

Special
Feature
2

The Nankai Group Human Resources Strategy Leading to Value Creation:

Investing in People to Achieve Innovation in the Nankai Style

Direction regarding human capital management

Our Group regards human resources as our greatest asset, and we believe that people are the source of corporate value creation. Based on this idea, we actively invest in people and promote human capital management initiatives.

Nankai Group Human Resources Strategy

To further accelerate our efforts in human capital management, our Group formulated the Nankai Group Human Resources Strategy in FY2024, which is linked to our management strategy. The relevant human resources strategy consists of a human resources acquisition and development policy and an internal environmental improvement policy. The themes for human resources acquisition and development are "Diverse human resources and enhancing diverse expertise" and "Promoting shared values within the Group and improving skills," while those for internal environmental improvement are "Creating an environment where people can work with energy and good health" and "Creating an environment that fosters innovation." Based on these

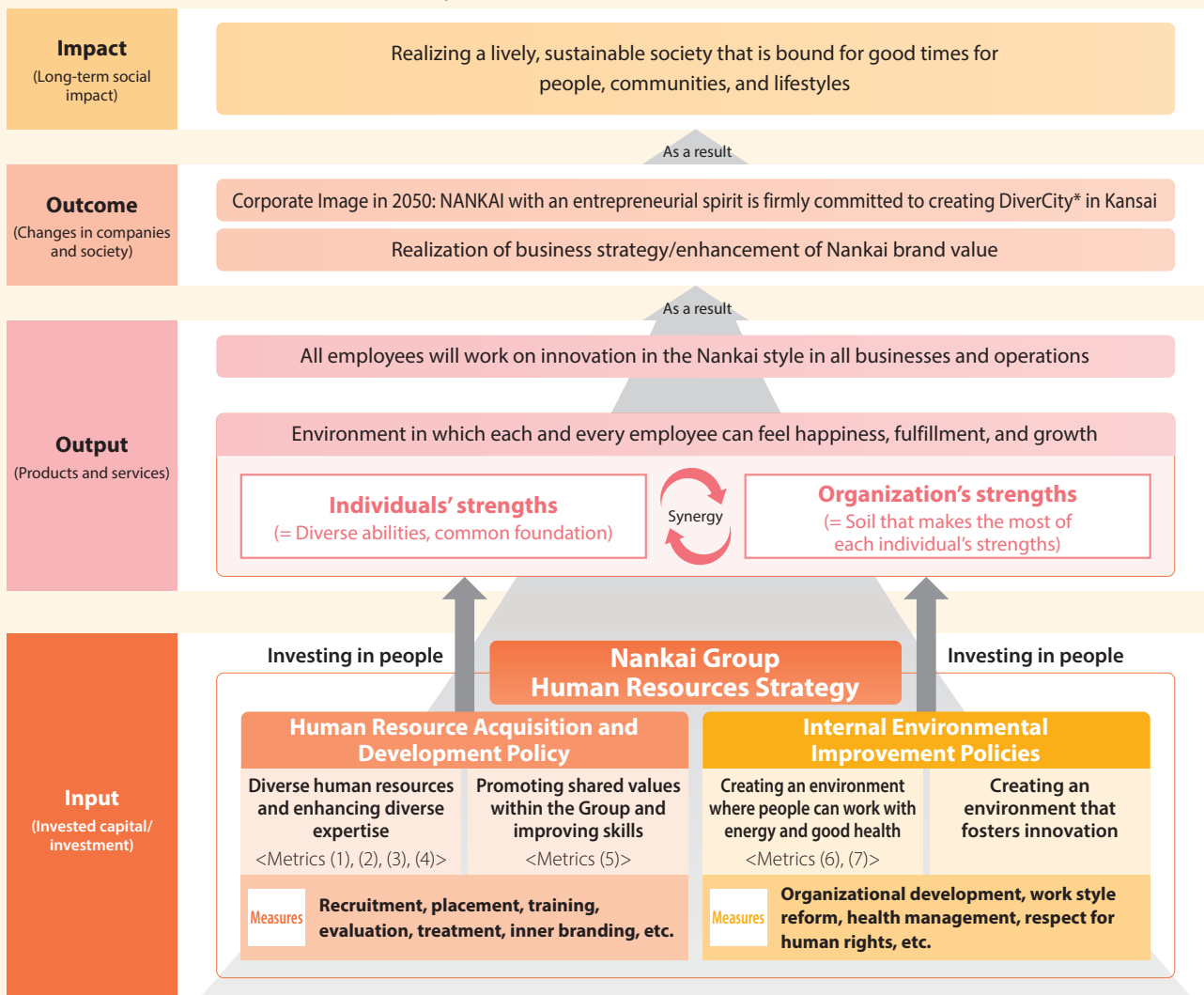
themes, we will plan and implement various human resources measures.

Based on our human resources strategy, or "investment in people," we aim to create an environment in which each and every employee can feel happiness, fulfillment, and growth. In addition, by creating an environment in which a diverse range of human resources can work with energy, we hope to achieve a situation in which all employees—regardless of their business, duties, or position—work on innovation in the Nankai style.

By enhancing our most important assets—our people and organizations—we hope to realize our business strategies, increase our value as a sustainable company, and achieve the goals of a sustainable society and the Corporate Image in 2050 that our Group has set for itself.

By implementing human resource strategies, we will create an environment in which people who work for the Nankai Group feel that it is bound for good times. Not only that, but by having both employees and the company grow together, we will connect with the "Bound for Good Times" of society and customers.

Nankai Group Human Resources Strategy: Connecting the "Bound for Good Times" in working people to the "Bound for Good Times" in society and customers



Metrics (1) to (7) are listed in the table on p. 51, "Investing in people to work on 'innovation in the Nankai style.'"

Please see the following URL for information on our Human Resource Acquisition and Development Policy and Internal Environmental Improvement Policy:

https://www.nankai.co.jp/en/sustainability/materiality/05human_resources/human_resource_strategy

Special Feature 2 The Nankai Group Human Resources Strategy Leading to Value Creation: Investing in People to Achieve Innovation in the Nankai Style

What is innovation in the Nankai style?

Innovation in the Nankai style is what we call the innovation that our Group aims to achieve by having each and every employee take a fresh look at the business and operations they are currently involved in and by capturing and realizing what society and customers really want, no matter how big or small. By addressing

these issues, we believe we will be able to achieve results such as business creation, value enhancement of existing businesses, and business reform. All employees will work on innovation in the Nankai style across all businesses and operations to realize the vision of the Nankai Group.

Innovation that the Nankai Group strives for (innovation in the Nankai style)

To take a fresh look at the businesses and operations we are currently working on, and to recognize and achieve what society and our customers really want, no matter how big or small.

1 Business creation

- Development of new businesses and services in new fields and peripheral fields of existing businesses

2 Value enhancement of existing businesses

- Increasing revenue and profits
- Reviewing the business structure
- Improvement of customer satisfaction, recognition, and attachment

3 Business reform

- Contribution and support for business activities, business creation, and value enhancement of existing businesses
- Fundamental review of business processes, effective use of time (reduction of effort)
- Improving ease of understanding and accuracy, etc.



e-sports business



Web-based advance reservation service for assistance from railway staff

Investing in people to work on innovation in the Nankai style

The Group's investment in people is based on its human resource acquisition and development policy and its internal environmental improvement policy. The themes for human resources acquisition and development are "Diverse human resources and enhancing diverse expertise" and "Promoting shared values within the Group

and improving skills," while those for internal environmental improvement are "Creating an environment where people can work with energy and good health" and "Creating an environment that fosters innovation." Based on these themes, we will implement measures to address these issues.

In addition, we will establish metrics for each policy and monitor the progress and results of our initiatives.

Theme	Measures	Metrics	Target	Results (FY2023)
Human Resource Acquisition and Development Policy	Diverse human resources and enhancing diverse expertise	(1) Proportion of female managers (consolidated) ^{*1}	Improve to about 10% (by FY2030)	5.9%
		(2) Proportion of women among newly hired employees (consolidated) ^{*1}	Improve to about 30% (by FY2030)	26.5%
		(3) Management Course ^{*2}	Maintain at more than 40% (by FY2026)	44.8%
		(4) Proportion of managerial positions filled by mid-career hires (non-consolidated)	Maintain at or above the FY2021 level (7.4%)	11.1%
Internal Environmental Improvement Policies	Promoting shared values within the Group and improving skills	(5) Proficiency level of innovation skills (non-consolidated)	30% of the total number of people reach the target level (by FY2026)	17.6%
		(6) Average acquisition rate of annual paid leave (non-consolidated)	Maintain at more than 90% (by FY2026)	96.6%
		(7) Rate of male workers who have acquired childcare leave, etc. or leave for childcare purposes (non-consolidated)	100% (by FY2030)	91.1%
Creating an environment where people can work with energy and good health	- Initiatives to improve employee satisfaction (ES) - Work style reform - Support for childcare and nursing care - Health management (mental and physical health promotion)		We are currently considering appropriate metrics for each theme.	
Creating an environment that fosters innovation	- Appropriate resource allocation (people and time) - Creating an organizational culture (Purpose-oriented, psychological safety, etc.)			

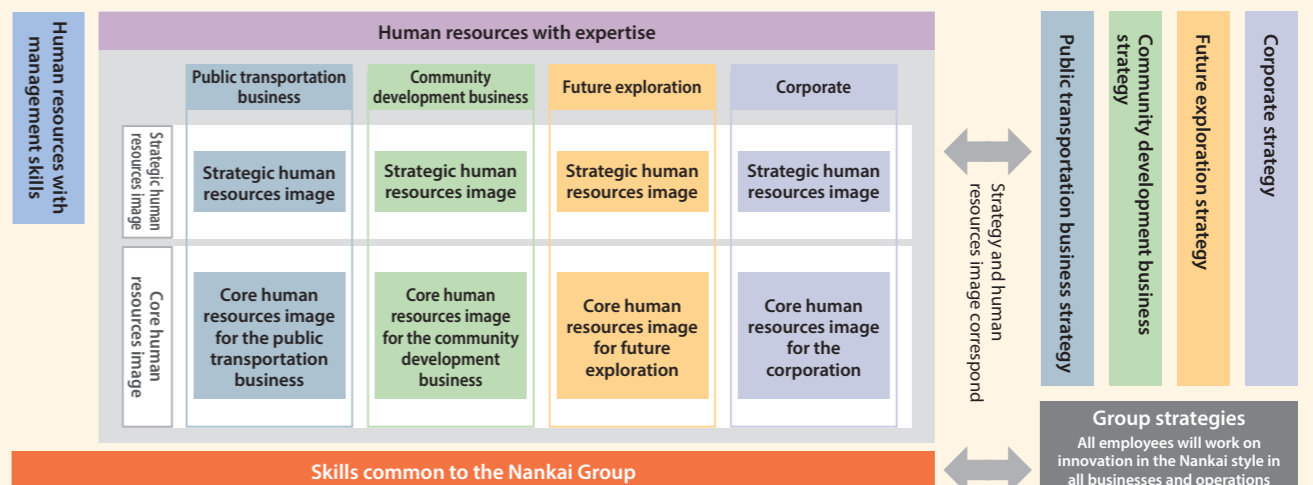
*1 Our company and 52 consolidated subsidiaries *2 Career path to become managers and human resources with management skills

The ideal image of human resources for the entire Nankai Group to realize management strategies

Our Group consists of a wide range of companies in the fields of transportation, real estate, distribution, leisure and services, construction, and other businesses. In order to respond to changes in society and customers in each of these businesses and transform our businesses accordingly, we will continue to secure and develop both human resources with management perspectives and skills (human resources with management skills) and highly specialized human resources with expertise in each business (human resources

with expertise).

In addition, we have divided human resources with expertise into two categories: strategic human resources, which lead the development of new strategies for each business, and core human resources, which are primarily responsible for existing businesses and operations. In particular, to strengthen the acquisition and development of strategic human resources, we have defined the skills and experience we seek in the strategic human resources image and established a strategic human resources portfolio. We are monitoring the acquisition and development of these resources to build up our strength with the aim of realizing our business strategy.



Skills needed across the Nankai Group

In order to work on innovation in the Nankai style, our Group has defined the skills that all employees should acquire as "basic skills." In addition, we have defined the skills that are desirable to increase the number of people processing them to promote future business strategies as "advanced skills."

In particular, we have established an innovation skills proficiency metric that shows the ability and skills to engage in innovation based on the following among the development skills: "business creation skills" and "data utilization and digital skills." Furthermore, we are implementing measures to improve employees' skills so that the number of employees who reach the target level will increase.

