

## Special Feature Human Capital Management

In terms of management strategies, G-TEKT is taking on the challenge of the four themes of “Action for the global environment,” “Establishment of EV-related business,” “Improvement of the diversity of human resources,” and “Transformation of existing businesses.” It is the individual employees who will lead this challenge, and there can be no growth in the Company without the personal development of employees. Accordingly, G-TEKT has recognized that its employees are an important asset that supports the growth of the organization, and has established policies of providing all employees with opportunities for growth and assisting in their voluntary upskilling efforts, and of nurturing human resources that generate new value in preparation for the next era, with the objective of achieving personal development for employees and the growth of the Company.

### Message from the Officer in Charge of Human Capital Management

In order to achieve sustainable growth in an automobile industry undergoing a once-in-a-century transformation, it is vital that we generate new value through a combination of diverse ways of thinking and knowledge. If we include its previous history, the Company is approaching its 70th anniversary, and while it was able to pursue a strategy of enhancing productivity as a homogenous group due to the period of volume expansion, in a volatile environment in which it is necessary to anticipate several different needs, this alone may not necessarily be the optimal approach. While continuing to treasure the essence of the Company, in the era ahead it is important that we are an organization in a dynamic equilibrium that grows by responding flexibly to changes in the environment. For that reason, we will focus on providing opportunities for personal growth to promote voluntary upskilling by each and every employee, and on initiatives to improve engagement by supporting individual empowerment in each organization. In line with the Our Credo of “respect human dignity,” “cutting-edge technology,” and “sound corporate management,” we will treasure that which should be protected, while working to establish an environment in which employees can autonomously change and grow in response to management strategy and business conditions.

Officer of the Company,  
Corporate Management  
Operations Director  
**Takeshi Bamba**



### Indicators for the improvement of the diversity of human resources

We believe that in order for G-TEKT to maximize its organizational capabilities, it is important that it concentrates the distinctive strengths of many individuals. In order to move steadily forward with initiatives to enhance the capabilities of the organization, we have set indicators for the improvement of diversity.

Theme	Non-financial KPI	FY 2022 actual	FY 2028 target
Increase female recruitment ratio	Women as ratio of new graduates and mid-career hires	11.1%	25%
Increase number of female managers	Number of female managers	15	1.5× end-FY 2022 level
Male childcare participation	Ratio of men taking childcare leave	20.8%	At least 30%
Systems that lead to diverse work styles	Number of new initiatives	9	At least 5 (cumulative)

### Training and development initiatives

G-TEKT provides education and training aligned with the three themes of management development program, business execution skills enhancement, and support for autonomous and continuous learning. Through the educational opportunities provided by these three themes, we provide support for the personal growth of employees and the taking on of new challenges.

#### ● Management development program

In order to nurture the next generation of executive management, we are building and revising a management development program. In FY 2022, a total of 258 individuals participated in management training. In the Management Essential School aimed at the section leader level, participants learn about management strategy, organizational development, finance, marketing, and innovations with the objective of acquiring the knowledge and perspectives required for management, and attaining management literacy. Going forward, we will begin development intended to facilitate succession planning. In addition to operational assignments made from a development perspective, we are also planning programs to impart the knowledge required for officers of the Company (such as those related to multi-stakeholder governance, IR, finance and accounting, legal affairs, and personnel) as well as facilitating understanding of different cultures.

#### ● Business execution skills enhancement

Mid-ranking employees are core members of front-line teams, and play an important role in linking management with younger staff. The development of younger employees is also a vital issue in terms of creating the future of G-TEKT itself. In addition to on-the-job training, G-TEKT engages in ongoing training and educational initiatives for younger and mid-ranking employees to enable them to acquire leadership, problem-solving, and other business skills, as well as enhancing their technical abilities. In FY 2022, we introduced selective training tailored to position in the workplace and the duties of the individual, which attracted a total of 125 participants.

#### ● Support for autonomous and continuous learning

In order to not only enhance the employee's expertise in their current duties but also to broaden the possibilities for the employees themselves, we support skills development and upskilling for individual employees through our qualification acquisition support system and our English ability improvement program. In FY 2022, a total of 278 people used the qualification acquisition support system, which provided support for obtaining credentials that lead to upskilling at the individual level. With the goal of expanding the use of IT to improve processes and enhance their efficiency, we have added digital qualifications to the eligibility list, as well as expanding the list to include 84 eligible qualifications. Reflecting the importance of the overseas business, the English ability improvement program has offered study tools and support for taking the TOEIC test since 2017, and as of March 31, 2023, some 61% of employees had recorded a TOEIC test score.

### Systems to support the empowerment of individuals and initiatives to improve engagement

With the objectives of maximizing employee performance, enhancing job satisfaction for each individual, and expanding the business, we are revising systems and working on measures to improve engagement. Because these initiatives help employees continue working with a sense of security and are expected to have a significant impact on retention and on our ability to attract high-quality human resources, they have been made a priority.

#### ● Systems to support empowerment

The Company previously focused on recruiting new graduates, and on the assumption that these new graduates would form their careers within G-TEKT alone, its systems were chosen to deal with singular work styles and benefits. Systems were revised in 2016 with the aim of basing grades and wages on role and demonstrated ability, and we are currently making further revisions to ensure that mechanisms for work styles and benefits take into account the conditions faced by the organization and the market environment. As part of these ongoing revisions, in FY 2022 we introduced a spousal leave system, a “comeback” system, and amendments to the retirement benefits system. By enabling employees to take leave to accompany spouses who have been posted overseas, the spousal leave system provides the reassurance of family life while living abroad, and puts in place an environment that allows continuous employment at the Company. Next, the “comeback” system is a mechanism to allow employees who have left the Company to be re-employed. This was introduced with the aim of providing to a former employee the opportunity for employment, while creating the opportunity for the Company to secure an experienced member of staff. Finally, the retirement benefits system was revised to use easy-to-understand content to foster a sense of security in the employee with regard to their future and encourage them to demonstrate their abilities, and to ensure fairness between employees in terms of benefits.

#### ● Measures to improve engagement

In FY 2022 we concentrated our efforts on employee interviews involving 117 people, on training for individuals at general manager level based on feedback from the results of “engagement diagnosis” initiatives, and on reforming the internal publicity system. First, the employee interviews were conducted with the aim of encouraging an independent and positive approach to work, based on those selected conducting their own assessment of their strengths and values. Those chosen for interviews gave feedback such as “Gave me a chance to think again about my own strengths,” and “I plan to take action to pursue the things I want to accomplish in my current workplace.” The “engagement diagnosis” results feedback training was conducted with the objective of encouraging activities to improve organizational culture and engagement toward the Company on the part of employees. Participants were able to use the “engagement diagnosis” results to obtain quantitative confirmation of the degree to which the workplace was energized and the state of communications. Based on the results, training participants created action plans to improve organizational culture, which they took home with them to their workplaces. Going forward, we intend to conduct monitoring to improve the effectiveness of the action plans. Finally, with the reforms to the internal publicity system, we have begun to revise and expand the content so as to communicate information about the Company to employees in easily understood form. For example, information on financial results was previously disseminated in a format close to that of the securities report, but we have switched to using illustrations and basic information on finance to express the information in simple terms. Moreover, for FY 2023 we have introduced a web-based tool for internal reporting that enables bidirectional communications.



Training in progress



Internal newsletter