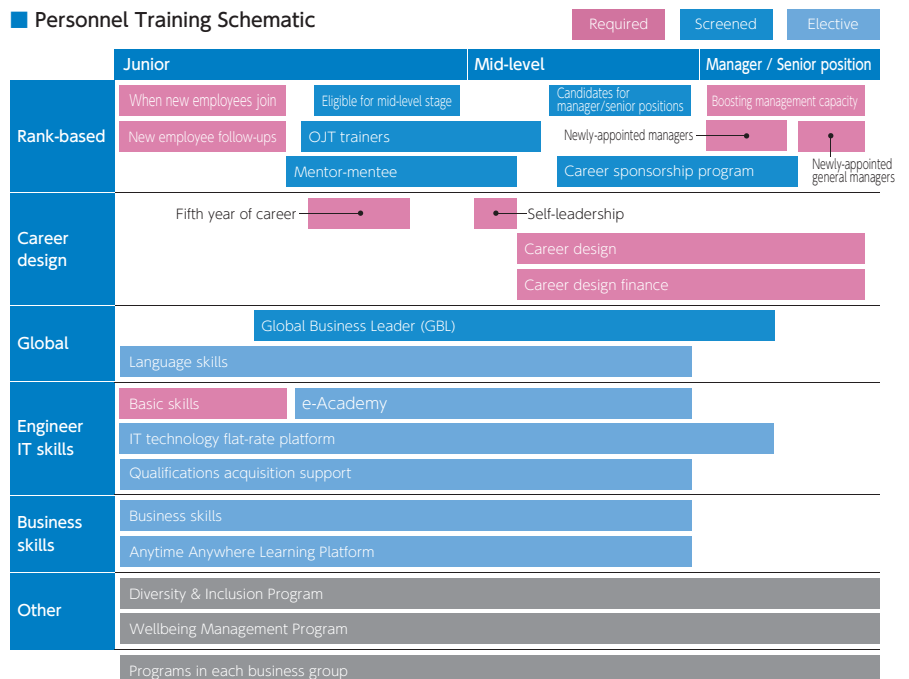| Master Category	Overview of Skills
Industry experience	Number of projects experienced in each industry
Knowledge of customer's business	Knowledge in the customer's segmented field of business
Process skills	Proficiency in each business process in the IT lifecycle of conceptualizing the introduction of IT, developing systems (infrastructure/apps), and operating them
Knowledge outside of products and services	General technical knowledge not specific to any particular product
Products and services knowledge	Technical knowledge specific to particular products and services

Engineering Skills Inventory & Personnel Portfolio

At CTC, we have company-wide systems to ascertain our employees' skills, experiences, and career outlooks, which we utilize for learning programs and job rotations. In addition to Engineer Career Framework, as part of our engineer training system we are introducing Engineering Skills Inventory which visualizes the skills that engineers have. Including surveys conducted on a per-organization basis, the inventory records levels for each of roughly 2,000 skills. This makes it possible to define model personnel types in a variable manner, and it can also be used to conduct human resources development and recruitment, and put together projects with a personnel portfolio formulated to achieve our business strategy. In addition to a browser-style search function for skills, it flexibly and quickly provides a clear picture of the qualities and quantities of our personnel in terms of areas where we have deep talent pools or large numbers of employees with high levels, as well as CTC versions of job type and level status based on Skill Standards for IT Professionals (ITSS) definitions, headcounts for each personnel model defined by multiple extraction conditions for skills, and more. Including the expansion of this skill inventory, we are working to comprehensively improve our human resources capabilities and formulate a personnel portfolio to have the right people in the right places, while at the same time improving our human resource development and recruitment. This will strengthen our business in key areas and improve the overall management of the CTC Group.

Human Resource Development Systems

Since CTC provides systems to a diverse range of customers, the key skills and underlying technologies needed differ according to the department or project. For that reason, our Human Resources Department takes charge of CTC-wide topics and common skills and builds human resource development systems to implement measures linked with the business strategy of each business group.

■ Personnel Training Schematic

Legend: Required | Screened | Elective

	Junior	Mid-level	Manager / Senior position
Rank-based	When new employees join; New employee follow-ups; Mentor-mentee; OJT trainers	Eligible for mid-level stage	Candidates for manager/senior positions; Boosting management capacity; Newly-appointed managers; Career sponsorship program; Newly-appointed general managers
Career design	Fifth year of career	Self-leadership; Career design; Career design finance	
Global	Global Business Leader (GBL); Language skills		
Engineer IT skills	Basic skills; e-Academy; IT technology flat-rate platform; Qualifications acquisition support		
Business skills	Business skills; Anytime Anywhere Learning Platform		
Other	Diversity & Inclusion Program; Wellbeing Management Program; Programs in each business group		

■ Total number of trainees (employees)

(Thousand trainees)

FY	Trainees
2017	111,260
2018	101,673
2019	129,026
2020	132,430
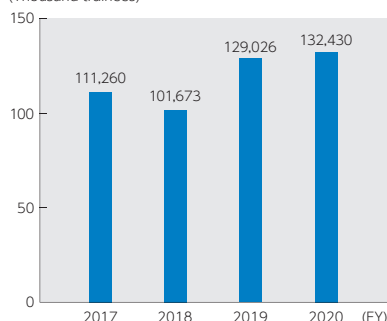
Dojo

Dojo is a platform for mastering the latest technologies in each field. It offers a free learning environment where anyone driven to learn something new can pursue their ambition. Through communication tool-using communities, environments featuring the actual devices and cloud, microlearning, and more, the platform is always ready to provide opportunities in each aspect of knowing, learning, and using new technologies.

Innobee Challenge

CTC runs a new business creation program called the Innobee Challenge, which aims to generate new business by eliciting ideas from employees. Through online training to learn the basics of business creation, ideation sessions and more, originators evolve their ideas into actual business proposals while receiving follow-ups from Institute of Open Innovation Research "MIRAI." Screening for the program happens in three stages. After passing the screening, originators transfer to or work concurrently at MIRAI to turn the idea into an actual business. The program also helps foster a company culture of encouraging employees to seek new challenges.

* The "Innobee" in Innobee Challenge is short for "Innovation Beyond the Era."

● Learning through work experience: OJT

At CTC, we see OJT as the centerpiece of human resource development, make job rotation experience a requirement for upward advancement, and engage in practices such as U-turn rotations (UTRs) with specified periods. We provide a wide variety of learning experiences through personnel transfers within and between business groups, with engineers and salespeople gaining experience switching into corporate staff roles at planning and supervisory departments, human resources departments, and other organizations in each business group.

● Educational training to acquire knowledge required for the job: Off-JT

For training by rank and job type, programs we offer include elective training such as GBL, and career design training according to the stage in the person's career. In fiscal 2021 we bolstered our rank-based training for mid-level personnel and managers in particular. We are creating a system in which engineers who have newly joined the company receive training to learn the basic knowledge and skills of programming, and basic skills training to acquire basic knowledge in IT infrastructure and development through hands-on learning, guiding their learning to the point that they can develop web services on their own. They will then refine their respective areas of specialization at the organizations to which they are assigned. To keep them conscious of their own autonomous professional growth starting early on, they receive autonomy-oriented human resource development training in the training held during the fifth year of their careers.

For the professional development of engineers, we are formulating engineer career frameworks and conducting programs such as Engineer Skills Inventory, as well as e-Academy (CTC e-Academy Basic) which systematically teaches the basic skills needed for project management.

● OJT Trainer System & Mentor-Mentee System

We have introduced the OJT Trainer System for veteran employees to assist the growth of new employees in the same workplace as their mentors for their first three years with CTC after graduation. For young female employees in particular to have contact with veteran female employees including in other workplaces, and to help form personal networks between female employees, we have also introduced the Mentor-Mentee System. In this system, mid-level female employees serve as mentors who conduct group mentoring for mentees in their third to fifth years after joining CTC. Particularly from fiscal 2020 onward as physical interactions decreased in the shift to mostly remote work styles, the system has also served as a mechanism for building interpersonal relationships.

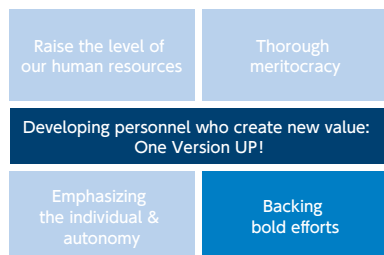## ● Offering Diverse Learning Options: Personal Development & Qualifications Acquisition Support

In personal development, we are focusing on initiatives tailored to broader learning needs brought about by the diversifying skills and technologies required for business, as well as diversifying work styles and learning methods.

To improve language proficiency, we offer level-based language courses through online, correspondence, and other mediums. We also offer business skills training, including courses to acquire PMP® and PDU certification in addition to business skills and MBA essentials. Additionally, CTC is working with microlearning as a means for helping every employee reach their One Version UP! We offer two types of fixed-rate video learning services, with an IT technology program featuring 5,000 courses to choose from in practical and cutting-edge IT learning, as well as a business program featuring 3,600 broad-ranging courses in accounting, finance, creation, careers, and more. Aside from our learning and training systems, we also encourage the acquisition of vendor-related or official certifications throughout CTC by offering financial aid to employees who have acquired these certifications through their own efforts.

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Work Environment

Priority measures for human resources strategy in medium-term management plan

Raise the level of our human resources	Thorough meritocracy
Developing personnel who create new value: One Version UP!	
Emphasizing the individual & autonomy	Backing bold efforts

TW100

Telework Pioneer

- Selected as "TW100" top hundred telework pioneer

- Employees Who Responded "I'm Satisfied With My Job"

77.3% (+4.2% year-on-year)

* Based on fiscal 2020 health checkup interviews and stress checks

- Average office attendance rate outside duration of state of emergency and quasi-state of emergency COVID-19 measures and related periods

20% (+4.2% year-on-year)

■ **Main systems for workplace environments that support diverse, flexible work styles**

Morning Work

Overtime work is restricted from 8:00 pm onward and on company days off, work during early morning hours (5:00-9:00 am) is encouraged, and early morning allowance of 25% above normal wages is paid in addition to legal increased wage allowance for overtime work hours.

Hourly Paid Leave

Three days' worth (24 total hours) of annual paid leave allotted can be taken in single-hour increments.

Sliding Work Hours

Starting time can be adjusted earlier or later within a certain range, without changing the stipulated work hours in the day.

* System has been operating in relaxed format during fiscal 2020 to prevent the spread of COVID-19.

Related Information

Accelerate | **Backing Ambition**
"Interesting because it's challenging"

Support those who think outside the box and tackle new challenges without fear of failure

- Build work environments for the new norma
- Advance measures to increase engagement and enhance psychological safety
- Consider implementing HR-related IT infrastructure that can help to better manage business & personne

Basic Approach

At CTC, we believe that employees need workplace environments with diverse, flexible work styles that facilitate their ambition and growth. For that reason, we are creating workplaces to use time and locations effectively and offer employees their own choices of time and locations for efficiency and effectiveness. We are also advancing human resources, operations, IT systems, and office initiatives aiming to boost autonomy, creativity, and organizational capabilities via collaboration. Additionally, our engagement-related initiatives aim to establish environments at an accelerated pace to create and instill a culture of autonomy, responsibility, creativity, collaboration, and trust. The culture we strive to foster is one that supports employees in their ambition.

System to Choose Work Hours & Locations

Since fiscal 2014, CTC has worked on various initiatives to change work styles while striving to create diverse, flexible work environments that emphasize autonomous, collaborative attitudes. After implementing morning work as an initiative to change the way we think about efficient, effective work styles, we have been offering a broader selection of time and locations by implementing hourly paid leave, sliding work hours, and other systems to support diverse work styles according to employees' various needs such as parenting, care giving, and personal development. We have also taken steps geared toward more clearly balanced work styles such as redefining the discretionary work system.

After three years of preparation, we implemented our remote work system which aims to create flexible work environments that enable employees to harness their diverse capabilities and balance their work and personal lives by expanding the range of workplaces to choose from. We used half of fiscal 2019 in particular as a trial period for full-scale implementation, working cooperatively throughout CTC on the related initiatives. Through these initiatives, we were able to immediately cope with changes to carry out our business during the COVID-19 state of emergency declaration, including all of our employees continuing to provide the same services as before while generally working at home, and building remote work environments for the operations of project offices that build special system environments and data centers. Even now, we are still using remote work as our main working arrangement.

We will continue advancing initiatives that offer employees even greater freedom to choose their own work times, locations, and spaces, enabling them to work safely with peace of mind anywhere, at any time with new work styles for delivering new value. We will also continue looking into side job systems that correlate with diversifying work styles.
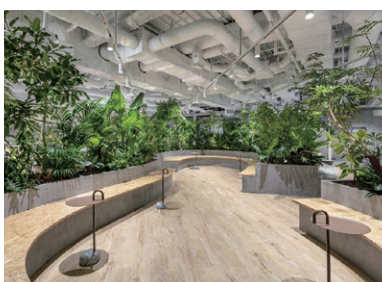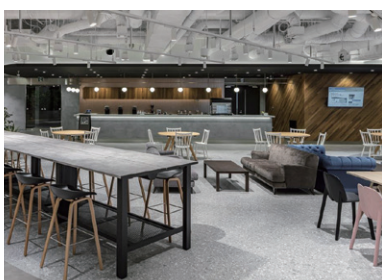
Initiatives Geared toward Autonomous, Collaborative Work Styles that Boost Creativity

Starting in fiscal 2021 we have been working on initiatives that encourage employees even more to be autonomous, creative, and work together to try new things, while further improving our enterprise value through stronger group coordination. Part of this was the relocation and integration of Tokyo area head office functions centered on the CTC Group Head Office which had implemented the concept of Activity Based Working (ABW), which allows free choice of work hours and location according to job phase and work description. Working in the office is one of the possible choices. The office has been designated as a work location with a heightened function as a "place that increases work fulfillment" and various spaces have been set up to choose from according to the nature of the work. We also have adapted our offices to the new normal going forward, with spatial arrangements for social distancing, more booths suitable for online meetings, facial recognition systems in place, and more.

The work style concept "Be Ready for Changes!" has been posted as the concept for our office relocation, encapsulating the desire to challenge ourselves at creating change for a more prosperous tomorrow. CTC will be practicing its own style of ABW, which boosts autonomy and creativity for each individual employee to refine their skills, come together as a Group to create new value, and challenge ourselves to turn our corporate philosophy into a reality. Through CTC-style ABW we will be carrying out various measures to instill a culture of autonomy, responsibility, creativity, collaboration, and trust, improve psychological safety, and roll out CTC Wellbeing initiatives on a larger scale.

We will be devising ways to stimulate communication through combinations of off-line and online, while at the same time raising the effectiveness of office/at-home hybrid work styles that incorporate interactions and relationship building with colleagues in a physical workplace with instants of collaborative thinking.

■ Main Initiatives

Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
• Strengthened measures against excess overtime • Introduced Morning Work system • Introduced Sliding Work Hours, Mobile Work, & Hourly Paid Leave systems • Participated in Telework Days	• Expanded dress code options • Conducted trial of engagement survey • Participated in Telework Days, upgraded remote work system	• Implemented telework system for all employees on trial basis • Further expanded dress code options	• Revised the telework system, expanded applicability to all employees • Introduced Engagement Survey full-scale and CTC-style Activity Based Working (ABW)	• Established more work environments and implemented measures for work styles adapted to new normal • Bolstered measures to practice work styles with choice of hours & locations, • Implemented PDCA by conducting engagement surveys

Work Environment

■ **Main Initiatives**

Flex Holidays

Allotted two additional days of special leave separate from annual paid leave when taking nine or more consecutive days of leave with weekends in between.

Birthday & Anniversary Leave

Employees are encouraged to take two or more days off each year for their own commemorative days or those of family members.

Sandwich Leave

We encourage employees to take paid leave on workdays in between holidays.

Information Systems Infrastructure to Support Work Environments

CTC in-house system environments have been continuously improved to help diversify our work styles. We are developing IT infrastructure that supports work styles which allow for choice of all types of locations, hours, and devices, and evolving it on a daily basis while maintaining balance between security and convenience.

Speeding up on-site work and stimulating communication through the use of a broad range of devices from computers to smartphones including bring-your-own-device (BYOD) and more, as well as remote work environments that can be chosen according to the work scenario and usage of the cloud, we are designing work models that make it possible to unleash creativity and ambition anytime, anywhere, with anyone, in an enjoyable way. In addition to our initiatives up to this point, we are accelerating in-house DX initiatives driven by the latest technologies.

Awareness Initiatives

To make our work operations at CTC more efficient and further our employees' personal development as well as their mental and physical health and happiness, we are encouraging them to take their paid leave and offering them opportunities to use birthday & anniversary leave, sandwich leave, and leave on consecutive days.

Furthermore, we are expanding the range of acceptable choices in our dress code. Jeans, sneakers, and even t-shirts are now acceptable attire. Clothing considerations are now part of our efforts to create diverse workplaces to develop outside-the-box thinking and expression at work, for employees to find the work styles right for them and respect those of one another. Systems related to work styles are not simple matters that we can introduce in rapid succession. Rather, we set out to design systems for our organizations and instill them in a way that integrates organically, in a structured manner, which we leverage to create and instill organizational culture and foster morale.

Revising Work Operations & Frameworks that Utilize IT Tools

For revisions to work procedures that are essential to building work environments, we have engaged in various initiatives to boost operational efficiency and productivity using Robotic Process Automation (RPA), for software-based robots to take over routine tasks through automation. We have also pushed through revisions by computerizing application procedures, organizing regular clutter purge months, and more. To boost awareness and skills improvements, we also offer elective training on topics such as "effective meetings," "time management" and more.

In terms of work management, in addition to company-wide monthly work hours reports to senior management we are also pushing forward with management using IT tools. We are implementing a system linked to timekeeping records compiled in access logs to all computers throughout the company and office entry/exit logs, including for managers, which displays timekeeping records of employees and their supervisors. We have also implemented a function that uses automated detection to request a report for the reason the times reported by the employees themselves differ from what is in those logs, and another function that automatically issues overtime work alerts in stages to the employee and their supervisor according to predicted overtime figures. In addition to these systems, we also have the Human Resources Department verify timekeeping records on an individual basis as we strive to comprehend the working hours of all employees, set the right hours and prevent unpaid overtime.

Also, as part of "Transform our business infrastructure to adapt to changing environments" in the Upgrade priority scenario of our Medium-Term Management Plan, we established the Business Transformation Division as a new organization under direct control of the president in fiscal 2021, tasked with transforming work processes in the CTC Group as a whole. The Business Transformation Division handles policy formulation and the collaboration and coordination with organizations in the Group to transform work processes, working to eliminate futility, stress, waste and improve productivity while implementing DX starting with transformation of existing business models.

■ **CTC's strengths based on the fiscal 2020 engagement survey**

● Trust in supervisors

74%

● Coworkers are supportive

75%

● Decision-making and behavior are ethical

82%

■ **Engagement Survey Overview**

Surveyed	Regular employees originally hired by CTC, contract employees, temporary employees,employees temporarily transferred to CTC
Response period	Nov 30-Dec 11,2020 Approx. 2 weeks
Respondents (Response rate)	4,366 (88%)
Question Categories	Strategy & direction / Leadership / Customer orientation / Respect for individuals / Growth opportunities / Performance management / Resources / Training & development / Cooperation systems / Work processes & organizational structure / CTC Group Philosophy

Engagement Survey

To verify and improve our CTC-wide efforts to raise employee job satisfaction and grow our management capabilities, we conduct four engagement surveys each year - including our Pulse Survey with questions that are narrowed down for fixed point observations.

Results of the engagement surveys are shared throughout CTC. We have also implemented special infrastructure for executive officers to always be able to see the results from their own organizations. This special infrastructure can verify trends ascertained from the results, advise on improvement options available, and even perform independent analysis, supporting data-driven management that leverages analytical data for decision-making. We also hold engagement survey implementation seminars for all executive officers to offer clues as to what efforts they need to make, ultimately enabling quicker action. Throughout CTC, we are holding trainings based on common themes of bolstering management capabilities, and we are deploying measures to narrow the distance from management. We will comprehend and visualize our organizations quantitatively and stimulate them by taking timely measures according to their personnel and organizational challenges and overall status.

Data-Driven Human Resources

In the field of human resource management, CTC is data-driven. We gather and analyze various types of data to be used in decision making and planning. In additional to organizational analysis according to core human resources data such as their attributes, length of service, and transfer history, our human resource management cycles combine various types of other data on our personnel and their work environments. This includes initiatives taken based on engagement survey data, wellbeing management that combines stress checks and health checkup interviews with individual questionnaires and information about personal conditions, as well as qualitative and quantitative comprehension of individual HR initiatives through employee questionnaires.

We are also introducing an integrated IT infrastructure to help strengthen our business and human resource management, with which the aforementioned efforts will be accelerated. In order to get the most performance possible out of our human resources and organizations through these mechanisms, we are forging and instilling an organizational culture conducive to data usage in decision-making.

Culture that Supports and Recognizes Ambition

CTC offers the CTC Group Award to recognize projects throughout the Group that contribute to reaching the aims of our Medium-Term Management Plan, as well as programs such as the Good Job Awards System to recognize achievements by employees and organizations that significantly contribute to the company. The Organization Award in the Good Job Awards System is a prize for organizations which have actively engaged in ambitious efforts to change work styles. These efforts are shared as case examples. As we continue with these initiatives, we will strive to foster a culture that supports and recognizes new challenges and colleagues who follow their ambition.

Wellbeing Management & Occupational Health and Safety

Priority measures for human resources strategy in medium-term management plan

Raise the level of our human resources	Thorough meritocracy

Developing personnel who create new value: One Version UP!

Emphasizing the individual & autonomy	Backing bold efforts

Accelerate | **Backing Ambition**
"Interesting because it's challenging"

Support those who think outside the box and tackle new challenges without fear of failure

- Rebuild the wellbeing management system & advance measures to achieve the KGIs in our wellbeing management medium-term plan

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2021
健康経営優良法人
Health and productivity
ホワイト500

- Recognized as an Outstanding Health and Productivity Management Enterprise (White 500) for

5 consecutive years
(starting fiscal 2017)

■ **Monitoring data for fiscal 2020***

- Employees undergoing health checkups

100%

- Employees getting enough sleep

73.5% (up 10.3% year-on-year/ target: 70%)

- Employees with high stress levels

7.8% (down 1.5% year-on-year)

* Based on fiscal 2020 health checkup interviews and stress checks

CTC Well-Being Declaration

At CTC, wellbeing management is a key human resource strategy. We place top priority on the physical, mental, and social health and well-being of all employees.

The well-being of employees is fundamental to putting our slogan, "Challenging Tomorrow's Changes" into practice and achieving sustainable growth. Fostering employees' motivation to work is essential to this endeavor. By helping our employees and their families to maintain good physical and mental health into the future and put them in position to strive for self-fulfillment through their work, we can be confident of CTC's survival and growth 100 years from now.

We hereby declare our commitment to CTC Well-Being for the well-being of our employees and their families into the future.

ITOCHU Techno-Solutions Corporation
President & CEO Ichiro Tsuge

Basic Approach

The health and happiness of every individual employee forms the foundation of CTC's continued growth, so we consider it essential to foster job satisfaction among employees. For this reason, we administer wellbeing management based on the CTC Well-Being Declaration, with our president also serving as Chief Health Officer (CHO). In order to clarify our company's stance, we have expressed that we will instill and take measures toward wellbeing management by specifying the principles of our wellbeing management and the responsibilities of the company and employees respectively in our employment regulations.

Steering Structure

We have established the Wellbeing Committee comprised of the business groups, Central Health Committee, Human Resources Department, and CTC Group Health Insurance Society, under the direction of our president as the Chief Health Officer. For wellbeing management, matters are discussed in the Management Committee and wellbeing management plans are drafted and implemented by a dedicated organization installed in the Human Resources Department. Specialized staff members from industrial physicians to health outreach workers, nurses, clinical psychologists, and career counselors join together to facilitate proper operations of wellbeing management and promote employee health by coordinating with each organization in CTC on comprehensive measures to promote health, improve health literacy, offer various types of consultations, mental health support, and more. With this organizational system, we are engaged in PDCA cycles to continuously improve our wellbeing management.

■ **Wellbeing Management Steering Structure**

```
                    Chief Health Officer (CHO)
                            President
                               │
┌──────────────────────────────────────────────────────────────┐
│ Wellbeing Committee   Controller of Health Promotion           │
│                    (General Manager of Human Resources         │
│                     Management & General Affairs Division)     │
│                                                                │
│  Each business    Central Health    Human Resources   CTC Group│
│     group          Committee         Department    Health Insurance
│                                                      Society    │
│                                                   (Collabo-Health)│
└──────────────────────────────────────────────────────────────┘
   Coordination       Coordination       Coordination
       ↕                  ↕                  ↕
 Planning and       Health committee at  Job function-related
 supervisory        each business site   departments (general
 departments in     (Health Promoters)   affairs, PR, corporate
 each business group                     planning)
```

Establishment of the CTC Group Health Insurance Society & Collabo-Health Efforts

Since fiscal 2013 we have been increasing our staff of industrial physicians and health outreach workers at CTC. We have also made dedicated efforts toward employee health maintenance and promotion, and toward creating safe, comfortable workplace environments in line with the Industrial Safety and Health Act. Since that time, we have pursued various types of measures to learn and analyze the status of our employees' health utilizing in-house data along with data from the HSS (Health Support System) health management system we provide. In April 2017 we established the CTC Group Health Insurance Society, launching a health insurance business catered to Group employees' circumstances and needs. We are also engaged in data-based health management utilizing our accumulated expertise. Additionally, CTC is working jointly with the health insurance society on Collabo-Health which advances preventive health and promotes healthy lifestyles.

We work to maximize the effects of Collabo-Health at regular meetings, as well as through collaborative personnel measures such as having our full-time wellbeing management organizational head concurrently serve as standing director of the health insurance society, and sending Human Resources Department staff to the health insurance society on assignment. These data-based health management and Collabo-Health initiatives are utilized in IT solutions provided by CTC that comprehensively support health management.

Preventing Infectious disease

At CTC we have built a system for containing and preventing the spread of infectious diseases in the workplace. We are also active in providing related information to employees, including about household measures. In the fight against the COVID-19 pandemic we are flexibly operating our work style-related systems and learning about challenges faced through employee surveys and interviews, in order to deploy the appropriate measures.

In addition to the in-house flu vaccines and family-inclusive vaccine subsidies we have conventionally administered, in fiscal 2021 we also provided COVID-19 workplace vaccinations at spaces within head office. When employees get vaccinated at a venue outside of our in-house workplace vaccinations, we consider the time it takes them to get vaccinated to be work time, including time taken for travel. If employees feel ill from side effects afterward, we grant them special leave.

Related Information

■ Main Initiatives

Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
● stablished the CTC Group Health Insurance Society ● Improved health promotion measures: Thoroughly ensure employees get regular health checkups and take follow-up measures afterward ● Began "Kokoro no Kenshin" stress & mental health checks ● Health promotion activities by topic: Preventing lifestyle-related diseases, stiff shoulders and back pain, support to quit smoking, and mental health care	● Enhancing employment support measures for employees with cancer: Bolstered measures for early detection and treatment of cancer, and employment support ● Initiated health promotion activities for women ● Launched the Smart Lunch Program for in-house sales of Smart Meal-accredited box lunches	● Declared commitment to CTC Well-Being ● Fiscal 2019-2021 Formulated wellbeing management medium-term plan	● Built organizational structure to prevent the spread of COVID-19 ● Held self-care training and increased communication about sleep ● Launched exercise habits program	● Administered workplace vaccinations for COVID-19 ● Initiated measures for CTC-style ABW ● Initiated measures to promote improved exercise habits and lifestyles
Related Measures				
● Introduced morning work, sliding work hours & hourly paid leave systems	● Expanded dress code options	● Implemented telework system for all employees on trial basis ● Further expanded dress code options	● Revised the telework system, expanded applicability to all employees	● Established more work environments and implemented measures for work styles adapted to the new normal

Wellbeing Management Medium-Term Plan (Fiscal 2019-2021)

Our wellbeing management medium-term plan specifies priority measures of preventing lifestyle-related diseases, raising employee vitality and productivity levels, and energizing organizations, while also establishing related targets and monitoring metrics. At all times, we are striving to implement measures for workplaces and diversity & inclusion, and the associated initiatives.
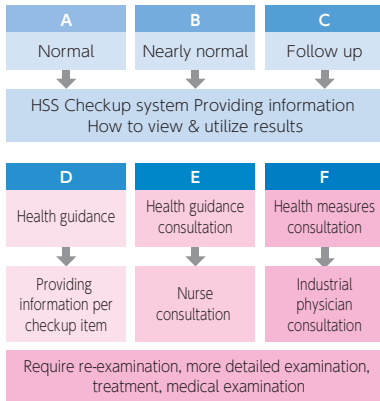
■ **Wellbeing Management Roadmap & Monitoring Metrics**

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Topic	Fortifying the Wellbeing Management Organizational System	Improving health awareness	Improving organizational vitality	Verifying effects & setting targets for second medium-term plan
Aim	Clearly indicate our vision and structure for wellbeing management both internally and externally	Employees recognize our wellbeing management philosophy & initiatives	Every employee is autonomously engaged in their own health maintenance and improvement	
		Organizations & employees set health targets and start taking action	Employees feel autonomously highly motivated for their work, and enjoy feelings of self-growth and happiness	
Key Measures	Establish the Wellbeing Committee	Settle the Wellbeing Committee into stable operation	Fostering organizational culture	Evaluate first medium-term plan
	Send messages from senior management and those in charge of wellbeing management	Begin rolling out specific measures throughout CTC	Stimulating individual & organizational activities	Revise targets & health issues
	Visualize individual & organizational targets	Offer tools for improving health literacy	Visualize individual & organizational health maintenance and improvement initiatives	Formulate second medium-term plan

Priority Measures			Fiscal 2019 actual	Fiscal 2020 actual	Fiscal 2021 target
Preventing lifestyle-related diseases	KPI	Employees undergoing regular health checkups (%)	99.9	100	100
		Maintaining appropriate weight (%)	67.8	66.4	72以上
		Smokers (%)	24.3	22.9	20以下
		Regular exercisers (%)*	19.8	21.6	23以上
		Getting sufficient sleep (%)*	63.2	73.5	70以上
	Monitoring metric	Employees undergoing regular health checkups who require more detailed re-examination or treatment (%)	50.5	56.1	——
Improving employee vitality & productivity	KPI	Subjective health outlook (%)*	78.8	82.6	90以上
		Subjective performance (points)*	5.92	5.79	7.0以上
	Monitoring metric	Satisfied with job (%)*	73.1	77.3	——
More organizational vitality	KPI	Employees undergoing stress & mental health checkups (%)	86.6	87.1	90以上
	Monitoring metric	High stress (%)	9.3	7.8	——
		Struggling to communicate about difficult subjects (%)*	78.4	77.9	——

* Figures for each fiscal year are based on health checkup interviews, stress checks, and in-house health surveys.
  See P.49 *3 through *8 for details about checkup interviews.

■ **Employees taking subsequent measures and health guidance after regular health checkups**

According to our own six-stage criteria, we offer health management support by providing health information and consultations.

A	B	C
Normal	Nearly normal	Follow up

HSS Checkup system Providing information
How to view & utilize results

D	E	F
Health guidance	Health guidance consultation	Health measures consultation
Providing information per checkup item	Nurse consultation	Industrial physician consultation

Require re-examination, more detailed examination, treatment, medical examination

Health Checkups

Regular health checkups play a very important role for both the employees and the company to check health status and improve problem points. At CTC, supervisors check their subordinates' health checkup status and manage in a way that elevates health management from an issue for individuals to an issue for the company as a whole. Employees reaching the age of 35 and those 40 and up receive comprehensive health checkups. The results of health checkups are reported to management and workplaces in the form of results analysis on a per-organization basis and are linked to initiatives the following year.

We have established our own criteria for the individual follow-ups according to checkup results. As a population approach to employees who are potentially at risk, we organize seminars and e-learning courses that encourage them to reflect on their lifestyle habits and make improvements. The CTC Group Health Insurance Society also provides specific health guidance to approach those at particularly high risk. We have a 100% rate of taking post-checkup follow-up measures and giving health guidance consultations for those identified as high risk by their blood pressure or blood sugar in particular. Employees now have a heightened awareness of health management, and their proactive attitudes have become apparent.

Better Information & Health Literacy for Employees

For the practical application of wellbeing management at CTC, we consider data-based health management and Collabo-Health initiatives to be essential. We also believe that each employee must improve their health literacy to gather and utilize the information they need on their own while improving their capabilities to manage their own health.

Our efforts are comprehensive, adding information that enables employees to use the results of health checkups and stress & mental health checks for self-analysis, while supporting health literacy through learning programs, consultations, and more.

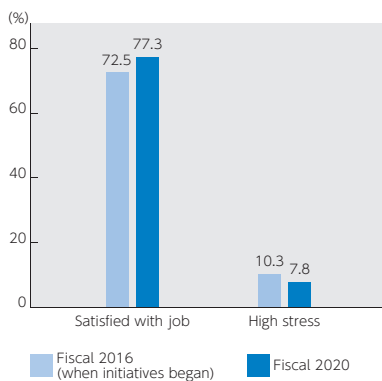■ **Main Initiatives**

IT Systems	Implemented a system that makes it possible to view data such as regular health checkup results and CTC judging classifications, results of stress & mental health checks, as well as health-related information based on health checkup results, and to apply for subsidies for specialist examinations and vaccinations.
Communicating Information	Providing comprehensive seasonal information from expert staff via in-house portal sites and emails, and topic-based information from outside experts.
Personnel Training	Organizing seminars and e-learning for all employees on specific topics such as lifestyle habits and mental health, as well as training for managers to promote understanding of well-being in organizations, etc.

Wellbeing Management & Occupational Health and Safety

Appropriate Work Environments and Hours & Supporting Employees Receiving Medical Treatment

At CTC we set the appropriate hours that enable employees to work both efficiently and effectively, and we establish diverse, flexible work environments with options for work hours and locations in order to support employees who are also receiving medical treatment. To help employees balance their work with medical treatment we develop a supportive culture through seminars, informational activities and other means. We also set up consultation services, connect expert staff with primary care physicians, families, and workplaces, operate leave and absence systems, and support programs for returning to work. Additionally, we strive to make special considerations to help those undergoing medical treatments to still be able to perform their jobs. For financial support in balancing medical treatment with work, we offer our subsidy system for advanced treatment of cancer.

Energizing Organizations & Communication

To improve employee job satisfaction, handle work more efficiently and energize our organizations, it is essential to create, instill, and grow a company culture of openness. For that reason, we are actively engaged in promoting all types of communication inside and outside of our organizations, including club activities for employees and initiatives that include their families. To spark even more communication and further energize our organizations, we relocated and integrated our Tokyo area offices, mainly centered around CTC Group head office functions. In addition to these efforts, we plan to launch a new app as a means to spur communication.

Related Information
▶ **P.24, P.26** Work Environment

■ Monitoring indexes for initiatives to improve employee vitality & productivity and to energize organizations

* Based on health checkup interviews and stress checks from fiscal 2016 & 2020

■ Main Initiatives

Employee club activities	Subsidizing, providing venues and other support for 21 total club activities of the CTC Gojokai (Life Events Social Club) including both cultural and athletic activities.
Activities that also contribute to society*	Participation as a company, including family members, in activities such as CTC Group Happiness Recovery support tours, Mt. Fuji cleanup and beautification, and walking tours, as well as encouraging volunteer activities on an individual level by arranging special volunteer leave.
*Activities for employees and their families	Organizing office tours for visits by employee family members, parenting seminars for employees and their spouses, and more.
IT Systems	Established individual pages with blog functions on in-house portal site. Introduced multiple chat tools with a broad selection for organizations and employees to choose from.

* Some activities including CTC Group Happiness Recovery support tours and office tours were not held during fiscal 2020 due to the COVID-19 pandemic.

Related Information
▶ **P.25** Work Environment
▶ **P.27** Engagement Survey

■ Mental Health Self-Care:
Number and Ratio of e-Learning
Course Takers

Fiscal year	Course takers	(%)
FY 2016	3,519	(82.5%)
FY 2017	3,681	(85.4%)
FY 2018	3,662	(83.6%)
FY 2019	3,820	(87.3%)
FY 2020	4,172	(90.5%)

Better Mental Health Care

In addition to addressing mental health conditions, CTC also supports mental health in a much broader sense, which includes stimulating communication in the workplace. We are continuously engaged in four physical and mental health care initiatives - self-care, "line care" by managers and supervisors, care services by in-house expert staff, and care services through outside resources.

After stress & mental health checks are carried out, analyses of the results are reported to management on a CTC-wide and per-organization basis. Executive officers in charge of each business group are then interviewed about their circumstances and given proposals for improvements to their workplace environments.

■ Mental Health Care Initiatives

Self-care	● Stress & mental health checks (stress check & self-care training) ● Accumulated fatigue checks ● Offering programs in new employee training ● "Mental Health Bulletin" regularly posted on in-house portal site ● Providing information on mental health care
Line care	● Mental health training for managers ● Stress & mental health check results analysis reports and improvement proposals
Care services by in-house expert staff	● Consultations with industrial physicians, counselors, and nurses ● Support for returning to the workplace after leave
Care services through outside resources	● Consultations with outside counseling organizations * Family members can also utilize

Our efforts are ongoing through these four types of mental health care initiatives. We analyze what is being done, learn what the challenges are, and plan improvements, while also focusing particularly on first-line prevention aiming to prevent mental health conditions before they arise.

Preventing Lifestyle-Related Diseases

In our efforts to prevent lifestyle-related diseases at CTC as a priority measure in our medium-term management plan, we particularly focus on proper sleep, exercise habits, and smoking.

● Sleep Hygiene
At CTC we are continuously working on initiatives to promote sleep hygiene, which is crucial to getting enough hours of sleep, as well as high-quality sleep which is critically important to a fulfilling work and personal life. Through the in-house survey conducted with the goal of taking measures that go a step farther, we learned about a variety of problems occurring outside of work hours that are causing insufficient sleep. These include problems with health literacy involving the way time after work hours is spent, as well as commuting time and time spent taking care of family members such as parenting and care giving.

Based on these results we are providing e-learning which shares the current state of CTC Employee Sleep Hygiene, key points for self-management of sleep, and other relevant information. As a result of these efforts and our continued communication of information and promotion of flexible work styles, the ratio of our employees getting enough sleep improved by over 10% year-on-year in fiscal 2020. We will continue to promote deeper understanding of this problem while offering our assistance to improve our employees' quality of sleep, sleep apnea syndrome, and other sleep-related issues.

■ Lifestyle-related disease monitoring metrics

Fiscal 2017 (when initiatives began)   Fiscal 2020
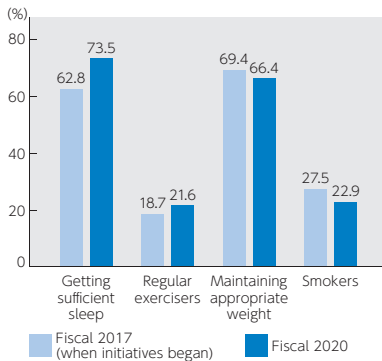
Related Information

▶ **P.25** Work Environment

● Improving exercise habits and lifestyles

We have been striving to help improve exercise habits, promote stretching during work hours, and build habits of refreshing mind and body. These efforts include offering various fitness-related services such as fitness club specials and cafeteria plans as employee benefits and selling Fitbit wearable activity measurement devices in-house while offering subsidies to purchase them, as well as preventing back pain with Posture Imbalance Measurement Events.

Starting in fiscal 2020, with employees working from home and avoiding non-essential travel, we have also been offering advice on lifestyle improvements and exercises that can be done at home. Through cooperation with our in-house sustainability promotion organization and our health insurance society, we stream videos and share columns and other media made by outside experts for employees working in the CTC Group.

Aiming to raise job satisfaction, we designated our offices that relocated in 2021 as working places that allow freedom of choice from among various types of areas. Advocating CTC Well-Being as the theme for our efforts, we are rolling out even more related measures. Going forward, we also plan to introduce an app that helps with healthy diets as a means to improve eating habits.

● Measures against smoking & passive smoking

Starting in fiscal 2012 we have been providing information about quitting smoking, as well as health guidance for smokers, consultations with specialized staff as a smoking cessation program, and other anti-smoking support in addition to events such as seminars by respiratory physicians. The CTC Group Health Insurance Society is also providing anti-smoking programs via online examinations. Through these efforts our rate of employee smokers has been decreasing, but we will continue striving to bolster our measures against smoking and passive smoking, taking the proper measures while accommodating employees on an individual basis.

Cancer-Related Measures

Through cooperation with our health insurance society, CTC is establishing systems for early detection and treatment of cancer and working to create work environments where employees can continue working with peace of mind. Specifically, we have incorporated cancer screenings as a required item in regular health checkups for employees ages 35 and up. For specialized examinations, we also subsidize uterine cancer screenings for female employees ages 20 and up, as well as breast cancer for ages 30 and up, chest CT scans and H. pylori tests for ages 35 and up, and more. Through collaboration with National Cancer Center Japan, employees can also receive comprehensive cancer screenings every five years starting at age 40. To make it easier for employees to take time away from work to get treated, we are establishing work environments with a high degree of freedom in terms of work hours and locations, while also offering a subsidy system for advanced treatment of cancer to help with the economic side of balancing work with treatment.
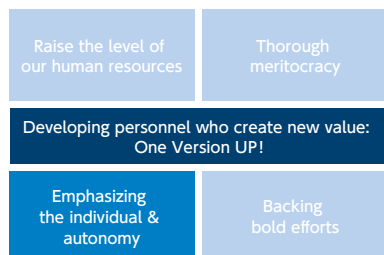
Women's Health Promotion Initiatives

As part of our efforts to promote women's participation and advancement, we actively promote women's health. We have been addressing health issues particular to women by introducing paid menstruation leave, organizing Women's Health Seminars for female employees and male managers, creating more cooperative environments, educating about ways to cope with women's health problems, and holding seminars and other events for new female employees. As we have improved health literacy, changed awareness, and established a culture of learning autonomously and independently, we are currently making information available on in-house portal sites with themes such as "Women's Health that Both Genders Should Know." We are also regularly sending out related email newsletters and offering elective training.

Committee Activities for Occupational Safety and Health & Preventing Occupational Accidents

Our Central Health Committee for occupational safety and health has defined four priority issues. These are promoting balanced work styles, promoting wellbeing management for physical and mental health, preventing occupational accidents, and establishing systems for managing safety and health. The committee is working to thoroughly implement fundamental measures and create environments for employees to be able to work safely with peace of mind. In addition to bringing in industrial physicians for workplace visits and regular meetings to deliberate measures related to priority issues, the committee organizes information sharing and opinion exchanges about seasonal topics including lectures by industrial physicians. CTC and its employees are working together to prevent occupational accidents while also taking the characteristics of each office environment into consideration.

Health Management Solution

CTC provides a health management system called the Health Support System (HSS). This solution is a cloud service that supports health management at companies through centralized control of health-related information (health checkup results, stress checks, employment information, health guidance history, etc.). Centralizing health-related information lightens the workload of health outreach workers and helps to offer better follow-up measures and health guidance for those found to be at moderate to low risk in their health checkups. We also provide follow-ups by specialized staff for implementations, from initial implementation support until the point that the system goes into operation.

Leveraging expertise gained from CTC's diverse, flexible workstyles and wellbeing management initiatives, we are contributing to health management at companies.

Supporting Career Development

Raise the level of our human resources	Thorough meritocracy
Developing personnel who create new value: One Version UP!	
Emphasizing the individual & autonomy	Backing bold efforts

Accelerate | **Emphasizing the Individual & Autonomy**
Everyone can have fun and be themselves

Create atmospheres in which each employee is autonomous and can use flexible work styles to find job satisfaction their own way

- Accelerate support for autonomous career development (assignments & job rotations that are win-win for the company and individual)
- Consider implementing in-house job postings

- Employees receiving career counseling interviews in fiscal 2020

100%

Career & Human Resource Development Policy

As awareness changes due to growing diversity in the work environments surrounding us and values of the people who work there, we need to shift away from the conventional approach of one-size-fits-all learning opportunities and career development, and toward individually-focused support for independent-minded career development with a self-education approach.

For the company, one critically important part of encouraging each employee to be independent is to provide them with self-elective learning opportunities according to each of their respective capabilities and attributes, ideas and ambitions, and to actively support their career development. With knowledge and openness about their own characteristics, strengths, weaknesses, and other attributes, employees should clarify what type of work they want to handle, and be inclined to learn on their own while playing an active role in their own career development.

At CTC, we will continue supporting each of our employees in learning on their own, proactively developing their careers, and gaining new knowledge of their own volition by offering various types of training as leaning opportunities, our career development support system, career follow-up consultations, and more.

Basic Approach

For employees to feel pride and a sense of purpose in their work, it is essential to give them appealing work environments that enable each of them to continuously leverage their strengths and values. At CTC, we establish systems that enable employees to develop their careers autonomously and independently, and we are advancing various measures based on our career and human resource development policy.

Comprehensive Initiatives to Support Career Development

At CTC, we are building a comprehensive initiative structure that combines training with consultations and systems to support employees in independently and autonomously developing their careers. With a main focus on our career development support system in which supervisors and their subordinates have conversations and share their ideas regarding careers in general, we are advancing initiatives that also link with our evaluation system to that incorporates learning goals and job rotation experience as requirements for promotions, and support for self-development through the implementation of flexible work styles. Going forward, we plan to implement job rotations aimed at supporting career development, as well as in-house job postings and more.

In recognition of our efforts to support diverse career development including changes in lifestyles and values, re-education and skills shifts, CTC receivd the grand prize in the Ministry of Health, Labour and Welfare's Good Career Company Award in 2019 for companies working to support independent career development of their employees.

● Bolstering Our Career & Human Resource Development Structure

We have established a dedicated organization to which in-house career counselors have been assigned. In addition to clarifying our career & human resources development policy and informing it to everyone throughout CTC, we have created a special page to post various related information on our in-house portal site. The dedicated organization takes action with diversity and inclusion in mind as our Diversity Careers Section. We are also committed to continuing the professional development of our in-house career counselors.

● Career Development Support System

This system is implemented for the purpose of promoting autonomous, independent career development through regular sharing of dialogue between superiors and subordinates on everything related to careers, from experiences, strengths and weaknesses to attributes, ideas and ambitions. Career counseling interviews are included and also linked to systematic human resource development programs and job rotations.

● Career Counseling Interviews

Employees receive career counseling interviews in their second and fifth years with the company, and in the first and second years of female manager tenures. The interviews are also always available for any employees who want them. Through dialogue sessions, the interviews support autonomous, independent career decision-making by reflecting on employees' individual work experience, analyzing their current state and surrounding environment, actively attaching meaning to the employee's own work and giving them perspectives and goals for their future. After the interviews, we work on ways to improve on organizational issues by seeking action from our organizations and providing feedback to related departments within CTC.

● Rank-Based & Career Design Training

In addition to rank-based training including for newly-appointed and continuing managers, we also conduct career design training during employees' fifth year with CTC, during the second year after a promotion to the mid-level stage, and for employees in their 40s and 50s. Re-establishing awareness of their expected roles and the challenges they are expected to face, revising their career plans for their lives in society medium and long term, and more, our training gives employees opportunities to rethink their trajectories according to their circumstances.

● Career Support for Female Employees

For young female employees in particular to have opportunities to speak with veteran female employees including in other workplaces, and to help form personal networks between female employees, we have also introduced the Mentor-Mentee System. Additionally, we have implemented the Career Sponsorship Program for general manager-class personnel to support the careers of female managers and manager candidates as their career sponsors and give them opportunities to speak freely and openly.

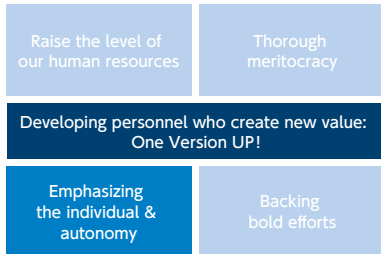● Elective Training & Financial Aid System for Acquiring Certifications

We offer elective training for language and business skills through online, correspondence, and other mediums. We also actively promote microlearning and offer a flat-rate video learning program. Aside from our learning and training systems, we also provide financial aid to employees who through their own efforts have acquired certifications that are encouraged throughout CTC.

■ Main Initiatives

Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
● Established a dedicated organization ● Introduced career development support system ● Launched career counseling interviews	● Formulated new career & human resource development policy	● Launched per-organization seminars by in-house career counselors	● Reviewed new measures to strengthen career development support	● Advanced job rotation measures aimed at supporting career development
Related Measures				
● Overhauled training systems in conjunction with personnel system revisions ● Reorganized career design seminars ● Made job rotation experience a requirement for promotion	● Reconstructed the engineer human resources development system ● Expanded initiatives for global personnel learning & developmentdevelopment		● Expanded elective training for business skills	● Expanded rank-based training for management personnel ● Expanded elective training for IT

Diversity & Inclusion

Priority measures for human resources strategy in medium-term management plan

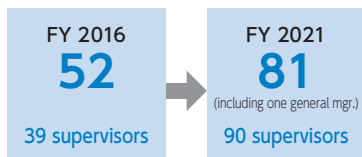| Raise the level of our human resources	Thorough meritocracy

Developing personnel who create new value: One Version UP!

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Accelerate | **Emphasizing the Individual & Autonomy**
Everyone can have fun and be themselves

Create atmospheres in which each employee is autonomous and can use flexible work styles to find job satisfaction their own way

- Strengthen measures to promote diversity & inclusion

- Received third-level "Eruboshi" certification

NADESHIKO 2021
- Earned selection as a "Semi-Nadeshiko Brand" for third consecutive year

work with Pride
Gold 2020
- Received PRIDE Index 2020 "Gold" rating

- Female managers

FY 2016	FY 2021
52	**81** (including one general mgr.)
39 supervisors	90 supervisors

* As of April 1 each year

- Ratio of employees with disabilities in Fiscal 2020

2.6% of employees
* Statutory minimum 2.2% (As of June 1, 2020)

Basic Approach

CTC believes that generating new value requires environments where employees with distinctive personalities and diverse work styles can find self-fulfillment working together to take on new challenges. Therefore, we promote diversity & inclusion (D&I) that respects differences in age, gender, gender identity and sexual orientation, nationality, disability, and previous experience, in accordance with our Basic Policy on Diversity. We are striving to build diverse, unencumbered work environments while fostering a culture where diverse human resources can thrive.

Organizational System

In 2006 CTC established a dedicated organization that has since been working on diversity & inclusion initiatives. Our current organizational system is centered on the Diversity Careers Section, which has been reorganized with the goal of providing comprehensive support along with career development. Each business group implements its own specific measures in addition to CTC-wide measures, and we have also built a structure of collaboration with the human resources departments of our Group companies. As we proceed with diversity & inclusion initiatives, their status is regularly reported to the Management Committee and Board of Directors.

Formulating Targets & Roadmap

In conjunction with the Medium-Term Management Plan beginning in fiscal 2021 and the formulation of our action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we expanded our measures to promote diversity & inclusion. In environments where the way the organization fundamentally exists is changing and leadership along with it, we consider it essential to have organizational management that encourages diverse human resources to thrive under diverse leaders. On the other hand, we are still below the industry average with our ratios of female employees and female managers, which are important metrics for diversity of human resources. For that reason, we are taking measures geared toward our pipeline of human resources from hiring up to the manager level (managers & senior positions) and pushing forward initiatives with ratios of female hires, female employees, and number of female managers as metrics.

As we promote diversity & inclusion, we will continue fostering an organizational culture of psychological safety, where we truly feel that diverse, autonomous individuals can harness their capabilities to the fullest, respect and accept each other. This is the very foundation of our Medium-Term Management Plan priority scenario "strengthening overall capabilities through a combination of individual growth and having the right people in the right places."

* From the June 24, 2021 bulletin "Average Values in the Standards for the Recognition System Based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace" by the Employment Environment and Equal Employment Bureau of the Ministry of Health, Labour and Welfare

Changing Awareness & Creating Culture

As part of our measures to promote diversity & inclusion, CTC is sharing messages from management, raising awareness about diverse work styles, presenting good examples of work styles and more throughout the company on Chorus, the introductory website for diversity & Inclusion activities geared toward the entire CTC Group.

Setting the theme of instilling even deeper awareness of these activities in fiscal 2021, we are deploying a comprehensive package of initiatives, both new initiatives and expanded ones. This includes organizing the Diversity Career College open seminar taught by outside instructors. Diversity Career College features a different topic every time, from unconscious bias to male employees balancing their work and household life, LGBT-related topics and more. Through a combination of various methods from multiple perspectives and angles, including seminars, training, publishing individual columns and making information available via Chorus, we are changing awareness and creating a culture where distinctive personalities can work together using diverse work styles.

● Initiatives for Managers

Through communication with diverse employees and training for diversity in work styles, we have given our managers at CTC an even more in-depth understanding of diverse personalities and work styles. One such initiative is the Engagement Survey, which aims to scrutinize and improve various initiatives deployed throughout the company and improve our management capability. For executive officers, we are implementing special infrastructure to advise them on the current state of their organizations and potential improvements, even enabling independent analysis, while providing support for the timely reflection of the improvements in management. With management that draws out diverse personalities, we will double our efforts to create strong yet limber organizations capable of flexibly adapting to change.

■ Main Initiatives

Fiscal 2013–2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
● Started D&I activity introduction website Chorus and bolstered awareness-building measures including regular messages from the president ● Formulated human resource development plan based on targets set for female managers ● Added more training for employees and their supervisors on balancing work with parenting and caregiving ● Revised systems for working from home, parenting & caregiving	● Held a CTC-wide management meeting about D&I ● Started intensive training based on individual development plans for female manager candidates ● Launched measures to encourage male employees to take childcare leave ● Reformed post-retirement reemployment system	● Launched measures geared toward female leaders ● Began considering initiatives for LGBTs & Sexual Orientation and Gender Identity (SOGI)	● Formulated new Basic Policy on Diversity ● Launched parenting seminars open to participation with spouses ● Launched initiatives for LGBTs & SOGI	● Formulated D&I action plan for fiscal 2021-2023 ● Organized the Diversity Career College D&I open seminar and made more information available ● Bolstered next-generation women's leadership training and career support for female employees with "human resources pipeline" concept ● Introduced career sponsorship program ● Backed next-generation management personnel development & female participation in management to hasten arrival of female executive officers ● Formed a task force to consider measures for the senior age range

Diversity & Inclusion

■ Rate of male employees taking childcare leave
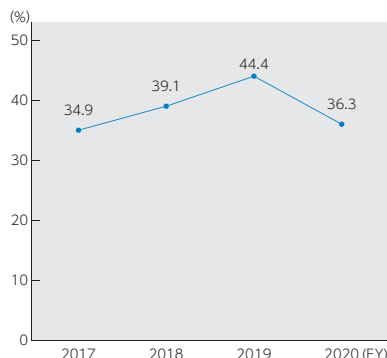
(%)

50			
40	34.9	39.1	44.4
			36.3

2017 2018 2019 2020 (FY)

Establishing Work Environments Throughout CTC

At CTC we employ a multiple career path personnel system that enables each employee to utilize diverse work styles according to their own competencies and goals, and evaluates the level to which they exercise their abilities based on expectations for the role rather than age or length of service. We also establish systems to learn on their own, be active in their own career development, with our career development support system playing a central role. Additionally, we provide Career Design Training, Career Design & Finance Training, and other opportunities to revise their career plans for life in society, supporting diverse career development including changes in lifestyles and values, re-education and skills shifts.

For the senior age range, we are implementing a reduced work hours system for post-retirement reemployment and establishing workplaces that are more accommodating to individual circumstances. We will continue leveraging our accumulated knowledge while enabling choices of work styles that match individual desires and circumstances as we double our efforts to support the success of our people at CTC over the long term.

Support for Parenting and Caregiving While Working

At CTC, we create diverse, flexible work environments that support employees balancing their work with parenting or caregiving. We have raised the aid threshold for children to whom our reduced and staggered work hour system applies. Additionally, we have introduced accumulated leave to carry over annual paid leave that is about to expire so it can be used to care for children or family members. The personnel system we are implementing allows for evaluations and promotions according to capabilities demonstrated even when an employee's work hours have been temporarily restricted. Our employment infrastructure also helps employees quickly return to full-time work through flexible work styles such as working remotely.

As part of our efforts to support this balance we organize pre-maternity/paternity leave orientations, as well as childcare-related seminars for employees taking childcare leave along with their superiors and spouses who work outside the CTC Group, and more. As we continue offering opportunities such as lectures by experts to encourage male employees to take childcare leave, and online courses on balancing work with caregiving, we are striving to create a supportive organizational culture.

Promoting Women's Participation & Advancement

CTC has been working to implement the Mentor-Mentee System, Female Manager Candidate Development Training, and various other measures with women's participation and advancement as the centerpiece of diversity & inclusion efforts. In fiscal 2021 we took our existing initiatives a step further and organically connected our various measures to make them even more effective from a comprehensive, CTC-wide perspective. We have also been working to build an organizational system that enables female employees to participate in management, and we are accelerating measures such as our external networking program for executive officer candidates, and participation in the Japan Business Federation (Keidanren) challenge for females to comprise 30 percent of top managerial posts by 2030.

■ Ratio of female employees and number of female supervisors & managers by year
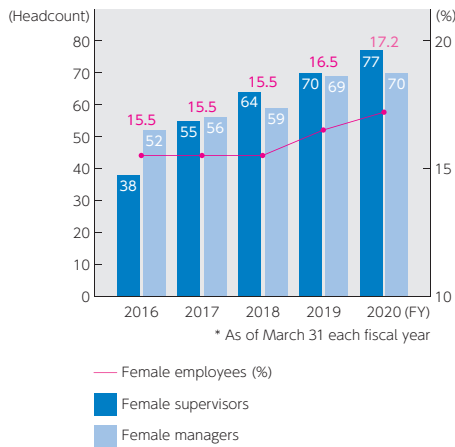
(Headcount)

	2016	2017	2018	2019	2020 (FY)
Female supervisors	38	55	64	70	77
Female managers	52	56	59	69	70
Female employees (%)	15.5	15.5	15.5	16.5	17.2

* As of March 31 each fiscal year

— Female employees (%)
■ Female supervisors
■ Female managers

● Bolstering next-generation women's leadership training and career support for female employees with "human resources pipeline" concept

At CTC, we have been bolstering our measures with a focus on developing female managers, which has been one of our metrics for the participation and advancement of diverse human resources. Although our numbers of supervisors who are manager candidates and those who are managers have been steadily increasing, our ratio of female managers still lags behind the industry average. Therefore, we still consider this to be our biggest challenge. Starting in fiscal 2021 we have been building a human resources pipeline as a comprehensive measure to stably supply human resources from hiring to mid-level employees and manager candidates. We have also bolstered our development of next-generation female leaders all the way up through management ranks.

■ Main Initiatives

Leadership training	Raising awareness of career development as next-generation female leaders, identifying female manager candidates from an early stage and both intensifying and accelerating their development from a medium to long term perspective.
Support at each stage	Elaborate support at each stage by continuing and expanding measures to support balancing personal life with work, including the Mentor-Mentee System for young to mid-level employees, female manager candidate training, and childcare leave-related training.
Career support	More career development support for female employees through the career development support system.
Hiring	Continue organizing information sessions for women stressing that CTC has workplaces conducive to advancement regardless of gender, and continue recruiting activities conducted by female employees.

● Bolstering creation of interpersonal networks with the Career Sponsorship Program

In fiscal 2021, CTC launched the Career Sponsorship Program (CSP). The aim of the CSP is for general manager-class personnel to support the careers of female managers and manager candidates (the sponsored) as their career sponsors and give them opportunities to speak freely and openly. The first sponsored in the program are female employees who are at the supervisor and manager levels. We plan to sequentially expand sponsorships into the general manager level and younger age range. In June 2021, we held the Diversity Symposium online as a kickoff for CSP. It featured a message from the president, reflections shared by career sponsors on their own life events and careers, panel discussions and more. Going forward, we plan to organize round table discussions and one-to-one meetings between career sponsors and the sponsored, while creating a system where they can build interpersonal networks and casually get consultations.

■ Main Initiatives

Sharing rules of thumb	Provide opportunities to gain insights by having career sponsors, experts, and other learned professionals share various rules of thumb for leaders.
Networking	Increase interpersonal networking by organizing round table discussions between career sponsors and the sponsored.
Consultation system	Establish a system for casual consultations through one-to-one meetings between career sponsors and the sponsored.

Diversity & Inclusion

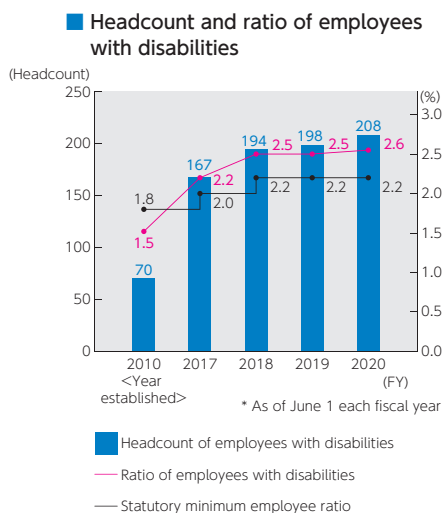● Building systems for visually identifying, sharing information about, and monitoring female manager candidates

At CTC we select candidates for executives at an early stage and hold company-wide human resources development meetings to formulate a selection and promotion plan. When promoting to the rank of executive, we place heavy weight on human resources management performance, including diversity & inclusion. For female employees, our senior management including the president has checked each individual candidate not only for executive roles but also for general manager and manager positions, and reviewed their individual development plans. We will take these efforts a step further to establish candidate visualization, information sharing, and monitoring as a system. Through rigorous monitoring and reviews of development plans, we are providing more individual support to candidates and further accelerating development and promotion of our personnel.

■ Main Initiatives

Development & promotion	Carrying out comprehensive initiatives involving selection of female manager candidates and formulation of their development plans.
Visualizing	Monitoring development status of personnel based on their development plan, and regularly reporting to management.
Supervisor support	Conducting interviews with supervisors, implementing the development support system and training supervisors.
Consultation system	Meticulous follow-ups by the Human Resources Department via personal consultations after new female managers are appointed.

LGBTs (Sexual Minorities) & SOGI (Sexual Orientation & Gender Identity)

At CTC, we have clarified respect for gender identity and sexual orientation as part of employee code of conduct in our employment regulations, and we are continuously engaged in efforts to promote understanding and acceptance of LGBTs and SOGI. We are fostering deeper understanding throughout CTC by organizing workshops for executive officers, trainings for all managers that combine e-learning with seminars, training for all employees through e-learning and more, along with programs such as training for respecting human rights and harassment prevention. We have also established a dedicated webpage for basic understanding on our in-house portal site, and are regularly publishing a column called the Rainbow Column authored by outside experts in addition to sponsoring events outside of CTC. In addition to efforts such as these, we also plan to launch activities for communication and networking between employees. Additionally, we are establishing internal and external consultation services, expanding application of some of our in-house systems to include same-sex partners, eliminating the gender field that had been on our application form at the time of hiring, and making other progressive changes to our systems and environments to create workplaces for employees to be themselves.

Headcount and ratio of employees with disabilities

(Headcount)

Values shown in chart
2010 <Year established>: 70, 1.8
2017: 167, 2.2, 2.0
2018: 194, 2.5, 2.2
2019: 198, 2.5, 2.2
2020: 208, 2.6, 2.2
1.5

* As of June 1 each fiscal year

■ Headcount of employees with disabilities
— Ratio of employees with disabilities
— Statutory minimum employee ratio

Promoting Hiring of Employees with Disabilities & Supporting Activities of Athletes with Disabilities

In 2010, CTC established special subsidiary CTC Hinari (referred to simply as Hinari) with the aim of promoting employment of people with disabilities. Hinari operates with bases in both Tokyo and Hamamatsu. In Tokyo, the company focuses mainly on office-related tasks such as cleaning and replenishing supplies in offices, and also handles massage-related and other services that are part of employee benefits. In Hamamatsu, Hinari handles contracted farming operations for a total of eight commercial farms and companies, and also sells novelty products made from the partner farms' crops to the Group. In conjunction with the Tokyo area office relocation in fiscal 2021, the company began operating a café (Hinari Cafe), and jointly with CTC launched a data preparation service that specializes in preparing data prior to AI analysis. As we pioneer new types of work for people with disabilities in the IT field, we are striving to create value unique to Hinari while creating environments where ambitious human resources can work with peace of mind over the long term.

To support the success and advancement of people with disabilities, CTC also supports the activities of athletes with disabilities. Hinari has multiple employees who are also athletes and train for athletic competitions outside of work hours, one of whom won a bronze medal as a member of Japan's national team at the Tokyo 2020 Paralympic Games. CTC provides support by covering the costs of their activities such as travel to events, training camps, and appearances at competitions.

Diversity & Inclusion Roadmap

		Fiscal 2021	Fiscal 2022	Fiscal 2023
Establishing work environments throughout CTC Systems	Systems	Consider new personnel systems		Introduce new personnel system
		Consider measures for the senior age range		
Further efforts toward ABW and remote working along with improving the comfort level of work environments at new offices	Flexible work styles	Promoting ABW (working remotely) and establishing diverse work styles in conjunction with relocation to new office (June 2021 onward)		
	Help for balancing work & personal	Expanding childcare leave-related training and continuing campaign encouraging male employees to take childcare leave (April 2021 onward)		
		Continuously conduct training for managers on work style revisions needed for employees raising children to proceed with career development		
Establishing organizational culture that promotes the success and advancement of diverse human resources and training to transform employee awareness	Training	Organize lectures to change awareness throughout CTC (improve understanding about topics such as unconscious bias & balancing work with home life) (September 2021 onward)		
	Communicating information	Make various types of awareness-raising information available using in-house portal site, publishing columns, etc. (April 2021 onward)		
Bolstering next-generation women's leadership training and career support for female employees, with "human resources pipeline" concept	Leadership training	Raise awareness of career development as next-generation female leaders, identify female manager candidates from an early stage and both intensify and accelerate their development from a medium to long term perspective (July 2021 onward)		
	Support at each stage	Give elaborate support at each stage by continuing and expanding measures to support balancing personal life with work, including the Mentor-Mentee System for young to mid-level employees, female manager candidate training and childcare leave-related training (July 2021 onward)		
	Career support	Increase career development support for female employees through the career development support system (April 2021 onward)		
	Hiring	Continue organizing information sessions for women stressing that CTC has workplaces conducive to advancement regardless of gender, and maintain recruiting activities conducted by female employees (October 2021 onward)		
Increase interpersonal networking by implementing the Career Sponsorship Program	Sharing rules of thumb	Provide opportunities to gain insights by having career sponsors, experts, and other learned professionals share various rules of thumb for leaders (June 2021 onward)		
	Networking	Increase interpersonal networking by organizing round table discussions between career sponsors and the sponsored (July 2021 onward)		
	Consultation system	Establish a system to enable casual consultations through one-to-one meetings between career sponsors and the sponsored (August 2021 onward)		
Building systems for visually identifying, sharing information about, and monitoring female manager candidates	Development & promotion	Carry out comprehensive initiatives through selection and development plan formulation for female manager candidates		
	Visualizing	Monitor development status of personnel based on their development plan, and regularly reporting to management		
	Supervisor support	Conduct interviews with supervisors for female manager candidates, implement the development support system and train supervisors (June 2021 onward)		
	Consultation system	Meticulous follow-ups by the Human Resources Department via personal consultations after new female managers are appointed (August 2021 onward)		
Backing next-generation management personnel development & female participation in management to hasten arrival of female executive officers	Ratio of executives	Participating in the Japan Business Federation (Keidanren) challenge for women to comprise 30% of top managerial posts by 2030, and accelerating the building of organizational structure for females to participate in management (April 2021 onward)		
	Developing management personnel	Implement external networking program for executive officer candidates, etc.		
Dedicate energy to awareness measures for all employees' understanding of equality & awareness of company culture	Communicating information	Publish the Rainbow Column, a column with the theme of understanding LGBTs and SOGI		
		In-house networking activities		
Supporting the success and advancement of people with disabilities at the special subsidiary	Expanding realm of operations	Expand existing business and create new business that supports CTC-style ABW		

		Description	Target	Time frame
Metric	Hiring ratio	Ratio of female new graduate hires	35%	Every fiscal year
	Employee ratio	Ratio of female regular employees	20%	By fiscal 2023
	Managers	Number of female managers	90	By April 1, 2024
	Ratio of employees with disabilities	At least statutory minimum employee ratio	Statutory minimum employee ratio (2.3% as of June 1, 2021)	Every fiscal year

Respecting Human Rights

Respecting Human Rights & Harassment Prevention

"Creation of a work environment with respect for human rights" is specified in the CTC Group Code of Conduct. The creation of fulfilling work environments with respect for human rights, character, individuality, and diversity underlies every activity taking place at CTC.

In July 2015, CTC became a participant in the United Nations Global Compact (UNGC), an initiative to achieve sustainable growth in the international community. In accordance with the UNGC's 10 principles covering topics such as human rights, labor, the environment, and anti-corruption, we strive to create organizations where each and every employee is able to conduct themselves with a strong sense of ethics and responsibility from a global perspective and fulfill CTC's social responsibility through the work that they do each day.

To prevent harassment, we organize awareness-raising activities including compliance training for all employees, as well as clearly stating the prohibition of harassment in our employment regulations and formulating a harassment prevention guide. Our Human Resources Department has also established several in-house consultation services and set up a "help line" as an internal whistle-blowing system. The help line has both internal and external (lawyers) reporting routes, and in either case the privacy of the person providing the report as well as anyone related to the report is thoroughly protected while the reported information is carefully managed. We make it clear that those who use the help line shall not be subjected to disadvantageous treatment for having done so.

We will strive to ensure that human rights are respected at CTC without tolerating harassment in any form, as we foster an appealing, liberated organizational culture conducive to creativity.

Organizational System for Human Resources Strategy

Organizational System

Decisions on the priority measures of CTC's human resources strategy are made and implemented after deliberations in the Human Resources Policy Committee, Management Committee, and Board of Directors. The Human Resources Policy Committee is mainly comprised of general manager-class personnel selected from each business group, including female members, and is chaired by the managing executive officer in charge of the business group. Planning and supervisory departments that handle business strategy are also established in each business group. We are building a system for them to work together with the Human Resources Department for all of CTC to implement original human resources management measures aligned with their business group's business strategy.

Employee-Company Communication

Communication with Employees & Labor-Management Relations

When we implement personnel systems at CTC, we first conduct trials to increase the system's effectiveness, then conduct an employee survey either after the trial or after implementation. We share the survey results with all employees, then reflect employee comments in advancing new measures with a sense of unity throughout CTC. As part of the considerations for implementing our current personnel system, systems related to work styles and the work styles to implement at our new office, and also for the new personnel system, we conduct employee surveys, interviews, and more.

Our employees also have their own organization, the CTC Union. Meeting regularly with company leadership once per month and also on an irregular basis when needed, the union exchanges information about matters including our personnel system and reflects the content of these discussions in measures.

COVID-19 Response

Response to COVID-19 in Human Resources Management

In our actions in response to the COVID-19 pandemic we place the highest priority on the safety of everyone involved with our business, including our employees, customers, and clients. Our main work format has been working from home, and we established the Crisis Management Task Force with our president as the general manager. We are striving throughout the CTC Group to control and prevent the spread of the virus while leveraging IT to maintain business continuity.

We have relaxed some of the conditions for applying systems such as working remotely, sliding work hours, and hourly paid leave. For situations where work absolutely must be performed at the office, we are promoting the use of staggered work hours and hourly paid leave which reduces contact with others, after discussing with employees' direct supervisors about how to work more flexibly and efficiently.

In addition to granting special leave to care for children and providing workplace vaccinations, when employees get vaccinated during work hours, we also consider the time it takes to get vaccinated as work time, including time taken for travel. If employees feel ill from side effects after vaccination which make it hard for them to work, we grant them up to two days of special leave

Since fiscal 2020 we have moved our recruiting activities and all human resource development systems online. Regarding work environments, we gave questionnaires to all employees about the work styles and changes in workplace communication, and we are advancing various types of measures based on wellbeing management metrics and related data. To offer new work styles tailored to the new normal, we are finding ways to offer an even greater freedom in terms of work hours and locations.

External Recognition

"TW100" Top Hundred Telework Pioneer

CTC has been chosen as one of the companies with proven track records in the introduction and use of remote work, selected by the Ministry of Internal Affairs and Communications to promote the spread of telecommuting.

"Eruboshi" Certification for Women's Advancement

CTC received third level "Eruboshi" certification, the highest level, for meeting all requirements for selection by the Ministry of Health, Labour and Welfare pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace.

PRIDE Index 2020: Gold

We received a "Gold" rating, the highest rating conferred by voluntary organization Work with Pride reflecting their evaluations of initiatives for LGBTs and other sexual minorities.

Next-Generation Certification Logo "Kurumin"

In recognition of our efforts toward action plans to support parenting based on the Act on Advancement of Measures to Support Raising Next-Generation Children, we have been certified with the "Kurumin" logo as a company that supports parenting.

Semi-Nadeshiko Brand 2021

Nadeshiko Brands are listed corporations selected jointly by the Ministry of Economy, Trade, and Industry (METI) and Tokyo Stock Exchange as enterprises with outstanding empowerment of women in the workplace. CTC has been selected as a "Semi-Nadeshiko Brand" for three consecutive years.

Tokyo Metropolitan Government Sports Promotion Company Certification

CTC was selected and certified by the Tokyo Metropolitan Government as a company that conducts employee sports activities and social contribution activities in the field of sports.

Outstanding Health & Productivity Management Organization "White 500" 2021

Under this program by METI and Nippon Kenko Kaigi (Japan Health Council) to recognize enterprises advancing health and productivity management, CTC has received certification for five consecutive years since the program began in fiscal 2017.

Human Resources-Related Measures in Medium-Term Management Plan

Medium-term management plan Priority measures		Human resources development	Investing in people & technology / Creating an appealing company		
		Fiscal 2013-2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Human resources	Hiring	Rebuilt the recruiter system for new graduate recruitment		Bolstered communication about our workplaces conducive to success regardless of gender	Launched topic-specific seminars in new graduate recruitment
	Human resources development	Introduced an engineering skills certification system	Overhauled training systems in conjunction with personnel system reform		
			Revised OJT trainer system to three years	Revised and reinforced mentor-mentee system	
			Launched training for mid-level employee and next-generation manager candidates		Expanded and reorganized range of eligibility for career design training
		Launched initiatives for global human resources development			
		Launched next generation leader selection & development program		Conducted group training on work styles for all managers	Introduced 360-degree observation for executive officers to boost management capacity
Systems	Personnel system		Introduced multiple career path personnel system		
			Made job rotation experience a requirement for promotion		
Fostering organizational culture	Work environment	Strengthened measures against excess overtime		Introduced sliding work hours, mobile work, and hourly paid leave systems	Participated in Telework Day
		Introduced Morning Work system			
	Wellbeing management				Established the CTC Group Health Insurance Society
		Improved health promotion measures: Thoroughly ensuring employees get regular health checkups and take follow-up measures afterward			
				Began "Kokoro no Kenshin" stress & mental health checks	
		Conducted health promotion activities by topic: Preventing lifestyle-related diseases, stiff shoulders and back pain, support to quit smoking, and mental health care			
Work styles	Supporting career development		Established a dedicated organization		
			Introduced career development support system	Launched career counseling interviews	
	Diversity & Inclusion (D&I)			Launched D&I activity introduction website Chorus and bolstered awareness-building measures including regular messages from the president	
			Formulated human resources development plan based on targets set for female managers		
			Added more training for employees and their supervisors on balancing work with parenting and caregiving	Revised systems for working from home, parenting & caregiving	

Human resources development & transforming work styles			Greater overall strength combining growth of individuals with right people in right places
Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Expanded initiatives that coordinate with departments such as security and global at business sites	Expanded recruiter activities in new graduate recruitment	Implemented career path system in new graduate recruitment	
		Introduced referral route for mid-career recruitment	Implemented onboarding program for those joining the company mid-career
		Moved all recruitment activities online	
		Moved all human resources development systems online	
Reconstructed engineer personnel development systems and rolled out Engineering Skills Inventory in a unified manner CTC-wide	Introduced CTC-wide learning programs & industry-academia collaboration initiatives for AI	Began considerations for Engineering Skills Inventory and DX human resources development program initiatives	Launched initiatives to bolster learning programs for DX human resources
		Created systems to improve the technical skills of advanced engineers	Continued efforts to create systems to improve the technical skills of advanced engineers
		Expanded elective training for business skills	Expanded elective training for IT
	Expanded IT basic technology learning programs for new employees		Expanded rank-based training for management personnel
Conducted ASEAN foreign language training for corporate staff			
		Began considering new personnel system, established a dedicated organization / conducted CTC-wide questionnaires & on-site interviews	
Participated in Telework Day, upgraded telework system	Implemented telework system for all employees on trial basis	Revised the telework system, expanded applicability to all employees	Created work environments and implemented measures for work styles adapted to the new normal
Expanded dress code options	Further expanded dress code options		Bolstered measures to practice CTC-style Activity Based Working (ABW) work styles with choice of hours & locations
Conducted trial of engagement survey		Introduced Engagement Survey full-scale	Implemented PDCA by conducting engagement surveys
Expanded employment support measures for employees with cancer: Bolstered measures for early detection and treatment of cancer, and employment support	Declared commitment to CTC Well-Being	Built organizational structure to control and prevent the spread of COVID-19	Administered workplace vaccinations for COVID-19
	Formulated fiscal 2019-2021 wellbeing management medium-term plan		Implemented CTC-style ABW promotion measures
Initiated health promotion activities for women		Held self-care training for sleeping habits and increased related communication	Initiated measures to promote improved exercise habits and lifestyles
Launched the Smart Lunch Program for in-house sales of Smart Meal-accredited box lunches		Launched exercise habits program	
Formulated new Career & Human Resources Development Policy	Launched per-organization seminars by in-house career counselors	Reviewed new measures to strengthen career development support	Implemented job rotation measures aimed at supporting career development
Held a CTC-wide management meeting about D&I		Formulated new Basic Policy on Diversity	Formulated D&I action plan for fiscal 2021-2023
			Organized the Diversity Career College open D&I seminar and made more information available
Started intensive training based on individual development plans for female manager candidates	Launched measures geared toward female supervisors		Bolstered next-generation female leader development and career support for female employees with "human resources pipeline" concept
			Introduced Career Sponsorship Program
			Backing next-generation management personnel development & female participation in management to hasten arrival of female executive officers
Launched measures to encourage male employees to take childcare leave		Launched parenting seminars open to participation with spouses	
Reformed post-retirement reemployment system	Began considering initiatives for LGBTs & SOGI	Launched initiatives for LGBTs & SOGI	Formed a task force to consider measures for the senior age range

Human Resources-Related Data

(Calculations are based on figures as of March 31 each fiscal year. However, calculations for employees with disabilities are based on figures as of June 1 each fiscal year)

■ Consolidated

Item			Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Employees	Overall		Headcount	8,175	8,359	8,808	9,050
	By gender	Men	Headcount	6,919	7,032	7,317	7,436
		Women	Headcount	1,256	1,327	1,491	1,614
	By region	Japan	Headcount	7,557	7,749	7,946	8,217
		Asia	Headcount	593	582	829	802
		Americas	Headcount	25	28	33	31

■ Non-consolidated

Item				Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Employees	Overall			Headcount	4,117	4,272	4,276	4,451
	By gender	Men		Headcount	3,478	3,611	3,569	3,684
		Women		Headcount	639	661	707	767
	Non-Japanese			Headcount	45	46	46	49
	By age	Under 30	Men	Headcount	386	449	509	553
			Women	Headcount	137	149	199	254
			Total	Headcount	523	598	708	807
		30-39	Men	Headcount	1,122	1,053	939	939
			Women	Headcount	215	207	178	168
			Total	Headcount	1,337	1,260	1,117	1,107
		40-49	Men	Headcount	1,369	1,422	1,417	1,436
			Women	Headcount	212	219	224	229
			Total	Headcount	1,581	1,641	1,641	1,665
		50-59	Men	Headcount	567	649	661	715
			Women	Headcount	71	83	99	114
			Total	Headcount	638	732	760	829
		60 and up	Men	Headcount	34	38	43	41
			Women	Headcount	4	3	7	2
			Total	Headcount	38	41	50	43
	By job type	Engineer	Men	Headcount	2,468	2,574	2,588	2,662
			Women	Headcount	327	341	372	409
			Total	Headcount	2,795	2,915	2,960	3,071
		Sales	Men	Headcount	823	839	797	823
			Women	Headcount	108	110	118	141
			Total	Headcount	931	949	915	964
		Corporate staff	Men	Headcount	187	198	184	199
			Women	Headcount	204	210	217	217
			Total	Headcount	391	408	401	416
Turnover *1	Men			Headcount	103	104	140	70
	Women			Headcount	20	29	12	12
	Total			Headcount	123	133	152	82
Turnover rate *1	Men			%	2.8	2.8	3.8	1.9
	Women			%	2.9	4.0	1.6	1.5
	Total			%	2.8	3.0	3.4	1.8
Average length of service	Men			Years	13.5	13.7	13.6	13.7
	Women			Years	12.6	12.9	12.6	12.4
	Total			Years	13.4	13.5	13.5	13.4
Average age				Age	40.5	40.7	40.6	40.7
Average annual salary				¥	8,553,521	8,710,795	8,966,461	9,336,993
New hires	Overall			Headcount	205	269	314	318
	New graduate	Men		Headcount	79	117	96	101
		Women		Headcount	45	39	58	61
		Total		Headcount	124	156	154	162
	Mid-career	Men		Headcount	74	101	145	142
		Women		Headcount	7	12	15	14
		Total		Headcount	81	113	160	156
Starting salary for new graduates	Master's degree			¥	245,200	245,200	245,200	245,200
	University graduate			¥	230,000	230,000	230,000	230,000
Gross trainees (employees)				Headcount	111,260	101,673	129,026	132,430
Average training hours per employee				Hours	49	48	53	49

Item *6			Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Managers *1	Overall		Headcount	1,188	1,194	1,217	1,257
	By gender	Men	Headcount	1,132	1,135	1,148	1,187
		Women	Headcount	56	59	69	70
	Non-Japanese		Headcount	5	5	6	6
	New graduate hires		Headcount	452	462	474	498
	Mid-career hires		Headcount	736	732	743	759
	Managers in business groups (excluding those working directly under the president or in corporate staff departments)	Men	Headcount	1,023	1,037	1,053	1,094
		Women	Headcount	43	44	52	53
		Total	Headcount	1,066	1,081	1,105	1,147
	General manager equivalent or higher	Men	Headcount	260	267	278	286
		Women	Headcount	8	8	10	8
		Total	Headcount	268	275	288	294
	Manager equivalent	Men	Headcount	872	868	870	901
		Women	Headcount	48	51	59	62
		Total	Headcount	920	919	929	963
Supervisors *1		Men	Headcount	461	549	624	690
		Women	Headcount	55	64	70	77
		Total	Headcount	516	613	694	767
New promotions to manager *1		Men	Headcount	47	52	70	89
		Women	Headcount	4	5	11	8
		Total	Headcount	51	57	81	97
Ratio of post-retirement reemployment system users			%	72.7	87.5	70.5	90.1
Employees with disabilities *2		Employed	Headcount	167	194	198	208
		Employment ratio	%	2.2	2.5	2.5	2.6
Average ratio of annual leave taken			%	71.9	75.3	72.6	61.0
Average annual leave taken			Days	13.9	14.5	13.9	11.7
Average monthly overtime hours per employee			Hours	14	14	13	16
Childcare leave system users		Men	Headcount	54	59	59	52
		Women	Headcount	66	69	65	55
		Total	Headcount	120	128	124	107
Rate of taking childcare leave (men)			%	34.9	39.1	44.4	36.3
Average days taken by men for childcare leave			Days	23	15	25	22
Rate of returning to work after childcare leave			%	98.9	100.0	100.0	98.8
Reduced work hours system users			Headcount	97	97	99	93
Nursing care leave system users			Headcount	202	212	200	144
Long-term caregiving leave system users			Headcount	1	0	1	0
Caregiving leave system users			Headcount	34	32	44	35
Ratio of employees undergoing regular health checkups			%	99.9	99.9	99.9	100
Ratio of employees undergoing stress & mental health checkups			%	89.9	87.3	86.6	87.1
Require detailed re-evaluation or examination after regular health checkups			%	49.9	50.8	50.5	56.1
Maintaining appropriate weight			%	69.4	69.2	67.8	66.4
Regular exercisers *3			%	18.7	18.9	19.8	21.6
Getting sufficient sleep *4			%	62.8	64	63.2	73.5
Smokers			%	27.5	26.2	24.3	22.9
Subjective health outlook (%) *5			%	——	81.2	78.8	82.6
Subjective performance (points) *6			Points	——	5.83	5.92	5.79
Satisfied with job *7			%	74.1	73.2	73.1	77.3
High stress			%	9.4	9.7	9.3	7.8
Struggling to communicate about difficult subjects *8			%	77.4	80.8	78.4	77.9
Occupational accidents at work			Incidents	7	2	6	1

*1: Figures for turnover, turnover rate, managers, and supervisors are for employees originally hired by CTC.

*2: Figures include special subsidiary and companies considered part of the Group Headcount derived by counting method for number of persons with disabilities employed in calculating statutory minimum employee ratio.

*3: Ratio of "Yes" responses to the question "Have you been doing 30 minutes or more of exercise resulting in a light sweat at least twice per week, for at least a year?" (from health checkup interviews)

*4: Ratio that responded that they were getting enough sleep. (from health checkup interviews)

*5: Ratio of "Yes" plus "Relatively, yes" responses to the question "Are you currently in good health?" (from in-house health surveys)

*6: Average value for responses to you question, "How would you rate your overall performance during workdays over the past four weeks?" (scale of up to 10 points). (from in-house health surveys)

*7: Ratio of "Yes" plus "Relatively, yes" responses to the question "Are you satisfied with your job?" (from stress checks)

*8: Ratio of "Frequently" plus "Sometimes" responses to the question "Do you normally struggle to communicate about difficult subjects?" (from in-house health surveys)

CTC

Challenging Tomorrow's Changes