

Human resource strategies

We will work to optimize human resources within the Group and enhance training to boost the vitality of the ISEKI Group's diverse human resources.



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The ISEKI Group is committed to human capital management, where systems and workplace environments are in place to enable employees to work with passion, and each and every employee demonstrating their knowledge, skills, and experience leads to medium- to long-term corporate value improvement. In light of this, we have set "enhancement of employee engagement" as one of our priority issues (materiality). We are also working on a variety of measures related to "promotion of diversity, equity and inclusion (DE&I) and enhancement of education" and "improvement of engagement score" to maximize the capabilities of the Group's human resources.

For the purpose of promoting DE&I and enhancing education, we have introduced the Group personnel open recruitment system to optimize human resources and raise productivity across the breadth of the ISEKI Group, and cultivate human resources who are willing to take on challenges and initiate change. Furthermore, in addition to actively recruiting mid-career professionals with superior abilities and experience in global and cutting-edge technologies, DX, and other similar fields, we have established a system that will help us secure a diverse workforce. Also, through the upgrading of employee educational programs utilizing tools such as apps, we support voluntary learning opportunities for employees and enhance their skill development.

The engagement score is an important, objective indicator of the bond between the company and its employees. Despite the current discrepancy between the overall satisfaction target and actual results, we believe that, rather than simply improving the score, we must analyze the factors that caused the discrepancy and work to improve them.

The Group will develop human resources who will play leadership roles toward its 100th anniversary of foundation in 2025 and the next 100 years through scientific human resource management.

ISEKI Group policy for human resources development and policy for workplace environment creation

Policy for human resources development

ISEKI Group believes what contributes to the solution of various issues is people, who are essential for sustainable business growth and improvement of corporate value.

The Group will direct its efforts toward the securement of core human resources to execute its business strategies, such as cutting-edge technologies and the promotion of globalization. To be a solution provider for agriculture and landscape, we will also bring out the full potential of each employee and develop human resources who actively take on challenges and bring about change, by further enhancing education programs for DX and other purposes.

Policy for workplace environment creation

Based on the Company motto of providing "a stable workplace to the employees," ISEKI Group aims to provide a safe and secure workplace to its employees as well as to create a rewarding workplace.

On the premise of respect for human rights and thorough compliance, we will work to enhance employee engagement and create a diverse, sound, and transparent workplace environment so that we can develop together with our employees.

Targets

- Ratio of female employees hired: 20% or more, active recruitment of women in technical fields
- Ratio of female managers: 7% or more (end of 2025)
- Increase in the number of foreign nationals in managerial positions (end of 2025)
- Ratio of mid-career hires in managerial positions: 7% or more (end of 2025)

Promote diversity, equity, and inclusion (DE&I) and enhance education

The ISEKI Group strives to foster an environment that enables people with diverse backgrounds and personalities to fully demonstrate their capabilities.

► Optimization of Group human resources

In 2023, we launched the operation of the Group personnel open recruitment system. Our objectives for the system are to improve productivity and organizational vitality by effectively utilizing Group human resources, and showing respect for employee autonomy to enhance engagement and career development. We will utilize the talent management system to continue optimizing the Group's human resources.

VOICE — Employees who took advantage of the Group personnel open recruitment system

Kotaro Shimokawa, IST Farm Machinery Co., Ltd.

I transferred to ISEKI & CO., LTD. from domestic sales subsidiary ISEKI Kanto Koshinetsu, and am currently working at sales subsidiary IST Farm Machinery in Thailand. My motivation for applying was the idea that I might be able to form a new career by combining the language study I engaged in as a student with my experience in domestic sales. We are committed to developing farmers and rural communities in the ASEAN region and to expanding our overseas business by leveraging the experience gained in domestic sales in providing products and services.



► Development of global talent

We are focused on personnel development toward the further expansion of our overseas business. In addition to the active dispatch of young and mid-career employees to overseas subsidiaries, in 2023 we introduced Study Sapuri ENGLISH, an online English learning application, on top of our existing training programs to enhance language learning opportunities.

VOICE — Employees active overseas Aina Miyauchi, ISEKI Europe GmbH

After being involved for about three years in the development of riding lawn mowers for Europe in the Tractor Technology Department, I have been based in Germany with ISEKI Europe GmbH since 2023, in charge of after-sales service operations and market research for product development. I gained new perspectives and broadened my horizons as an engineer by being exposed to diverse languages, thoughts, and ideas. In the future, I would like to leverage the experience I gained having been stationed overseas in designing and developing machines from a global perspective.



► Initiatives to promote active participation of women

In FY2023, to motivate female employees to pursue their careers and strengthen bonds among employees, we held two roundtable training sessions for management position candidates, with 42 participants. We will continue to boost the ratio of female managers by training management position candidates.

● Ratio of female managers

2020	2021	2022	2023	2025 (target)
3.7%	4.2%	4.1%	4.6%	7%

*Data for ISEKI & CO., LTD. (non-consolidated)

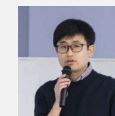
► Skill development through enhanced educational programs

We support self-development by providing a host of educational programs for the purpose of employee skill development and reskilling. We reviewed our existing distance education system and launched an online learning platform that allows employees to take approximately 12,000 different courses according to their challenges and objectives. We also expanded content, including an educational app that allows employees to consume content by audio to take full advantage of their spare time. We also dispatch our employees to graduate schools for working adults (The Graduate School of Project Design).

VOICE — Employees studying at graduate school for working adults

Yo Murayama, North America & Oceania Sales & Marketing Department, Overseas Business Division, ISEKI & CO., LTD.

Following my assignment overseas at PT. ISEKI INDONESIA, I am currently responsible for sales for distributors in North America and Oceania. In 2023, I enrolled in The Graduate School of Project Design, a graduate school where working professionals can build and plan new businesses. I am inspired by people with varying backgrounds from different industries and generations, and learn and come to new realizations on a daily basis. I feel that this is a valuable experience. I can only express my gratitude to the company, my colleagues, and my family for supporting me in balancing study and work. I have one year left in the master's program, and I will continue to enjoy myself as I give my best effort in my job and education.



► Strengthen mid-career recruitment

With the aim of enhancing our organizational strength, we are reinforcing our mid-career recruitment. The ratio of mid-career hires in managerial positions in 2023 was 8.5%. Moreover, in 2023, we diversified our recruitment system by starting career registration, return-to-job (reemployment of former employees), and referral recruitment (employee referral). We will increase the matching rate between our company and applicants, while also strengthening our organizational capabilities.

● Ratio of mid-career hires in managerial positions

2020	2021	2022	2023	2025 (target)
5.3%	5.3%	6.4%	8.5%	7% or more

*Data for ISEKI & CO., LTD. (non-consolidated)

Human resource strategies

Data related to human capital

● Indicators related to human capital

Ratio of female employees	Female-to-male pay ratio (permanent employees)	Retention rate of new graduates after three years	Utilization rate of paid leave (permanent employees)	Employment rate of people with disabilities
14.7%	73.7%	91.7%	66.6%	2.02%

*Data for ISEKI & CO., LTD. (non-consolidated)

*In the personnel and wage systems, there is no difference based on gender. Differences in the ratio of personnel by job qualification, a high rate of female employees selecting region-specific positions, and differences in the work system result in a wage difference between male and female employees.

Toward enhancement of employee engagement

ISEKI Group is working on the enhancement of employee engagement to retain talented personnel and create employees who actively engage in corporate growth. We are working primarily on the provision of a secure and safe workplace, support for career development, and development and utilization of diverse human resources. At the same time, we conduct regular engagement surveys and monthly pulse surveys to assess the status of our employees' engagement.

➤ Engagement survey target and results

	August 2023 (result)	March 2024 (result)
February 2025 (target) Overall satisfaction rate 70.0%		
Overall satisfaction rate	51.6%	49.0%
Response rate	80.2%	84.4%
Items with high satisfaction rate	Workstyle, interpersonal relationship	Workstyle, environment conducive to growth
Issues	Wage system, personnel system	Wage system, personnel evaluation system

➤ Initiatives in response to engagement survey results

The overall satisfaction rate shown by the most recent engagement survey was 49.0%. Unfortunately, there is a huge gap between the result and the target rate of 70.0%. The survey results show low rates of satisfaction with the items such as wage system, while high rates with workstyle, interpersonal relationship, and environment conducive to growth.

ISEKI Group has worked to enhance its welfare system in an effort to improve the overall satisfaction rate and introduced an open recruitment system for the entire ISEKI Group to allow employees with high motivation to expand career opportunities. In April 2024, the Group introduced the Thanks Point Program to further improve the rates of satisfaction with interpersonal relationship and organizational culture. Although the program has just been introduced, it helps employees actively communicate with each other across the departments or offices. Regarding our wage system, which is one of the issues, we will strive to improve the wage level along with improvement of profitability we pursue under Project Z and also perform an in-depth review of our personnel evaluation system.

➤ Introduction and utilization of 360-degree evaluation

In 2022, the 360-degree evaluation system for managers was introduced to facilitate the growth of personnel in managerial positions and enhance organizational capabilities. The system is intended to facilitate further growth of our managers by feeding evaluation results back to them. At the same time, we utilize evaluation results for planning a human resources development curriculum by taking into account the strengths and weaknesses of our human resources that have been identified by the results.

➤ Initiatives to realize work-life balance

ISEKI Group is promoting various measures and improving the environment for employees to allow its employees to adopt diverse workstyles that suit their stages of life. In particular, when an employee notifies us of childbirth, we let the employee and his or her supervisor know about the childcare leave system and encourage the employee to take the leave. This is intended to create an environment where both male and female employees readily take childcare leave and return to their work.

● Status of utilization of paid leave (permanent employees' average)

2022	2023
65.3%	66.6%

*Data for ISEKI & CO., LTD. (non-consolidated)

● Ratio of male employees who took childcare leave

	2022	2023
Ratio	42.1%	72.2%
Average days of leave	32 days	49 days

*Data for ISEKI & CO., LTD. (non-consolidated)

Promotion of health & productivity management

ISEKI Group announced the Health & Productivity Management Declaration in 2021 and has been certified as a health & productivity management outstanding organization (the large enterprise category) for three consecutive years since 2022. The Group also joined the Health & Productivity Management Alliance in June 2023 with the aim of promoting employees' health and improving productivity and will continue to implement initiatives to further realize employees' well-being through referring to examples of initiatives by other companies.



Health & Productivity Management Declaration

Viewing healthy and stable living of individual employees as the driving force behind the development and business activities of a corporation, ISEKI Group has engaged in maintaining its employees' health since its foundation. Looking ahead to the 100th anniversary of its founding in 2025, ISEKI Group has now declared that it will further promote health & productivity management in mutual collaboration with ISEKI Health Insurance Association and ISEKI Labor Union to ensure that all people playing active roles at the Group can spend healthy and fulfilling days.

ISEKI Group health basic policy

We will work to maintain and promote the health of individual employees and enable the enhancement of employee engagement and sustainable growth of the Group by implementing measures focusing on three kinds of health as follows:

- ① Physical health ② Mental health ③ Living health

Occupational safety and health management

Setting up "a healthy and safe workplace" as the code of conduct, ISEKI Group strives to manage occupational safety and health in a group-wide effort. Iseki Group carries out safety and health activities reflecting the actual situations of each company and office and implements safety checks at manufacturing subsidiaries to promote awareness-raising at the sites, thereby striving to reduce accident risks. The Group has established ISEKI Safety Promotion Center as a place for experiencing near-accidents and offers employees to have a simulated experience of specific occupational accidents to improve safety awareness. Since last time accidents increased at its manufacturing subsidiaries in 2022, the Group worked to improve its occupational safety control system by enhancing safety education and equipment inspections. As a result, the industrial accident severity rate for 2023 improved from the figure in the previous year.

● Statistics of industrial accidents: severity rate (%)

2020	2021	2022	2023
0.000	0.004	0.260	0.016

*Severity rate: Number of work days lost per 1,000 working hours

*Scope: ISEKI & CO., LTD. and its three factories in Japan

Policies Concerning Safety

"Safety takes precedence over everything"
– promoting initiatives to achieve "zero"
industrial accidents –

Implementation of risk assessment based on risk-prediction activities

- Identifying risks and hazards in operations, taking risk reduction measures, and thereby preventing accidents from occurring.

Provision of safety education

- Thoroughly entrenching awareness of safety once again through education provided at the Safety Promotion Center so as to build a framework that prevents any industrial accidents.

Respect for human rights, Prohibition of discriminatory treatment

▶ Basic Policy (Fundamental concept)

It is stipulated in ISEKI Group Code of Ethical Behavior to "respect basic human rights and not engage in any act of discrimination or harassment on the grounds of nationality, race, creed, gender and disabilities." The Code of Ethical Behavior is distributed to all employees. The Group instructs them to, among other things, "always respect human rights of others by periodically providing employees with education" and "pay extra attention to their speech and behavior so as not to commit acts that ignore others' human rights, such as harassment."