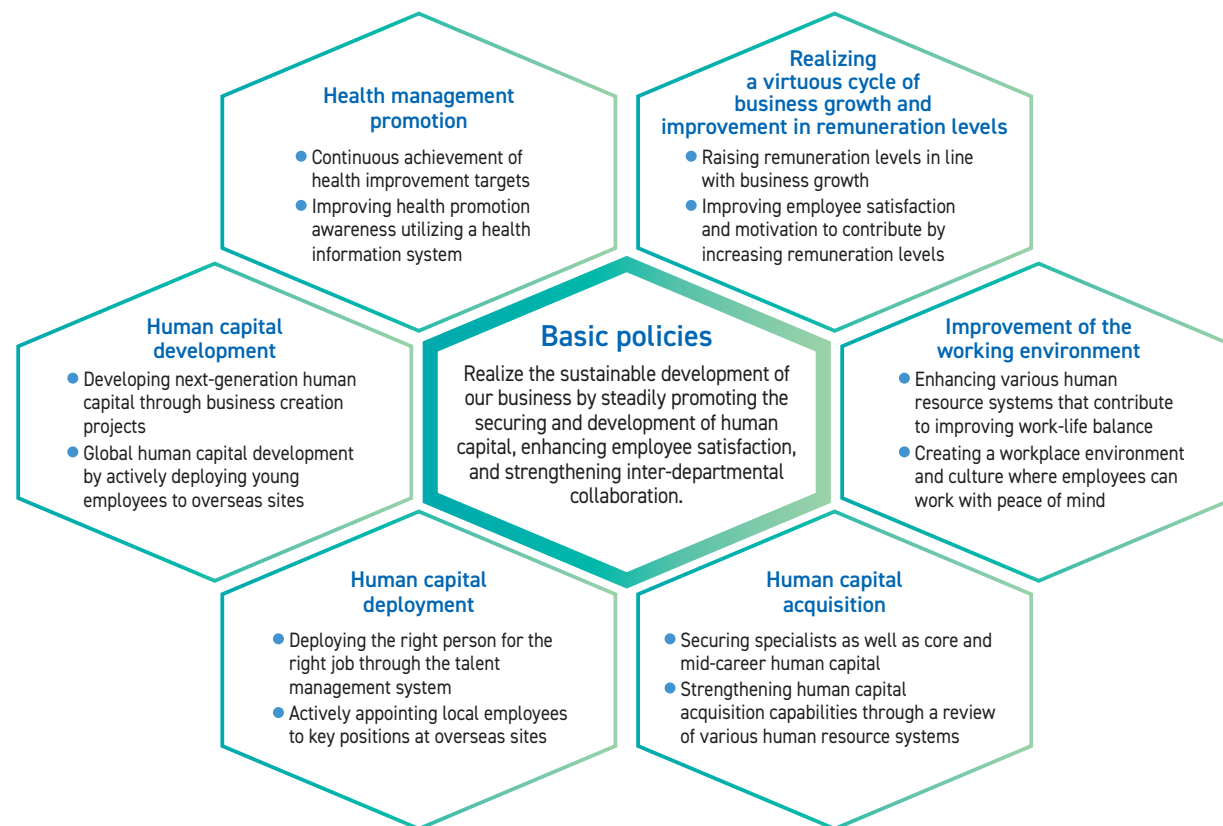


Human Capital

Approach to human capital

Under the recognition that the source of value creation is human capital, the Toagosei Group is promoting the development and securing of human capital and the creation of an environment where each and every employee can work with pride, aiming for the sustainable increase in corporate value.

Specifically, we will promote various human capital measures and active investment focusing on themes such as “realizing a virtuous cycle of business growth and improvement in remuneration levels,” “improvement of the working environment,” “acquisition, deployment, and development of human capital,” and “health management promotion.” Through these efforts, we aim to realize an environment where diverse human capital can make maximum use of their abilities and experience success and growth, thereby improving employee satisfaction and labor productivity. In addition to strengthening the power of these employees, we will promote the strengthening of inter-departmental collaboration throughout the Toagosei Group, leading to the sustainable development of our business.



Realizing a virtuous cycle of business growth and improvement in remuneration levels

With a focus on business growth and enhancement, we will create a virtuous cycle: improved satisfaction through higher remuneration → increased motivation to contribute → improved productivity and business performance → distribution of profits (base salary increases).

Improvement of the working environment

Based on the belief that a working environment where employees can work with peace of mind is essential for their retention and growth, we have implemented bold human resource system reforms. Going forward, we will continue to expand human resource systems that enhance work-life balance and increase the sense of collaboration among employees, striving to foster a workplace culture where everyone can work with peace of mind.

Human capital acquisition

We strive to secure the human capital necessary to promote our business plans through the use of diverse channels and active recruitment activities. In addition to actively acquiring specialists as well as core and mid-career human capital, we are working to strengthen our human capital acquisition capabilities through a review of various human resource systems.

Human capital deployment

To pursue human capital deployment that contributes to business creation and reinforcement, we are promoting the launch of a talent management system that clarifies the requirements for necessary human capital and visualizes the skills and career aspirations of employees. Furthermore, to promote the appointment of local employees to key positions at overseas sites, we will clarify position requirements and candidate abilities, determine suitability, and then appoint the most suitable human capital.

Human capital development

We have focused on building a system that enables each and every employee to autonomously develop their career. Building on this foundation, we will focus on realizing both business creation and the development of human capital with business foresight. In addition, we will accelerate the development of overseas human capital and the business expansion of local subsidiaries by actively assigning young employees to overseas sites.

Health management promotion

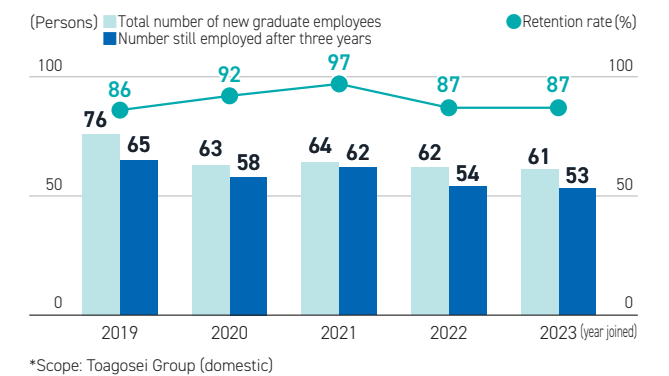
We strive for health maintenance and promotion through an enhanced health management system and a support structure provided by health staff. After achieving priority KPIs, we will further promote employee awareness by spiraling up to even higher levels of health targets.

Securing and developing human capital

Recruiting activities

To achieve sustainable growth and increase corporate value, the Toagosei Group positions human capital as its important management resource and is focusing its efforts on recruiting activities. Regardless of whether they are new graduates or experienced personnel, we value encounters with human capital who possess diverse values and backgrounds, and while opening our doors wide, we are also working to create an environment where diverse human capital can play an active role. Furthermore, from the perspective of preventing mismatches after joining the Group, we conduct exchange events with employees as well as plant and research center tours, and communicate the workplace atmosphere and the voices of employees through our updated recruitment website. In the selection process, we place importance on human capital who empathize with our corporate philosophy and have a motivation for growth.

New graduate recruit retention rate (after three years)



COLUMN

Renewal of the recruitment website

In February 2026, Toagosei completely renewed its recruitment website. In addition to ensuring further understanding of our technical capabilities, this update features content developed based on surveys to present a clearer picture of what it is like to work at the Company. Moreover, to further strengthen our recruitment of experienced personnel, which is a recent area of focus, we have also set up a new page dedicated to experienced personnel.

The website's catchphrase, “Follow your curiosity,” expresses a corporate culture where each and every employee, regardless of their generation or experience, can freely share ideas and take on challenges. We will continue to actively communicate information via our recruitment website to promote greater understanding of the Company.



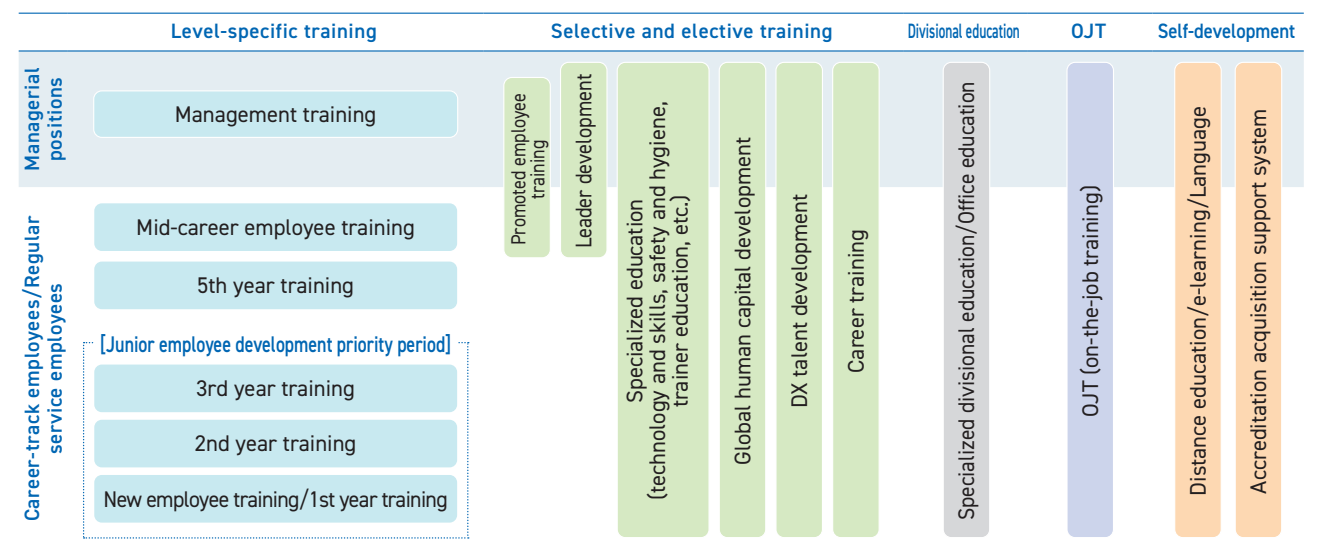
Recruitment website

Human capital development policy

Our initial focus is on helping employees develop the ability to think independently and act autonomously. In the 2028 Medium-Term Management Plan, we aim to develop a diverse range of professional human capital. To do so, we are promoting programs to develop autonomy in employees' careers and creating a culture for autonomous career development, which is fundamental to the above aim. In addition, we are also focusing on the development of

human capital who can use digital skills for operational reforms, as well as providing language training as the first step to enabling employees to flourish overseas. We also plan and operate programs that promote human resources development to enable each and every employee to take responsibility for their own growth. We also endeavor to nurture people who can contribute not only to corporate management but also to the maintenance and development of society.

Human capital development chart



Social

Development of young employees

Our Group has designated the first three years of employment as a priority period for cultivating junior employees. During this period, training focuses on developing human capital who can think and act independently, while also involving others to achieve targets. To achieve this, we implement level-specific training to provide opportunities to learn the fundamental skills of working adults, step-by-step. In addition, we are conducting training to promote the experiential learning cycle through OJT (on-the-job training) by taking what has been learned in level-specific training back to the workplace. For this, the cooperation of managers at each workplace is essential, and we are also developing a mechanism using pulse surveys to increase opportunities for interviews between managers and young employees. Working closely with colleagues gives employees the opportunity to identify their own strengths, shortcomings and areas where they can better themselves, in addition to developing connections with their peer group.



2025 new employee training

Specialized education

The Company provides training in work-related technical skills throughout the entire company to ensure that employees are fully capable at the workplace as early as possible.

In technical skill training, we promote a wide range of education from basic to practical applications, including

acquisition of fundamental knowledge with e-learning, understanding of process principles with mock-ups using operating simulators, and hands-on training with instruments, equipment and mini-plants. These types of training help to strengthen a trainee's analytical ability and response capability, in addition to increasing their sensitivity, such as in detecting abnormal signs, responding to abnormal events and identifying their causes. Rather than simply having employees attend lectures, overall we aim to ensure that training sessions and workshops involve many opportunities for discussions between lecture participants. By designing these sessions to ensure active communication, we are working to develop a mindset of independent learning.

In safety and health training, we are enhancing the use of VR and simulation equipment to increase sensitivity through hands-on safety training, to cultivate capable human capital of maintaining safe and stable operations, and to transfer the required technologies and skills.

Career autonomous development support

Our Group provides Career Autonomous Development Support to enable each and every employee to plan out a vision for their own career, and take action toward fulfilling it. We are expanding the scope of eligibility for career training by rank every year. Since 2024, we have been working to expand opportunities for career discussions with internal nationally qualified career consultants. In addition, with the aim of enabling them to support their subordinates in self-understanding and self-growth, we conduct "Career Workshops" for employees in managerial positions. Going forward, we will expand these workshops beyond managers to provide all employees with opportunities to learn about their careers more freely.

Furthermore, we provide support for self-development so that employees are able to select and acquire the required skills themselves. We are expanding the range of e-learning courses to enhance learning opportunities. In addition to an assistance program under which the Company pays for the cost of distance education, English learning apps, and open seminars, we encourage employees to improve their capabilities by encouraging them to acquire official accreditations through our assistance program for qualification acquisition.

Diversity promotion

Global human capital

The development of global human capital is essential for the Toagosei Group to accelerate its overseas expansion. International communication has become increasingly important, given the rise in the number of overseas business trips and online meetings. To address this, we provide English training program aimed especially at improving speaking skills so as to build a firm foundation for business communication with overseas partners. Training began in 2023 with 22 employees selected from our operating departments. The format was changed to an application-based participation system, and in 2024 and 2025, sessions were held with more than 10 participants each year. By making this a program where employees with greater motivation to learn and more autonomy participate, it has led to higher achievements.

Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Our general business owner action plan under the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace extends for five years from 2026, and includes the following goals that we have set.

- Maintain new graduate female hiring ratio of 30% or more among new career-track employees and 20% or more among general service employees during the plan period
- Increase the percentage of women in managerial positions to at least 10% by December 31, 2030
- Strive to expand the job categories available to female general service employees at manufacturing sites
- Achieve a childcare leave usage rate for male employees of 80% or higher
- Maintain average monthly overtime and holiday work hours at approximately 10 hours

In addition, to create an environment in which diverse human capital can play an active role regardless of gender, we will implement initiatives to raise awareness in the organization and provide forums for interaction between female employees across different departments.

Greater choice of workplaces where women can display their capabilities

The Toagosei Group positions diversity promotion as a key management issue and is strengthening the expansion of job categories for women and their participation in decision-making levels.

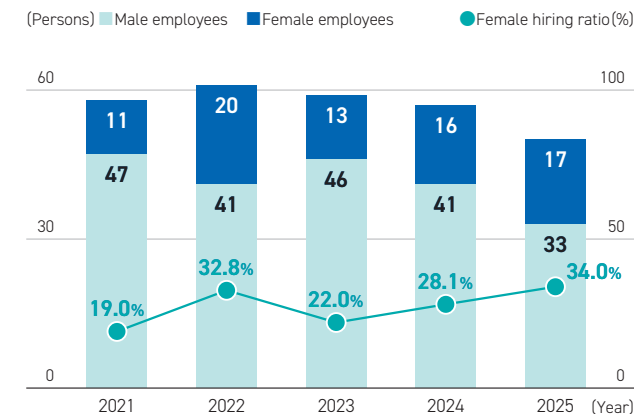
In 2025, the appointment of women to general manager positions was realized, making career paths to management levels clearer. The percentage of women on the Board of Directors reached 18.1% as of the end of March 2026, and a system is being established where diverse perspectives are reflected in management decisions.

In addition, we have established a system in which female employees participate in recruiting and promotion interviews, striving to build an evaluation process characterized by fairness and transparency. By incorporating multifaceted perspectives, we are proceeding with the creation of an environment where women can work on their career development with peace of mind.

Furthermore, we are further advancing the assignment of women to areas such as sales and operations departments, where the ratio of women has traditionally been low, and are working to develop future candidates for female managers.

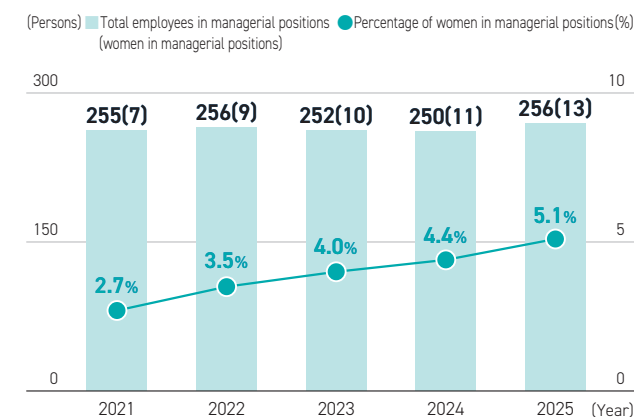
Going forward, through the provision of diverse opportunities for experience and the enhancement of development measures, we will continue to strive to further strengthen the organizational foundation where women can play an active role over the medium to long term.

Employment rate of women among new graduates in past five years



*Scope: Employees registered at Toagosei

Percentage of women in managerial positions in past five years (as of December 31 each year)



*Scope: Employees registered at Toagosei

Active senior human capital

In 2013, the Group extended the mandatory retirement age from 60 to 65 by introducing a system for retirement at 65.

Aiming for a workplace environment where senior human capital can continue to work with even greater motivation and a sense of fulfillment, in 2026, we improved salary levels for those aged 60 and over, in addition to the base salary increase for all union members. Furthermore, under our objectives management system, we have established and are utilizing new criteria to evaluate the inventory of intangible assets, such as the technologies and experience employees have cultivated over their careers.

In our existing career training for employees in their 40s and 50s, we provide support for promoting autonomous career development by helping participants reevaluate their own values and judgment criteria while clarifying their future work styles and career visions. We will continue to improve the workplace environment so that employees can achieve self-realization with a sense of fulfillment well into the future.

VOICE

Communication improvement workshops at each business site

As a trend common across the Company, it has been pointed out that there are instances of a lack of smooth communication between veteran and younger employees, particularly at production sites, due to an insufficient depth in the mid-career layer. There were also issues such as the maintenance and improvement of motivation across manufacturing sites as a whole. In response to strong requests from site supervisors to improve the current situation, the implementation of effective measures at each plant was required. Consequently, in 2025, we started a communication improvement program utilizing LEGO® SERIOUS PLAY® at the Kawasaki Plant, followed by a session at the Hirano Plant. Going forward, we will continue to plan and manage workshops while identifying issues specific to each site through interviews and other means at each plant.



Scene of the workshop

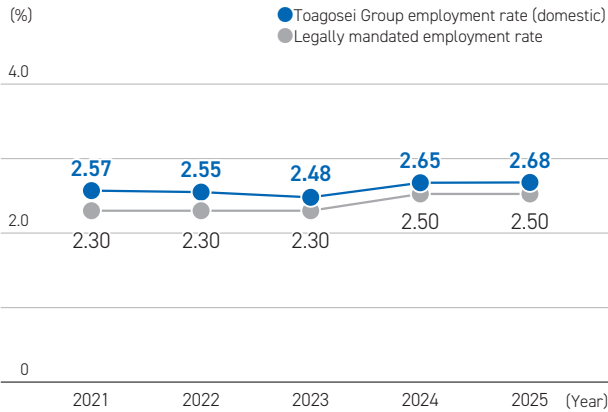
Social

Employment of persons with disabilities

People with disabilities across a wide range of age groups, from their 20s to their 60s, play active roles at business sites throughout Japan.

While working to expand job categories so that even more people can participate, we have also introduced diverse work styles, such as flextime and teleworking, to support autonomous ways of working suited to each individual. The Group's employment rate of persons with disabilities was 2.68% as of the end of 2025, and with the goal of further increasing this rate, we will strengthen collaboration with employment support organizations and Hello Work while also striving to improve the workplace environment.

Employment rate of persons with disabilities in past five years (as of December 31 each year)



Promotion of work-life balance

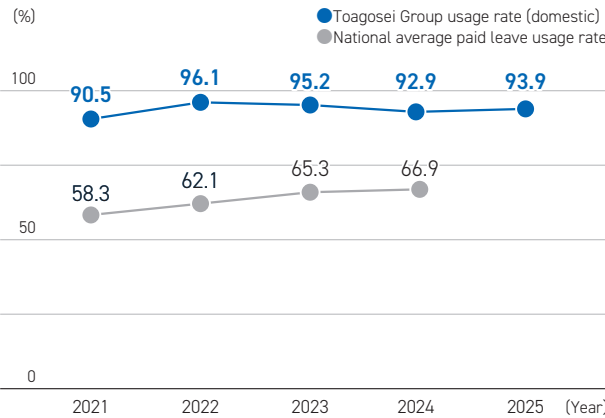
Flexible work styles

Our Group works on various human resource system reforms based on the belief that when employees spend their days feeling fulfilled in both their personal and professional lives, they can apply their abilities to the fullest, which leads to the growth and development of our business.

Main initiatives for flexible work styles

- Encouraging employees to take annual paid leave
 - Sending emails regarding leave usage rates to the employee and their supervisor
- Introduction of an annual leave by hourly increment system
 - Enabling annual paid leave to be taken in one-hour increments
- Introduction of a teleworking system
 - Working from home or other locations in one-hour increments for up to 10 sessions per month

Percentage of annual paid leave usage



*National average paid leave usage rate: General Survey on Working Conditions (Ministry of Health, Labour and Welfare)
*The Group permits annual paid leave past the statutory expiration date (up to 40 days) to be retained, and this figure has been calculated including the amount of this leave that has been taken.

From the perspective of work-life balance, we encourage employees to actively take their annual paid leave. We operate a follow-up system that includes sending emails to encourage leave usage to eligible employees who have not met certain usage criteria and their supervisors. As a result, we have successfully

fostered a culture where employees can take annual paid leave whenever necessary, and the usage rate has maintained a level exceeding 90% for seven consecutive years since 2019. Furthermore, by recommending flexible work styles, we aim to foster an autonomous corporate culture and improve productivity through the development of various systems.

Support in balancing work with parenting/nursing care

The Toagosei Group is also committed to supporting employees in balancing work with parenting and/or nursing care. Regarding support for balancing work with parenting, we have established a system to enable employees to extend their childcare leave until the end of March after their child reaches the age of three if they are unable to enroll their child in a daycare center. We have also established the "Childcare Balance Support Leave (up to 10 times per year)," which enables employees to take leave for reasons such as when their child is feeling unwell. In addition, our support system for balancing work and nursing care has abolished the upper limit on the period for shortened working hours for nursing care, and the number of days granted for nursing care leave has been increased to a maximum of 20 days per year, which exceeds statutory requirements. From 2024, we added "Infertility Treatment" to the approved uses for the Retained Annual Leave System in addition to parenting and nursing care, and are advancing the development of systems that can cater to a wide range of employee life events.

Main initiatives for support in balancing work with parenting/nursing care

- Expansion of the Leave System for Spouse Relocation
 - Expanded to include domestic transfers in addition to international ones. Maximum of three years.
- Establishment of leave/vacation systems exceeding statutory requirements
 - Nursing care leave is granted for up to 20 days per year
 - Childcare leave can be extended until March 31 after the child reaches the age of three if they are unable to enroll in a daycare center
- Financial support measures
 - Providing a certain percentage of remuneration for a portion of the nursing care leave period
- Expansion of uses for the retained annual leave
 - Added infertility treatment in addition to parenting and nursing care

Considerations for transferred employees

Amid increasingly diverse value perceptions and lifestyles, we are advancing the expansion of human resource systems related to transfers to create an environment where employees can work with peace of mind at their assigned locations and perform at a higher level. We have introduced a transfer postponement program for employees who meet the specified childcare and nursing care requirements and wish to apply for it. At the same time, for employees who do transfer, we provide transfer allowances and have implemented a system that effectively reduces out-of-pocket housing costs for those assigned to workplaces away from their families to zero. While aiming to reduce the burden of transfers, we strive to create an environment where employees subject to relocation can assume their new posts with a positive mindset.

Results of the engagement survey and their utilization

Since 2019, we have been conducting regular engagement surveys to continuously ascertain how employees feel about work environment congeniality, including work-life balance, as well as job satisfaction, including pride in their work and their sense of growth. As a result of our efforts to promote flexible work styles and our support for balancing work with childcare and nursing care, employee satisfaction regarding work environment congeniality is trending upward. Going forward, we will focus on improving satisfaction regarding job satisfaction. We aim to improve employee engagement by helping each and every employee develop a future vision and implementing various support measures to realize it, while also enhancing our talent development programs.

Employee happiness (out of 100 points)	2022	2023	2024	2025
	66.6	66.2	67.7	68.4

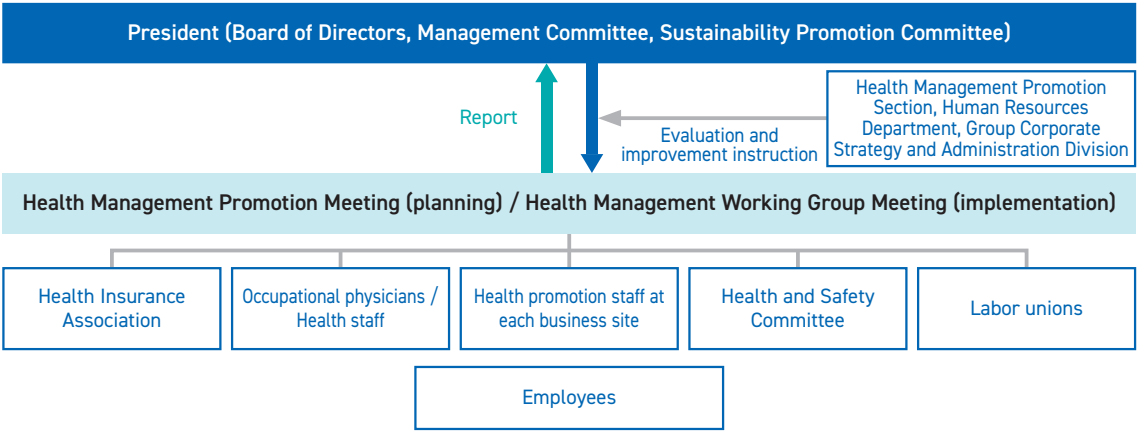
*Scope: Employees registered at Toagosei

Health management promotion

Systems and initiatives relating to the promotion of health management

Good health is necessary for employees to work comfortably and with vitality, be filled with energy, and demonstrate creativity. Therefore, efforts to maintain and improve employee health can be described as building the foundation for our business activities. The Group holds the Board of Directors meetings to

establish annual goals for promoting health management. We check our progress towards achieving final goals (KPIs) and discuss improvements based on our health management strategy map. In line with this policy, occupational physicians, health staff, the Health Management Promotion Section, the Health Insurance Association, Health and Safety Committee, and others cooperate organically to promote health enhancement measures, working to reduce the disease risk for each individual employee.



Promotion of disease prevention

We focus on the prevention of lifestyle-related diseases to ensure that employees can work with vigor and vitality without health concerns. The health management system is used to increase the sophistication of health management by promoting appropriate health guidance for each individual employee through the monitoring of employee health status and identification of issues by health staff. We have also introduced a web-based health consultation service, which allows employees to consult anonymously with their healthcare providers. In addition, we are focusing on encouraging thorough health examinations aimed at accurately understanding health conditions and the early detection and treatment of diseases. In our efforts to promote smoking cessation, we have implemented

a smoking ban on company premises from October 2025, in addition to running a quit smoking campaign to support those trying to quit smoking, accelerating our efforts to maintain and improve employee health.

Health maintenance and promotion

As our initiatives to maintain employee health in 2025, we focused on establishing exercise habits and conducted walking events, offered subsidies for gym membership, and offered subsidies for club activities. In addition, we are planning and implementing seminars and lectures from occupational physicians tailored to the circumstances at each business site. It has been three years since we began hosting walking events, and they have now become a regular event in the Toagosei Group calendar.

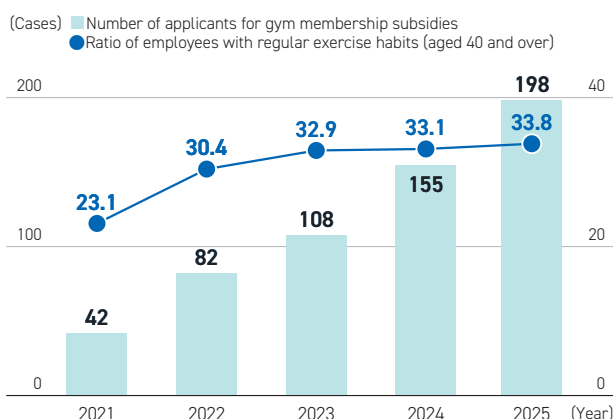
Social

Hosted as a team event, the event is helping to revitalize communication both within and across teams, and promote exercise habits and motivation to exercise by ranking performance by team. New initiatives are included every year, such as the simultaneous hosting of a photo contest using photos of scenery taken when walking, and the number of participants is increasing year on year. The number of applicants for gym membership subsidies is also increasing every year, and as a result, the ratio of employees who exercise regularly continues to rise.



Eating habit improvement seminar

Ratio of employees with regular exercise habits (aged 40 and over)



*Scope: Toagosei (consolidated, domestic)

COLUMN Initiatives for improving eating habits

With the aim of improving awareness of eating habits, we conducted VegeCheck® measurement sessions to visualize vegetable intake. As a result, following a survey, approximately one in five employees who had no intention of improving their diet decided to think about reviewing their diet, while approximately one in six to seven employees who had thought about improving their diets but had not taken action responded that they had improved their diets.

To sustain these achievements, we will continue to promote initiatives aimed at improving lifestyle habits for the health of our employees from the next fiscal year onward.



Sports yell company certification

We were certified with "Sports Yell Company 2026" as a company actively engaged in promoting sports as a means of promoting the health of employees. This certification program is run by the Japan Sports Agency with the aim of promoting sports for the generation in the prime of life and fostering social momentum for sports. This program recognizes companies that are actively promoting sports activities to improve employee health.



Health and Productivity Management Outstanding Organization Certification

We have been certified as an Excellent Corporation for Health Management under the Certified Health & Productivity Outstanding Management Organization Recognition Program since 2019. Moreover, this year we were certified as a "White 500" company, a title reserved for the top 500 certified companies. This program is implemented by the Ministry of Economy, Trade and Industry (METI) in collaboration with Nippon Kenko Kaigi (the Japan Health Council), which is comprised of leaders from the business community, medical-related organizations, and local governments, to recognize corporations that are implementing particularly excellent health management practices.

We will continue to strengthen our health management practices as we regard the physical and mental health of each employee to be an important asset.



COLUMN Office renovation

Aronkasei has renovated its Head Office with the aim of promoting and branding its corporate value, revitalizing communication, and improving productivity. Under the concept of "an office that people want to visit, want to show, and where people connect," the company abolished assigned seating and introduced free-address seating. Additionally, it established an exhibition area where the appeal of company products can be experienced first-hand, as well as a multi-purpose space that can be utilized for casual meetings and social gatherings.

The introduction of free-address seating promotes communication among employees who do not normally interact, and regular exchange events are held in the multi-purpose space to facilitate interaction. Furthermore, the exhibition area is used for product promotion and branding, such as by introducing company products to customers in combination with various usage scenarios.

