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# **Human resources development**

## Fundamental philosophy about human resources management

Human resources development at Yakult is premised on designing the future through a thirst for learning—a process emphasizing discovery, rather than instruction. We aim to create ideal workplaces where employees take on challenges, recognize their own issues, and acquire the knowledge and skills to overcome them. Our training programs are evolving from the transmission of information to opportunities to gain new insights by taking action.

## **Human Resources Management Policy**

- Individuals shall recognize their own challenges, and improve their knowledge and skills
- We unite diverse individuals and the organization to improve ability to take action
- We create motivating workplaces for each individual to facilitate the above

## Increase productivity through alignment of growth vectors Achieve growth together Improve workplace and Advance career by raising Become a platform for deepen engagement skills and increasing areas diverse human resources of expertise to play an active role Match organizational goals with career vision The three pillars of human resources development strategy

- Foster personnel to establish a growth driver
- Foster personnel in a way that supports the growth of diverse individuals
- Foster personnel capable of embodying shared values

#### Message from the chief officer



Hiroshi Wakabayashi **Deputy President and Executive Officer** Divisional General Manager of Administrative Division

#### Investing in our workforce from a human capital management perspective

Yakult Ladies and our other human resources represent the core strength of the Yakult Group's operations and are instrumental to making our business model work.

They are important assets who create value, enabling us to achieve our corporate philosophy, namely, "We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular." Our human resources development efforts are thus marked by active investment in human capital.

Our three main considerations in promoting human resources development are maintaining consistency with our management strategy, responding to diversifying values, and maximizing organizational strength. Rather

than offering uniform instruction as in the past, we are increasingly providing growth opportunities tailored to the career path of each employee.

### Striving for sustained growth of corporate value

In 2021, we restructured our basic human resources strategy to achieve the long-term goals of Yakult Group Global Vision 2030. The new strategy calls for structural changes to enable each individual to grow and play an active role, and it is being implemented through the creation of more worker-friendly environments.

Various training programs are being offered centered on the three pillars of our human resources strategy (see left), focusing on human resources development to strengthen our global operations, training to energize the workplace and enhance organizational strength, and job-level-specific training to enable employees to acquire skills in accordance with their roles.

We will seek to both encourage personal growth and enhance organizational strength in striving to achieve the sustained growth of our corporate value.

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## Fair performance evaluations

Every year we implement training for evaluators as part of a thorough effort to ensure the operation of a fair, impartial and highly reasonable personnel evaluation system. We revised this system in April 2022 in an effort to enhance the appropriateness of the evaluations. We are working to promote a deeper understanding of evaluation rules through training not just for evaluators but also for those subject to evaluation.

With the introduction of remote work and staggered working hours during the COVID-19 pandemic, we have taken steps to enhance the visualization of operations, such as by distributing company smartphones to facilitate communication between supervisors and employees, to ensure that disparities in evaluation results do not emerge as a result of new work styles.

## Training opportunities for employees

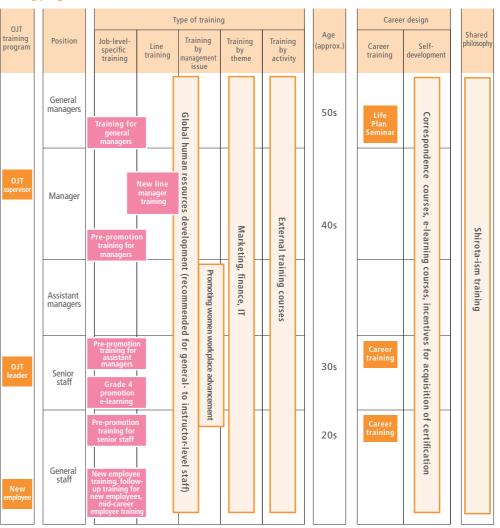
We provide all employees with training opportunities allowing them to take up and put into practice Yakult's founding spirit, Shirota-ism, thereby contributing to the continual dynamism of the Company and its improved performance. This includes job-level-specific training, training on specific management issues, theme-specific training, and support for self-development.

#### Hours of training time and cost (Yakult Honsha)

| Fiscal year                      | 2017      | 2018      | 2019      | 2020      | 2021      |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Training time (total hours)      | 39,523.95 | 35,111.20 | 40,304.90 | 16,217.16 | 23,235.50 |
| Training time (hours) per person | 13.88     | 12.21     | 13.99     | 5.64      | 8.19      |
| Training cost (yen) per person   | 18,702    | 19,035    | 21,274    | 12,900    | 18,756    |

<sup>\*</sup> Figures for 2020 are lower than previous years due to the COVID-19 pandemic

#### Training programs overview chart (Yakult Honsha, fiscal 2021)



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## Fostering global human resources

We place special priority on fostering personnel who can excel in our growing international business and other global capacities. Our global internship system provides employees with work experience at overseas offices to help them deepen their understanding of the Group's international business, and to foster a global company culture. This system was implemented online in fiscal 2021 due to the spread of COVID-19 and is scheduled to be held under similar arrangements in fiscal 2022.

#### **Participant comments**



Aki Masuda
Senior Staff, International
Operations Department

I took advantage of the global internship program in my seventh year at Yakult and spent about two weeks in Mexico. While I was interested in living and working overseas, I was also somewhat nervous about what this would actually entail. The experience of working alongside local employees and living in the country, though, eliminated my concerns. The opportunity of seeing the work of my international colleagues firsthand inspired me to develop my own career by pursuing opportunities for overseas assignments. (Participant of a fiscal 2019 global internship program who is scheduled to be assigned overseas in fiscal 2022.)

## **Decent work**

## Personnel system that motivates employees

Based on the conviction that we must be a company that rewards hard work, we seek to operate a personnel system that is fair, impartial and satisfactory to all, with the aim of maximizing employees' enthusiasm and motivation. Specifically, the Company classifies employees into different role groups (job levels) and career tracks (job types), according to how large a role they are expected to play and the nature of their work. Thus, we match the right person with the right job, helping employees to assume responsibilities according to their abilities and offering them a clear career vision. In addition, we are encouraging a greater sense of competition and willingness to take on new challenges through a more flexible system of personnel evaluation, bonuses, salary increases and other forms of compensation.

#### Major personnel systems: Yakult Honsha

| Personnel system                                          | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Self-reporting system                                     | Employees state their views and wishes concerning job details, skills development, placement and transfers once a year, with the aim of increasing each employee's job satisfaction.                                                                                                                                                                                                                                                                                                                                                    |
| In-house "free agency" system                             | Employees can announce their desire to shift to a new position. This system helps employees move to new workplaces where they can make the most of their capabilities with greater motivation.                                                                                                                                                                                                                                                                                                                                          |
| Career track switch system                                | Employees can use this system to switch to the track they desire, such as from the professional track to the management track. This enhances the level of employees' enthusiasm and motivation by allowing them to pursue their career goals after joining the Company, leading to dynamic workplaces. Since the system was introduced in 2005, about 20 employees every year change their career track of their own volition and take on new career challenges.                                                                        |
| Job rotation system                                       | This system is designed to help assess employees' aptitude and facilitate long-term career development. Employees hired for mainly the management track are transferred to new positions every three to four years, enabling them to work in three units over a decade. By working in marketing, administrative and such other departments as overseas offices, employees gain work experience in a balanced manner, broaden their horizons, and gain an understanding of their own aptitude, which enable them to build their careers. |
| System of temporary leave to accompany a relocated spouse | This system allows employees to take up to five years' leave to accompany a spouse who is relocated in Japan or overseas.                                                                                                                                                                                                                                                                                                                                                                                                               |