

Investment in human capital

Message from executive officer responsible for human resources



Koji Shibata Executive Officer

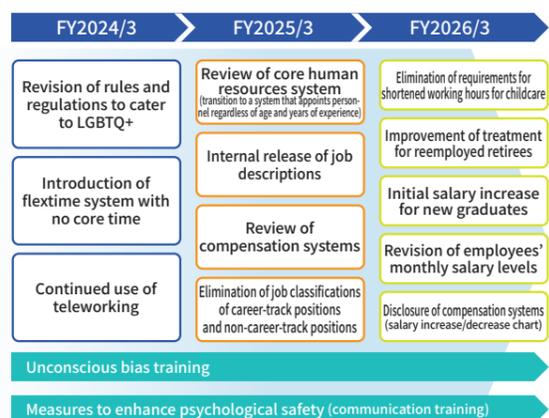
A company that believes in the growth potential of each employee and interacts with them in a warm and kind manner

It has now been two years since the start of the Corporate Culture Transformation & Human Resources Medium-term Plan that aims to become “a company that employees can take pride in.” In this section, we interview Executive Officer Koji Shibata, responsible for human resources, about the current state of the Company’s human resource strategies and the future outlook.

Q Please tell us about the plan’s progress to date.

We are a company that sees “human resources as our most important capital.” As the Company’s business itself undergoes a major transformation, the Company and each employee are also called upon to change. We believe that the growth of each employee and the maximization of their capabilities can lead to organizational growth and development and creation of platforms and opportunities for them to grow. To drive this virtuous growth cycle, we have focused on creating an organization where diverse human resources can flourish and where everyone can achieve growth across these past two years, and reviewed our systems and sought to change mindset across the organization with a sense of speed. FY2026/3, the final year of the Corporate Culture Transformation & Human Resources Medium-term Plan, will be an important year for steadily implementing the Plan based on systems and mechanisms we have worked on to date and successfully transforming it to our cultural employee engagement.

● Key initiatives



Q What challenges have you encountered to date?

Up until now, our systems for human resources have been based on a conventional employee profile. For example, our systems for ratings, assessments, and rotations were based on rigorous criteria of “how it should be,” while there were also requirements for certain types in terms of workstyles and achievements. As a result, employees who did not fit these types struggled to fully demonstrate their capabilities, which in some cases led to them leaving the Company altogether. Although we promoted the idea that human resources were our most important capital, we need to reflect on the fact that we were not fully realizing their potential. As such, we focused on the creation of comfortable workplace systems that would enable individuals with diverse values and backgrounds to maximize their capabilities.

Q Please tell us about the Company’s initiatives to promote employees’ skills development and growth.

Alongside the creation of comfortable workplace systems, we have also worked to “create an organization where everyone can achieve growth.” For employees to be glad to work for the Company, in addition to a comfortable working environment, it is also paramount that they can gain a sense of self-growth. This is why we promote measures for “career autonomy.” Specifically, we aim to encourage employees understand their strengths and values, and independently think, make selections, and take action for their careers based on this understanding. Our role in promoting career autonomy is to work alongside our employees, provide them with the relevant information and opportunities,

and support them through internal systems. Specifically, we offer career meetings, internal open recruitment systems, internal internship program, and more. We also take care to allow employees to accumulate experience that is in line with their interests and values. It is when employees feel that they are with us out of choice that their confidence and trust in the Company increases. Our aim is to build an organization in which employee growth and company growth go hand in hand.

Q What was behind your decision to set the employee engagement score as a non-financial indicator?

We believe that enhancing employees’ autonomy can improve entire organizational engagement, and in turn lead to new ideas and innovation. The Company underwent significant transformation with changes in its major shareholders during this fiscal year. This might have created a sense of unease among employees about the future. To counter this, we held numerous detailed discussions between management and the workforce. As a result, we feel that, over the course of six months, this sense of unease has gradually lifted. Recently, we have set up an engagement improvement taskforce under the direct control of the President and are rolling out the cross-departmental initiatives. While continuing to analyze the factors that contribute to

lower engagement scores, we will move forward with companywide activities and workplace initiatives.

Q What makes “a company that employees can take pride in”?

“A company that employees can take pride in” contains our ideal workplace vision we aim for. We want to create a company that employees can boast about to their families and friends with words like “The company I work for is nice,” or “I’m happy to be in this company.” Fundamental to this is, in a rather old-fashioned phrase, “a company that values its employees.”

This of course does not mean a company that is soft on its employees. With full belief in the growth potential of each of our employees, we expect them to dedicate themselves to their expected roles and achievements. We then interact with them in a warm and kind manner and work to grow alongside them. It is relationships of trust like this that can create “a company that employees can take pride in.” That is, one where they find meaning in their work and one that they are inspired to talk about. This is the key to driving the Company forward. It may take time for this approach to thoroughly take root. That said, we will steadily move forward with initiatives toward achievement of the Group Vision 2030.

Message from outside director

Career self-reliance to facilitate innovation and challenges—Creating workplaces to be proud of

In the final year of the Medium-term Plan 2025, which pursues “innovation and challenges,” the achievement of the “Corporate Culture Transformation & Human Resources Medium-term Plan,” which was formulated in line with the Company’s business strategies, is growing in importance. As major changes in our business environment continue, the key to growth and development is creating “a company that employees can take pride in.” The Company continues to actively engage in various activities to enhance its organizational capabilities, including dialog between the management team and employees, introduction of various human resource measures, and employee support for career self-reliance.

I recently had an opportunity to interact directly with employees who all had an interest in developing their careers. I have a strong expectation that those diverse individuals, regardless of gender, age group, and background, who had a strong desire to grow and improve their contribution to the organization, can drive organizational reform. In the future, I look forward to the Company’s ongoing efforts to



Takako Hagiwara
Representative Director of DDD Corporation

build internal workplace relationships that support employees’ personal growth.

In the era of so-called career self-reliance, aligning individual growth with corporate development can lead to improved engagement, which in turn can be the driving force behind the improvement of corporate value. It is important that the organization’s course of action and vision is in line with employees’ motivation, and that there is constant communication to support this association. This leads to supporting ambitious employees who are not afraid to change, who believe in themselves, and who are willing to continue taking on new challenges. I look forward to seeing that a motivated workforce seeking constant growth will become the driver of the Company’s continuous reform, growth, and development.

Basic policy

We have identified “investment in human capital” as one of the material issues to realize our Group Vision, and we are working on formulating a human resources portfolio in line with our business strategy and implementing measures to fill gaps.

For investment in human capital, we are mainly carrying out initiatives in the following areas: ensuring diversity of HR; HR and organization development to achieve sustainable growth; and improvements to engagement.

Basic policy for HR development

Human resources are the greatest asset in the Group’s businesses. We aim to improve corporate value over the medium- to long-term by bringing the most value out of human resources. To this end, we will develop HR, organization, and corporate culture transformation strategies that are linked to our business strategies. Based on these strategies, we will strive to be a company in which diverse personnel can maximize their potential, feel satisfied in, and can take pride in. In other words, a company and organization filled with highly engaged employees. To achieve our Group Vision of “Be a solution company leading the next-generation circular economy” formulated in April

2023, we aim to be a company that is chosen by diverse personnel by improving the well-being of employees that continue to take on challenges and grow.

Workplace environment improvement policy

Based on our basic policy for HR development, we will develop an in-house environment in which diverse personnel can maximize their potential and play an active role. In doing so, we will implement a variety of measures with the aim of becoming a company that employees can take pride in (a company and organization filled with highly engaged employees).

Creating an organization where diverse personnel can play an active role

Ensuring diversity of HR

We have hired talent with expertise and experience in various fields through business expansion into new business areas. As a result, our organization is made up of diverse personnel. We will further promote the creation of an environment in which diverse personnel can truly play an active role from both aspects of systems and corporate culture.

used regardless of the child’s age. We also introduced a remote work system that allows employees with individual circumstances, such as nursing care for relatives, to continue working. Through these measures, we are striving to create an environment where employees with various circumstances can continue working.

Expanding systems that support flexible workstyle

In addition to actively utilizing the remote work system to accommodate diverse workstyles, we have also introduced a system that allows for flexible workstyles, enabling employees to leave work in the middle of the workday (such as to take time off work for childcare). In April 2025, in order to meet the needs of employees facing various childcare issues, we removed the age limit for the reduced working hours for childcare system, which had previously been limited to children up to the third grade of elementary school, revising the system so that it can be

Becoming a company where women can play a more active role

While the ratio of female managers has improved, diversity in decision-making remains an issue. We consider this as one of our top priority management issues, and have set it as a non-financial indicator (achieve a 10% ratio of female managers as of the end of March 2026). To achieve this, we are working to improve both the workplace environment and the recruitment and systematic development of employees.

Creating systems and environments that support the active participation of senior personnel and people with disabilities

In April 2025, we revised the compensation of senior employees utilizing our employment extension system after retirement, now offering them the same level of compensation as pre-retirement employees according to their roles and performance. These changes are designed to keep up their motivation to take on challenges. In the employment of people with disabilities, we are working to provide a comfortable work environment. In addition to employing them at our own farm for farming jobs, we also have workplace adaptation supporters within the Company (job coaches stationed in-house).

● Status of employee diversity (non-consolidated)

	End of 2023/3	End of 2024/3	End of 2025/3
Ratio of mid-career recruits	47%	49%	47%
Ratio of female employees	37%	39%	41%
Ratio of female managers	5.5%	6.7%	8.5%
Ratio of employees with disabilities	2.38%	2.53%	2.43%

Non-financial indicator

Creating an organization where everyone can grow

HR and organization development to support sustainable growth

We are committed to developing human resources who can continue to contribute to the Company’s transformation and growth by taking on challenges on their own and also excel in pursuing customer satisfaction, with the aim of empowering each and every employee to acquire a high level of expertise, the ability to act autonomously, and the ability to respond to changes in the market environment. Based on the Group Vision 2030, we will formulate a human resources portfolio in line with our business strategy and systematically work on human resources and organizational development to fill the gaps. We will actively invest in the personnel necessary to achieve this.

HR management measures to support the transformation of organizational culture

To realize Group Vision 2030, we are developing employees that take on the challenge of transforming themselves and continue to grow. To this end, we have established standards of behavior expected of employees and introduced a behavioral evaluation system based on these standards. We are also transforming our personnel and compensation systems to focus on work-centered HR management.

Further details on our key initiatives
<https://www.necap.co.jp/csv/employees.html>
 (available in Japanese only)



● Key initiatives

Establishment of standards of behavior and introduction of behavioral evaluation	We have outlined five categories in the standards of behavior: “customer oriented,” “self-development,” “taking on challenges,” “speed,” and “open communication,” and are encouraging behavioral change through evaluation and feedback.
Transition to a role-based grading system (from Oct. 2024)	Role-based grades and compensation, regardless of age or experience, promoting flexible talent deployment by eliminating job category distinctions.
Internal release of job descriptions throughout the Company	Improving transparency in career development by clearly indicating the expected results and required skills for each job type and rank.
Review of the compensation system	Shift to a compensation system that increases job satisfaction, including salary increases based on market levels, revisions to starting salaries for new graduates, and an increase in the monthly salary ratio.
Continued implementation of management training (from FY2024/3)	Strengthening of management capabilities related to evaluation and development and support to instill the systems in the workplace.
Systematic development of future executive officer candidates	Annual review of future executive officer candidates, sharing and discussions of the status of their abilities, skills, and experience, as well as future growth and development challenges among management executives, and sending employees for training and implementing job assignments.

Column Shifting to a compensation system that enhances job satisfaction —Reviewing the grading and compensation systems—

With the aim of transforming our organizational culture and promoting human capital management, in FY2025/3 we changed from the previous skill-based grading system to a role-based grading system based on roles, and revised our system to appoint and provide compensation for the most suitable personnel regardless of age or years of experience. Starting from FY2026/3, we visualized the salary increase framework, and clarified the amount of salary increase or

decrease based on the evaluation at each grade. We have also increased the ratio of employees’ monthly salary to their annual salary, creating an environment where employees can grow and take on challenges without being affected by fluctuations in business performance. We are taking measures to create an organization where each employee can experience growth and where diverse personnel can sustainably demonstrate their abilities.

Expanding HR development systems that promote autonomous career development

Based on the belief that the growth of each employee leads to the growth of the Company, we are working to create an environment where each employee can proactively think about their own career and grow.

training as nationally certified career consultants, thereby creating a system where employees can receive advice and consulting from in-house experts whenever necessary. This encourages employees to think for themselves about the direction of their personal growth

① “The sense of security that there is a place to talk about career concerns”

— Establishment of a career support desk

To support employees in autonomously developing their careers, we established a career support desk in July 2024 provided by in-house career experts that have completed



Career consultants who support employees in their career autonomy

and career development in the future, and encourages them to take the first steps toward achieving fulfilling careers. Employees have commented that “Just being able to talk to someone about my career made me feel more positive” and “It gave me the courage to take the first step.” We also revised the system that had previously been implemented as a self-reporting system. We provide employees with an opportunity to share their goals and career path with their superiors in the form of a career sheet that allows them to take career inventory and organize their roles and growth challenges.

2 “The Joy of Taking on Work I Want to Do”
— Introduction and expansion of the HR open recruitment system

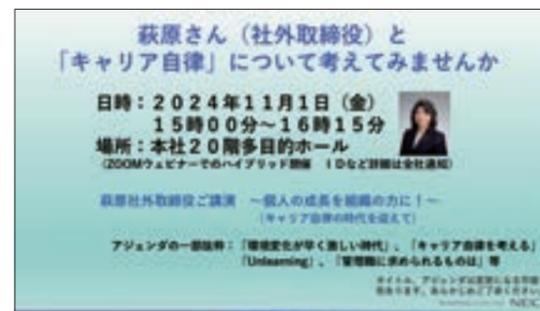
We believe that, “people perform at their full potential and that they can see things through to the end even in difficult situations, when they are assigned to work that they want to do.” In keeping with this, in addition to the company-led personnel transfers based on the self-reporting system implemented up until now, we introduced an HR open recruitment system in FY2023/3, which enables employees to proactively request personnel transfers. The number of departments and positions available has increased with each open recruitment, growing to 29 departments and 52 positions in FY2025/3.

3 “Experiencing the work of other departments broadened my horizons”
— Launch of internal internship program

In FY2025/3, we started implementing an internal internship program that allows employees to gain short-term experience working in other departments and learn about the work, people, and attractiveness of the workplaces of these departments. We received applications from 82 employees, more than 10% of our entire workforce, which exceeded our initial expectations. Through this program, we were able to meet our

employees’ expectations for the creation of growth opportunities. Participating employees commented that the program was not only useful for considering their career path, but also beneficial in improving their current job performance by learning about work in other departments that is related to their current work.

4 Lecture on thinking about career autonomy
We held a lecture led by outside director Hagiwara, which was attended by 350 employees. The lecture delivered a powerful message about the importance of paving one’s own career path and of each individual being a key player in the workplace in the current era of career autonomy.



Internal announcement signage for the lecture

HR development systems that promote career autonomy

Initiatives	FY2025/3 Results
Career support desk	Used by 18 employees
Internal internship program	Openings in 27 departments/ 82 applicants
Internal open recruitment system	52 positions open in 29 departments/24 applicants
Lecture on thinking about career autonomy	350 participants

Column Expanding HR open recruitment system

Employee interview > **Employee A** Used the HR open recruitment system to transfer from the vendor finance department to a real estate-related department (at NCS RE Capital) in 2024.

Q What motivated you to use the system?

A During the four and a half years in my previous department, I was able to learn the basics of leasing and installment sales. I wanted to develop my expertise in a different area next, so I started by working in three departments through the internal internship program. Experiencing the work of other departments was very helpful in choosing the department I wanted to work in. In the end, I applied through the HR open recruitment system, which allowed me to choose my own career path.

Q What changed after your transfer?

A The content of my work has changed significantly, to the point where it feels like I have changed

jobs. Now that I am involved in the real estate field, the project review process is complex and I learn something new every day, but I find it very rewarding. In the future, I would like to propose new schemes that meet customer needs and become more deeply involved in the business.

Q How did you feel going through this system?

A I feel that our HR systems have continued to evolve over the years, giving employees more career options. With our diverse range of businesses, there are many opportunities to take on new challenges. These internal programs allow employees to pursue what they want to do and provide a chance to build a new career within the company.

Transforming into a Company Employees Can Take Pride In — Enhancing Engagement —

Management-led initiatives to improve engagement

The Company regularly conducts employee engagement surveys to monitor our reforms to be a company where employees feel satisfied in and can take pride in, as outlined in our basic policy for HR development, and make improvements under the PDCA cycle. We share the company-wide engagement score and key points for improving the engagement score among all members of senior management. We also share the results of each division and department among the executive officers and general managers (of divisions and departments) in charge to improve these scores on a company-wide and individual workplace basis. The Company also has a system that links employee engagement scores to the performance evaluations used to determine the full-time directors’ compensation, and our management team are also committed to improve these scores.

In FY2026/3, the final year of the current Medium-term Plan, we will continue improvement efforts with the goal of ranking in the top quartile among participating companies in Japan in the engagement survey. In addition to company-wide and workplace-level initiatives, we will establish cross-functional task force teams of mid-level employees to drive engagement improvement across the company.

Employee engagement score (non-consolidated)

FY2023/3	FY2024/3	FY2025/3	FY2026/3 (Target)
21%	21%	17%	34%

Non-financial indicator

* Based on a survey by Mercer, a global HR consulting firm. The score of 34% represents the score level for the top 25th percentile of the Japanese company participants.

Column A culture of trust and taking on challenges born from open dialogue

In FY2024/3, we started holding dialogue sessions with directors for all employees. In FY2025/3, with the aim of achieving more open dialogue, we limited the number of participants to 10 people per session and devised a way to divide them by rank, and held a total of 74 dialogue sessions. We will continue this initiative as theme-specific dialogue sessions in FY2026/3, with

in-depth discussions on topics such as (1) business synergies with the SBI Shinsei Bank Group, (2) our future vision and direction, (3) our next Medium-term Plan, (4) HR management and development, and (5) HR systems. Through open communication, we will steadily foster a culture in which management and employees unite to take on challenges to realize our Vision.



Column Recognized as a Health & Productivity Management Outstanding Organization 2025 (large enterprise category) for third consecutive year

As our energetic employees are the source of our business activities, we believe that the mental and physical health and safety of all our employees is of utmost importance. Based on this belief, we are promoting related initiatives with our President as a responsible officer. In the fiscal year ended March 31, 2025, we waived out-of-pocket costs for health checkups and cancer screenings, and continued health literacy initiatives, including training and seminars such as an external online wellness program (“Cradle”) and mental health training. As a result, we were recognized as a Health & Productivity

Management Outstanding Organization 2025 (large enterprise category) for the third consecutive year.



Health & Productivity Management Outstanding Organization 2025 (large enterprise category)
<https://pdf.irpocket.com/C8793/KHnJ/KYtd/OF56.pdf> (available in Japanese only)

See ▶P.45 for initiatives for respecting human rights