

Nitori Group's Human Capital

The Nitori Group's emphasis on human capital management is based on the concept of "ensuring that the employees who will lead the future can continue to work for a long time, and that this will lead to the growth of the company." As a foundation for this, we have established an education system that provides training as well as support for self-development of employees. In addition, through job rotation, each employee plays an active role in a wide range of business. The experiences and abilities gained through job rotation not only improve labor productivity, but also contribute to the development of human resources who can play an active role on a global scale as well as the development of management talents who will lead the next generation. Furthermore, the Nitori Group promotes a comfortable working environment for all employees and strives to ensure that the people who will create the future can continue working for a long time. We also focus on recruitment activities to recruit comrades who share the Nitori Group's mission and vision, and who will lead us into a new future. These series of human capital management efforts have helped us to improve our employee engagement.

Human Resource Education, the Foundation of the Human Capital

Develop Human Resources Capable of Identifying and Solving Problems through Both OFF-JT and OJT

The Nitori Group's investment in education is more than five times the average for listed companies. The annual investment in education per employee is approximately 310,000 yen. In education, we thoroughly cultivate the ability to discover problems, repeatedly ask "why," and actually make improvements and reforms through both theory and on-site.

Annual Education Investment per Employee

Approx. 310,000 yen

* More than 5 times the average of listed companies

Nitori College Education System

| Number of years of employment | Base | | | | | Carrer support | Theory | Overseas | | Core Competency | | | Personal Growth | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|---------------------------------|---------------|---------------------------|-------------------------|---|--------------------------------|---|--|-----------------|--|------------|------------------|--|---|----------------------------|--------------------------------|--|--|--|--|--|---------------------------|---------------------------|---|--|--|--|--|--------------------------|---|---|--|--|--|--|
| | Analytical thinking skills | Competitive growth capabilities | Communication | Leadership/HR development | Achievement orientation | | | Global | Chain store theory | Coordination | IT | E-learning | Mileage | | | | | | | | | | | | | | | | | | | | | | | |
| From 11th year onward | Visionary Leader Development Training V | | | | | Seminars by Chairperson, President, and Other Executives (Mission/Vision) | Global Talent Training IV | Overseas | Policy Seminar/JRC Dispatch | | NITORI Coordination Training Programs (NCS) Basic Course/Advisor Course/Planning Course/Specialized Course | | | Data Analysis/Human Resource Development | | | | | | | | | | | | | | | | | | | | | | |
| 6th-10th year | | | | | | | | | Visionary Leader Development Training IV | | | | | | | Global Talent Training III | Overseas Visionary Training II | Innovative Organization Development Training | | | | | | | | | | | | | | | | | | |
| 4th-6th year | | | | | | | | | | | | | | | | | | Visionary Leader Development Training III | | | | | Global Talent Training II | Overseas Japan Training I | Data Table Analysis and Application Seminar | | | | | | | | | | | |
| 3rd year | | | | | | | | | | | | | | | | | | | | | | | | | Visionary Leader Development Training II | | | | | Global Talent Training I | Overseas Basics of Sales Floor and Products | U.S. Seminar (Trainee Course) | | | | |
| 2nd year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Visionary Leader Development Training I | | | | |
| 1st year | Training for 1st to 3rd year employees | | | | | Fresh NWC | Overseas In-store Operations | Creative Line Training Program | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | Small-group selective training programs | | | | | Overseas Chain I | Overseas New Employee Training | ASEAN Seminar | | | | | | | | | | | | | | | | | | | | | |
| | General/matching Nitori World Circle (NWC) | | | | | Overseas Chain I | Overseas New Employee Training | | | | | | | | Chain Store Theory IV: Product Strength Enhancement Seminar | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | Chain Store Theory III: Basic Sales Floor and Product Seminar | | | | | | | | | | | | | | | | | | | | | |
| | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | | | | | | | | Chain Store Theory II: In-Store Operations Seminar | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | U.S. Seminar (Introductory Course) | | | | | | | | | | | | | | | | | | | | | |
| | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | | | | | | | | Store Comparison Training | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | Chain Store Theory I: Mid-Career Development Seminar | | | | | | | | | | | | | | | | | | | | | |
| | Fresh NWC | | | | | Overseas Chain I | Overseas New Employee Training | | | | | | | | Chain training for new employees | | | | | | | | | | | | | | | | | | | | | |

Educational mileage (participation in in-house training, participation in outside seminars, assistance for qualification examinations, assistance for life events, etc.)
Curriculum career development video content for five job categories
IT Passport

U.S. Seminar

Starting in 1981, a total of more than 15,000 employees have participated in the seminar through FY2024. All employees in their third year of employment participate in the introductory course, where they experience the “enriched life” in the United States, the starting point of Nitori Group’s mission. In order to maximize the learning experience in the U.S., we have established an education system whereby employees are exposed to chain store theory through various training programs from their first year. The U.S. Seminar, where employees learn about the direction our company should take and renew their commitments, continues to be a driving force for the Group’s growth.



Nitori Business School

This is our original digital educational content that systematically summarizes business skills and general knowledge related to work and competencies (▶P50 Nitori College Education System) in an accessible manner. We provide opportunities to broaden knowledge and help employees move closer to their “ideal self” through book references by colleagues and online events.



Educational Mileage

The Educational Mileage System is a self-development support system that helps every employee move closer to their “ideal self.” Employees are awarded points called “Mileage” for their achievements in taking action on their own initiative and self-development. Mileage points can be used to participate in in-house training, attend seminars outside the company, receive support for certification exams, and receive assistance for life events.



Repeating Improvement and Reform On-Site

Observation, Analysis, and Judgment

“Observation, Analysis, and Judgment” is a framework for problem solving to be utilized in any fields. This framework is used from the first-year employee to the management as a part of Nitori’s corporate culture and cultivates the ability to solve problems logically. Problems are identified in daily operations through observing differences in numbers and conditions, making us develop the habit of quantifying conditions. Through this process, we repeat improvements and reforms. The Nitori Group manages budgets and results on a “weekly” basis. In the process, “Observation, Analysis, and Judgment” is thoroughly applied.

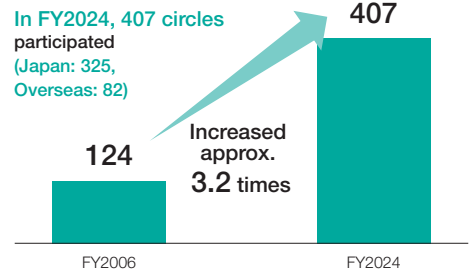
| | |
|-------------|---|
| Observation | Identify problems |
| Analysis | Estimate causes and circumstances, and “determine the facts” through verifying “the actual Place and the actual Thing.” |
| Judgment | Improvement and reform proposals |

Repeatedly ask “why,” and identify the true cause.

NWC (Nitori Group World Circle)

NWC is an initiative that is part of small group activities. Problems are identified in daily operations, causes are estimated, countermeasure plans are devised, and results are achieved through repeated experimentation and verification. It plays an important role as an opportunity to directly propose on-site-led improvements and reforms to the management. This activity is conducted across the group, including overseas. From FY2006, the starting year of the activities, to FY2024, a total of 3,683 circles have participated. These activities provide an opportunity to change the company for the better through the power of every employee.

Changes in the Scale of NWC Activities

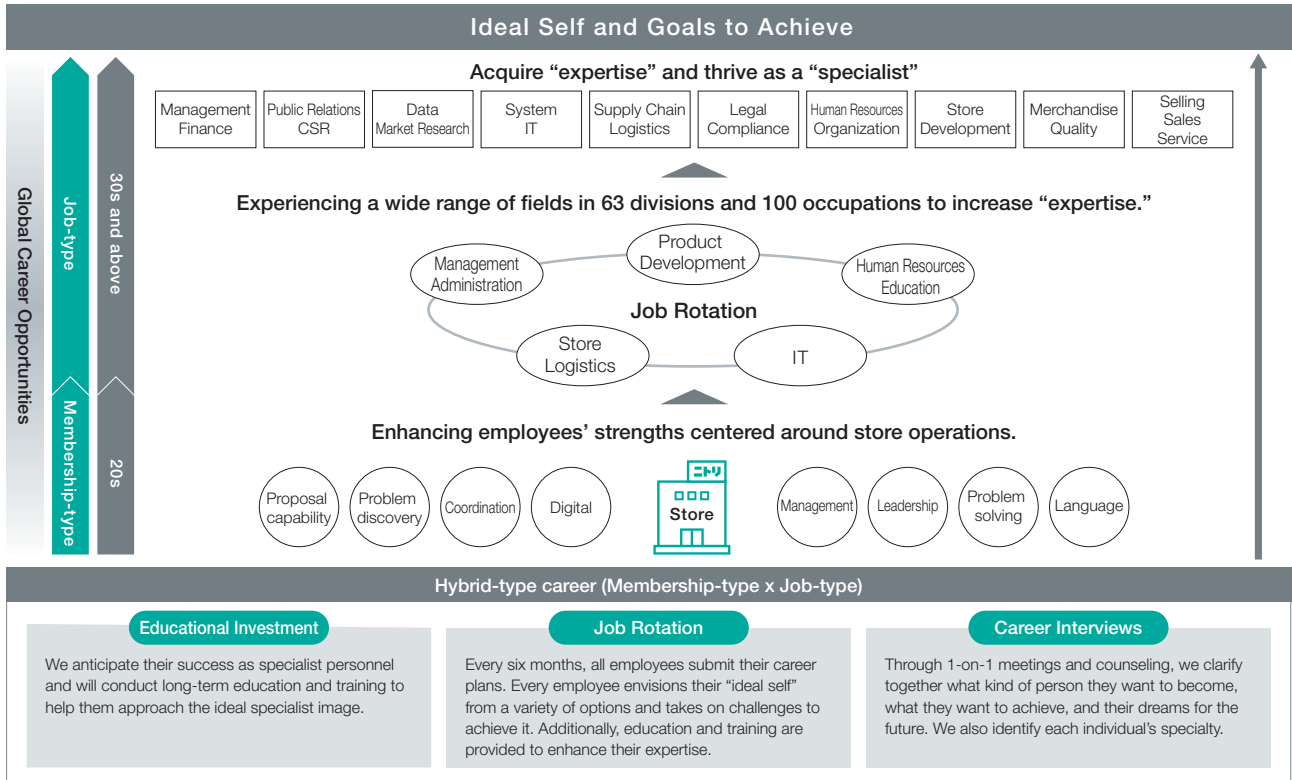


Across a Job Rotation x Wide Range of Business Fields, Thriving by Considering Total Optimization

The “job rotation” is an educational system in which employees are transferred to various divisions and positions every few years. This system is designed to keep the organization active by allowing each employee to cultivate a broad

perspective and flexible thinking as well as gain a wide range of experience and diverse knowledge within the Nitori Group's unique "Manufacturing-Logistics-IT-Retail Business" model. There are opportunities to be involved in a wide variety of businesses in the Group, and the range of career choices available to employees is expanding. We have established an educational system that values what each employee wants to achieve and moves forward with a focus on "ideal self."

Nitori Group's Job Rotation



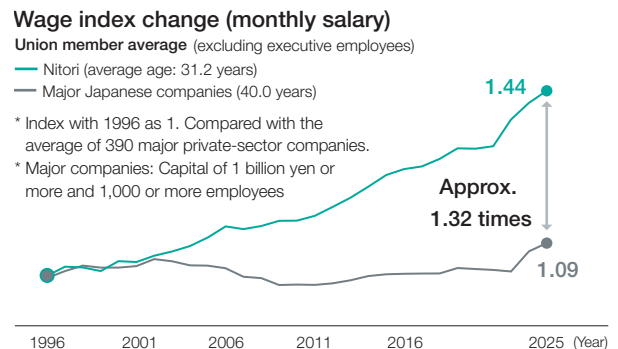
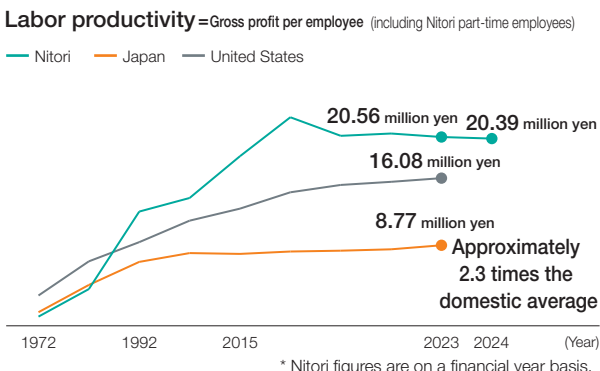
Won the Grand Prize in the Career Transformation Category for Large Companies in the Career Ownership Management Award 2025

We won the Grand Prize for its "Membership-type x Job-type" system design, which allows employees to develop their careers and deepen their expertise through experience in a variety of divisions. We will continue to strengthen our support for individual career development, while taking our vision as the starting point for our actions and aiming for the sustainable growth of the Group.



Achieved 22 Consecutive Years of Base Pay Increases While Maintaining High Labor Productivity

In FY2023, Nitori's labor productivity reached 20.56 million yen, approximately 2.3 times the national average. In addition, base pay increases for 22 consecutive years have resulted in a high wage index of approx. 1.32 times the average of major Japanese companies. Furthermore, the average age of Nitori Group employees is approximately 8.8 years younger than that of major Japanese companies, which is inferred to be even more advantageous when compared with employees in the same age group. We view the result of such wage index as one of the positive examples of high labor productivity.





Focusing on Developing Human Resources Capable of Working Globally and Regionally

We believe that it is important to develop global talent as well as locally hired national staff in order to establish a structure that will enable us to strengthen global expansion toward achieving our vision. The most important issue in developing national staff is to share the “mission” that is the Nitori Group’s greatest strength, and to ensure that we are aligned with it and move forward as a group. One of the most important initiatives to share this “mission” is the U.S. Seminar (▶ P51) for employees including national staff. By establishing a unique education system, we are producing many excellent human resources with the same “mission”.

Training for Employees Wishing to Be Transferred Overseas (Overseas Practical Training)

This is an overseas training program for young employees who wish to work globally. In this training program, participants are dispatched to setting up new stores overseas for approximately one month. Participants work with national staff to create sales floors and conduct store operations. They will also be involved in the training of national staff using their knowledge and skills gained in Japan, while strengthening management capabilities overseas. In addition, through the issues that arise in an environment different from Japan, young employees will become aware of their own issues and aim to improve their work level in the future.



Training for employees wishing to be transferred overseas. Interaction with national staff.

Training for National Staff (Japan Training)

In this training program, local national staff visit stores and logistics centers in Japan to deepen their understanding of the Nitori Group. Participants learn how the Nitori Group provides enrichment to the daily lives of its customers. In addition to lectures, participants repeat “Observation, Analysis, and Judgment,” (▶ P51) by comparing and analyzing stores of different sizes and using product comparison graphs that visualize price ranges and product classification balances. By learning the differences between overseas and Japan, the training aims to develop participants grow into human resources capable of making improvements and reforms back in their home countries.



Training for National Staff Group work

National Staff Education System

| | Chain Store Theory Education | Core Competence Education (Nitori Identity) | | Coordination Education | Language Education |
|--|---|---|---|------------------------|--|
| 10th year | U.S. Seminar | Visionary Leader Training IV [Followership, logical thinking, planning skills] | | NCS Advanced* | Japanese Language Proficiency Test N1 |
| | Chain Store Theory IV [Product Strength Enhancement] | | | | Japanese advanced course Target: Equivalent to N2 Contents: Reading comprehension/Preparation for N1 |
| 4th year (Store Manager) | Japan Training [Store Comparison] | Visionary Leader Training III [Time management, planning and proposal skills] | | NCS Intermediate | In-house made mock test → Weak point countermeasure Equivalent to N3 |
| | Chain Store Theory III [Basic Sales Floor and Product] | | | | Japanese intermediate course Target: Equivalent to N3-N4 Contents: Grammar, daily conversation |
| 2nd year (Floor Manager) | Chain Store Theory II [In-Store Operations] | Observation, analysis and judgment | Visionary Leader Training II [Internal motivation and feedback] | NCS Basics | In-house made mock test → Weak point countermeasure Equivalent to N5 |
| | Chain Store Theory I [Mid-Career Development] | Time Management | Visionary Leader Training I [Self (and others) analysis and time management] | | Japanese beginner's course Target: beginning learners Contents: Characters, greetings, time |
| Chain Store Theory I [Mid-Career Development] | | Followership | | | |
| 1st year | Outline of Chain Store Theory [Training for new employees] | Career plan building | Visionary Leader Training Basics [Problem solving and leadership] | | |
| | | Communication (assertion) | | | |
| | | Corporate Philosophy | | | |

* Nitori Coordinate School

Develop Management Talent Who Will Lead the Next Generation

The Nitori Group is focusing on developing the talent of the next generation to achieve our mission and vision. Employees gain experience working in stores and logistics departments to learn operation and management through the “job rotation,” (▶P51-52) which promotes growth by providing experience in various divisions. Employees are transferred to different divisions where they continue to acquire new knowledge and expertise. This series of reassignments foster specialists with a wealth of specialized knowledge and experience. It leads to the growth of management talent with a broad understanding of everything from manufacturing to logistics and sales.

In addition, our company’s less hierarchical structure enables us to make speedy decisions. As a result, even young employees have the opportunity to propose ideas directly to the management. This allows them to gain exposure to a management perspective at an early stage and acquire the various skills necessary for management. Then, by repeated practice of “Observation, Analysis, and Judgement” (▶P51) from the perspective of total optimization and accumulating experience in autonomous problem solving, they will eventually grow into human resources capable of creating new systems and leading reforms.

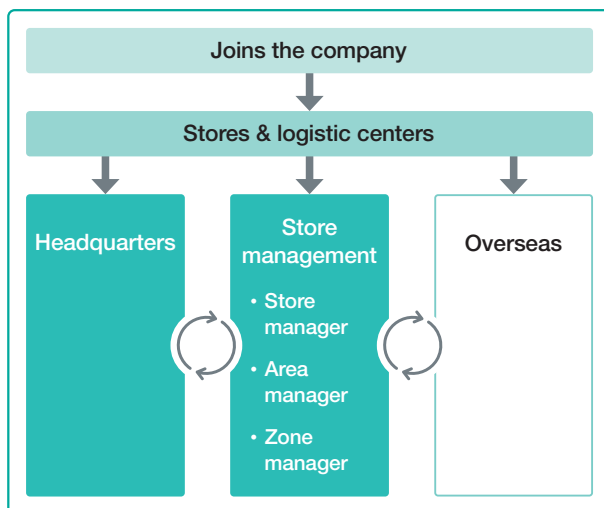
In fact, these management candidates are using their experience and knowledge to play an active role globally, taking on roles such as business managers and subsidiary managers, including at overseas bases. (▶P15-20, ▶P64-68)

Additionally, such future management candidates are given opportunities to regularly report business execution reports under agenda items such as “subsidiary reports” at the Board of Directors meetings. While management candidates can receive feedback from directors based on high-level management perspectives through active discussions, it is also a valuable opportunity for directors to evaluate the “qualities of management talent.”

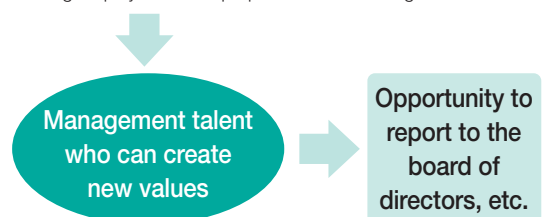
Development of Management Talent

Leverage job rotation to continuously acquire new knowledge and expertise

Young employees directly make proposals to the management and are exposed to a management perspective



Young employees make proposals to the management



Creating an Environment Where Employees Can Continue to Work for a Long Term – Promoting Diversity

→ Policy

Nitori Group promotes diversity & inclusion, considering that fostering a corporate culture where employees in different circumstances and with different backgrounds, in terms of childbirth, childcare, nursing care, nationality, LGBTQ etc., acknowledge and respect each other creates an empowered work environment and leads to the company’s growth.

→ Goals

- By 2040, we aim to increase the ratio of female managers to approximately 40%.
- We will promote the appointment of foreign employees to management positions, aiming to increase the ratio of foreign managers.
- We will continue to scout for specialists and aim to increase the ratio of mid-career hires in management positions.

Promotion of Work Life Balance

We are creating an environment in which employees can build their careers while balancing work and childbirth, childcare, nursing care and injury or illness.

Promotion of Employees' Active Participation

The percentage of women in management positions is on the rise, accounting for 18.8%* of all management positions. Considering individual circumstances, such as life events, we surveyed all employees and regularly discussed with the Board of Directors ways to expand the number of female management positions, increase positions with shorter working hours, and implement easier-to-use support systems. Additionally, to enhance the work-life balance of our employees, we have been implementing various initiatives that enable diverse work style choices. For example, in 2023, we introduced the "My Area System", which allows employees to work without relocating or accepting reductions in compensation. As a result of this effort, we have obtained "Eruboshi Certification (Level 3)" from the Ministry of Health, Labour and Welfare, as a company that is actively promoting the advancement of women. We will continue promoting the creation of environment that supports women's career development.

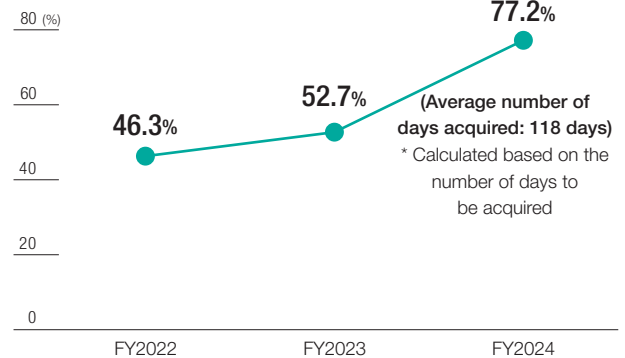


* Total of 7 companies: Nitori Holdings, Nitori, Home Logistics, Home Cargo, Nitori Facility, N+, and Shimachu

Support Systems for Balancing Life and Work

We are working to foster a culture that allows both men and women to take childcare leave without distinction, and the number of male employees, including store employees, who have taken childcare leave, has been increasing every year with its rate of 77.2%. To further enable flexible work styles, in 2023 we lowered the minimum daily working hours from six hours to four hours for all employees. As a result, employees have more flexibility in their working styles, with a wider range of choices for their working hours.

Nitori Group Rate of Male Employees Taking Childcare Leave



* 7 company figures: Nitori Holdings, Nitori, Home Logistics, Home Cargo, Nitori Facility, N+, and Shimachu

Post-Retirement Rehiring System

To achieve our mission and vision, the Nitori Group believes it is essential to have senior talent with a wealth of experience and knowledge. We continuously rehire to 70 years of age if the rehired employee meets our criteria. Additionally, we maintain the compensation level up for rehired employees to 90% of the pre-retirement level, with base salary and some allowances remaining the same as before retirement in certain positions. We are creating an environment in which experienced and knowledgeable senior talent can thrive.

Creating an Environment Where Employees Can Continue to Work for a Long Term ~Healthy and Safe Work Environment~

→ Policy

Nitori Group strives to ensure workplace safety and aims to create a comfortable work environment where all our employees work in good health.



Nitori Group Health Management System

We believe that the health of Nitori Group employees is essential to the realization of our mission and vision. On April 1, 2016, we made a declaration of health management, and we are taking actions to promote health management in cooperation with the company, health insurance association, labor union, and each division.

In particular, the Nitori Group Wellness Report issued in FY2023, discloses our health measures and initiatives with the results of “Trends in Health Target Figures” and “Health Management Strategic Map.”

We have been certified as a KENKO Investment Health Outstanding Organization (Large-Scale Corporation Category).



 Received the “Minister of Education, Culture, Sports, Science and Technology Award” for Excellence in Physical Fitness Promotion in FY2024.

The company’s collaboration with the health insurance association, as well as its continuous walking campaign to promote physical fitness and health, were highly evaluated.

Career Counseling System

The Nitori Group places career counselors to support career development so that every employee can play an active role in a healthy way. We strive to provide detailed support for individual concerns. We have also created an environment where employees can feel free to consult with the counselors using their personal smartphones, which are loaned to them, leading to improvements in the working environment.



Measures to Prevent Harassment

To ensure proper understanding and prevention of any kind of harassment, following initiatives are put in place: establishing a month to strengthen the understanding of harassment; implementing practical training programs in communications and dialogue for managers*; and distributing a video on “Harassment Prevention” and administering a confirmation test during company-wide compliance training programs for all employees. In 2024, we have established response policy for customer harassment. In addition, we have established an internal reporting system by setting up a harassment consultation desk and making it known.



Ensuring Appropriate Working Hours

Nitori Group promotes work-life balance and has created a system to prevent employees from working long hours. For example, we aim to maintain employee health, enhance work-life balance and improve productivity through time-conscious work by introducing a work interval system between work hours and turning off all lights at the head office and headquarters simultaneously. In recognition of these continuous efforts, we have been certified as a “White Company” since 2018, and have been awarded the highest level, Platinum, since 2021. In addition, in FY2023, we received the White Company Award in the health management category.



Recruiting for the Future

→ Policy

The Nitori Group seeks individuals who have their own dreams and goals and keep striving toward achieving them by embracing encounters, experience, and learning by trial and error. To enable everyone to pursue their dreams with peace of mind, we will thoroughly implement a fair and transparent recruitment process. This process respects the human rights and diversity of all applicants and is free from harassment. As part of this initiative, we have established the “Nitori Group Fair Recruitment Declaration” on June 30, 2025, to promote an environment where everyone can maximize their potential.



Learn more

New Graduate Recruitment

Ranked No. 1 for Liberal Arts Major Students and No. 13 for Sciences Major Students in the “MyNavi / Nikkei Ranking of the Most Popular Companies for University Students” (Consecutively for 2024, 2025, and 2026 Graduates)

Based on our recruiting philosophy of “Your dream creates who you are,” Nitori Group provides support from the viewpoint of each student. Based on this philosophy, our recruiters provide support from the student’s perspective by working closely with each student so that the student can make a decision to join our company after clearly considering his or her own career objectives and dreams.



Internship

Ranked No. 1 in the Overall Category in the “Rakuten Minshu Internship Ranking of the Most Popular Companies” (6 Consecutive Years Since 2019)

Received the Excellence Award in the Category of Internship / Work Experience (hands-on experience) in the 8th “Career Design Program Award Selected by Students”

The Nitori Group’s internship program aims for “zero stranded job-hunting students” and supports students to think about their own purpose of work and make a positive start in their job-hunting activities. In FY2024, approximately 30,000 students participated in the program. Internships for first- and second-year university students were also very successful, with more than 1,600 students discussing what it is to “work” together.



Employee Engagement Survey

We aim to revitalize and grow the entire Nitori Group by having every employee share the mission and vision of the Nitori Group and voluntarily exert their abilities. Accordingly, we conduct an “Employee Engagement Survey” of all employees once every six months. The survey results for the second half of FY2024 show an overall satisfaction rate of 82.5%. This result is an improvement of 1.1 percentage points compared to the survey conducted during the same period last year. We analyzed that the following initiatives have improved satisfaction in the item of “sense of accomplishment at work.” Our initiatives included various training programs that were regularly conducted. In addition, we have expanded our practical, proposal-based training programs, leading employees to take a more proactive approach to their work. We will continue to discover and analyze issues from the viewpoint of engagement based on the survey results, as well as promote improvements and reforms.

Survey Items

- | | |
|--|---|
| 1. Sense of accomplishment at work | 7. Flexibility in working style |
| 2. Appropriate discretion | 8. Empathy with mission and vision |
| 3. Challenges and growth opportunities | 9. Pride in our business and services |
| 4. A sense of personal growth | 10. Work environment that encourages change and challenge |
| 5. Diversity of voices and opinions | 11. Openness among divisions |
| 6. Feedback on performance | |

Overall Satisfaction in Employee Engagement Survey

