

Hiring, promotion, diversity, equity, and inclusion

Basic policy

To enrich the lives of everyone today and for generations to come, one fine day at a time, FineToday Group considers diversity, equity, and inclusion (DE&I) to be fundamental to all of its activities. The FineToday Group Code of Conduct and Ethics (see p. 60) strictly prohibits and calls for zero tolerance of various types of discrimination, mistreatment, and abuse of power based on considerations such as race, skin color, gender, age, language, wealth, nationality, country of origin, religion, ethnicity, social background, political views, disability, health status, and sexual orientation.

Currently, the Group operates a total of 19 facilities in Japan, China, and the Asia-Pacific region (APAC). More than 40% of its approximately 1900 employees work outside of Japan, as its workforce becomes increasingly diverse. FineToday actively hires new graduates and mid-career hires, believing that collaboration among diverse employees leads to creation of new value. Recognizing DE&I as an important component of sustained growth, the Group has identified it as one of its materiality items.

Hiring

FineToday Group believes that employment of people with diverse values, backgrounds, and skills generates innovation that will contribute to sustainable growth in the Group and society. For this reason, it has identified fair hiring with respect for individual diversity as a basic policy of employment.

In employee selection, it eliminates from consideration factors unrelated to job ability. People involved in hiring undergo training to ensure compliance with this principle.

— Employees <FineToday Group>

Approx. 1,900
(As of April 2023; not including executives and temporary employees)

— New hires (FY2022) <FineToday>

New hires at FineToday		161
	Under 30 years	37 (23%)
	30-50 years	105 (65%)
	Over 50 years	19 (12%)

(Figures in parentheses indicate percentages of all new hires.)

Multinational Recruitment

Group companies in Japan, China and APAC regions actively hire people with diverse national and cultural backgrounds. Multinational recruitment conforms to immigration regulations on visa status and other matters.

Employment of people with disabilities

As advocated in the medium- to long-term vision “Fine Today & Tomorrow 2030,” in its diversity, equity, and inclusion initiatives FineToday Group focuses in particular on inclusion of its diverse workforce. As part of these efforts, it strives to employ and empower people with disabilities. It hires people with strengths that differ by individual and creates opportunities for them to thrive based on their own specialties and job aptitudes.

In January 2022 it hired a qualified massage therapist who has a visual impairment, tasked with conceptual and systematic preparations for opening an in-house massage center and operating the center after it opened.

Since August 2022, FineToday has employed two para-athletes active on the international stage. It actively creates opportunities for these athletes, who usually train for competitions on their own, to connect with other employees so that they can devote themselves to competition with a true feel for how their activities inspire employees.

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Reemployment of retirees

Group companies in Japan are leveraging the talents of highly experienced senior employees by adopting programs to provide job opportunities to motivated employees who have retired at the mandatory retirement age of 60 years.

— Users of the retiree reemployment program <FineToday>

11 (FY2022)

Employment of contracted employees with fixed periods and temporary employees

Group companies in Japan employ contracted employees with fixed terms and temporary employees as well as permanent, full-time employees. We conclude appropriate employment agreements with such employees and provide appropriate management and compensation in line with laws and regulations. We also offer the opportunity for contracted employees with fixed periods whose total contract terms exceed five years to switch to contracts with no fixed periods.

Evaluation and compensation

The FineToday Group Code of Conduct and Ethics (see p. 60) calls for the Group to evaluate people fairly. Under the Human Resources Policy based on this Code, the Group strives to ensure fairness and equity in areas such as evaluation and compensation of employees.

Human Resources Policy

- Employees will be treated fairly both inside and outside the Company, and systems will be employed that are designed to secure employees' understanding.
- Employee evaluations will be highly transparent and based on objective facts, free from prejudice and overreliance on first impressions.
- Evaluations will be based on management by objectives (results) and competency (actions)
- Standards for evaluation, promotion, etc. will be disclosed to employees, and employees will be given feedback on the results of evaluations.
- Support and guidance for employee development will be provided through regular communication in addition to evaluation interviews held at least once a year.

Remuneration levels and systems

In addition to complying with rules such as minimum wages and working hours designated under laws and regulations, FineToday Group takes care to maintain remuneration levels and systems that are competitive in the labor markets of individual countries and regions. Decisions on remuneration amounts reflect wage statistics from government agencies and other sources as well as remuneration data from external research institutions and are reviewed regularly.

FineToday Group also maintains diverse remuneration systems that reflect roles, duties, and results, striving to eliminate seniority factors. Base salaries reflect individual roles and duties, and calculations are free from discrimination by gender or other considerations. The Group provides information on salaries, bonuses, evaluations, promotions, and other aspects of the system on the intranet.

In accordance with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, FineToday complies with legal minimum wage and applies identical remuneration systems to identical levels of qualifications and duties (equal pay for equal work).

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– Annual wage differential by gender* (FY2022) <FineToday>

Tier	Male	Female
All employees	100	70
Managerial	100	96
Assistant manager tier	100	91
Clerical tier	100	86

* Percentage based on assigning a value of 100 to average male wages. The wage differential by gender is due mainly to differences in base pay resulting from differences in duties, differences in overtime hours worked, and differences in composition of personnel within individual tiers.

Consideration in job transfers

FineToday’s labor agreement calls for negotiation and decision-making in good faith by the employer and the labor union when opening or relocation of business sites involves job transfers that could have a major impact on employees’ lives.

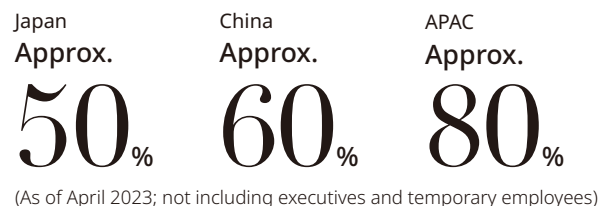
Empowering diverse employees

FineToday Group’s people are diverse in terms of age, nationality, and other factors. The Group strives to improve workplaces and enhance various support programs so that employees can leverage their individual strengths to demonstrate their abilities to the fullest.

Currently, the Group is focusing on empowering women employees, targeting a percentage of 25% of Group managerial personnel being women by FY2028. It also is raising LGBTQ+ awareness to enable all employees to be themselves free from discrimination or harassment based on sexual identity or orientation.

FineToday has introduced an employee referral program through which employees can recommend their friends and acquaintances for employment, to lessen gaps between job expectations before and actual working conditions after hiring and to promote hiring and empowerment of diverse people. Under certain conditions, the referring employees can receive monetary rewards upon hiring of candidates they referred. Since they can know about the company culture, work styles, and job descriptions in advance, this program enables new referred employees to adjust to work smoothly by having accurate expectations for their jobs. To ensure fairness in hiring decisions, FineToday reviews applicants using the same standards and selection process employed for other mid-career hires.

– Percentage of women employees by region <FineToday Group>



– Women as a percentage of senior managers (not including executives) <FineToday>



– Major initiatives to empower employees <FineToday>

Training, seminars

- Video sharing of seminar on women’s health issues (period, menopause)
- In-house lecture meeting and roundtable discussion on International Women’s Day

Programs

- Flextime program with no assigned core hours
- Work styles offering work from home and remote work options
- Encouraging male employees to take childcare leave
- Adoption of support programs to help improve women’s health (period, menopause)
- Stipulation in rules of employment that employees’ same-sex partners are eligible for the same benefits as spouses of different sexes