

Table of Contents

3-2. S (Human Rights and Labor) Initiatives	2
Policy on employment support and other initiatives.....	2
Initiatives toward labor issues	3
Health and safety initiatives	3
Principles of community investment.....	4
Results of local community investment.....	4
Local employment, local procurement	7
Company efforts to increase workforce diversity and equal opportunities, and to reduce discrimination	7
Training for employees	9
Percentage of non-full-time employees (contract employees + temporary employees).....	13
Percentage of female employees	14
Commitment to gender diversity by the Board of Directors.....	14
Number of occupational accidents (fatalities) among full-time and contract employees in the past 3 years.....	15
Injuries, fatalities and incidents	15
Policy and commitment to reducing adverse health and safety impacts	15
A system that promotes engagement with employees and collaboration with charitable partners	15
Total amount of donations/community investment by the Company or its Group companies in registered nonprofit organizations.....	16
Internal dissemination of the Supplier Policy	16

3-2. S (Human Rights and Labor) Initiatives

Policy on employment support and other initiatives

The Group provides job placement assistance to young people by hosting internship programs and other programs. Our programs go beyond merely introducing the Group's business activities. We invite participants to present business proposals based on their industry research and work experience as we strive to help college students who are willing to work gain a sense of perspective about their careers.

Our policy on labor standards

The Group aims to realize a society that utilizes housing rather than building it. Through its corporate activities, the Group aims not only to solve environmental and social issues but also to contribute to the sustainable development of society. With this goal in mind, we have established the Charter of Corporate Behavior as a Code of Conduct. We conduct our activities with high ethical standards and social norms to ensure that the Group is trusted by society and can grow sustainably. The Charter of Corporate Behavior is posted on the Company's internal portal site, and it is also shared with all officers and employees of the Company and its subsidiaries. In addition, our action guidelines (STARMICA way.) was developed from employee surveys and helps to foster a culture of respect for individual dignity and respect for others. All employees refer to the action guidelines during training at the time of joining the Company and on other occasions, such as meetings. This helps employees calibrate their own behavior from time to time.

Charter of Corporate Behavior

The officers and employees of Star Mica Holdings, Co., Ltd., and its Group affiliates comply with applicable laws, regulations, the Articles of Incorporation, internal rules, etc., and act in accordance with high ethical standards and social norms as follows:

1. We correctly understand and comply with the laws and regulations and their spirit. We also ensure the proper management and protection of customer information and other information held by the Company.
2. We engage in fair, transparent, and free competition as we carry out our business. Through appropriate transactions, we build relationships of trust and satisfaction with our business partners. We also maintain sound and normal relationships with political and administrative authorities. We take a firm stand against antisocial forces and groups that threaten the order and safety of civil society.
3. We place importance on ensuring the reliability of our financial reporting. We communicate not only with our shareholders but also with the society at large, actively and fairly disclosing corporate information.
4. We build a safe and healthy work environment and establish a fair and motivating work environment. In doing so, we support the growth of the Company and its officers and employees.
5. We strive to build good relationships with society by considering the environment, and to contribute to the development of society as a good corporate citizen.
6. The officers disseminate this Charter internally and externally to ensure its thorough implementation and establish an effective internal system.

In the event of a violation of this Charter, we will take appropriate measures to resolve the problem, prevent its recurrence, etc., and provide prompt and accurate explanations both internally and externally.

STARMICA way.

1. Open and flat: Communication is open and flat.
2. Teamwork: Appreciation and respect are the basics of teamwork.
3. Professional: Professionals are people who continue to learn.
4. Clean smart: The goal is to be work smart.
5. Speed: Act with surprising speed.
6. Sense of ownership: Take ownership and what needs to be done comes into view.
7. Shared vision: Leaders share vision and take action.
8. Growth: Age or background do not matter; drive and ambition are what counts.
9. Challenge: Take on challenges with no limits or regrets.
10. Innovation: Be a cool company.

Initiatives toward labor issues

When hiring employees, the Group thoroughly verifies the age of candidates from the standpoint of preventing child labor. In addition, we carry out our hiring based on applications received directly from the individual. Our employment regulations stipulate that the working conditions shall be made clear at the time of hiring by referring to the notice of working conditions and the employment regulations. This prevents work that is against the individual's will.

We encourage efficient working styles in our daily operations. Specifically, we promote digitalization under "work smart" in the "STARMICA way.," our action guidelines. While being a small but specialized organization, we promote the sharing of documents using cloud systems, etc. and the use of mobile devices as we strive to enhance labor productivity.

Furthermore, we strive to reduce long working hours. Managers strive to monitor employees' workloads and coordinate as necessary. In this way, we have established a corporate culture that encourages employees to return home early. With regard to working hours, we conduct company-wide monitoring, and we basically require employees to apply in advance if there is a possibility that their scheduled working hours may exceed a certain number of hours. When overtime arises, we hold a meeting with the department head and take immediate measures to improve the situation. Employees currently work an average of 17.0 hours per month of overtime.

Health and safety initiatives

The Group has established Health Committee Regulations to prevent health problems among employees and to maintain and promote their physical and mental health. The Health Committee is consisted of a selected person who oversees the business, an occupational physician, a health manager, and representatives of employees. Through monthly committee meetings, the committee engages with managers and employees to understand the details of occupational health and safety as it works to strengthen the system. Through these efforts, the Group works to maintain and improve the health of its employees and to create a comfortable working environment.

Introduction of M3 Patient Support Program (M3PSP)

We have introduced employee programs that can be used as part of health promotion. Subscribers gain access to services such as obtaining a second opinion from a physician and finding a hospital.

Introduction of safety confirmation service

We have introduced a service to prepare for the event of a major disaster, which could happen at any time. The service enables the safety and health status of employees to be ascertained in the event of an emergency, making smooth recovery without disrupting operations possible, and also contributing to the psychological safety of employees.

Principles of community investment

Approach to social contribution activities

Through its business, the Group purchases owner-change properties, which are generally considered difficult to distribute on the market, and sells them as renovated condominiums where strong demand is expected. This improves the circulation of real estate across Japan and provides housing to those who wish to become local residents, contributing to the revitalization of local communities.

Furthermore, as an additional social contribution activity, we conduct internship programs to provide opportunities for college students who are willing to work so that they can gain a sense of perspective on their career through industry research. We also conduct entrepreneur development activities through educational institutions. In our activities through educational institutions, we share the history of our Group from its start-up phase to the present with the younger generation. In doing so, we hope not only to encourage the younger generation in the region to become more work-minded and growth-oriented but also to revitalize the local community by fostering and discovering talented individuals through the transmission of entrepreneurial know-how.

The growth of businesses launched by entrepreneurs trained by the Group has the potential to create new jobs in the region and to form a virtuous cycle in the economy. We also believe that if innovations in the field which combines real estate and IT, etc., are created by the innovative ideas of the younger generation, we can utilize those ideas in our business to diversify our profit opportunities and ultimately lead to the expansion of the Group's business.

Results of local community investment

Internship programs

Our programs go beyond merely introducing the Group's business activities. We invite participants to present business proposals based on their industry research and work experience as we strive to help college students who are willing to work gain a sense of perspective about their careers.

Fiscal year implemented (Method)	Name	Target	Number of participants	Details	Duration
FY2019	Summer August-September	Graduates of March 2021	15	(1) Observe and experience the work of employees (2) Create and present a personal history presentation (3) Roundtable discussion with employees	105h
	Winter December	Graduates of March 2021	11	Same as above	77h
FY2020	Summer August-September	Graduates of March 2022	18	(1) Work experience through group work (Calculation of the purchase price of pre-owned condominiums, preparation of renovation plans, etc.) (2) Roundtable discussion with employees	162h
	Autumn November	Graduates of March 2022	12	Same as above	126h
FY2021	Summer August-September	Graduates of March 2023	22	Same as above	242h
	Autumn November-December	Graduates of March 2023	24		252h
Total			102		964h

Lectures

Since 2007, Mizunaga, the CEO of the Company, has given lectures at various locations around the country. Over the past five years, he has given the following lectures at graduate schools, companies, etc. Although the lectures are mainly given by Mizunaga, employees also take part in these activities, mainly when holding lectures at the Company. Roles carried out by employees include planning and developing lecture content, managing the event on the day, or delivering part of the lectures to share their insights with participants.

Major activities

Timing	Name of academic institution	Lecture title	Number of participants
March 2018	Wharton (University of Pennsylvania) MBA / EMBA	“Professional Career and Entrepreneurship”	30
July 2018	Keio Business School, Graduate School of Business Administration, Keio University Asia Business Field Study Program	“Professional Career and Entrepreneurship”	42
June 2019	Kyoto University Career Seminar	“If I were a college student again”	80
July 2019	Waseda Business School (Graduate School of Business and Finance)	“The Business of STARMICA - Strategy in Practice”	13
March 2022	Hitotsubashi University Business School School of International Corporate Strategy	“Professional Career and Entrepreneurship”	50

Number of lectures and participants (by fiscal year)

Fiscal year	2018	2019	2020	2021	2022
Number of lectures	2	2	0	0	1
Number of participants	72	93	0	0	50

*In 2020 and 2021, activities were restricted due to the spread of COVID-19.

Establishment and operation of the foundation

In 2021, Mizunaga, the founder, played a central role in establishing the Star Mica Mizunaga Foundation for the following purposes.

- (1) Promote academic studies toward remedying social problems
- (2) Support education to nurture future leaders of society
- (3) Contribute to the promotion of academia, culture and the arts
- (4) Promote industrial activity that contributes to the development of society
- (5) Contribute to the promotion and revitalization of real estate distribution centered on pre-owned homes
- (6) Promote other studies and research for more innovative and sustainable development of society

Going forward, we will carry out various activities to contribute to the development of academia, education, culture, and industry, and to help realize a recycling-oriented society.

Local employment, local procurement

The Group contributes to local community activities through its business and social contribution activities. In particular, since 2018, we have expanded our bases to regional core cities (Sapporo, Sendai, Nagoya, Osaka, Kobe, and Fukuoka). As we have done so, we have been actively hiring local human resources. Also, in the renovation work, we have been working with local companies as we work to contribute to the development of each region.

Company efforts to increase workforce diversity and equal opportunities, and to reduce discrimination

Employee diversity and equal opportunities

The Group strives to provide equal opportunities in the workplace. As well as ensuring that our hiring practices do not discriminate on the basis of gender, we also have a training and mentoring system that does not discriminate on the basis of gender.

Furthermore, we have put in place the following systems, which expand on the legal system, and we have established a system that does not limit our employees' opportunities.

- (1) We have introduced systems for antenatal and postnatal leave, childcare leave, shortened working hours, and nursing care leave. Our system of shortened working hours can be used by employees, whether male or female, until their children reach the age of 9.
- (2) Employees who have nursing care responsibilities and who meet certain requirements can use the shortened working hour system beyond the period stipulated by laws and regulations.
- (3) Child care leave and nursing care leave are all treated as paid leave, whereas by laws and regulations they are unpaid. In addition, the return rate among employees finishing maternity leave is 100%. During maternity leave, we regularly keep in touch with our employees to create an environment in which it is easy for them to return to work.

As well as ensuring that our hiring practices do not discriminate on the basis of age, the Group also has a rehiring system for promoting employment of the elderly. We strive to provide equal opportunities to our employees by allowing those who wish to continue working to do so based on our rehiring rules.

We are also especially focusing our efforts on the following areas:

Promoting the active participation of women

The Group believes that female perspectives are indispensable in the design of housing. We continue to promote the active participation of women by providing a variety of career development options for adapting to changes in life stages, as well as benefits and subsidies that allow women to continue working with peace of mind.

Promoting the employment of foreign nationals

The Group believes that responding to the needs of globalization requires a perspective that is not bound by Japanese cultural norms. We actively employ foreign nationals and establish a workplace where they can work with peace of mind and also provide support in their daily lives as appropriate.

Active employment of the elderly

With the extension of healthy life expectancy, our society has become a place where people can work longer, and the labor force of senior citizens is a major driving force behind Japan's economy. The Group actively employs the elderly and creates opportunities for them to utilize their skills and knowledge in business while helping to bring about vibrant lifestyles for the elderly.

Promoting the active participation of people with disabilities

The perspectives of people with disabilities can be expected to be a major asset in implementing barrier-free offices and the development of universally designed products. The Group is committed to creating a workplace where employees can use their talents to work, regardless of whether they have disabilities, by revising our operations to optimize and improve efficiency.

Promoting understanding of LGBTQ

Accepting sexual minorities helps ensure that we have the best talent. By recognizing and respecting diverse values, we make our business more competitive. The Group does not discriminate against sexual minorities in its hiring practices. We continue to establish internal systems and workplace practices that consider sexual minorities.

Overview and duration of skill development training for employees

In our action guidelines, we view individual growth as depending on motivation and ambition, and we encourage our employees to continue learning. We have prepared a step-by-step curriculum that leads to skill development through various in-house training programs.

Training for employees

Fiscal year implemented	Name	Target (affiliation)	Number of participants	Purpose	Overall duration (Total)
FY11/19	In-house practice exams for Real Estate Transaction Agent certification	Full-time employees	19	Passing the certification examination	456h
	Training for new managers	Full-time employees	6	Understanding the roles and expectations required of a manager, and gaining the required knowledge	12h
	Real estate training	Full-time employees Contract employees Temporary employees	13 new graduates/new employees 16 new mid-career employees 29 in total	New graduates: Post-assignment follow-up Mid-career: Acquiring industry knowledge	232h
	Follow-up training for new employees	Full-time employees	13	Post-assignment follow-up	78h
FY11/20	Renovation training	Full-time employees	58	Acquiring knowledge that contributes to procurement activities and product development	1,015h
	Labor management training	Full-time employees	49	Acquiring knowledge of attendance management rules and laws and regulations	24.5h

	In-house practice exams for Real Estate Transaction Agent certification	Full-time employees	14	Passing the certification examination	364h
	Excel training	Full-time employees	18	Learning basic functions of Excel and improving work efficiency	108h
	Real estate training	Full-time employees	18	New graduates: Post-assignment follow-up Mid-career: Acquiring industry knowledge	144h
	In-house training	Full-time employees	12	Fostering communication with management and increasing motivation	18h
	Training for new managers	Full-time employees	4	Understanding the roles and expectations required of a manager, and gaining the required knowledge	8h
	Follow-up training for new employees	Full-time employees	12	Post-assignment follow-up	72h
FY11/21	In-house training	Full-time employees	12 in Year 1 11 in Year 2 12 in Year 3 35 in total	Addressing a lack of communication during the COVID-19 pandemic	157.5h

	Training for new managers	Full-time employees	4	Understanding the roles and expectations required of a manager, and gaining the required knowledge	4h
	Practical brokerage training for young employees	Full-time employees	9	Practical brokerage sales training for planning and administrative employees with no sales experience	320h
	In-house practice exams for Real Estate Transaction Agent certification	Full-time employees	9	Passing the certification examination	162h
	Housing loans training	Full-time employees	96	Acquiring knowledge of housing loans	528h
	Labor management training	Full-time employees	2	Acquiring knowledge of attendance management rules and laws and regulations	1h
	Real estate training	Full-time employees	5	New graduates: Post-assignment follow-up Mid-career: Acquiring industry knowledge	40h
	Year-end tax adjustment seminar	Person responsible for human resources and payroll	1	Acquiring practical knowledge of payroll	6h

FY11/22	In-house practice exams for Real Estate Transaction Agent certification	Full-time employees	14	Passing the certification examination	308h
	Training for new managers	Full-time employees	6	Understanding the roles and expectations required of a manager, and gaining the required knowledge	6h
	Real estate training	Full-time employees	20	New graduates: Post-assignment follow-up Mid-career: Acquiring industry knowledge	460h
	Follow-up training for new employees	Full-time employees	4	Post-assignment follow-up	48h
Total			465		4,596h

Introducing a 360-degree evaluation system

We have introduced a system in which all employees, including officers, receive evaluations twice a year from their subordinates and colleagues, rather than just a one-way communication from supervisor to subordinate. This allows for a multifaceted evaluation that is not solely from the supervisor. Although this system itself is not reflected in personnel evaluations, it is a valuable opportunity for individual employees to gain insights.

Support for obtaining a Master of Business Administration (MBA)

This program provides time and financial support for employees to attend business school for the purpose of fostering personnel who are well versed in overall corporate management and who possess the high personal skills that would qualify them as candidates for our next generation of managers.

Support for obtaining various qualifications

This system encourages employees to obtain public qualifications as part of their skill improvement and self-development by providing all employees with a qualification allowance for those who obtain such qualifications. Based on our Code of Conduct, which states that “professionals are people who continue to learn,” we strive to foster a culture of continuous learning. We have established Real Estate Transaction Agent certification as a mandatory qualification and Level 3 Certificate in Bookkeeping as a recommended qualification. We encourage not only sales employees but also employees working in the planning and administrative departments (Accounting Division, Finance Division, etc.) to obtain these qualifications. The percentage of employees of the Group who hold Real Estate Transaction Agent certification is 87/0%.

Setting up an in-house bookshelf

We have set up an in-house bookshelf with the purpose of enhancing employees’ skills and knowledge, encouraging them to improve their own abilities by reading books. The bookshelf contains specialized books related to our business, books for studying for Real Estate Transaction Agent certification and other qualifications, and books for self-development. Employees can borrow freely from the bookshelf, enabling them to learn new ideas, technologies, facilities, systems, etc. and to broaden their knowledge.

Introducing a mentoring system

We have introduced a mentoring system to help employees get to know the climate and culture of the Company. New hires are given three months to complete their training, while mid-career employees are given six months to complete their training. The system enables them to gain a multifaceted perspective that goes beyond the perspective of the department to which they are assigned. We also provide continuous guidance to our employees so that they can become not only employees of the Company but also useful members of society.

Mizunaga Seminar by the founder

We continue to hold seminar-style study sessions (known as the “Mizunaga Seminar”) in which employees who aspire to become executives in the future give presentations on the Company’s issues and solutions in front of top management and receive direct feedback.

Percentage of non-full-time employees (contract employees + temporary employees)

*Total (all employees): Full-time employees, contract employees, temporary employees, and part-time employees

*Non-full-time employees: Contract employees, temporary employees

(Persons)	FY2020	FY2021	FY2022
Total:	180	177	202
Percentage of non-full-time employees (Temporary, contract, etc./total, %)	16.6%	20.9%	21.7%

Percentage of female employees

*Total (all employees): Full-time employees, contract employees, temporary employees, and part-time employees

(Persons)	FY2019	FY2020	FY2021
Total:	180	177	202
Of which, female	92	96	112
Percentage of female (%):	51.1%	54.2%	55.4%
Managers	47	51	54
Of which, female	10	13	15
Percentage of female managers:	21.2%	25.4%	27.7%

Commitment to gender diversity by the Board of Directors

Efforts toward gender diversity in the Board of Directors

We believe that to continue meeting the diversified and complex needs of customers in the future, we need to design products that incorporate a variety of perspectives. In particular, women are often the decision-makers in housing purchases by families, the main target group for our products. The perspective of women is therefore vital when designing products that meet their needs. Although we currently have no female directors, all members of the Board of Directors recognize the importance of providing opportunities for active participation of women, including female directors. We will strive to develop personnel and support systems and foster awareness in accordance with the various Group companies, departments, and workplaces in order to realize the percentage of female directors of 20% by FY2025.

Lost time injury rate for the past 3 years

	FY2020	FY2021	FY2022
Lost time injury rate:	0	0	0
Number of fatalities and injuries due to occupational accidents (persons):	0	0	0
Total actual hours worked (hours):	0	0	0

*Lost time injury rate = number of fatalities and injuries due to occupational accidents / total number of actual hours worked × 1,000,000

*Number of fatalities and injuries: Including those absent from work for more than one day and those losing a part of or function of their body

Number of occupational accidents (fatalities) among full-time and contract employees in the past 3 years

(Cases)		FY2020	FY2021	FY2022
Full-time employees	Total:	0	0	0
	Fatalities:	0	0	0
	Lost time:	0	0	0
Contract employees/contract workers	Total:	0	0	0
	Fatalities:	0	0	0
	Lost time:	0	0	0

Injuries, fatalities and incidents

During the three fiscal years from FY11/19 to FY11/21, the Group has had no instances of accidents involving injury or resulting in the death of employees.

Policy and commitment to reducing adverse health and safety impacts

During the three fiscal years from FY11/19 to FY11/21, the Group has had zero instances of occupational accidents, and the occupational accident frequency rate is also zero. Going forward, we will continue to strive to maintain zero.

A system that promotes engagement with employees and collaboration with charitable partners

The Group's employees have been actively involved in social contribution activities such as coral transplantation activities in Okinawa Prefecture and voluntary reconstruction work in Minamisanriku in Miyagi Prefecture.

Through the Star Mica Mizunaga Foundation, launched in FY11/21, we will carry out various activities going forward, to contribute to the development of academia, education, culture, and industry, and to help realize a recycling-oriented society, while continuing to support volunteer activities by our employees.

Total amount of donations/community investment by the Company or its Group companies in registered nonprofit organizations.

Timing	Donation recipients / donation details	Amount
March 2015	Kyoto University Office of Society-Academia Collaboration for Innovation Establishment and operating expenses of the Endowed Research Chair Innovation Management Science	JPY 5.0 mn
September 2015	Joso City Aid for damage caused by the breakdown of embankments	JPY 1.0 mn
August 2021	Star Mica Mizunaga Foundation Operating funds	JPY 3.0 mn

Internal dissemination of the Supplier Policy

The Group provides training to employees in the sales department to ensure that they are familiar with our policies regarding the supply chain. The training program covers content based on the Basic Sustainability Policy, developing employees who can perform their duties as professionals.