

# Japan Airport Terminal Group's Human Capital Management Initiatives

(Detailed Version)

## Basic Concept of Human Capital

Tokyo International Airport (hereinafter “Haneda Airport”), the business base of the Japan Airport Terminal Group (hereinafter the “JAT Group”), is the gateway to Japan’s skies where the movement of people, industrial enterprise, and cultures intersect. The terminal has to develop and evolve further going forward by enhancing airport terminal functions, etc. to cater to the 60 million overseas visitors. Against this backdrop, the JAT Group has set forth **enhancing** the personnel, DX, financial, and other elements of the **management base** in addition to **enhancing the earnings base**. Regarding human resources, we are aiming for a team of highly competent personnel and maximization of organizational strength, and in the medium-term sustainability plan, we selected human resource development and the promotion of diversity, equity, and inclusion (DEI) as material issues and are working to address them.

The JAT Group recognizes that our most important capital (human and intellectual capital) are those human resources with advanced expertise and knowledge in all aspects of airport management, who demonstrate a frontier spirit in the constantly changing airline industry. We believe, their power will enable us to realize our long-term vision: To Be a World Best Airport.

## Basic Concept of Human Resources Strategy

In **enhancing the earnings base** under the medium-term business plan, we have set the three pillars of

1. **Growth of the airport business**, which would capture future airline demand, the growth driver, without failure,
2. **Establishing a foundation for regrowth** by promoting reform and innovation in light of the COVID-19 pandemic, and
3. **Expanding the earnings base** to expand into business in new fields other than airport passengers.

For the growth of the airport business and establishing a foundation for regrowth, professionals in airport management, which the Company has in abundance, are required to acquire a wider range of specialized knowledge and skills than ever before.

In order to expand the earnings base, it is necessary to acquire and nurture human resources with independence and initiative to take on the challenge of new business areas where we are lacking. All these strategies call for the generation of new ideas and collaboration with business partners including those from different industries and therefore we believe that it is important to be an organization where diverse human resources can demonstrate their abilities.

Moreover, with labor shortages caused by the dwindling birthrate affecting society as a whole, it is necessary to enhance human productivity; mobilization of all generations and collaboration with DX strategy are therefore indispensable.

In light of these, we will push forward a human resources strategy (recruiting and developing, and development of the internal environment) for building human capital (human resources and organization) that can pursue the following five points.

- (1) Professionals with knowledge and experience specific to airport management
- (2) Human resources with independence and initiative who can act with a clear sense of purpose
- (3) An organization in which diverse human resources with different backgrounds can demonstrate their abilities
- (4) An organization that continues to learn and grow on all levels
- (5) Human resources and organizations promoting DX strategies

The JAT Group will continuously make human investments necessary for the human resources strategy, and promote **human capital management** that converts the human investments (the input) into strengthening of human capital (output) and in turn to high revenue and profits (outcome) in the form of management results.

## Gist of the Human Resources Strategy

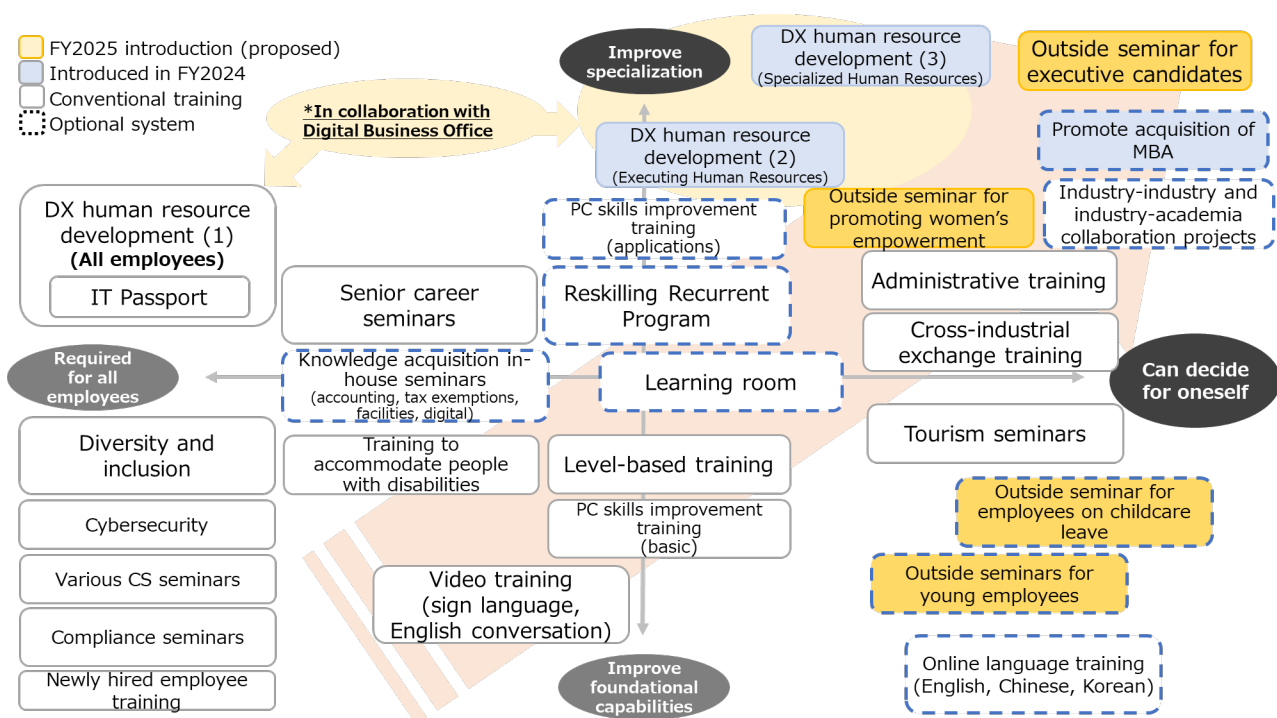
### 1. Recruiting and Developing Human Resources and Improvement of Productivity

In accordance with the basic concept, the JTA Group will focus on people, both from Japan and abroad, with expertise in fields such as architecture, science, and engineering when hiring new graduates. We are also strengthening the mid-career hiring of individuals with various experiences and abilities to make our core human resources more diverse. Our **human resource development policy** is to **foster human resources who can think and take on challenges on their own**. In accordance with this policy, in terms of training, we have introduced voluntary programs including acquisition of MBAs and other systems that support autonomous learning. These programs are shifting from a focus on the conventional uniform training for all to selective training focused on skills enhancement and DX human resource

development. Further, to transform employee awareness and behavior, we have deployed the Plus One Promotion activities throughout the Group. This encourages employees to think of new improvements and changes in their current work, and enhances work engagement. We are also increasing external assignments as opportunities to acquire new ideas. The JAT Group has been reviewing the treatment of its senior staff such as raising the retirement age. We have also started an online learning program, fully funded by the company, that can be used by them for a period of one year upon completion of senior career seminars, to help them autonomously build their careers.

We are also appropriately allocating personnel to operation of terminal.0 HANEDA, an inter-industry collaborative research and development center, expertise business, and to industry-industry and industry-academia collaboration projects for business expansion into new areas.

We will secure these and other personnel needs resulting from the pandemic by recruiting more employees and retaining them through appropriate improvements to working conditions. We also aim to realize our management strategy with an efficient personnel structure through efforts to improve capabilities and engagement, and **increase productivity** through greater efficiencies driven by DX, and other measures.



## Retaining and developing digital human resources

In terms of the human resources that support JAT Group's DX promotion, we will continue with internal development by hiring new graduates and nurturing existing human resources while supplementing this with mid-career hires capable of making immediate contributions. To develop such human resources, we have formulated a human resources development plan and defined the necessary skills and knowledge. We are working to improve IT literacy by promoting the acquisition of IT Passports and other basic knowledge, as well as through the provision of online learning for all employees.

	Required Knowledge and Skills			Human Resource Development Policy
<p><b>DX human resources</b> [DX technologies education]</p>	Ability to resolve issues using digital technologies	Ability to digitalize business processes	Expertise	In addition to inculcating business knowledge and IT skills related to the Company's business, we will develop human resources who can use a range of specialized knowledge, including the latest digital technologies, and promote various measures based on DX strategies.
<p><b>DX executing human resources</b> [DX business education]</p>	Ability to promote the use of digital technologies	Ability to design businesses and operational processes	Ability to manage projects	We will develop human resources able to examine issues within their own departments, and plan and promote competitive digital businesses together with DX specialists.
<p><b>All employees</b> [DX literacy education]</p>	Ability to use digital technologies	Ability to interpret data and derive conclusions	Basic knowledge	In addition to improving basic IT skills, employees will acquire a DX mindset that enables them to proactively resolve issues and implement reforms, as well as data literacy enabling them to interpret and use various types of data.

## 2. Improving the Workplace Environment

As our business is supported by the movement of people from across Japan and around the world, we need to foster a highly inclusive organizational culture in which all employees accept diverse cultures and values, and respect each other. This ensures that the customers coming from different parts of the world can use our services with peace of mind and in comfort. In addition, to promote globalization and business expansion across the Group, it is essential to maintain an environment that recognizes and respects diversity. We thus have set up an **internal environment development policy** for **creating a corporate culture in which diverse human resources motivate one another**.

Reflecting this policy, we are promoting DEI, which involves maintaining a high rate of female managers and hiring foreign nationals and people with disabilities, while also implementing activities to promote work style reforms led by young employees, to create a comfortable and rewarding working environment.

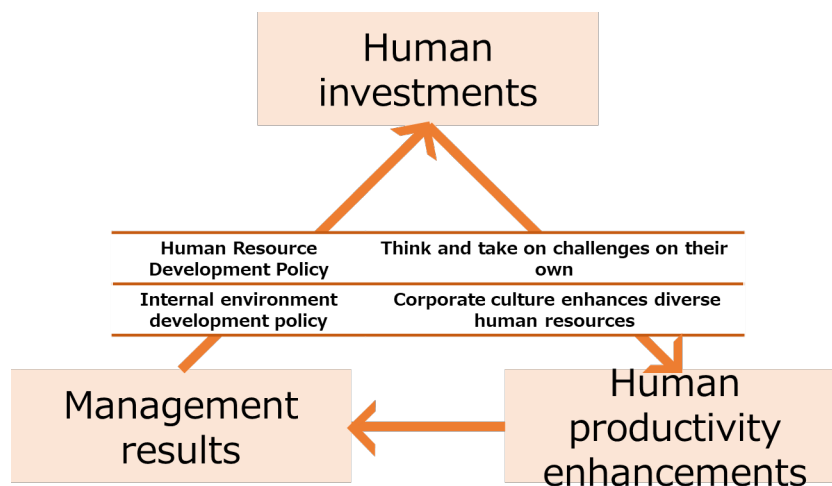
We also carried out office reforms that encouraged corporate-wide communication and introduced well-being aspects in fiscal 2024, aiming to achieve high productivity and take on new challenges in a sustainable manner.

## Progress of the Human Resources Strategy

In carrying out human investments necessary for realizing the Human Resources Strategy, the JAT Group started conducting employee engagement surveys at Japan Airport Terminal from fiscal 2024 as well as PDCA management that addresses the issues related to human resources so as to link the human investments (input) with improvement of human productivity (output). Further, the improvement in human productivity from better engagement is aimed at building a virtuous cycle of management results (outcomes), such as growth in sales and profits, and we intend to continue confirming the correlation between them.

The engagement index\* in the fiscal 2024 survey was a high **82.5** (out of 100). We will continue to implement the employee survey and plan to gradually expand it to include other Group companies.

**\*The engagement index** is defined as the average score from the questions related to **engagement**, motivation, and empathy with philosophy and vision, measured based on the situation where the growth track of the individual and the organization are intertwined, with employees feeling motivated and rewarded by work and are able to proactively engage in work for realizing the business strategy.



## 1. Major indicators associated with human investments (management results → human investments)

Investments related to retaining human resources (i), (ii), and (iii), investments related to developing the ability of employees (iv) and (v), and investment related to creating opportunities to take on new challenges (vi) and (vii) are as follows: All figures are on a non-consolidated basis.

Human investments which increased in fiscal 2023 expanded further in fiscal 2024.

	Fiscal 2023	FY2024
(i) <b>Number of new graduate hires</b>	21	21
(ii) Number of mid-career hires	6	9
(iii) Average salary	7,987,000 yen	8,662,000 yen
(iv) Training expenses per person*	53,000 yen	92,000 yen
(v) <b>Participation in senior learning program</b>	9	11
(vi) <b>Number of employees transferred to external organization or to co-creation projects</b>	25	31
(vii) <b>Participation in optional training and education programs</b>	234	147

\*Results for fiscal 2024 include those of the digital training that was fully launched from fiscal 2024.

## 2. Major indicators that measure the correlation between human investments and human productivity (human investments → human productivity)

Results of the engagement survey regarding indicators related to ability and efficiency (i), (ii), (iii), (iv), and (v) and indicators related to taking on new challenges (vi) and (vii) are as shown below. All figures are on a non-consolidated basis.

Scores that indicate growth and productivity of employees are high, and we will continue to verify the correlation as to whether the human investments including ability development and offering of opportunities to take on challenges have led to improvements in employees' abilities and productivity and to a culture of taking on challenges.

We had been providing training that encourages employees to take on challenges and offering opportunities. However, compared with the score of employees who feel they should actively take on new work or projects, the score of employees who actually made use of the opportunity is low. We will therefore increase the opportunities to take on challenges even further in the future.

	Fiscal 2023	FY2024
(i) <b>Engagement index</b>	—	82.5
(ii) <b>Perception regarding own growth</b>	—	74.3
(iii) <b>Those with qualifications eligible for allowance</b>	153	155
(iv) <b>Perception of organizational productivity improvement</b>	—	62.0
(v) <b>Total actual working hours per year</b>	1,801 hours	1,833 hours
(vi) <b>Index related to new challenges</b> (Employees who would like to take on challenges)	—	74.1
(vii) <b>Index related to new challenges</b> (Employees who actually took on challenges)	—	56.0



### 3. Major indicators that measure the correlation between human productivity and management results (human productivity → management results)

The number of employees, both non-consolidated and consolidated, has increased since 2021, and the per capita revenues and profits generated are higher than the pre-pandemic figures.

We will continue to verify the correlation as to whether high engagement and productivity of employees have led to management results.

(Unit: million yen)

Fiscal year	2019	2020	2021	2022	2023	2024
Employees (non-consolidated)	290	264	251	272	293	314
Personnel (consolidated + temporary + dispatched)*1	5,379	4,031	3,299	3,595	4,565	4,768
Operating revenues (consolidated; former standard)*2	249,756	52,572	67,380	139,037	276,995	342,815
Operating income (consolidated)	9,892	-59,020	-41,255	-10,579	29,527	38,557
Non-consolidated revenues per employee	861	199	268	511	945	1,092
Non-consolidated operating income per employee	34	-224	-164	-39	101	123
Consolidated revenues per personnel	46	13	20	39	61	72
Consolidated operating income per personnel	2	-15	-13	-3	6	8

\*1 The number of temporary and dispatched employees is calculated based on the number of hours worked in the final month of the fiscal year.

\*2 The Accounting Standard for Revenue Recognition and other standards have been applied since the beginning of fiscal 2021. However, for the purpose of year-on-year comparisons, operating revenues and related indicators calculated using previous standards are also shown.

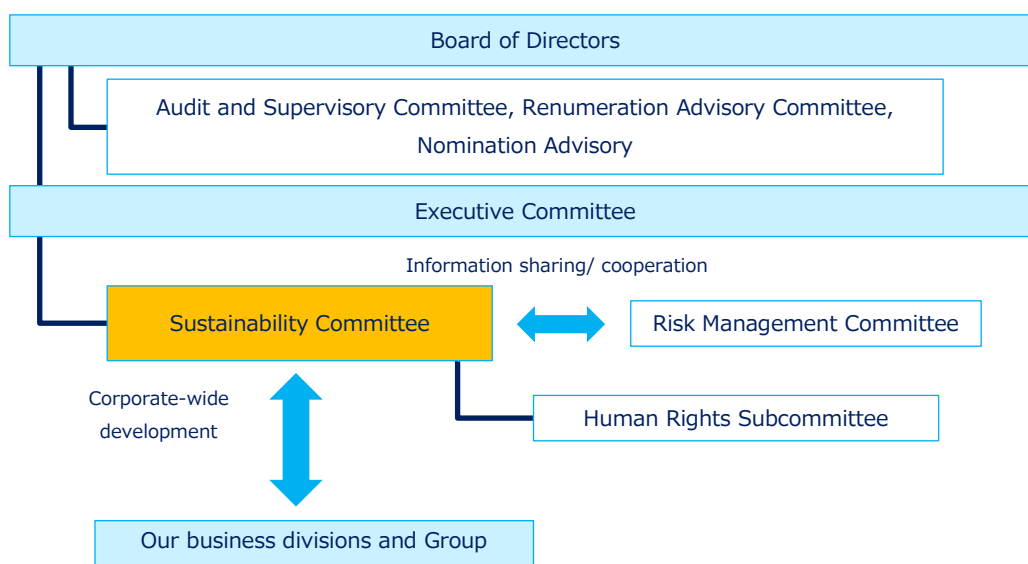
## Promotion System

The JAT Group has established the Sustainability Committee, chaired by the president and representative director and comprising executive officers, to ensure the steady implementation of the Medium-term Sustainability Plan.

While the human resources-related initiatives are being promoted primarily by the General Affairs & Human Resources Division, the Sustainability Committee confirms the progress in addressing material issues once every six months, and the committee also discusses human resources development and DEI promotion.

We have also established the Risk Management Committee, chaired by the president and representative director and comprising executive officers, to ensure steady implementation of risk management, and have designated insufficient human resources, lack of training, low engagement, and insufficient promotion of DEI as priority risks. The committee verifies the status of human capital once every six months also from the perspective of risk management.

The report on the progress of these initiatives is discussed at the Executive Committee, and subsequently is semiannually reported to and deliberated by the Board of Directors, which supervises the progress.



## Metrics and Targets, and Results

The JAT Group has set forth appropriate metrics and targets regarding human resource development policy and internal environment development policy, and manages their progress. The results for fiscal 2024 are as follows.

Indicators regarding human resource development policy “Human resources who can think and take on challenges”			
Indicators	Target year	Results (previously posted)	
		FY2023	FY2024
External assignment, dispatch to co-creation project	Improving by year	25 people per year	31 people per year
Participation in industry–industry and industry–academia projects	Improving by year	4 people per year and 24 in total	7 people per year and 31 in total
Number of employees on external assignment	Improving by year	21 people a year	24 people a year
Participation in optional training and education programs	Improving by year	234 people per year and 484 in total	147 people per year and 631 in total
Number of participants in the “Learning ROOM” in-house training academy	Improving by year	84 people per year and 114 in total	59 people per year and 173 in total
Number of participants in internal knowledge acquisition seminars	Improving by year	150 people per year and 370 in total	88 people per year and 458 in total
Number of employees with qualifications eligible for allowance	Improving by year	153	155
IT passport acquisition rate: 100%	FY2024	31.0% (Cumulative number of employees with qualifications: 60)	33.9% (Cumulative number of employees with qualifications: 75)

Indicators regarding internal environment development policy “Corporate culture enhances diverse human resources”			
Indicators	Target year	Results	
		FY2023	FY2024
Maintain a <b>40%</b> rate of female managers	FY2027	38.8%	37.0%
Childcare leave acquisition rate among male employees: <b>100%</b>	FY2027	88.9%	88.9%
Average length of childcare leave taken by male employees	-	27.0 days	21.1 days
Gender wage gap (all employees)	Narrowing every year	84.7%	83.0%
Gender wage gap (full-time employees*1)	Narrowing every year	87.2%	83.6%
Gender wage gap (part-time employees*2)	Narrowing every year	48.2%	70.7%
Employment rate of people with disabilities: 6.6%	FY2025	3.6%	5.1%
Ratio of foreign employees	Result management	2.4%	2.2%
Rate of mid-career employees promoted to management roles	Result management	35.3%	36.2%

[Scope of aggregation] Japan Airport Terminal Co., Ltd. on a non-consolidated basis (314 employees as of the end of fiscal 2024)

\*1 Excluding those who have been seconded

\*2 The sum of the number of department manager-class non-regular employees and counselors who are brought in from outside the company (including people with disabilities)

At JAT, there is no wage disparity between men and women doing the same work. We have analyzed the main factors below. All figures are as of the end of fiscal 2024.

#### (1) Full-time employees

The differences in average age (43.1 years old for men, 37.6 years old for women) and average length of service (13.8 years for men, 12.3 years for women) do not appear to have a significant impact on the wage gap. Moreover, we are promoting more women to managerial positions, and the ratio of women in these positions is approximately 37%, although the ratio at the level of department head is only around 20%, and the difference in the number of men and women being promoted to higher managerial positions is likely to be affecting the wage gap.

To improve the situation, in fiscal 2023 we introduced a one-on-one mentoring system by senior executives for male and female employees who are seeking section manager-level positions and have been strengthening training for upper management positions.

Starting in fiscal 2024, we dispatched four female employees to outside seminars to promote awareness transformation, improve motivation and encourage female employees to think based on management knowledge and considering their own, the company's, and society's situation and push forward by involving those around them. Moreover, since fiscal 2022, we have been conducting seminars and programs for promoting women's empowerment featuring female leaders with experience serving as top management. In fiscal 2024, seven female employees in managerial positions have participated in the mentor-mentee program.

#### (2) Part-time employees

Among our part-time employees, there are only three mid-career hires (including those with disabilities; two male and one female employees), and there is no wage difference between men and women. That said, the majority of department manager-class non-regular employees and counselors who are brought in from outside the company are men. The wages of department manager-class non-regular employees and counselors are about twice as high as those of the part-time employees, due to the nature of the job and the level of responsibility. The difference in the gender composition of these two positions therefore affects the wage gap.

## Situation at Group companies with 101 or more employees (results for FY2024)

Name of Group companies (abbreviation)	ART	COS	JLO	JTC	HAE	HAS	HPS
Rate of female managers	18.6%	0.0%	28.6%	5.0%	75.9%	12.5%	18.2%
Childcare leave acquisition rate among male employees	—	—	80.0%	85.7%	—	75.0%	—
Gender wage gap (all employees)	74.5%	72.6%	70.1%	73.8%	84.3%	91.0%	74.8%
Gender wage gap (full-time employees)	74.2%	85.1%	98.8%	84.2%	85.8%	83.8%	74.5%
Gender wage gap (part-time employees)	82.6%	77.9%	87.2%	78.9%	68.7%	—	—
Number of employees	361	277	189	293	541	160	288

\*Official names of the Group companies

ART Tokyo Airport Restaurant Co., Ltd.

COS Cosmo Enterprise Co., Ltd.

JLO Japan Airport Logitem Co., Ltd.

JTC Japan Airport Techno Co., Ltd.

HAE Haneda Airport Enterprise Co., Ltd.

HAS Haneda Airport Security Co., Ltd.

HPS Haneda Passenger Service Co., Ltd.

\*- denotes no applicable employee

The number of employees of the eight companies including JAT account for about 84% of the total of consolidated employees.

## Dissemination and Disclosure

JAT will disclose the progress in initiatives for human capital management in a timely and appropriate manner in its Annual Securities Report, Integrated Report, and corporate website.

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