

# SPECIAL FEATURE

Roundtable Discussion with the CEO and Outside Directors

## The ALCONIX Group's Human Capital— The Source of Value Creation

### Greater Diversity for Greater Growth

The ALCONIX Group has positioned “Human Capital” as its most important material issue, driven by the belief that the growth of every individual is vital toward realizing its vision for the future, summed up by its corporate slogan “Drawing the Future of Our Dreams.” To delve deeper into this topic, Representative Director and CEO Hiroshi Teshirogi and outside directors Yukino Kikuma and Yukiko Imazu sat down to talk about the Company's related efforts to date, future plans for human capital development, and hopes and expectations for employees.

**Yukiko Imazu**  
Outside Director (left)



**Hiroshi Teshirogi**  
Representative Director,  
President and CEO (center)



**Yukino Kikuma**  
Outside Director (right)



#### 1.

#### ALCONIX's “Three Keys” to Developing Its People

**Teshirogi** ALCONIX is a company with its origins in trading, so we have always stressed the importance of developing our people. As a result, it is natural that we place human capital at the top of our list of material issues. As CEO, I want employees to stay with the Group for a long time, and with this in mind, I have been working to create a comfortable and enjoyable workplace for every

employee by improving working conditions and giving employees the chance to challenge themselves. In this same vein, we have highlighted compensation, education, and opportunity as the “three keys” to maximizing human capital. I am proud to say we have made significant improvement in each area since I became the executive in charge of the Corporate Division five years ago. Thanks to these efforts, there has been an increase in the amount of promising talent that could potentially lead the Group forward in the future, which is fundamental to a good succession plan.

This plan is one of the elements of our human resource strategy and systems that is constantly being updated and revised, a process vital for success down the line.

**Kikuma** When trying to create an environment that encourages self-directed growth, it is important that each employee develop the ability to identify and solve problems on their own. In that sense, I think ALCONIX's “three keys” and its greater human resource strategy will work wonders for the Company's sustainable growth. In particular, I think

giving employees the opportunity to learn outside their company will not only lead to personal growth but will also allow them to see their company from a bird's-eye view, which will spark innovation and business expansion from a completely new perspective. From my perspective as an outside director, I get the impression that the members of management have distinct personalities across many different backgrounds while the employees clearly seem capable, albeit somewhat reserved. However, this may very well be a case of me not meeting enough people, and I am hoping there is someone out

there who has the integrity of the founder\* of ALCONIX who can drive the evolution of the Company from the ground up.

\* The late Chairman Eiitsu Masaki, ALCONIX's first representative director and president

**Imazu** It is true that the Company projects something of a modest spirit. That being said, the people I have spoken to directly seem energetic, assertive, and ambitious in all the right ways, and I also feel a strong undercurrent of perseverance within them. ALCONIX expands with each passing year, but I would like the Company to keep up its

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## Building the Foundation for Realizing Our Dreams



**Yukiko Imazu**  
Outside Director  
Appointed in June 2022  
Currently in third year of appointment

efforts to meet with its employees and value the opportunities to hear from them directly. Also, as climate change, global situations, and other factors make the future more difficult to predict, the Company's senior management should always consider what steps it needs to take in terms of human capital to ensure ALCONIX remains relevant amid these changing times. For Mr. Teshirogi to realize his vision for the Company, not only is it important to keep salaries at a competitive level, it is absolutely essential to establish a workplace where employees are motivated and feel like they are growing. By utilizing its "three keys," I believe ALCONIX can cultivate its fundamental resource for creating value, human capital, and build a business that enriches the lives of each and every employee, rather than simply relying on money to keep people together.

**Teshirogi** If we are to increase corporate value, I believe we need a diverse workforce that truly enjoys their job because they feel a great sense of purpose and satisfaction at work. To that

end, we are working in many different directions to create an environment in which employees can work with a certain degree of flexibility. For example, we have introduced a support system to help employees balance their childcare and nursing care duties and give employees a variety of workstyles to help them fulfill their job responsibilities while meeting their personal or family needs.

As a result of these efforts, 100% of eligible male employees took special paternal leave. Our hope is that, by giving employees the support they need to take active care of the ones they love, all employees, regardless of gender, will have a platform for success.

**Kikuma** I think bringing in a proprietary system in support of work-life balance is a stellar initiative. All of us directors share a common desire for employees to feel glad that they joined ALCONIX and are happy in their working lives. At Board meetings, we have repeated discussions about how the Company can show its appreciation to employees and be a place where they value their workplace and colleagues and feel proud to be part of the team. I want every employee, including those at Group companies, to feel free to communicate their views and voice their concerns if they have a problem with their work environment or ideas for improvements. Quite often the voice of one person speaking out can represent the opinions of many.

### 2.

#### Key Points of the Human Resource Strategy under Medium-Term Management Plan 2024

**Teshirogi** In Medium-Term Management Plan 2024, we are taking one step further by identifying critical skills we would like our employees to have and providing them with the opportunities, both in terms of training and avenues for them to

demonstrate their abilities. The goal is to create a virtuous cycle that improves engagement, promotes DE&I and self-directed career development, and supports employee well-being. We want to enable employees to adopt a flexible approach to work that gives them support to help balance their work and personal lives. In order to ensure diversity within the Group, we need to make sure women have the means to play an active role. Therefore, at ALCONIX CORPORATION, we have decided to adopt a basic policy of a 1:1 male to female hiring ratio for new graduates and to promote recruitment activities that are more gender-neutral than ever before.

**Kikuma** I agree with Mr. Teshirogi, in that I also believe that the Company's sustainable growth depends highly on its ability to enable all of its employees to thrive, regardless of their age, gender, nationality, or any other characteristic. Every employee has their own unique identity and story, and for true diversity, a company must foster an inclusive environment in which every



**Hiroshi Teshirogi**  
Representative Director, President and CEO

employee feels valued and heard. As a first step, I think it is important for ALCONIX to work toward its goal of an equal gender ratio.

**Imazu** On this topic of diversity, over 20% of the directors at the ALCONIX Head Office—which includes Ms. Kikuma and myself—are women, with each of us serving in outside director roles. I believe that increasing the number of women in managerial positions will give women greater representation and a larger role in decision-making. Ultimately, having a diverse range of perspectives among leadership will raise the resilience of the organization, business, and company. It is particularly important that the Head Office take the lead in the pursuit of diversity since it can serve as the role model for Group companies, many of which are locally based and small and medium-sized organizations. To that end, this should be treated as an issue that requires the attention of senior management, not just the General Affairs & Human Resources Department.

### 3.

#### Future Issues to Consider in Order to Drive Up Growth

**Teshirogi** We have been working to buttress our internal control system to improve Group governance, but we need to step up these efforts to achieve further growth. One of the benefits of increasing the ratio of women in managerial positions is that it will bring a breath of fresh air, with unique perspectives and insights different from those we have seen before. As a result, the management team—myself included—believes that doing such will improve employee engagement and retention, and lead to better evaluations from external organizations. The ratio of female managers was in the 3% range until fiscal 2022 but jumped to 6.4% in

fiscal 2023, which was a jump of 2.7 percentage points from the previous fiscal year, illustrating slow yet steady progress toward diversity. With this in mind, as far as promoting diversity on a Groupwide level, there is still plenty of room for improvement.

**Kikuma** At Board meetings, we often try to identify the issues that the Group should address. It's true that the Company promotes a unique childcare and nursing care support system. However, it's also true that, when employees take extended leave under these systems, there is a greater burden on others in the same department. This is why I hope that all employees can have a voice in these discussions since they are the ones who are ultimately affected. Creating a workplace that is comfortable for *everyone*—one that invokes the feeling that "we're in this together," instead of some people having to simply put up with it—is a difficult task, and one that cannot be completed overnight. I would like to see repeated dialogue and in-depth discussion between senior management and employees to help see this through. It is my hope that every employee will embrace drive, curiosity, and compassion and address the challenges they face in their daily work with an open mind receptive to other ideas and new experiences.

**Imazu** Throughout my professional life, there have been times when I felt I was at a crossroads or was unsure of what to do. At times like these, the strong support of the people around me, who were there to listen to my concerns and lift my spirits, was a great help. This is why I think that ALCONIX's efforts to bring together people with similar concerns, such as its meet-ups for employees who are parents, have a highly positive impact and are an effective complement to the Company's institutional support systems. However, Ms. Kikuma made a good point—the Company needs to consider the people who cover for those engaged



**Yukino Kikuma**  
Outside Director  
Appointed in June 2020  
Currently in fifth year of appointment

in childcare or nursing care because they deserve support as well. As a lawyer, I have handled a number of issues with labor relations, and I plan to use the experiences from both my work and personal life to deliver constructive input at Board meetings going forward.

**Teshirogi** New challenges await as we forge a path toward the future of our dreams, and the Group's people are one of the driving forces that will take us through these challenges and to our destination. In Medium-Term Management Plan 2024, we have made their importance clear. As a business strategy, we must truly integrate our Group companies to create synergies. Diversity is the key. As we pursue greater diversity, I hope to draw upon the unfiltered opinions of Ms. Kikuma, Ms. Imazu, and the other outside directors to help guide us along the way. Reflecting external voices such as theirs in Group management will help us achieve our goals of meeting stakeholder expectations and creating corporate value.