

In March 2024, the first year of the new medium-term management plan (FY2024-FY2026, hereinafter referred to as the "new medium-term plan"), I was appointed as the person in charge of Group Human Resources Strategy, a position that was newly established as part of the management system reform. My role is to lead the formulation and implementation of human resources strategies aimed at achieving the goals of the new medium-term plan, taking a medium- to long-term perspective to strengthen human capital, while approaching things differently from the way our human resources department operated in the past. In today's world, where the business environment is changing at a dizzying pace and predicting the future is challenging, we must maximize the value of our human capital, which is an important growth driver, and respond quickly to new market needs in order to achieve sustainable growth. In our human resources strategy, we will focus on the three main themes of enhancing the sophistication and diversity of our human resources, acquiring human resources in growth areas, and improving employee engagement, and will work to create new value by implementing measures in line with these themes.

# Synchronize management and human resource strategies to accelerate the enhancement and diversification of human resources that underpin our future

### Selection and training of management candidates

The executive officers leading our business operations are mainly in their 50s. When we think about the medium- to long-term future, our challenge is in training the next generation of management personnel at an early stage. With this in mind, we have recognized the urgent need to develop a system for training personnel with sufficient management skills with a medium- to long-term outlook. Accordingly, in FY2023, we launched a program to select and train young people in their early 30s as candidates for

the next generation of management executives. We will continue to select around 15 people each year and implement measures such as assigning executive officers as mentors, as well as providing opportunities for further growth through overseas assignments and secondments to external organizations, combining the three elements of human resource development: "work experience", "advice from superiors and senior staff", and "training and education". Through this, we will promote the creation of a system to secure and develop the next generation of management personnel by elevating their view, broadening their horizons, and changing their perspectives.

Going forward, we will continue to monitor this initiative and, through a process of trial and error, we will work to strengthen and enhance the program, while also fostering a corporate culture that encourages each individual to take on challenges.

## Stepping up training of experts with both technical and human capabilities

AEON delight has continued to grow by focusing on the facility management business, which handles the maintenance, inspection and servicing of facilities, with the source of our competitiveness rooted in our expert personnel with strong technical skills who take on facility management operations.

Today, we have a total of approximately 20,000 qualified personnel at over 500 locations nationwide, and we continue to provide high-quality services, building strong trusting relationships with our customers.

In the facility management business, there are times when technicians with many technical licenses, such as electricians, are needed to carry out work, so up until now AEON delight has focused on technician training centered on acquiring certifications and knowledge as part of human resources development. In order to continue meeting the expectations of our customers, it is of course essential to continue maintaining and improving our technical capabilities, and as the labor shortage becomes more serious, the value of expert personnel in facility management, including those with legal qualifications, will only continue to increase.

At the same time, however, to achieve the business model transformation set out in the new medium-term plan, we need human resources with comprehensive management skills that go beyond merely extending existing operations, who have the "human capabilities" to plan and implement strategies and lead teams to success by effectively utilizing people, goods, money and information. With this in mind, there is a particular need to further enhance management training for managers working closely with on-site personnel. We are working to develop the human resources we need, implementing management training for office managers, who are key personnel in the development of our new "area management" facility management model, while also providing training for area managers and site managers, who are in charge of

regions and individual facilities and are next in line under office managers, to demonstrate AEON delight's direction and clarify their own roles. Going forward, we will continue to provide training opportunities to enhance on-site management skills, in addition to our existing technical and qualification acquisition training.

## Promoting active participation by foreign nationals, centered on the Specified Skills Program

In response to the labor shortage in Japan, AEON delight is focusing on improving productivity by promoting DX, as well as expanding employment of foreign nationals through the Specified Skills Program. The Specified Skills Program is a program for accepting foreign workers with certain expertise to help alleviate the labor shortage in Japan. Since the building cleaning field is covered by the Specified Skills Program, we have hired 16 people from Indonesia in November 2023 and 44 people in November 2024.

Although AEON delight has a policy of promoting diversity in its workforce, the majority of our employees in Japan are Japanese, with only a small number of foreign nationals. As a result, most Japanese employees have no experience working with foreign nationals, and in order to strategically accelerate diversity and make it a strength of our company in the future, we need to create an inclusive workplace where foreign nationals with specified skills can work with the same sense of fulfillment as Japanese employees. We see the current state of the workplace, which is undergoing significant change, as an ideal opportunity to break away from the conventional values that have been fostered on the premise of homogeneity and to firmly establish diversity and inclusion (D&I). We hope to accelerate the development and dissemination of a new corporate culture through promoting human resource strategies by reviewing our existing human resource management.

In addition, we are planning to launch a personnel placement service for foreign workers with specified skills as a new business in the future. We plan to expand our placement service beyond the AEON delight Group, starting out by placing workers with specified skills to our partner companies in the cleaning business, and then gradually expanding the scope of our placements to include the accommodation, food processing, and restaurant industries. Our goal is to increase the number of foreign workers with specified skills supported by the AEON delight Group to around 4,000 people by FY2030.

31 AEON delight Report 2024 AEON delight Report 2024 32

# Achieve personnel mobility through reskilling and build a dynamic human resources portfolio

To achieve the business model transformation set out in the new medium-term plan, we will need both the quality and quantity of human resources essential for strengthening FM consulting functions and qualified personnel to support strengthening systems to expand the scale of construction work. We will make sure this happens by training internal personnel as well as recruiting from outside of the AEON delight Group. Above all, the key to human resource development is creating a system for reskilling and upskilling.

Although we have only just started our reskilling and upskilling initiatives, employees will be able to continue working by gaining new opportunities within the Group

as we build a dynamic human resources portfolio through skill shifts and transfers. This will enable employees to map out diverse career plans, and we expect it will also lead to improved employee engagement.

In terms of global human resources, in addition to expanding the number of foreign nationals with specified skills as mentioned above, we believe that expanding the activities of diverse human resources from various angles, such as promoting greater interaction with overseas human resources in line with the growth of overseas business and taking a more proactive approach to hiring employees overseas, will lead to a transformation in our corporate culture.

## Aiming to improve engagement centered around the key terms of "challenger's spirit" and "fairness"

I believe that engagement is about deepening mutual understanding between employees and the company, and ensuring that everyone is working toward the same objectives. Of course, as a company we cannot stop people from resigning to pursue other careers, but we still want to become a group that can deepen mutual understanding with as many employees as possible so they can stay with us for a long time. On the other hand, when thinking about specific measures to improve engagement as the person in charge of the human resources strategy manager, there are various perspectives and elements to consider, such as work details, health management, communication, benefits, and the work environment, and I think it is important to combine these multiple elements to create a system.

First, we introduced a talent management system as a foundation to match job allocation, education, and training with the growth of each employee based on their abilities and skills. With this, we began to consolidate and compile the various personnel information that was scattered throughout the AEON delight Group, while also clarifying the roles and abilities required for each job. By bringing together and analyzing all the personnel data that had previously been somewhat scattered, I believe we will be able to contribute to the career development of each employee. From the perspective of ensuring objectivity, we are considering using AI for skill analysis,

personnel allocation, and talent selection, but we also believe that talent management is important for addressing the growth of each individual employee, such as by creating opportunities for senior management to fully discuss the solutions that Al has provided. To improve engagement, companies must first sincerely show employees their intentions and have them understand these intentions before asking employees to be loyal to the company. I believe that when employees understand the company's stance, employee engagement will improve, which will lead to self-driven growth of human resources and improved business performance.

In addition, we will also be making changes to our personnel evaluation system, centered around the key terms of "challenger's spirit" and "fairness". By "challenger's spirit", we envision employees themselves setting targets to transform their work, and thoroughly implementing a target management system to manage their work and evaluation based on the process and results created. By "fairness", we envision not treating everyone equally regardless of their results, but fairly and openly evaluating those who have shown initiative and taken on challenges and achieved results. We believe that thorough implementation of the "challenger's spirit" and "fairness" will lead to a transformation of our corporate culture, which will in turn contribute to employee fulfillment and engagement.



Akihiro Chiba Group Manager Foreign Human Resources Business Promotion Group

I was dispatched to Indonesia from the headquarters as the staff member in charge of recruitment of foreign nationals with specified skills, and I am responsible for finding and selecting dispatching agencies locally and coordinating job interviews

The basic flow in Indonesia is that the dispatching agency carries out the recruitment and training, and AEON delight screens the candidates who have obtained a status of residence to make the final hiring decision.

To secure the Specified Skill Worker (i) status of residence, candidates must pass the Japan Foundation Test for Basic Japanese or the Japanese Language Proficiency Test (N4), as well as a skill test for their specific industry, both of which dispatch agencies provide training and support to help candidates pass. Our local subsidiary PT Sinar Jernih Sarana continues to provide training for the skill test in the building cleaning field.

With regard to support and assistance after a candidate has been hired, arrived in Japan, and began working, our Group company AEON Compass, which has already obtained a license as a registered support organization, continuously provides a wide range of support to the dispatched personnel. As we expand our services, we are working with AEON Compass to design a system that will support 4,000 people, with the aim of differentiating ourselves from other registered support organizations and achieving our target of introducing 4,000 people to jobs in a variety of industries by FY2030, including those outside of building cleaning.

# Supporting employment and daily life of foreign nationals with specified skills to help them thrive in Japan!

Yumiko Motoura Manager of Global Human Resources Support Department AEON Compass Co., Ltd.

In May 2023, AEON Compass obtained certification as a registered support organization that provides support and manages the residency of foreign nationals with specified skills. We are implementing various support measures aimed at enabling foreign nationals with specified skills to thrive in Japan.

### Organized a get-together for soon-to-be employees to smoothly fit into the workplace

As a new initiative to help foreign nationals with specified skills to smoothly fit into the workplace, we held an online get-together for 44 foreign nationals with specified skills who joined AEON delight in November 2024. The employees who will be their supervisors also participated for a meet-and-greet.

Going forward, we plan to hold get-togethers where the parents of the soon-to-be employees will also be invited, so that the families can learn about what kind of company their child will be working for in Japan for five years, and feel reassured about letting their child leave their home country.

### Supporting career development by working closely with foreign nationals with specified skills

With Specified Skill Worker (i), those who wish to can move on to the next level, Specified Skill Worker (ii).



Members of the Global Human Resources

Support Department, with Ms. Motoura in

Foreign nationals with specified skills performing warm-up exercises before work

Once a foreign national is promoted to Specified Skill Worker (ii), they can work in Japan indefinitely, and they can also bring their family from their home country to Japan. During the period of employment as a Specified Skill Worker (i) (up to 5 years), it is also important for them to be able to live in Japan without any difficulties, so I would like to work hard to help foreign nationals build strong relationships through support services and to help address their individual needs (achieving their future career plans).

In addition to this, we are also involved in various other support activities, such as providing Japanese language education to reduce stress in the workplace and in everyday life, and acting as a bridge between the accepting company and the employee.

33 AEON delight Report 2024