

Accelerate
Expand
Upgrade

Fiscal Year Ended March 31, 2022

Integrated Report

2022

[Human Resources Strategy: Detailed Report]



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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, as well as the CTC Group Code of Conduct, 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 Responsible 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.

Helping to create a prosperous society by maximizing the power of individuals who have inherited a culture of taking on new challenges

On April 1, 2022, we celebrated the 50th anniversary of our founding. Thanks to the efforts of many former employees and the support from our customers and business partners, I would like to express my most sincere gratitude for the fact that we have come this far. This is of course thanks to the tireless, daily work and ingenuity of our employees, our Company's greatest asset, who have inherited a culture of taking on ever more advanced challenges since our founding.

It is from this history that the secret sauce, which has been handed down as a strength of the CTC Group, has been created. This secret sauce is the very skillset that has been handed down with the addition of our technologies (capabilities) cultivated in an environment with experience and over time, spiced up with our inventiveness in the way we combine and propose these technologies. This is something that cannot simply be recreated overnight. On the other hand, if we fail to keep on adding to the sauce, always upgrading it for the next generation, then there may well not be any left for the future. As priorities and values diversify, the CTC Group is passing on this secret sauce as a way to enhance and consolidate our technology and skillsets, stepping up the creation of an environment that respects individuals to unlock the power of the individual.

At the CTC Group head office that was relocated and integrated in June 2021, it has become easier to exchange ideas between groups with the more widespread use of Activity Based Working (ABW), which allows free choice of location according to job phase. In April, we extended the range of options surrounding work and employment styles, and in 2023, we plan to introduce a personnel system that allows every employee to maximize their individual strengths to play a more active role. Our strength and flexibility to constantly undertake new things and keep on changing has been created through joint efforts with all our many different associates, from our employees, to vendors and business partners. We will continue to actively invest in human resources, including in initiatives for diversity equity & inclusion (DE&I) that increases our pool of associates and benefits from stronger diversity, and in wellbeing management for the health and happiness of our employees.

Based on our ultimate mission as a company, which is to "leverage IT's potential to change the future for the Global Good," we will continue to take on new challenges without delay, striving to sustainably improve our corporate value.



Ichiro Tsuge
President & CEO

CTC Group Philosophy, Sustainability & Medium-Term Management Plan

CTC Group Philosophy

The CTC Group Philosophy consists of four elements: the slogan, mission, values and our action guidelines. The slogan expresses our determination to society to fulfill our mission, and the mission expresses the goal we want to achieve with our corporate activities by how we contribute to the world through our core business. Values is an important keyword we need to be conscious of in order to fulfill our mission, while our action guidelines are words that serve as the basis for each employee to make decisions and take action.

Slogan

Challenging Tomorrow's Changes

Mission

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

Values

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?

Action Guidelines

Sustainability

In fulfilling the CTC Group's mission, aiming to realize a sustainable society, CTC has established its Sustainability Policy describing the initiatives unique to the Group and the values we hold dear.

In line with this Sustainability Policy, we have identified key material topics based on three pillars for further growth and to fulfill our social responsibilities as a company.

Sustainability Policy

Technology and *Waza* (Unique Skillset) for the Future

The CTC Group will fulfill its mission, "Leveraging IT's potential to change the future for the Global Good," and aim to achieve a sustainable society.

The Group will undertake the creation of a society in which many people can benefit from digital technology and *waza* (a unique skillset), which will be used to take advantage of them.

What is more, by expanding the possibilities of IT, the Group will contribute to the resolution of challenges found in the global environment and society.

Materiality (Material Topics)

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)

The CTC Group has formulated a medium-term management plan (for three years from April 2021 to March 2024) titled “Beyond the Horizons: To the Future Ahead” with the aim of achieving the mission of the CTC Group Philosophy of “Leveraging IT’s potential to change the future for the Global Good.” We have established three priority scenarios based on three basic policies. The first is Accelerate which focuses on digital transformation and expanding

business co-creation. The second is Expand which aims to expand 5G and cloud business, and the third is Upgrade which seeks to strengthen human resource development and the management base. While continuing our past activities of creating added value for our customers and providing the best IT technologies, we are moving forward into the field of creating new prosperity for society by designing together, the very business of our customers.

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 combining growth of individuals with right people in right places
- Transform our business infrastructure to adapt to changing environments
- Harmonious co-existence with diverse stakeholders

Creating a culture where people can take on challenges to support the growth and autonomy of CTC's greatest asset, human resources

Satoshi Jitoh General Manager of the Human Resources Management & General Affairs Group



The Source of Competitiveness is the DNA of Our Human Resources and Challenges

The importance of human capital for companies has been gaining more attention in recent years. What position and what value does human capital have for CTC?

Human resources are CTC's greatest asset. In 2022 we celebrated the 50th anniversary of our founding. We have been able to build strong relationships of trust with our customers over the long term purely because of our outstanding human resources. At CTC, we have fostered a culture of taking on challenges with an emphasis on first giving things a go. This kind of corporate culture has come about from our customers, naturally, but also because of the CTC Group's human resources, as well as our partner companies. The business style of creating new technologies and expertise while working together is CTC's competitive edge, as well as a valuable asset.

When it comes to information about human resources, that is, information about human capital, I believe that it is important to actively disclose such information to the

outside world, and to improve communication internally between employees and the Company. We are now entering a time when more attention will be paid to the relationship between investment in human capital and enhanced corporate value. One of the missions of the departments in charge of human resources is to create an environment where employees can maximize their abilities, but we also wanted to further promote the strengths of our human resources, who are CTC's most important capital, both inside and outside the Company.

While thinking about how we could improve the quality of communication with all our different stakeholders, we conceived the idea of publishing a separate report to the Integrated Report, and as a result, the Human Resources Strategy: Detailed Report was published in 2021. This additional report was produced to emphasize a fully integrated disclosure along with information on a series of initiatives, including management's approach, the ideas behind business models and management strategies, as well as risk management promoted in cooperation with related departments. Moreover, the report is important

not only for the purposes of disclosure, but also to visualize and create a cycle for reviewing communication and initiatives. It also helps to promote some of our priority measures of developing an integrated platform for human resource information and bringing digital transformation into the realm of people management.

Human Capital Information Disclosure As It Is

What kind of reactions and results have you had?

Few other companies have reports specifically dedicated toward human resources. As such, some people within the Company were questioning the decision to publish a report specializing in human resources strategy. Although it is a heavy responsibility to disclose a lot of information on our human capital, we decided it was extremely important that people understood our genuine attitude and approach toward human resources. The integrated report is primarily aimed at investors, whereas this human resources report can be used as a tool by many different stakeholders, including those who are thinking of finding employment or transferring to CTC, to find out more about the Company.

Today, when the world is flooded with all sorts of information, it is extremely important for companies to disclose real data. This is because it shows an attitude of honesty and openness toward stakeholders. When recruiting new employees, we make use of our careers website and brochures, but we have still not changed our stance of disclosing real information. I always tell our recruiters to not hide anything, to always show the real picture, the good and the bad.

Being in the departments in charge of human resources, I often have the chance to talk with people in the financial industry from pension and fund management companies, banks and other places, and many of these people have said that the measures we have introduced and the report we have published are seen as very progressive initiatives.

Maintaining an Organization with No Disparity in Seniority, Age, or Position

As one of the CTC Group's material issues (materialities) is to develop human resources to carry the future, human resources have been placed as the Group's most important capital.

Please tell us your thoughts on the human resources strategy as an initiative aimed at achieving this. It is important for the Company to maintain a cycle of human resources development. Essentially, we need to define and prepare appropriate roles, assign human resources who match those roles, and properly assess them according to their level of achievement, as well as to prepare and assign more advanced roles. I also think we need to allow individuals to be more open, and ensure we have the right person for the

right job, by accepting every person's will and strengths, the way they want to work, and employee diversity, bringing this all together in a cycle of human resource development.

The basic concept of our human resources strategy in our medium-term management plan, which is linked to the CTC Group philosophy and materiality, is based on the two pillars of mutual acceptance of diversity with human resource development. This we are approaching from four different perspectives.

The first is an upgrading, or more sophisticated, skillset where we improve each person's unique abilities. The second perspective is to have a more diverse merit system where diverse human resources can come together at any stage of their career to demonstrate and utilize their strengths regardless of age or position. The system is one that rewards employees based on their role and level of contribution, regardless of age or seniority.

The other perspectives emphasize the individual and autonomy and support for embracing new challenges. In other words, we want to create an organization where employees can work together by accepting each other's differences while working in the way they want and with a sense of job satisfaction. By doing so, we hope to provide even more support for our employees who take on challenges while thinking outside the box to further enhance the organization.

Since our founding, a diverse range of human resources, including partners, have come together and grown while each having an impact on the Company. I believe our human resource strategy is a basic concept and policy precisely because we have a history of taking on challenges while exchanging ideas without prejudice with new graduates and mid-career hires together with partner companies.

Emphasizing a Culture of Taking on Challenges that Doesn't End in Failure

Amid such circumstances, an organizational culture has been created where anyone can talk regardless of when they joined the Company, their history within the Company, or their position. For example, one of our strengths is our ability to combine and provide all of our best solutions from around the world, and we often propose new solutions that meet the needs of our customers. Even if the person in charge is a mid-career employee who has been with the Company for two or three years, the environment is one where everyone treats him/her as the leading person. I think the corporate culture we have here at CTC is truly amazing and I certainly don't want to lose it.

To create a culture of challenge that is vital for providing new solutions, it is important to have a culture that is not afraid of failure, that allows mistakes to be tolerated, and which allows us all to take on challenges again and again. Sometimes there are cases where you think you gave it

a go but it was probably still a bit too early. But even if we stumble at the time, we have a culture where others will pick us up and work with us to get things done. It is a culture that not only tolerates failures and setbacks, but also says that you can do it if you make a little adjustment.

As the size of the Company grows, it becomes harder to make mistakes, but failure is an inevitable part of taking on challenges. However, rooted in CTC is a steadfast culture of not letting failure end with failure.

In the medium-term management plan that began in fiscal 2021, we emphasize individual autonomy, openness, and the right person for the right job.

How do you think the first year of the medium-term management plan has gone? In fiscal 2021, keywords for us were digital transformation (DX) for our human resources. But DX can mean different things depending on the person or standpoint, so we started by solidifying and standardizing the definition of digital transformation. In collaboration with a Group company that develops and sells educational programs, we developed our DX Human Resources Training Program. This is being used both internally and externally by customers, but DX human resources covers a wide range of fields so in terms of what areas to strengthen and develop, the focus areas differ depending on the business group. Therefore, instead of uniformly implementing a standard program across the Group, we are working together to build a unique program according to the situation of each organization while referring to the DX Human Resources Training Program.

Currently, we are looking at developing engineers who can properly understand our customers' businesses to be able to work together with the customer. As such, there is also an inclination to send employees to consulting companies so they can acquire relevant expertise. After all, as there are more and more situations where we compete with consultation firms, our intention is to also encourage an assimilation of this knowledge.

Promoting the Right Person for the Right Job by Developing a Training Database

In promoting the right person for the right job, we have newly introduced a recruitment-type initiative that allows people who wish to transfer to available positions by way of an in-house job posting system.

For more than 15 years, we have been operating and compiling a database of systems, including what was the forerunner to our current career development support system, to help employees with their careers. The specific departments to which employees wish to transfer to are listed in the career development support system, then, through dialogue with superiors, employees can coordinate their future career development. We have implemented

measures to increase career mobility within the Company, including so-called U-turn rotations (UTRs) in which employees gain experience at other organizations during a set period of time for the purpose of incorporating and nurturing transfer experience, which is a requirement for promotion. As a result of our employee surveys, there is a high level of interest for job transfers and rotations, and so we have come to the conclusion that we need to further increase opportunities for employees to challenge themselves to transfer jobs and advance their careers.

The positions available are not only strategic human resources positions corresponding to the priority measures of the medium-term management plan, but are also attractive positions for the applicants themselves. Details on the job offerings are determined by the Management Committee after deliberation by the Human Resources Policy Committee. Up to now, each site has put a lot of effort into transfers only within business groups, but we are now focusing on job transfers that go beyond the business groups, introducing a new mechanism for coordinating transfers across the whole Group. This is also part of our efforts to increase mobility within the Company.

Along with the development of this career development support system, we are also rebuilding our engineer human resources development system in an effort to formulate a personnel portfolio. Employees' careers and work experience are understood through the career development support system and engineers' skills are recognized through the introduction of an engineer skills inventory, but the overall aim is to systematize career development and for visualization purposes, including the employee's career goals as well as their learning and training history.

We are able to visualize the skills, experience, training history, and other attributes of employees by coordinating with our learning, talent management, and other systems. From this combination of more precise and diverse data than ever before, we will be in the position to make decisions on all sorts of things, such as what kind of human resources are available in key fields for the Company, who can we assign, what kind of training and skills are lacking, and if we don't have employees with the right training and skills, should we hire from outside the Company? These are the kinds of things we are working on in collaboration with the Business Transformation Division and the CTO's office.

We will implement a new personnel system in 2023. Our aim is to create a system that makes it easy for employees to shape their own career path so we are currently looking at launching the system while incorporating some elements of the job-type personnel system. We will also review our appraisal methods. While further accelerating the speed of growth for our younger employees, we are conscious of the importance of real-time feedback to employees at all career levels to give increased transparency and a greater sense of understanding of our appraisals, as we strengthen, more



“Not letting failure end with failure”

Satoshi Jitoh

than ever before, the link between performance appraisal and human resource development.

Emphasis on Diversity, such as Women’s Success in the Workplace, Creates New Value

Moving forward, it will be important to work on how to increase the value of human capital and how to create new value. What do you feel is important in the value creation process?

The first priority is to emphasize diversity in order to create innovation. Amid the demand for a high degree of expertise, CTC has long maintained a roughly 50/50 ratio between new graduates and mid-career hires, showing that diversity is valued and accepted in the Company. Although we have an increasing number of new graduate hires, 60% of management positions are filled with mid-career hires.

We are always thinking of further strengthening our focus on diversity, and we will continue to focus on promoting the success of women in the workplace in our diversity, equity and inclusion (DE&I) initiatives.

Since fiscal 2021, we have been promoting an initiative called the Career Sponsorship Program which provides opportunities for female managers to talk freely and openly with general managers, creates networks, and which establishes a one-on-one dialogue system. This year also, in addition to round-table discussions which are available to all and at each organization, we are holding one-on-one sessions for those who wish to take part. General managers, who usually don’t have many opportunities to interact, play the role of sponsor and talk with female employees. Results show that those female employees who participated in this program have been extremely satisfied. And the general managers who take on the role of sponsor have also rated the program highly by saying that they can get feedback direct from employees.

Comprehensive Initiatives to Support Employee Growth

What kind of measures do you plan to take in the future to enhance human capital?

Without investment in employee development, there is

no growth for the Company. That’s why we are further promoting measures that combine self-development, educational training, and job rotations, for the purpose of employee development. For example, we flexibly arrange various combinations of development according to the situation of the employee and organization. These range from more improved Group-wide education and training, and unique training in business groups, to secondment to partner companies and UTRs to newly established organizations with digital transformation schemes in place primarily to give digital expertise to our human resources throughout the Company.

In April 2022, we introduced a system to allow employees to have a second job outside the Company, but we are also looking at introducing a system where employees can work a second job within the Company. By gaining firsthand experience at departments employees are interested in and want to transfer to, they are better equipped to understand what the job entails before they actually transfer there, and their network of connections will increase too. The idea is to make such experience beneficial for the employees’ actual jobs. I believe that the use of these systems to enable employees to obtain remuneration and positions commensurate with their capabilities and performance is a sign of the effects of our investment in human capital.

Thanks to the hard work of all our employees, in fiscal 2021 the Company produced its highest ever level of profit, and the average annual salary of our employees continues to rise. In my personal opinion, I think that the salaries of employees should be increased further still. In reality though, we do need to consider and balance all our different stakeholders, but my honest wish is to create a more attractive compensation system for employees. It is also extremely important to improve how we treat employees so that we can further enhance our recruitment capabilities and to ensure that employees are motivated to work for CTC. I want to create an environment where employees can work in the way they want and where they can continue to grow and take on challenges in their own way.

Initiatives to Increase the Value of Human Capital to Improve Corporate Value

We aim to help each employee exercise his or her individual talents through a human resources strategy founded on a policy of supporting employees' ambition and growth.

Basic Approach

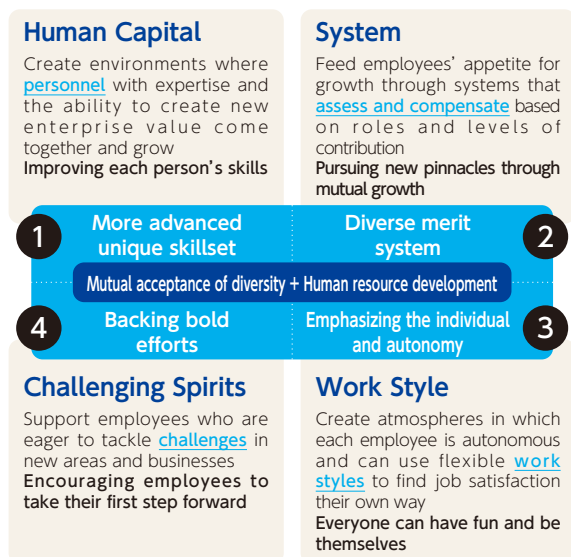
It is imperative to have high-quality management capital that can support our business models and strategies in order to exercise the strengths of the CTC Group and achieve ongoing growth. As indicated by the inclusion of "Develop human resources to carry the future" as part of our materiality, human resources are our most important form of management capital. Without the growth of our employees, there can be no growth for the Company.

As suggested by the "Challenging Tomorrow's Changes" slogan in CTC Group Philosophy, we implement a human resources strategy that enables each employee to grow autonomously, as they enjoy the challenge of adapting to changes and work together to reach new heights of achievement with their colleagues.

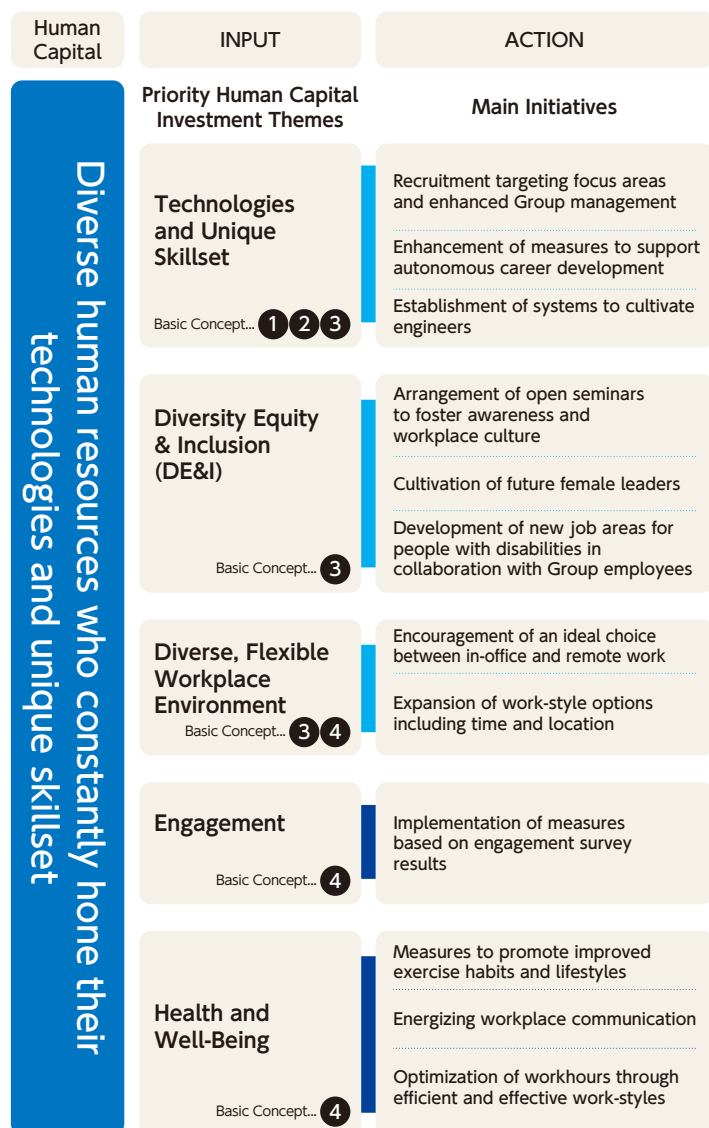
Basic Concept of Our Human Resources Strategy and Priority Measures

The basic concept for the human resources strategy of CTC's medium-term management plan is "Developing Personnel Who Create New Value: One Version UP!" Based on the two pillars of mutual acceptance of diversity

Basic Concept of the Human Resources Strategy



Improvement of Corporate Value through

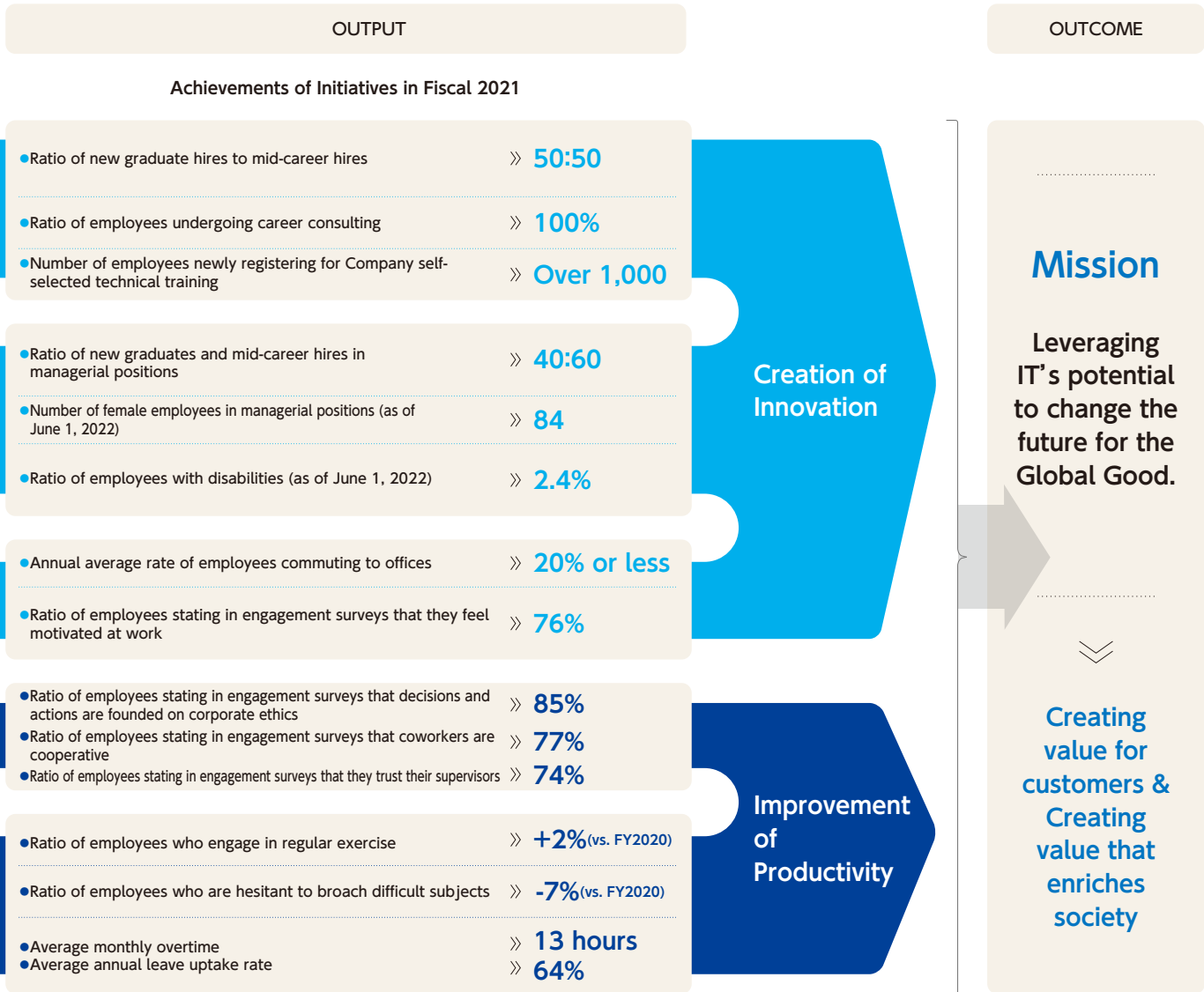


and human resource development, we are transforming our human resource management approach from four different perspectives.

One of the perspectives is a more advanced unique skillset. We view the specialized skills of our employees as a source of added value, and we therefore strive to create an environment where personnel with expertise and the ability to create corporate value can come together and grow. Offering a meritocracy for diversity is another perspective that shapes our efforts to feed employees' appetite for growth through systems that assess and compensate based on roles and levels of contribution, regardless of age. Through these efforts, we will link the growth of our employees with the growth of the Company to increase corporate value.

CTC recognizes that higher corporate value is created when diverse individuals, including those outside of the CTC Group, can fully exercise their talents. From the perspective of emphasizing the individual and autonomy, we seek to encourage employees to exercise autonomy in finding

the Human Resources Strategy



their own ideal work-style and motivation. Meanwhile, in backing bold efforts, we are rolling out measures to support employees who are eager to tackle challenges in new areas and businesses.

Analysis and Examination of the Relationship between Human Capital Investment and Corporate Value

Through priority measures in line with the basic concept for our human resources strategy, we are focused on boosting the value created by human capital, specifically the creation of innovation and the improvement of productivity.

For this reason, we have defined five priority investment themes aimed at heightening the value of human capital: technologies and unique skillset; diversity, equity, and inclusion (DE&I); diverse, flexible workplace environment; engagement; and health and well-being.

We also embarked on a new initiative to elucidate the relationship between human capital investment and

corporate value through analyses of data on our operating environment and human capital. These analyses revealed that DE&I and management are both areas that contribute to increased corporate value. Accordingly, these areas will be targets of ongoing investment. We will aim to enhance human resource management through digital transformation in order to use a greater variety of data to guide human resource measures and gauge the benefits versus amounts of investment in human capital (the return on investment in human capital), so that we can verify and expand the benefits of these investments. In terms of risk management, we will work with related departments to identify issues and make improvements.

Through these efforts, the CTC Group is committed to creating value for customers and creating value that enriches society to fulfill its mission of "Leveraging IT's potential to change future for the Global Good."

Fiscal 2021 Human Capital Initiative Highlights

Creation of Innovation

So that we can continue to innovate, we have set the goal of raising the level of our human resources as our top priority, implementing various measures under the themes of technologies and unique skillset, diversity, equity and inclusion (DE&I), and diverse, flexible workplace environment.

Divisions that oversee human resources played a central role in spearheading measures to develop human resources based on shared skills and Company-wide themes. Concurrently, business groups designed and implemented their own human resource development programs matched to the needs of their respective business strategies. One specific measure in fiscal 2021 was the introduction of a Company self-selected technical training, as part of our efforts to promote systematized development of digital transformation and other engineers. We are also in the process of formulating a new merit-based personnel system to drive growth, scheduled for implementation in fiscal 2023. And CTC continues to operate its "Dojo" online community as a venue for sharing knowledge and techniques across division lines.

Steps are also being taken to enhance our job rotation systems with an emphasis on self-driven effort. Specifically, we introduced a cross-organizational rotation platform and an in-house job posting system. A system that is being continued is the option for employees to receive in-house career consulting should they choose it. We also arrange open seminars as a new initiative to foster a workplace environment and culture in which diverse human resources can thrive and to raise awareness in this regard.

Another new undertaking was the launch of initiatives under the slogan of "Upgrade the CTC Workstyle" in fiscal 2022. These initiatives give employees a greater range of work-style options such as eliminating the need to relocate or live away from family, side jobs outside of the Company, extended periods of leave (sabbatical leave), as well as provisions to enjoy more personal time during business trips (bleisure).

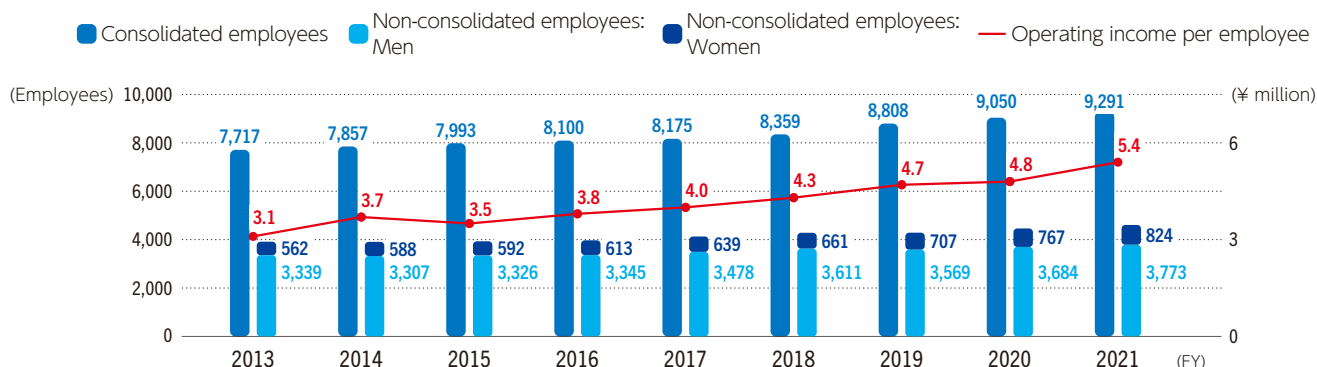
Improvement of Productivity

Engagement and other surveys are conducted to measure employee awareness, verify the results of measures, improve measures, and gather feedback for use in management. As in fiscal 2021, the top items receiving affirmative responses in the survey were "decisions and actions are founded on corporate ethics" (85%), "coworkers are cooperative" (77%), and "trust their supervisors" (74%). Based on these results, strengthening management capabilities and bolstering engagement to close the gap between top management and employees have been positioned as priorities. Measures are being advanced to address these priorities while the related conditions are tracked through pulse surveys.

CTC is also practicing wellbeing management to promote the wellbeing of all of its employees. On this front, measures are being advanced based on the result of awareness surveys to respond to changes in work-styles and lifestyles arising from the COVID-19 pandemic. In fiscal 2021, we offered employees advice on how to exercise and otherwise improve their lifestyles at home, and this resulted in an increase in the ratio of employees engaged in habitual exercise. We have also seen positive changes in indicators for monitoring the benefits of measures to invigorate workplace communication amid changing work-styles. Moreover, we set up spaces in which employees could receive COVID-19 vaccinations at the head office. Employees who wish to receive vaccinations at other locations can count the time used to undergo vaccination, including travel time, among their workhours. In either case, special leave is granted to employees if they have health problems after vaccination.

Furthermore, CTC has continued to promote efficient and effective work-styles in a bid to optimize workhours. As a result of these efforts, average monthly overtime fell to 13 hours in fiscal 2021 and the average annual leave uptake rate was 64%.

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



Human resource initiatives have been positioned as a core measure for strengthening management base since the period of the medium-term management plan covering fiscal 2013 and 2014. In fiscal 2014, work-style reforms were undertaken as part of efforts to develop a workplace environment that promotes flexible and diverse work-styles. In fiscal 2015, human resource development systems were reformed in conjunction with the implementation of measures to offer employees multiple career paths, and we began promoting autonomous, self-driven career development along with diversity, equity, and inclusion. As a result of such efforts, operating income per employee has shown a steady increase each year since fiscal 2016.

Setting of KPIs and Execution of Measures Based on Priority Issues

The role of organization leaders at CTC has been evolving in recent years, creating a need for organizational management approaches that entail using diverse leaders to facilitate the contribution of diverse human resources. However, diversity indicators related to female employee empowerment at CTC are falling below industry averages. To address this issue, we have launched measures to enhance our female human resource pipeline, ranging from new hires to those with managerial responsibility (managers and those with high-level positions). In addition, the ratios of female new graduate hires and female regular employees, and the number of female managers have been set as key performance indicators (KPIs).

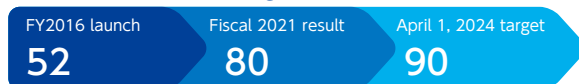
A priority scenario of the medium-term management plan is “Greater overall strength combining growth of individuals with right people in right places.” In enacting this scenario, it is important for all employees to embody the love of challenges that is a core characteristic of the CTC Group. Accordingly, we are fostering organizational cultures that offer emotional well-being, and which are founded on mutual respect to ensure that our diverse human resources can act with autonomy and exercise their individual talents.

Moreover, we recognize that the health, well-being, and motivation of employees are imperative to the ongoing growth of the Company. Our fiscal 2019 wellbeing management medium-term plan defines priority measures and KPIs for these areas. A number of initiatives are moving forward in relation to this plan, and we are currently implementing our plan for fiscal 2022 and 2023, which is based on a shift toward work-styles involving both in-office work and teleworking.

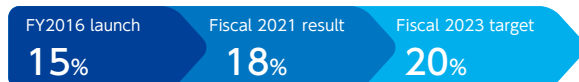
CTC will continue to evolve its human resource management approach while flexibly revising its plans and measures as it seeks to promote understanding of the reality that empowering female employees and practicing wellbeing management contributes to the improvement of corporate value.

Progress toward Targets for Women's Empowerment Indicators

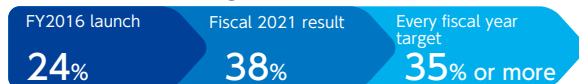
Number of female managers



Ratio of female regular employees



Ratio of female new graduate hires



KPIs and targets for initiatives to empower female employees were set when these initiatives were launched in fiscal 2016, and steady progress has been made toward accomplishing the targets.

Institution for a Global Society

Masahiro Fukuhara

CEO and Founder

Improving Corporate Value by Visualizing Human Capital

In 2021, the CTC Group was one of the first companies to publish a separate integrated report titled *Human Resources Strategy: Detailed Report*. It is extremely good to see a description for improving corporate value through human resource strategies presented with numerical values in this report.

In particular, the message of actively investing in effective products based on calculations of return on investment (ROI) on human capital is an attempt to overcome the long-standing challenges faced by Japanese companies, and for this, CTC can be commended.

Since Japan lacks natural resources, it is commonly believed that a company's human resources are the source of value creation. But companies have not been quantifying human capital and capital efficiency. As a result, there has not been enough investment in people by many Japanese companies compared to developed countries which has created a situation where companies have not been able to add value or attract investment.

This visualizing of human capital in the report then is a step forward in terms of breaking away from previous norms. We could say that such a move is a first for national guidelines. I hope that many companies, like the CTC Group, will actively visualize their human capital, and while being conscious of global standards, disclose their risks, and strategies that are the source of corporate value.

Masahiro Fukuhara founded the Institution for a Global Society in 2010 after working at the Bank of Tokyo (now MUFG Bank) and Barclays Global Investors (now BlackRock). The Company was listed on the TSE in December 2021 as a startup that provides assessments and educational support services for companies and schools. He is a project professor at Hitotsubashi University Business School and Keio University Faculty of Economics. He has a Ph.D. in the field of business sciences.



Case Study

Institute of Open Innovation Research “MIRAI”, Business Innovation & Digital Transformation Group

An Organization that Co-creates With Diversity

Individual Autonomy for Shaping CTC’s Future

Saeko Kubota

General Manager, Institute of Open Innovation Research “MIRAI”, Business Innovation & Digital Transformation Group



After graduating from Kunitachi College of Music, Kubota joined Itochu Techno-Science (now CTC). After working as a database engineer, she was involved in consulting, construction, and analysis of implementing information systems, working on data utilization at a number of different companies. She has been in charge of AI-related business since 2019. She hopes to develop new business for the Company from 2022 from the standpoint of supporting customers with their digital transformation.

Creating New Core Business to Drive Next-generation Growth

The Institute of Open Innovation Research “MIRAI” was created in 2017 as a dedicated organization for new business development to create next-generation growth business for CTC. The goal of our new business development efforts is to support CTC’s sustainable business to create core new business with a focus on resolving social issues through IT. This is our primary role.

We are currently working on initiatives that target priority areas such as *smart logistics*, a field aimed at developing new logistics approaches for the future with IT. Other areas include smart towns, an urban development initiative aimed at tackling various regional issues to create better lifestyles for people, and *smart work*, a new way of working to generate sustainable growth and innovation.

Looking at our achievements to date, we have established TriValue in Saitama City (Saitama Prefecture), a joint venture with TAKADA in Saitama City, for the purpose of streamlining operations by utilizing a logistics cloud service for the delivery of furniture and homeware, creating a sustainable logistics system that benefits the logistics company, the customers, and society. Field tests have also been taking place in Kawasaki City (Kanagawa Prefecture) and Nogata City (Fukuoka Prefecture) involving MaaS (Mobility as a Service) systems. The aim is to optimize mobility for residents and reduce

financial costs for public transport providers and local government by integrating public transport with on-demand transportation to resolve transportation issues in communities with aging populations.

A Corporate Culture that Values Emotional Well-being for Greater Autonomy

At the Institute of Open Innovation Research “MIRAI,” all sorts of people come together from many different departments to develop new business. Currently there are roughly 30 people at the Institute. It is a diverse organization with both men and women, young to people in their 60s and beyond with a focus on mid-career employees around the age of 40. Each person has a very different background, from engineering and sales to experience in planning departments.

Even before I became general manager in April 2022, the organization already had a culture of valuing emotional well-being in an environment where people could talk freely and openly. We are ones who like to express our opinions, but we also accept the opinions of others. I find it interesting that there are so many different types of people here. For example, there are many good communicators who are able to gain the trust of others. While it is important that we all help each other, every individual has their freedom and autonomy. Many people are able to make their own decisions and

act independently. I think we have a good culture here at the Institute of Open Innovation Research "MIRAI." The basis for this is a sense of mutual trust and confidence in one other, as well as good relationships. We are therefore focusing on creating a place where everyone can freely join in conversations to create an environment that facilitates greater communication.

Passion and Challenge to Fail More and More

The team here now is mainly human resources sent out by each business group on the U-turn job rotation scheme to nurture talent, as well as many employees who have been transferred on the Innobee Challenge scheme, an internal job posting program aimed at creating new business. I really feel as though there are many very dedicated people here who can think and act independently, people who are full of passion. Employees have many different work styles depending on what they are working on or their work phase, working remotely or coming together at CTC's new business creation community, Innovation Space DEJIMA. Everybody has a rational way of working that allows them to work independently. They are all highly motivated and want to generate business quickly.

At the Institute of Open Innovation Research "MIRAI," in order to gain experience and further growth in taking on new challenges, we are currently strengthening the Institute's unique programs to develop human resources, including on-boarding, workplace mentoring, and one-on-one support programs, creating an environment where intrapreneurs who are responsible for new business development can demonstrate their abilities. Although we

have set KPIs for each individual, our role as executives is not to manage performance only by numerical values, but to create a system and environment where intrapreneurs can flourish. I want these innovators to gain a wealth of experience in such an environment by thinking about new business ideas, and taking on the challenge of bringing new ideas that solve social issues to market. That's why I'm telling people at the research institute to fail more and more!

Bringing Innovation to CTC's Culture

In terms of the role of the Institute of Open Innovation Research "MIRAI," I believe that an important issue is how to connect vibrant human capital in terms of diversity, to the growth of CTC as a whole. My personal goal is to spread a culture that encourages employees to think and act independently, not only in this organization responsible for new business development, but throughout the whole CTC Group. To this end, it is important for employees who have built up extensive experience at MIRAI to act on their own ideas and generate innovation within their own work after returning to their original jobs or after being transferred. In such a way, employees will play a role that becomes part of the Company's culture.

By communicating in various ways with people from different backgrounds both inside and outside the Company, we will not only develop the technology and knowledge, but also the resourcefulness we need, to demonstrate our abilities in any workplace setting. I believe that this will lead to the next stage of growth for CTC.

Innobee Challenge - the New Business Creation Program & Dojo - Sharing Knowledge and Technology Across Organizations

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, idea seminars and more, originators evolve their ideas into actual business proposals while receiving follow-up assistance

from the 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 bring the idea to market. The program also helps foster a company culture of encouraging employees to seek new challenges.

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 communities that utilize communication tools, an environment using the cloud and actual devices, microlearning, and more, the platform is always ready to provide opportunities in each aspect of knowing, learning, and using the latest technologies.

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

Technology and Unique Skillset Hiring

Hiring Diverse Human Resources

CTC combines superior products and services from around the world to put together the best solutions, and provides full-stack IT to customers in a range of different industries. As such, we need to have diverse personnel with a broad range of knowledge and experience. For this reason, since our founding, we have done business by organically combining the acquisition of talent with our own in-house human resources development according to our priority measures and circumstances. We have formulated a human resource portfolio that puts the right people in the right places, strengthening our recruitment measures to achieve our management strategy.

Continued New Graduate and Mid-Career Hiring

In recruiting human resources who will lead the growth of our business, we emphasize the importance of taking on challenges both independently and as a team player by having intellectual curiosity, which is an essential driving force for taking on challenges. In recruiting new graduates, we hold group internships aimed at deepening understanding of the IT industry and work styles through our CTC Group philosophy and business activities to provide employment opportunities that are right for the graduates themselves. In our hiring for agile and security-related personnel, we also coordinate with related departments

and universities to organize practical training internships.

For our mid-career hiring where we expect to find talent with extensive knowledge and experience who can contribute immediately, we are working to attract a broader range of diverse personnel with initiatives to find better recruitment matches, mainly in our priority business areas. In hiring human resources with outstanding technical skills, we are also able to certify them as fellows, the highest rank in our multi-track personnel system.

Support After Joining

We have introduced a three-year on-the-job trainer (OJT) system for new graduates joining the Company with individual follow-ups, including career consultations at each milestone. For our mid-career hires, we have an onboarding program that encourages employees to be more effective by quickly adjusting to their particular work style that combines commuting to the office and working remotely. As a system to support employees during their first year after joining the Company, we conduct regular follow-up interviews and encourage networking with other mid-career hires who joined the Company at the same time and with people from other projects and organizations. We also follow-up with employees on a monthly basis to see how they are getting on in their jobs.

Fiscal 2021 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)

Annual target over **35%**

Main Initiatives in New Graduate and Mid-Career Hiring

Main Initiatives	
New Graduate Recruitment	<ul style="list-style-type: none"> ● 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. <ul style="list-style-type: none"> 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. ● Recruit personnel who are educated in our key business and cutting-edge technological areas by offering more internships, including practical training, for students with expertise in AI, digital transformation, 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 moving activities online, conduct recruitment using technology. ● Target at least a 35% female hiring ratio every year to promote the active participation of women in the workplace.
Mid-Career Recruitment	<ul style="list-style-type: none"> ● Establish a system for recruitment activities linking the departments in charge of human resources 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. Encourage a broad range of ages and ranks to use these hiring routes, while also preventing hiring mismatches.

Career & Human Resources Development

For employees to work with pride and a sense of purpose, it is essential to create an environment in which each employee can continue to work while making the most of their strengths and values. At CTC, we have put in place a comprehensive set of initiatives that combines training, interviews, and systems based on our career and human resources development policy. In addition to various measures for career and human resource development, we are promoting initiatives that coordinate with all our other systems, such as incorporating job rotation experience as a requirement for promotion and setting development targets in our personnel evaluation system, as well as self-development and career development support by building an environment where people can work flexibly in a variety of ways.

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 learning opportunities, our career development support system, career consultations, and more.

Career & Human Resources Development

The dedicated organization to which in-house career counselors have been assigned takes action with diversity, equity and inclusion (DE&I) in mind as the Diversity Careers Section. A range of information is available on our careers webpage on our in-house portal site where measures are introduced to help employees with changes in lifestyles and values, as well as reskilling.

Career Development Support System

Supervisors and subordinates regularly talk and share information about careers in general, from work experience, strengths and weaknesses, to qualifications, hopes and aspirations, with the aim of encouraging independent, self-directed career development. Career consultations are also included leading to job rotations with systematic human resources development coordinated by the departments in charge of human resources with the planning and supervisory departments in each business group.

Career Counseling Interviews

In addition to certain milestones, such as the second and fifth years after joining the Company, and the first and second years for female managers, employees are welcome to talk about their careers at any time they wish.

Through dialogue sessions, the interviews support independent, proactive career decision-making by reflecting on employees' individual work experience, analyzing where they are at now and their surrounding environment, actively attaching meaning to the employee's own work and giving them an outlook and goals for the future. After the interviews, we work on ways to improve on organizational issues by encouraging the organization to take action and providing feedback to the relevant departments within the Company.

Expansion of the Job Rotation Scheme

To give more support for independent career development, we are implementing measures by developing an information platform that enables more job rotation. As a measure that emphasizes the individual and autonomy, we have introduced an in-house job posting system, and we are also promoting recruitment-type job rotations centered on strategic positions in our management plan.

Employees receiving career counseling interviews in fiscal 2021 **100%**

Development that Supports Self-directed Learning

At CTC, we have built a development system in which each business group, centered on the departments in charge of human resources, formulates its own programs according to its strategies on measures for common skills and CTC-wide topics.

CTC has 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.

Company-wide Development and Personnel Training System

On-the-job Training (OJT)

With on-the-job training at the very heart of our human resource development, we organically link training with self-development by creating various learning opportunities, such as fixed-term U-turn rotations (UTRs) and transfers in which engineers, salespeople, and corporate staff change the type of job they do.

Off-the-job Training (Off-JT)

In addition to rank-based training for new and existing employees, we provide career design training for employees in their fifth year of employment, and those in their first year of promotion at the mid-career stage, as well as for employees in their 40s and 50s. Opportunities for training are provided at milestones such as when reconfirming expected roles and issues, or when reviewing career plans as a member of society for the medium- to long-term.

In terms of engineer development, we are creating a system in which new graduates acquire programming expertise and skills through basic training, and after conducting basic skills training in which they learn basic knowledge of IT infrastructure and development through hands-on learning, they go on to develop their expertise at their assigned workplaces. We are formulating an engineer career framework, the Engineering Skills Inventory, and conducting programs such as the e-Academy (CTC e-Academy Basic) which systematically teaches the basic skills of project management.

OJT Trainer System & Mentor-Mentee System

The OJT trainer system, in which senior employees in the same workplace support the growth of new employees, is for new graduates up to their third year after joining the Company. We have also introduced the mentor/mentee system for young female employees to help form networks among female employees by, for example, creating points of contact with senior female employees, including those in other workplaces. This system also functions as a mechanism for building interpersonal relationships in a work style that combines working in the office and remotely.

Personal Development & Qualifications Acquisition Support

We are focusing on initiatives to meet a wider range of learning needs in line with the more diversified skills, technologies, and work styles that are required. To improve language proficiency, we offer online and correspondence level-based language courses, and we have introduced business skill training that includes courses to acquire PMP® and PDU certification as well as MBA essentials. We are also promoting micro-learning, and have introduced a flat-rate video learning program for technical and business programs with thousands of courses to choose from such as accounting, finance, and business creation. Aside from our learning and training systems, we also encourage the acquisition of private IT-related or public certifications throughout CTC by offering financial aid to employees who have acquired these certifications through their own efforts.

* PMP is a registered trademark of Project Management Institute, Inc.

Fiscal 2022 Training/Development-related Policy System

Stage	Rank-based		Career design		Global skills	Engineer & IT skills	Business skills	Other
	Required	Screened	Required	Screened	Elective			
Manager/ Senior position	Boosting management capacity	Newly-appointed general managers Newly-appointed managers Career sponsorship program	Career design Career design finance	Global Business Leader (GBL) Language skills	e-Academy (project management skills) Self-selective technical training	Financial aid for gaining qualifications Business skills	Anytime Anywhere Learning Platform	Programs in each business group DE&I, wellbeing management, compliance training, etc.
Mid-level	Mid-level training	Candidates for manager/senior positions OJT trainers Mentor-mentee	Self-leadership Fifth year of career					
Junior	New employees	Eligible for mid-level stage			Basic skills			

Priority Areas for Development: Leaders, DX Human Resources, Global Human Resources

To achieve the medium-term management plan, we are working on intensive development in three priority areas.

Developing & boosting management capacity at the leader-level

We are working to boost individual skills and upgrading the organization by constantly updating our management concept of achieving a sustainable society and continuously driving growth. To develop our next generation of management, we hold Company-wide human resource development meetings to formulate plans for selection and promotion in an effort to develop our human resources over the medium- to long-term. For the management-level personnel in each organization, we conduct engagement surveys for all employees, and based on the results, we take swift action according to the circumstances in each organization, including the expansion of rank-based training. We are also expanding our initiatives for mid-level employees, including for leaders who are candidates for management-level positions.

Learning Programs for DX Personnel

To accelerate the rollout of new initiatives in our medium-term management plan, we are upgrading our learning programs for personnel working on digital transformation. With our Engineering Skills Inventory which visualizes the skills of engineers, we are defining the model types of

personnel to work on digital transformation, identifying areas that need improvement, and pushing ahead with initiatives in those areas.

CTC is simultaneously spearheading both Company-wide and individual business group initiatives through job rotations both inside and outside of business groups, including at the Business Innovation & DX Organization newly established in fiscal 2021. CTC is also pushing ahead with efforts by expanding Company-wide programs, and expanding necessary programs for each business group. Moreover, CTC provides the DX Personnel Development Program, which utilizes existing human resources development initiatives in collaboration with CTC Technology Corporation to develop personnel capable of digitally transforming the Company.

Developing Global Personnel

Being that CTC's core business model is to provide full-stack IT that combines superior products and services from around the world, our global partnerships are at the very heart of our strengths. Furthermore, we are aiming to expand our global business by establishing a system that covers the entire ASEAN region. As a key measure for promoting these businesses, we are implementing the Global Business Leader (GBL) training program, a seven-month package that selects and develops employees with business experience and a track record in Japan.

Engineering Skills Inventory & Personnel Portfolio

At CTC, we have Company-wide systems to ascertain our employees' skills, experience, and career prospects which we use for training programs and job rotation. In addition to the Engineering Career Framework, as part of our engineer training system we have introduced an Engineer Skills Inventory which visualizes the skills that engineers have. By recording levels for each of the approximately 2,000 skills, the inventory allows us to define all the various model personnel types. 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. As well as searching for particular skills, with the inventory we can quickly and flexibly get an understanding of the qualities and quantities of our personnel in terms of the areas where we have depth in talent or areas where many employees have advanced skill levels. It also gives us a clear picture of the current state of job types and levels, customized into a CTC version, based on definitions of Skill Standards for IT Professionals (ITSS), as well as the number of people in certain personnel models filtered by multiple skill criteria.

With a view to strengthening our business in key areas,

including expanding our skills inventory, and strengthening the CTC Group's management, going forward we will enhance the overall capabilities of our human resources and formulate a portfolio that helps to fit the right people in the right places, thereby improving our human resource development and recruitment.

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
Products and services knowledge	Technical knowledge specific to particular products and services
Knowledge outside of products and services	General technical knowledge not specific to any particular product

Number of employees newly registering for Company's self-elective technical training **Over 1,000**

e-Academy Participants (fiscal 2017-2021) **Over 2,300**

Technology and Unique Skillset

Personnel Systems to Promote Employee Growth and Energize the Organization

Without the growth of human resources, there is no creation of new value and no sustainable corporate growth. CTC has therefore been advancing initiatives that allow every employee to grow by themselves in line with their competencies and goals, maximizing their potential to contribute to our business.

Since CTC devised the Engineering Specialist System in fiscal 2013 we have been bolstering the technical capabilities of our engineers, while paving the way for these employees to get into senior and management positions. Moreover, to provide all of our employees with a wider choice of career paths, in fiscal 2015 we introduced a multi-track personnel system for salespeople and other employees consisting of two courses, one track into management positions and the other for senior positions. Since the system was first introduced, the ratio of senior to management positions has been roughly 30:70.

In the senior role career path which requires significant specialization, the highest positions of engineering, salespeople, and staff have been defined as chief engineer, sales supervisor, and functional supervisor with their positions afforded the same treatment as that of general manager. We then introduced the higher position of fellow. Ranking above both management and senior positions, fellows add value to the CTC brand through market creation and customer development, and by leveraging their specialized expertise to make

recommendations and proposals directly to senior management.

In this system, job rotation experience has been introduced as a requirement for promotion, for development purposes, giving employees plenty of opportunity to gain wide-ranging work experience. Moreover, under the system, employees are assessed based on actual abilities demonstrated against what is expected for the role, rather than based on age. And, depending on the results of the evaluation, employees can be given early promotion. The conditions for promotion and appointment, as well as the assessment criteria which determine what is expected of employees in the role, are disclosed to all employees in the form of a Stage Definition Form. To ensure assessments are fair, we have established two levels for assessor meetings, one for general employees at the department and division level, and the other for managers at the division and business group level, with adjustments made to assessments as and when necessary. We are reviewing our personnel system flexibly and appropriately in response to changes in the business environment, and after verifications are made post-system implementation. 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.

Organizational System for Human Resources Strategy

Emphasizing the speed of policy implementation, the Human Resources Department and the Human Resources Strategy Department have been established as the departments in charge of human resources, creating a two-department collaboration system. Decisions on the priority measures of CTC's human resources strategy are made and implemented after discussions in the Human Resources Measures Committee, Management Committee, and Board of Directors. The Human Resources Measures Committee,

chaired by the director in charge of each business group, is mainly comprised of general manager-class personnel selected from each business group. Planning and supervisory departments responsible for business strategy are also established in each business group, creating a system that promotes original human resource management measures aligned with the business strategies of each business group in cooperation with the departments in charge of human resources for the whole of CTC.

Communication with Employees & Labor-Management Relations

When we implement personnel systems at CTC, we first conduct trials to increase the system's effectiveness, then we conduct an employee survey, either after the trial or after it has been launched, sharing the results with all employees. The feedback and opinions of our employees are reflected through new measures with a sense of unity throughout CTC.

We also conduct employee surveys and interviews regarding the current personnel system, systems related

to work styles, work styles in the new office, and considering the introduction of new personnel systems. 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.

Diversity Equity & Inclusion (DE&I)

Promoting Diversity, Equity & Inclusion (DE&I)

CTC believes that for innovation to take place requires an environment where employees with distinctive personalities can work together in diverse ways to find self-fulfillment. Therefore, we promote DE&I that respects differences between individuals, including their past experience, in accordance with our Basic Policy on Diversity. A dedicated organization established in 2006 has been reorganized to provide comprehensive support for career development. Centered on the Diversity Careers Section, an organizational system is being built in which each business group implements its own measures with cooperation from CTC Group companies. Initiatives are progressing while regularly reported to the Management Committee and the Board of Directors.

Basic Policy on Diversity

Based on the idea that new solutions and quality services are particularly generated in environments where every individual feels motivated and can find self-fulfillment working together with distinctive personalities and diverse work styles to take on new challenges, CTC is striving to instill diversity that ensures all employees are respected regardless of age, gender, gender identity and sexual orientation, nationality, and disability.

Targets and Action Plan

Since fiscal 2021, we have been expanding and implementing measures in line with the medium-term management plan and an action plan formulated in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace. The role of organization leaders at CTC has been evolving in recent years, creating a need for organizational management approaches that entail using diverse leaders to facilitate the contribution of diverse human resources. On the other hand, we are still below the industry average*

in terms of women in the workplace, which is one of our indicators for diversity of human resources. For that reason, we are taking measures and have set KPIs geared toward our pipeline of human resources, from the hiring of employees through to managerial levels, flexibly reviewing our plans while working on these initiatives.

* From the May 26, 2022 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

DE&I Action Plan

Fiscal 2021 >>	Fiscal 2022 >>	Fiscal 2023 >>
●Support for active participation of diverse human resources		
Basic design of the new personnel system	Detailed design of the new personnel system	Introduce new personnel system
Built a human resources pipeline for female employees	Expansion of measures to support pipeline	Further promotion of related measures
Building systems for visually identifying, sharing information about, and monitoring female manager candidates		
Introduced career sponsorship program	Company-wide rollout, including video messages from the president and career sponsors	
Development of next-generation management personnel and promotion of women's participation in management		
Developed workplaces for people with disabilities in collaboration with Group companies	Stable operation of developed workplaces and continued development of new work spaces	
Promote task force activities to consider measures for senior age range		
●Changing awareness, development, and fostering organizational culture		
Launched open DE&I seminars and improved communication	Activities to raise awareness in collaboration with a special subsidiary on such things as employing people with disabilities/from the LGBT community	
●Developing a diverse, flexible workplace environment		
Promoted choice of optimal work style with remote work or going to the office	Expand working options	Establish new work styles and examine further options
Enhanced support measures for parenting and caregiving		

Diversity Equity & Inclusion (DE&I)

Changing Awareness & Creating Culture for DE&I

At CTC, the ratio of new graduate hires to mid-career hires is about 55:45, and the ratio of new graduates in managerial positions to mid-career hires is about 40:60. Under these circumstances, a culture of recognizing and utilizing diverse personalities and ways of thinking has been developed. Our website highlights the DE&I activities, the CTC Group is involved in, from management messages and raising awareness on the different types of work styles to some good examples of ways to work. We are also holding the Diversity Career College open seminar with outside instructors helping to give further guidance. In such a way we are able to deliver a comprehensive package of initiatives, both new and expanded. The Diversity Career College features a different topic every time, from unconscious bias and the work-household balance for male employees to LGBT issues and more. We combine various methods from a variety of perspectives and angles, such as seminars, training, publishing individual

columns, and making information available on our DE&I activity introduction website. In so doing, we are changing awareness and creating a culture where distinctive personalities can work together with a range of different work styles.

Through communication with diverse employees and training on work styles, we have given our managers at CTC an even more in-depth understanding of the diverse personalities and work styles of employees in managerial positions. Engagement surveys have created a special infrastructure that allows executives to see the current state of their own organization and provides feedback for improvement, enabling independent analysis. The surveys provide support to executives giving them the means to instantly reflect on management. With management that draws out diverse personalities, we will double our efforts to create a strong yet limber organization capable of flexibly adapting to change.

Establishing Work Environments Throughout CTC for Distinctive Personalities to Work Together in Diverse Work Styles

CTC has introduced a multiple career path personnel system that evaluates the level to which employees can demonstrate their skills based on expectations for the role rather than age or length of service, and which gives employees the opportunity for promotion even if their working hours are restricted. We have also established a system that allows employees to learn on their own and independently develop their careers with our career development support system playing a central role.

As an opportunity to review career plans, we also

provide career design training at milestones to support diverse career development, including changes in lifestyles and values, as well as reskilling.

For senior age range, we have established an environment in which they can choose their working style according to their individual circumstances and wishes, including a reduced work hours system for rehiring after retirement. We will continue to make use of the knowledge we have built up to date as we further promote initiatives to support long-term success at CTC.

Support for Parenting and Caregiving While Working

We have created diverse and flexible work environments that support employees balancing their work with parenting or caregiving and which serves as an employment infrastructure that helps employees make a swift return back to full-time work. We have raised the child age threshold to whom our reduced and staggered work hours system applies, and we have introduced accumulated leave that allows employees to carry over any annual paid leave that is about to expire for looking after children or family members.

As part of our efforts to help employees find the right balance between work and life, we organize pre-maternity/paternity leave orientations, as well as childcare-related seminars for employees taking childcare leave, their superiors, and spouses who work outside the CTC Group. We are striving to create an organizational culture as we continue to hold lectures by experts to encourage male employees to take childcare leave, and online courses that provide help balancing work with caregiving.

Received third-level
"Eruboshi" certification



Earned selection as a
"Nadeshiko Brand"



Ratio of new graduates
and mid-career hires in
managerial positions

Roughly **40-60**

Promoting Women's Participation & Advancement

Positioning women's active participation at the core of DE&I, CTC has been working on a variety of measures, including the Mentor-Mentee System and training to develop candidates for female managers. Since fiscal 2021, we have been taking our existing initiatives a step further, making them 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 which aims to increase the ratio of female executives to 30% by 2030.

A Human Resources Pipeline for Female Leaders and Career Support

At CTC, we have been bolstering our measures with a focus on developing female managers, which is one of our metrics for the active participation of diverse human resources. Although the number of manager candidates and managers is steadily increasing, the ratio of women in managerial positions still lags behind the industry average, and as such, we continue to recognize this as our greatest challenge. To strengthen our development of next-generation female leaders all the way up to the management level, we have built a so-called human resources pipeline as a comprehensive measure for the stable supply of human resources, from hiring through to management level.

Main Initiatives

- Leadership training: Raising awareness of career development as next-generation leaders, identifying manager candidates from an early stage and both intensifying and accelerating their development from a medium to long term perspective.
- Support at each stage: Detailed support, including the Mentor-Mentee System for young and mid-career employees, female manager candidate training and Career Sponsorship Program, as well as more measures for parenting and caregiving.
- Career support: More career development support for employees through the career development support system.

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

CTC holds company-wide human resources development meetings to formulate a fast-track selection and promotion

plan for executive candidates. When appointing executives, we place importance on a track record in human resource management with for example, DE&I. Executive female candidate roles have been expanded to include general manager and section manager. Senior management confirms each candidate, checking and reviewing the content of individual development plans. After employees have been appointed, individual interviews take place with the department in charge of human resources.

Based on our human resources pipeline concept, this initiative is designed to enable a more detailed understanding of the candidates and provides additional individual support. One specific measure introduced is a development support system for superiors of female managers and manager candidates. The aim is to monitor the work mentality of female employees, giving them more motivation and making it easier for them to work with greater encouragement from superiors. CTC will continue to promote the development of next-generation leaders while promoting both on-site initiatives and company-wide measures through our everyday work.

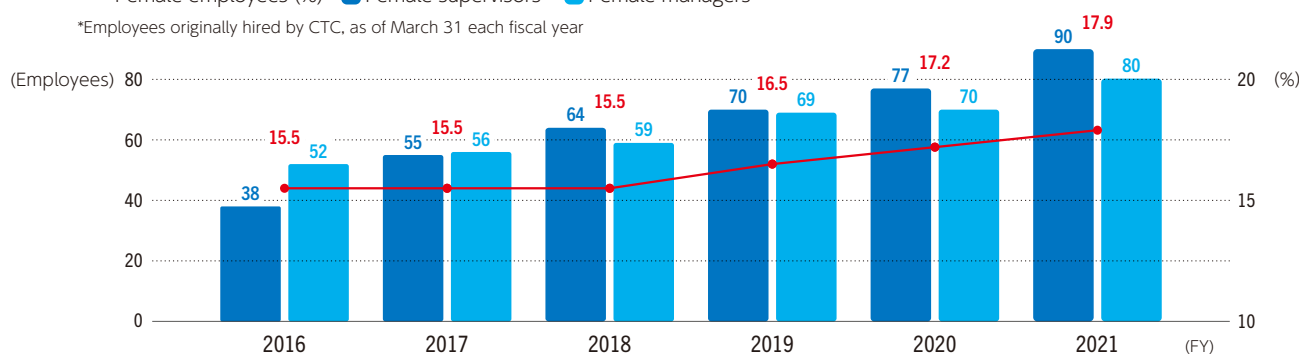
Bolstering creation of interpersonal networks with the Career Sponsorship Program

In fiscal 2021, CTC launched the Career Sponsorship Program (CSP). The aim of the CSP is for general manager-class personnel (career sponsors) to support the careers of female managers and manager candidates (the sponsored), providing opportunities to talk freely and openly. The first to be sponsored in the program were female employees at the supervisor and manager levels, but we plan to gradually expand to the general manager level and for younger employees. By way of video messages from the president and career sponsors, as well as information on the life events and careers of the career sponsors themselves, the CSP has established a system that allows users to create a network and consult freely through the sharing of unwritten rules by various leaders, along with round-table discussions and one-on-one meetings between career sponsors and those being sponsored.

Ratio of female employees and number of female supervisors & managers by year

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

*Employees originally hired by CTC, as of March 31 each fiscal year



Diversity Equity & Inclusion (DE&I)

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

CTC clearly states in its employment regulations its respect for sexual orientation and gender identity as a code of conduct for the Company and its employees, and is continuously working to promote understanding and acceptance of LGBT and SOGI issues. As well as conducting study sessions for executives, training for all managers that combine e-learning and seminars, and e-learning training for all employees, we are fostering deeper understanding throughout the Company through trainings on respect for human rights and harassment. In addition to the measures we have taken so far, such as the establishment

of a dedicated webpage for basic understanding on our in-house portal site, regular publication of the Rainbow Column authored by outside experts, and sponsorship of external events, we plan to rollout networking activities and collaborative events with special subsidiaries. Moreover, we are establishing internal and external consultation desks, expanding some of our in-house systems to cover same-sex partners, scrapping the gender field that had been on our employee application form, and other improvements to our systems and environment to create a workplace where employees can be themselves.

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

CTC has set, as a KPI, the annual employment rate of people with disabilities equal to or higher than the statutory employment rate. In 2010 CTC established a special subsidiary, CTC Hinari (referred to simply as Hinari) with the aim of promoting the employment of people with disabilities. Hinari operates with bases both in Tokyo and Hamamatsu. In Tokyo, the company focuses mainly on office-related tasks such as cleaning and disinfecting the offices, replenishing office supplies, and converting documents to PDF, and also massage work that forms a part of employee benefits. In Hamamatsu, Hinari handles farming work contracted out from farmers and also sells novelty products made from farm produce to the Group. In conjunction with the relocation of our offices in the Tokyo area 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 for AI analysis. In addition to developing new job opportunities for people with disabilities in the IT field, we are striving to create unique value for Hinari by improving

the quality of employment and creating an environment where motivated people 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 several employees who are athletes training for athletic competitions outside of work hours, one of whom won a bronze medal as a member of Japan's table tennis 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.

Received PRIDE Index
2021 "Gold" rating



Ratio of employees with
disabilities 2.4%

2.4%

(as of June 1, 2022)

Main Initiatives

Fiscal 2013-2017		Fiscal 2018	
<ul style="list-style-type: none"> ● Launched DE&I activity introduction website 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 		<ul style="list-style-type: none"> ● Held a CTC-wide management meeting about DE&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 	
Fiscal 2019	Fiscal 2020	Fiscal 2021	
<ul style="list-style-type: none"> ● Launched measures geared toward female supervisors ● Began considering initiatives for LGBTs & Sexual Orientation and Gender Identity (SOGI) 	<ul style="list-style-type: none"> ● Formulated new Basic Policy on Diversity ● Launched parenting seminars open to participation with spouses ● Launched initiatives for LGBTs & SOGI 	<ul style="list-style-type: none"> ● Formulated DE&I action plan for fiscal 2021-2023 ● Organized the Diversity Career College open DE&I seminar and made more information available ● A Human Resources Pipeline for Female Leaders and Career Support ● Introduced Career Sponsorship Program ● Backing 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 	

Diverse, Flexible Workplace Environment

Creating an Environment that Respects Values and Maximizes Individual Strengths

CTC believes that for employees to take on challenges and grow, it is necessary to respect the values of each employee, creating an environment where they can maximize their potential. For this reason, efforts are being made to effectively utilize time and location, offering employees more options in terms of the time and place they want to work from the perspective of efficiency and effectiveness. As such, we are promoting initiatives

aimed at improving organizational capabilities through collaboration by enhancing autonomy and creativity. We are also promoting engagement-related measures aimed at establishing 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.

Expanding Work Style Options

Since fiscal 2014, CTC has been promoting measures to change work styles, striving to create a diverse and flexible work environment. We have expanded the options for time and location so that all employees can have a sense of individuality and job satisfaction, as well as work more efficiently and effectively by introducing morning work, hourly paid leave, and sliding work hours thereby redefining the discretionary work system and expanding the remote work system.

In 2022, we introduced various measures under the slogan "Upgrade the CTC Workstyle." The aim of these measures is to support self-fulfillment and taking on challenges by allowing employees to choose flexible work styles according to their individual circumstances, promoting new work styles that lead to a better public/private life and mental/physical well-being, and contributing to local and social issues.

We have not set a limit on the number of remote work or sliding work hours, and we have also increased the number of days that can be taken for hourly paid leave. We will continue to work to create an environment in which employees can maximize their potential by offering a range of options to meet their individual circumstances.

style that improves work and life using the power of digital technology in an age of the 100-year life, and to promote autonomy and growth to support each individual to maximize their performance.

As a way to expand the range of workplaces to choose from, employees with special circumstances, such as caring for a family member or accompanying a spouse when relocating, have been able to freely choose where to work remotely within commuting distance from a CTC office, thereby expanding the choice of remote work locations and places to live across Japan. We are also pushing ahead with measures to prevent relocations or situations in which people might have to live separately from their families. And we have introduced a system that offers a broader range of work style options. Side jobs outside of work are permitted on the condition that they do not interfere with one's work and comply with the rules on working hours. By using this system, employees are able to improve their skills, acquire new knowledge, develop their careers, and engage in social contribution activities at NPOs. The long-term leave system (sabbatical leave) is intended to be used for reskilling so employees can focus on study or gaining qualifications. Other uses include social contribution activities with volunteer or pro bono work, or caring for family members. We also allow employees to extend their stay (bleisure) when on a business trip or when in other destinations by taking paid leave, or days off, before or after their work on the business trip.

A New Work Style—Upgrade the CTC Workstyle

The concept is threefold: to respect diverse individuals and create an environment where everyone can take on challenges and achieve self-fulfillment, to realize a work



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

76%

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.

Diverse, Flexible Workplace Environment

Initiatives Geared toward Autonomous, Collaborative Work Styles that Boost Creativity

Starting from fiscal 2021, we have been working on initiatives that encourage employees to have more autonomy and creativity, and to work together to try new things, while further improving our corporate value through stronger Group coordination. Part of this was the relocation and integration of offices in the Tokyo area centered on the CTC Group Head Office which implemented the concept of Activity Based Working (ABW) allowing employees free choice of work hours and location according to job phase and work description. Working in the office is one of the possible choices, and we have set up various spaces as workplaces with enhanced functions to increase job satisfaction. The workplace has been adapted to cater for new work styles with arrangements to ensure social distancing, more booths suitable for online meetings, and the use of facial recognition systems.

We will devise ways to stimulate communication and relationship building with work colleagues in the physical workplace, and use remote work alongside coming to the office, encouraging collaborative thinking, to create an environment that allows each employee to perform at their best and to give employees the best choice of work style.

Awareness Initiatives

We encourage employees to take paid leave and allow it to be taken in hourly or half-day increments, with the aim of streamlining operations, promoting self-development, and for the benefit of employees' mental and physical well-being. We encourage employees to take Flex Holidays, which entitles them to a separate special leave when consecutive days of paid leave are taken, Birthday & Anniversary Leave, which can be taken to celebrate employees' or their families' special days, and Sandwich Leave, which can be taken in between holidays.

Furthermore, we have expanded the range of acceptable work attire with jeans, sneakers, and T-shirts now permissible. Clothing considerations are part of our efforts to create diverse workplaces where employees can think outside-the-box, where they can develop flexible ideas and self expression beneficial for their work so employees can find the work style that is right for them and which respects 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 form an organizational culture and foster morale.

Revising Work Operations & Frameworks that Utilize IT Tools

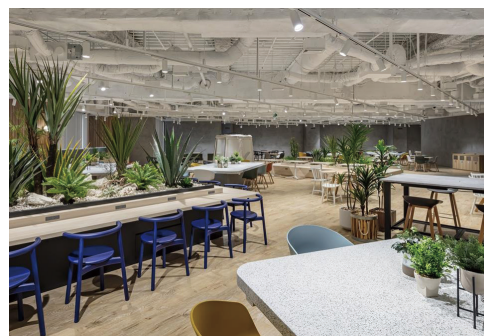
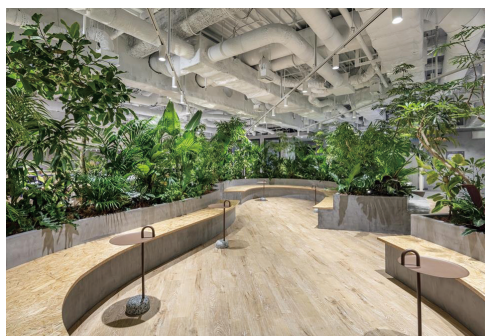
For revisions to work procedures that are essential to building work environments, we are improving work efficiency through Robotic Process Automation (RPA), in which software-based robots take over routine tasks through automation. We are also reviewing various applications electronically and decluttering on a monthly basis, and to improve awareness and skills, we also offer elective training on topics such as communication and time management.

In terms of work management, in addition to monthly reports to management on company-wide working hours, we have introduced a system that compiles computer access logs and office entry/exit logs of all employees using IT tools. The system works in tandem with attendance management to display employee attendance results. When there is a discrepancy between the attendance

reported by the employee and those of the logs, alerts are automatically sent to the employee and their supervisor in stages based on the automatic function that prompts the employee to give the reason for the overtime work and the predicted number of overtime hours. In addition to these measures, individual checks are also carried out depending on the attendance records by the department in charge of human resources as we strive to optimize working hours and comprehend the actual working hours of all employees. Furthermore, the Business Transformation Division, which aims to transform the business processes of the entire CTC Group, is working on digital transformation, starting with the transformation of existing business models, while attempting to eliminate stress and wasteful business practices to improve productivity.

Annual average rate of employees commuting to offices:

20% or less



Engagement

Implementing PDCA Cycle based on Engagement Survey Results

CTC believes that an environment in which employees can work in their own way and feel rewarded in the work they do will maximize individual capabilities. For this reason, we are conducting engagement surveys as an initiative for our employees and the Company to have an equal relationship and share the same spirit and objectives by responding flexibly and appropriately to changes in the environment, such as with more diversified work styles and awareness. The surveys are conducted four times a year, including a Pulse Survey with questions that are narrowed down for fixed point observations, with the main objective to verify and improve our CTC-wide efforts to raise employee job satisfaction and grow our management capabilities.

In response to the current situation and trends, we aimed to create a more rewarding organization for our employees, boost management capacity, provide opportunities to communicate with management, and support for organizations that conducted one-on-one sessions. Most of the responses on the survey that have an impact on engagement were up from the previous year. Since there is a significant increase from the previous fiscal year in terms of the points given for communication with management, respect for individuals, and for

recommendations on diversity, we are utilizing them in various personnel measures and implementing a cycle of improvement while continuing to implement the following measures to improve engagement.

- **Boosting management capacity**
Strengthening management's ability to provide feedback that leads to growth while conscious of each individual's career, and to help employees think and act on their own initiative by associating organizational strategies with one's own work.
- **Bringing management and employees closer together**
Providing opportunities for two-way communication with management, such as town hall meetings, in addition to sending messages, such as the CTC Group's Kick-Off and executive messages.
- **Supporting organizations that conduct one-on-one sessions**
Supporting those organizations who want to conduct one-on-one sessions to make communication in the organization better than ever before.

Using Survey Results in Every Organization

As well as sharing survey results across the Group, we have introduced a dedicated infrastructure that allows executives to view the results of their own organization at any time. This special infrastructure can verify trends ascertained from the results, advise on possible future improvements, and even perform independent analysis, supporting data-driven management that leverages analytical data for decision-making. We will quantitatively comprehend and visualize the organizational situation, helping to stimulate the organization through timely measures according to the issues and situations of people and organizations.

Culture that Supports and Recognizes Ambition

CTC has introduced the CTC Group Award to recognize projects throughout the Group that contribute to reaching the aims of the Medium-Term Management Plan, as well as programs such as the Good Job Award System which recognizes the achievements of employees and organizations who have made significant contributions.

The Organization Award in the Good Job Award System is a prize for organizations that have actively taken on the challenge of changing 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.

CTC's strengths based on the fiscal 2021 engagement survey

Decision-making and behavior are ethical

85%

Coworkers are supportive

77%

Trust in supervisors

74%

Promoting Data-Driven DX in Human Resources Strategy

We collect and analyze a wide variety of data, promoting a data-driven approach that is useful for decision-making and planning. We have been working on a human capital management cycle that combines various data related to human resources and working environments, such as data from engagement surveys, stress checks and health checkups, and questionnaire data on individual personnel measures. We will build a PDCA cycle based on an ROI of our human capital while accelerating the development of an information integration platform and digital transformation (DX) in the management of our human capital.

Engagement Survey Overview

Surveyed	Regular employees originally hired by CTC, contract employees, temporary employees, and employees temporarily transferred to CTC	Survey method	Online
Survey conducted	November 17-30, 2021	Respondents	4,248 (83%)
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		

Health and Well-Being

Wellbeing management

Health and WellBeing Initiatives

The health and well-being 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 promote health and wellbeing management based on the CTC Well-Being Declaration, with our president also serving as Chief Health Officer (CHO). In order to clarify our stance as a company, 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 CTC and its employees respectively in our employment regulations.

Recognized as an Outstanding Health and Productivity Management Enterprise (White 500) for six consecutive years (starting fiscal 2017)



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 wellbeing 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
Ichiro Tsuge
 President and Chief Executive Officer

Steering Structure

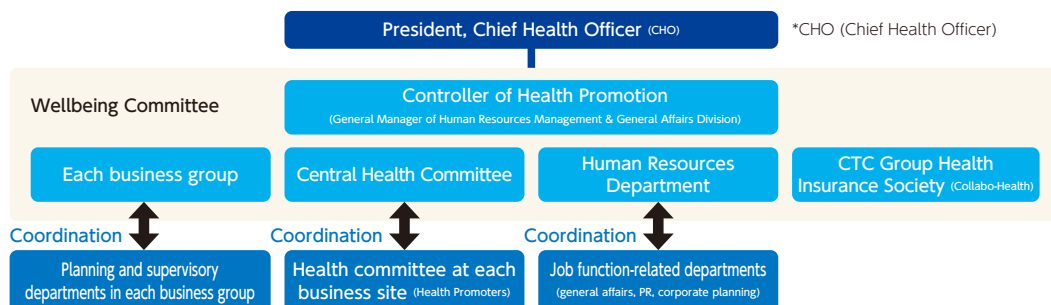
We have established the Wellbeing Committee comprised of the business groups, Central Health Committee, Human Resources Department, and CTC Group Health Insurance Society, under the direction of our president as the Chief Health Officer. A dedicated organization within the Human Resources Department is in charge of formulating and implementing measures with progress made while discussing matters at the Management Committee and the Board of Directors. 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. In cooperation with each organization, we are working on comprehensive measures to continuously improve our health and wellbeing management.

industrial physicians and health outreach workers at CTC to strengthen our organizational system. We have been working on various measures based on understanding and analyzing the current situation using in-house data and data from the Health Support System (HSS) provided by CTC. In 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 a Collabo-Health program to promote healthy lifestyles. To maximize the effects of the Collabo-Health program, in addition to regular meetings, we are also actively promoting personnel exchanges, such as secondment of members of the Human Resources Department, as well as the standing director of the Health Insurance Society.

Promotion of Collabo-Health with the Health Insurance Society

Since fiscal 2013 we have been increasing our staff of

Wellbeing Management Steering Structure



Preventing Infectious disease

As well as containing and preventing the spread of infectious diseases in the workplace, we are working to provide information to employees, including on measures employees can take at home. To contain and prevent the spread of COVID-19, we are identifying issues through employee surveys and interviews, and implementing appropriate countermeasures.

In addition to in-house flu vaccinations and subsidies

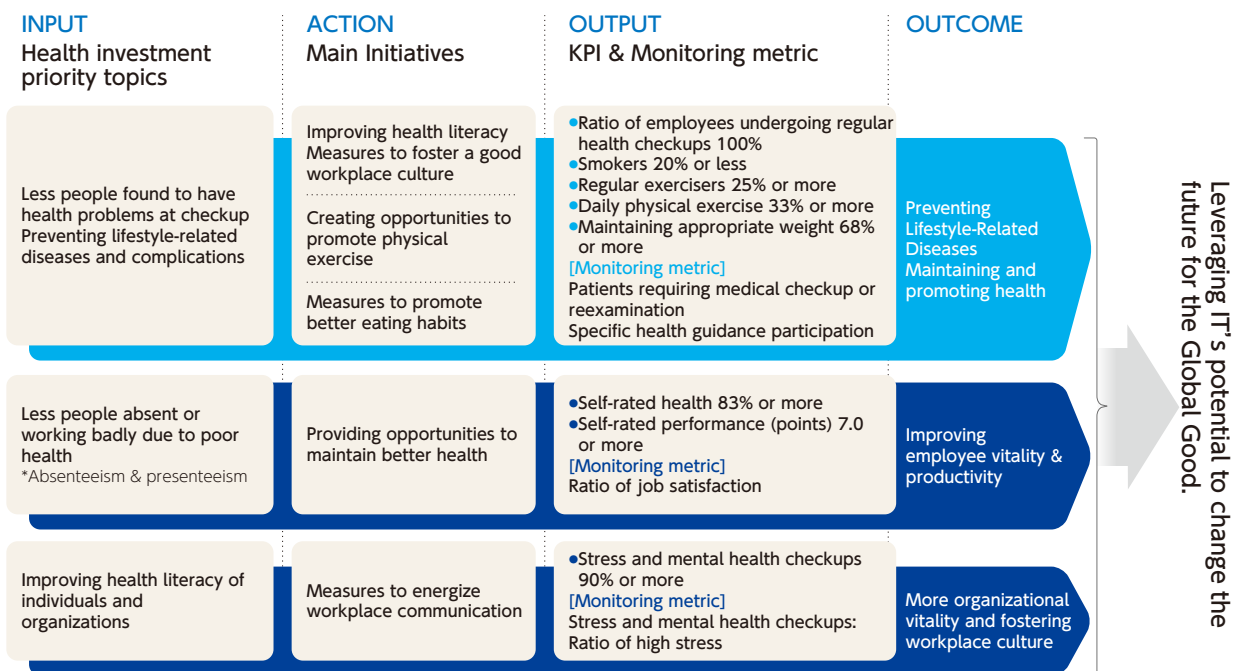
for vaccinations, including for family members, in fiscal 2021 we also provided COVID-19 vaccinations in the workplace. When employees get vaccinated outside of the workplace, we regard the time it takes as part of the employee's regular work time. And should any employee feel unwell after receiving the jab then special leave is granted.

Wellbeing Management Medium-Term Plan (Fiscal 2022-2023)

Since the start of the FY2019-2021 Wellbeing Management Medium-Term Plan, we have been strengthening the PDCA cycle of initiatives while monitoring priority measures and quantitative metrics. From fiscal 2022, we will peg the Wellbeing Plan to the CTC Group Medium-term Management Plan by making it a two-year plan up until fiscal 2023. With emphasis on preventing lifestyle-related diseases, promoting and maintaining health, improving employee vitality and productivity, energizing organizations and fostering a good workplace culture, the Wellbeing Plan will respond to changes in work styles and lifestyles. Priority measures and metrics are formulated based on the results of employee surveys, which show that people are doing less physical activity and gaining more weight.

The percentage of people who are struggling to communicate about the difficult subjects of insufficient sleep and metrics for more organizational vitality, which were set in the previous plan, has improved in the desired direction in conjunction with various measures such as new work styles and engagement based on the human resources strategy concept centered on mutual acceptance of diversity and human resource development. In terms of more organizational vitality, we will focus on creating an environment in which communication can be conducted in a more natural way, working to establish a virtuous cycle together with various measures while building organizations with more emotional well-being.

KPI Targets and Monitoring Metrics for the 2nd Phase of the Wellbeing Management Plan (FY2022-2023)



Preventing Lifestyle-Related Diseases & Promoting and Maintaining Health

Better Information & Health Literacy for Employees

We believe that in order to practice health and wellbeing management, it is essential for each employee to improve their capabilities to manage their own health while also improving their own health literacy by collecting and utilizing the information they need for themselves. As such, we are promoting comprehensive initiatives to support improvements in health literacy.

Main Initiatives

- IT systems: Implemented a system that makes it possible to view data such as regular health checkup results and CTC assessment categories, results of stress & mental health checks, as well as health-related information, and to apply for subsidies for specialist examinations and vaccinations.
- Communication: Providing comprehensive information from expert staff via in-house portal site and other means, 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.

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. For individual follow-up according to checkup results, we encourage, by way of a population approach, employees who are potentially at risk to review and improve their lifestyle habits. The health insurance society also provides specific health guidance for high-risk employees.

100% of all people at high risk in terms of blood pressure and blood sugar levels receive follow-up medical checkup measures and health guidance consultations.

Exercise Habits, Promoting Physical Activity, and Lifestyle Improvement

We have been striving to develop good exercise habits, such as providing various sports-related services through sports club memberships and cafeteria plans, as well as encouraging employees to take a break or stretch during work hours. In response to work styles that combine coming to the office with remote work, we worked with sustainability promotion organizations and our health insurance society to provide to all CTC Group employees exercise and lifestyle improvement advice that can be done at home during lunch breaks. Approximately 600 people participated in this lifestyle improvement campaign. With strengthened measures to improve eating habits and time spent on physical exercise, we are also expanding related measures with CTC Well-being set as one of our health promotion topics in the office.

Measures against smoking & passive smoking

Since fiscal 2012, we have been providing information on quitting smoking, health guidance for smokers, consultations with specialist staff, and help with quitting smoking from 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.

Improving employee vitality & productivity

Appropriate Work Environments and Hours & Supporting Employees Receiving Medical Treatment

We have created a diverse and flexible work environment that supports the right balance for those employees who are working and receiving medical treatment. To help employees balance their work with medical treatment we are developing 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, we also offer our subsidy system for advanced treatment of cancer.

of cancer and working to create work environments where employees can continue working with peace of mind. We have incorporated cancer screenings as a required item in regular health checkups for employees aged 35 and over. For specialized examinations, we also subsidize uterine cancer screenings for female employees aged 20 and over, breast cancer screenings for those aged 30 and over, and chest CT scans and Helicobacter pylori tests for employees aged 35 and over. From the age of 40, employees can also receive comprehensive cancer screenings every five years.

Women's Health Promotion Initiatives

In addressing health issues particular to women, we have supported the creation of an environment where it is easy to work together and learn about ways to cope with women's health problems, such as introducing paid menstrual leave, and organizing the Women's Health Seminar for female employees and male managers to learn more. As we have improved health literacy, and established

Cancer-Related Measures

Through cooperation with our health insurance society, we are establishing systems for early detection and treatment

a culture of learning autonomously and independently, we are currently making information available on our in-house portal site on topics such as “Women’s health both

genders should know.” We are also regularly sending out email newsletters and offering optional training.

More Organizational Vitality and Fostering Workplace Culture

Energizing 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.

Main Initiatives

- Club activities: Support for activities such as subsidizing expenses and providing venues.
- Activities that also contribute to society*: Participation as a company, including family members, in activities such as CTC Group Happiness Recovery support tours and walking tours, as well as introduction of 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.
- Organization & employees: Set up personal pages with blog on in-house portal site and introduced multiple chat tools.

* Some activities including CTC Group Happiness Recovery support tours and office tours were not held during fiscal 2021 due to the COVID-19 pandemic.

Better Mental Health Care

In addition to addressing mental health conditions, CTC also supports mental health, which includes encouraging communication in the workplace, working continuously on our four physical and mental health care initiatives.

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. 94.2% of participants were satisfied with CTC’s mental health and self-care training.

Mental Health Care Initiatives

Self-care	<ul style="list-style-type: none"> ● Stress & mental health checks (stress check & self-care training) ● Accumulated fatigue checks ● “Mental Health Bulletin” regularly posted on in-house portal site ● Offering programs in new employee training ● Providing information on mental health care
Line care	<ul style="list-style-type: none"> ● Mental health training for managers ● Stress & mental health check results analysis reports and improvement proposals
Care services by in-house expert staff	<ul style="list-style-type: none"> ● Consultations with industrial physicians, counselors, and nurses ● Support for returning to the workplace after leave
Care services through outside resources	<ul style="list-style-type: none"> ● Consultations with outside counseling organizations <p>* Family members can also utilize</p>

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

Fiscal year	Course takers	(%)
Fiscal 2018	3,662	83.6%
Fiscal 2019	3,820	87.3%
Fiscal 2019	4,172	90.5%
Fiscal 2021	4,057	87.0%

Committee Activities for Occupational Health and Safety & Preventing Occupational Accidents

Our Central Health Committee for occupational health and safety 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.

Average monthly overtime

13 hours

Average annual leave uptake rate

64%

Health Management Solution

CTC provides a health management system called the Health Support System (HSS). The HSS is a cloud service that supports health management at companies through centralized control of health-related information. 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.

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

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	
Technology and Unique Skillset	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	
	Career development		Established a dedicated organization Introduced career development support system	Launched career counseling interviews		
	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 Launched training for mid-level employee and next-generation manager candidates	Revised and reinforced mentor-mentee system	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
	Personnel system		Introduced multiple career path personnel system Made job rotation experience a requirement for promotion			
Diversity Equity & Inclusion (DE&I)				Launched DE&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		
Diverse, Flexible Workplace Environment	Strengthened measures against excess overtime Introduced Morning Work system			Introduced sliding work hours, mobile work, and hourly paid leave systems	Participated in Telework Day	
Engagement						
Health and Well-Being		Improved health promotion measures: Thoroughly ensuring employees get regular health checkups and take follow-up measures afterward			Established the CTC Group Health Insurance Society	
		Conducted health promotion activities by topic: Preventing lifestyle-related diseases, stiff shoulders and back pain, support to quit smoking, and mental health care		Began "Kokoro no Kenshin" stress & mental health checks		

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 Moved all recruitment activities online	Implemented onboarding program for those joining the company mid-career
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 Implemented in-house job posting system
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 Expanded IT basic technology learning programs for new employees	Moved all human resources development systems online Began considerations for stabilized operation of Engineering Skills Inventory and DX human resources development program initiatives Created systems to improve the technical skills of advanced engineers Expanded elective training for business skills	Launched initiatives to bolster learning programs for DX human resources Continued efforts to create systems to improve the technical skills of advanced engineers Expanded elective training for engineers 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	
Held a CTC-wide management meeting about DE&I		Formulated new Basic Policy on Diversity	Formulated DE&I action plan for fiscal 2021-2023 Organized the Diversity Career College open DE&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 & Sexual Orientation and Gender Identity (SOGI)	Launched initiatives for LGBTs & SOGI	Formed a task force to consider measures for the senior age range
Participated in Telework Day TELEWORKDAYS, 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 Formulated fiscal 2019-2021 wellbeing management medium-term plan	Built organizational structure to control and prevent the spread of COVID-19	Administered workplace vaccinations for COVID-19 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	

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	Fiscal 2021		
Employees	Overall	Headcount	8,175	8,359	8,808	9,050	9,291	
	by gender	Men	Headcount	6,919	7,032	7,317	7,436	7,530
		Women	Headcount	1,256	1,327	1,491	1,614	1,761
	by region	Japan	Headcount	7,557	7,749	7,946	8,217	8,425
		Asia	Headcount	593	582	829	802	836
		Americas	Headcount	25	28	33	31	30

Non-consolidated

Item	Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021			
Employees	Overall	Headcount	4,117	4,272	4,276	4,451	4,597		
	by gender	Men	Headcount	3,478	3,611	3,569	3,684	3,773	
		Women	Headcount	639	661	707	767	824	
	Non-Japanese	Headcount	45	46	46	49	53		
	Under 30	Men	Headcount	386	449	509	553	601	
		Women	Headcount	137	149	199	254	287	
		Total	Headcount	523	598	708	807	888	
	30-39	Men	Headcount	1,122	1,053	939	939	921	
		Women	Headcount	215	207	178	168	174	
		Total	Headcount	1,337	1,260	1,117	1,107	1,095	
	by age	40-49	Men	Headcount	1,369	1,422	1,417	1,436	1,437
		Women	Headcount	212	219	224	229	228	
		Total	Headcount	1,581	1,641	1,641	1,665	1,665	
	50-59	Men	Headcount	567	649	661	715	765	
		Women	Headcount	71	83	99	114	132	
		Total	Headcount	638	732	760	829	897	
	60 and up	Men	Headcount	34	38	43	41	49	
		Women	Headcount	4	3	7	2	3	
		Total	Headcount	38	41	50	43	52	
	By job type	Engineer	Men	Headcount	2,468	2,574	2,588	2,662	2,708
		Women	Headcount	327	341	372	409	425	
		Total	Headcount	2,795	2,915	2,960	3,071	3,133	
	Sales	Men	Headcount	823	839	797	823	849	
		Women	Headcount	108	110	118	141	161	
		Total	Headcount	931	949	915	964	1,010	
	Corporate staff	Men	Headcount	187	198	184	199	216	
		Women	Headcount	204	210	217	217	238	
Total		Headcount	391	408	401	416	454		
Turnover ¹	Men	Headcount	103	104	140	70	106		
	Women	Headcount	20	29	12	12	28		
	Total	Headcount	123	133	152	82	134		
Turnover rate ¹	Men	%	2.8	2.8	3.8	1.9	2.7		
	Women	%	2.9	4.0	1.6	1.5	3.2		
	Total	%	2.8	3.0	3.4	1.8	2.8		
Average length of service	Men	Years	13.5	13.7	13.6	13.7	13.8		
	Women	Years	12.6	12.9	12.6	12.4	12.2		
	Total	Years	13.4	13.5	13.5	13.4	13.5		
Average age	Men	Age	41.0	41.1	41.2	41.4	41.6		
	Women	Age	38.1	38.3	38.0	37.5	37.5		
	Total	Age	40.5	40.7	40.6	40.7	40.8		

Item		Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	
Average annual salary		¥	8,553,521	8,710,795	8,966,461	9,336,993	9,410,649	
Ratio of basic salary and total remuneration between men and women (women: men)	Managers	Basic salary	—	—	—	—	1:1.06	
		Total remuneration	—	—	—	—	1:1.10	
	General employees	Basic salary	—	—	—	—	1:1.10	
		Total remuneration	—	—	—	—	1:1.14	
New graduate starting salary	Master's degree	¥	245,200	245,200	245,200	245,200	245,200	
	University graduate	¥	230,000	230,000	230,000	230,000	230,000	
New hires	Overall	Headcount	205	269	314	318	306	
	New graduate	Men	Headcount	79	117	96	101	97
		Women	Headcount	45	39	58	61	59
		Total	Headcount	124	156	154	162	156
	Mid-career	Men	Headcount	74	101	145	142	134
		Women	Headcount	7	12	15	14	16
Total		Headcount	81	113	160	156	150	
Recruitment cost per person (new graduates/mid-career)		Thousand yen	780	1,041	822	890	958	
New graduate retention rate after 3 years	Men	%	88.3	90.1	89.9	93.2	94.8	
	Women	%	86.4	85.7	86.7	100.0	93.1	
	Total	%	87.9	89.7	88.7	94.9	94.2	
Gross trainees		Headcount	111,260	101,673	129,026	132,388	94,016	
Average training hours per employee		Hours	49	48	53	54	50	
Company-wide training participation rate for managers		%	97.9	93.2	82.6	100.0	99.7	
Managers ¹	Overall	Headcount	1,188	1,194	1,217	1,257	1,324	
	by gender	Men	Headcount	1,132	1,135	1,148	1,187	1,244
		Women	Headcount	56	59	69	70	80
	Non-Japanese	Headcount	5	5	6	6	5	
	New graduate hires	Headcount	452	462	474	498	536	
	Mid-career hires	Headcount	736	732	743	759	788	
	Managers in CTC non-consolidated business groups (excluding those working directly under the president or in corporate staff departments)	Men	Headcount	891	909	957	998	1,033
		Women	Headcount	35	36	46	48	53
		Total	Headcount	926	945	1,003	1,046	1,086
	General manager equivalent or higher	Men	Headcount	260	267	278	286	296
		Women	Headcount	8	8	10	8	8
		Total	Headcount	268	275	288	294	304
	Manager equivalent	Men	Headcount	872	868	870	901	948
Women		Headcount	48	51	59	62	72	
Total		Headcount	920	919	929	963	1,020	
Supervisors ¹	Men	Headcount	461	549	624	690	717	
	Women	Headcount	55	64	70	77	90	
	Total	Headcount	516	613	694	767	807	
New promotions to manager ¹	Men	Headcount	47	52	70	89	103	
	Women	Headcount	4	5	11	8	12	
	Total	Headcount	51	57	81	97	115	
Retirement re-employment	Overall	Headcount	53	69	91	122	136	
	Percentage of system users	%	72.7	87.5	70.5	90.1	81.4	
Employees with disabilities ²	Employed	Headcount	167	194	198	208	206	
	Employment ratio	%	2.2	2.5	2.5	2.6	2.4	
Average ratio of annual leave taken		%	71.9	75.3	72.6	61.0	64.2	
Average annual leave taken		Days	13.9	14.5	13.9	11.7	12.3	
Average monthly overtime hours per employee		Hours	14	14	13	16	13	
Absentee rate		%	—	0.3	0.4	0.2	0.2	

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)

Non-consolidated

Item	Units	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	
Morning work ³	Annual total	Headcount	2,812	2,907	2,941	3,080	3,135
	Monthly average	Headcount	1,276	1,323	1,325	1,519	1,709
Sliding work hours ⁴	Annual total	Headcount	938	1,017	1,515	1,916	1,638
	Monthly average	Headcount	305	376	497	846	780
Hourly paid leave ⁵	Annual total	Headcount	1,176	1,371	1,453	1,357	845
	Monthly average	Headcount	293	372	425	327	228
Childcare leave system users	Men	Headcount	54	59	59	52	56
	Women	Headcount	66	69	65	55	44
	Total	Headcount	120	128	124	107	100
Rate of taking childcare leave (men)	%	34.9	39.1	44.4	36.3	44.1	
Average days taken by men for childcare leave	Days	23	15	25	22	24	
Rate of returning to work after childcare leave	Men	%	100.0	100.0	100.0	100.0	100.0
	Women	%	97.2	100.0	100.0	97.0	97.8
	Total	%	98.9	100.0	100.0	98.8	99.0
Retention rate after childcare leave	Men	%	100.0	83.3	100.0	77.8	70.0
	Women	%	96.7	97.1	100.0	96.3	87.5
	Total	%	96.9	95.0	100.0	92.0	83.3
Reduced work hours system users	Headcount	97	97	99	93	72	
Nursing care leave system users	Headcount	202	212	200	144	147	
Long-term caregiving leave system users	Headcount	1	0	1	0	0	
Caregiving leave system users	Headcount	34	32	44	35	33	
number of work-related accidents	Incidents	7	2	6	1	2	
Number of work-related deaths	Headcount	0	0	0	0	0	
Ratio of employees undergoing regular health checkups	%	99.9	99.9	99.9	100.0	100.0	
Regular exercisers ⁶	%	18.7	18.9	19.8	21.6	24.0	
Daily physical exercise ⁷	%	—	44.2	47.0	31.6	28.4	
Maintaining appropriate weight	%	69.4	69.2	67.8	66.4	66.6	
Smokers	%	27.5	26.2	24.3	22.9	21.8	
Getting sufficient sleep ⁸	%	62.8	64.0	63.2	73.5	75.0	
Regular health checkups (examination or re-examination required)	%	49.9	50.8	50.5	56.1	55.6	
Specific health guidance participation rate	%	—	—	42.5	60.9	Undetermined as of October 2022	
Subjective health outlook ⁹	%	—	81.2	78.8	82.6	80.4	
Subjective performance ¹⁰	Points	—	5.83	5.92	5.79	5.97	
Satisfied with job ¹¹	%	74.1	73.2	73.1	77.3	75.6	
Struggling to communicate about difficult subjects ¹²	%	77.4	80.8	78.4	77.9	70.6	
Ratio of employees undergoing stress & mental health checkups	%	89.9	87.3	86.6	87.1	83.2	
High stress	%	9.4	9.7	9.3	7.8	8.6	

*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: Limiting overtime work at night and on holidays, encouraging employees to work early in the morning (5am to 9am).

*4: A system that allows employees to work full-time while adjusting their starting time between 7 and 10 am. From fiscal 2020 onwards, the system's application conditions have been partially relaxed as a measure to prevent the spread of the coronavirus.

*5: A system that allows employees to take three days (total 24 hours) of annual paid leave in hourly units. From fiscal 2020 onwards, the system's application conditions have been partially relaxed as a measure to prevent the spread of the coronavirus.

*6: 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?"

*7: Ratio of "Yes" responses to the question "Do you walk or perform equivalent physical activity for at least one hour a day in your daily life?"

*8: Ratio that responded that they were getting enough sleep.

*9: Ratio of "Yes" and "Relatively" responses to the question "Are you currently in good health?"

*10: The average of the responses to the question, "How would you rate your own work over the past four weeks if 10 was your best performance when you were not sick or injured?"

*11: Ratio of "Yes" and "Relatively" responses to the question "Are you satisfied with your job?"

*12: Ratio of "Frequently" and "Sometimes" responses to the question "Do you normally struggle to communicate about difficult subjects?"

■ Editorial Policy

CTC's corporate mission is "Leveraging IT's potential to change future for the Global Good," as stated in the CTC Group Philosophy. In the Integrated Report 2022, we explain how our value creation process provides the path toward sustainable growth that will enable us to fulfill this mission .

Based on a corporate culture cultivated through many years of business activities, we are leveraging our expanding resources of management capital to reinforce business models that will help enhance corporate value for our customers and resolve social issues. The source of this is our human resources. Human resources are CTC's most important asset. It is growth of our employees that leads to an increase in corporate value.

This report summarizes information related to our human resources strategies with an emphasis on the relationship between human capital investment and corporate value.

■ Scope of the Report

This report covers ITOCHU Techno-Solutions Corporation (CTC) and its consolidated subsidiaries and includes information about non-consolidated subsidiaries and affiliates.

■ Notes on Financial Amounts

Figures less than one unit have been rounded off, based on the IFRS accounting standards.

■ Forward-Looking Statements

Statements made in this report with respect to CTC's plans, strategies, and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of CTC. These forward-looking statements are based on management's assumptions and beliefs in light of information available at the time of publication and involve certain risks and uncertainties.

CTC assumes no obligation to publicly update these forward-looking statements to reflect events, changes in the operating environment, or unforeseen developments that occur after the date of publication.



ITOCHU Techno-Solutions Corporation