



Capital to create value

Human Capital

Aichi Steel considers that the pursuit of a valuable working life, one that brings happiness to employees, will lead to company growth. As such, one of our management guidelines in Vision 2030 is "Employee happiness and corporate development," so we are actively investing in our human resources in the following ways to achieve this goal.

- (1) **Creating opportunities for women and older employees to play active roles, and promoting diversity and inclusion to provide diverse workstyles**
- (2) **Promoting implementation of health and productivity management, and creation of safe and secure workplaces**
- (3) **Improving employee engagement to achieve both individual and company growth**
- (4) **Developing human resources able to perceive social and company change and meet those changes with flexibility**



Diversity and inclusion

We believe that new value can only be created when employees with diverse attributes, feelings, potential, values, and experiences are able to mutually understand each other, enhance each other's potential, and demonstrate it to the fullest.

This is why we systematically employ a diverse range of people, create environments where they can demonstrate their potential, and implement other initiatives to create a company where every employee can play an active role.

I Promotion of more active roles for women in the workplace

The key to women being able to continue working toward their goals is to enable more flexible workstyles.

Aichi Steel provides career planning support through training and other means, and has created flexible workstyles that enable this to happen alongside important life events. This includes adoption of a range of support systems such as a "flextime system without a core period" and "working from home system," and establishment of the Nice Family System built around childcare support systems and nursing support systems. Going forward, we will continue implementing this workstyle reform while creating workplaces that respect diversity.

Number (and rate) of new female graduates recruited

14 (18%)

Number (and rate) of female managers

4 (1%)

Overview of the Nice Family System

Childbirth and Childcare						Nursing	Other
Birth	Until 1 year old	Until 2 years old	Until 3 years old	Until entry into elementary school	Until 3rd grade at elementary school		
Pre/post birth leave	Childcare leave	Extended leave	Overtime exemption	Overtime restriction (24 hours/month and 150 hours/year)	Nighttime work restriction	Childcare special leave (5 days/year for 1 child or 10 days/year for 2 or more children)	Sick/injured childcare leave (5 days/year for 1 child or 10 days/year for 2 or more children)
						Shorter work hours	
						Nursing care leave	Nursing care special leave
						Shortened working hours for nursing care	Overtime restriction (24 hours/month and 150 hours/year)
						Welfare leave	Reemployment system
							Flextime system
							Working from home system

I Promotion of more active roles for older workers in the workplace

Aichi Steel has adopted a Nice Senior System that allows all employees who wish to work after reaching retirement age to continue working. In fiscal 2021, to make work even more enjoyable, we also created workplaces that are easier to work in and we reassessed employee benefits through discussions between labor and management.

Reemployment rate
FY2021 **87.7%**

I Expansion of active workplaces for people with disabilities

People with disabilities are actively employed across a range of Aichi Steel workplaces, from our manufacturing sites to administrative divisions. With a focus on providing work that suits individual abilities, we follow a program of practical workplace training and interviews from the recruitment phase to decide where to assign them. To ensure all employees can enjoy working together after recruitment, we provide ongoing employment support such as allocating Vocational Life Consultants for Persons with Disabilities and others to regularly meet with the employees concerned and to follow up with the workplaces.

Employee health and safety

Living actively, both mentally and physically, leads to a valuable working life and to the happiness of employees and their families. This is why we consider health and safety to be priority issues, work to maintain and improve the mental and physical health of our employees, and create workplace environments that are people-friendly, safe, and secure.

I Implementing health and productivity management

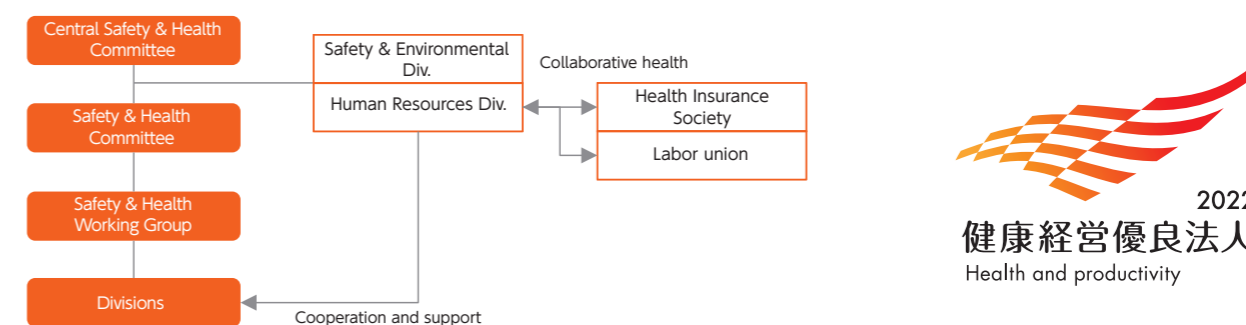
Efforts to maintain and improve employee health bring a range of benefits, including vitality and productivity improvements. With a particular emphasis on mental health and preventing lifestyle-related diseases, Aichi Steel is collaborating with the Health Insurance Society and labor union to share information on issues and expand measures. To help prevent lifestyle-related diseases, we have launched our Health Challenge Eight* initiatives to promote the improvement of the healthy habits as an approach to move a pivot leg from "treatment" to "the prevention."

In terms of mental health, we have established a Mental Health Consulting Counter and we provide individual and workplace care through education and stress checks for individuals and their supervisors. In addition, we have introduced a new mental health medical adviser system while also enhancing our efforts to prevent the development of mental health issues, and enable early detection of issues and early provision of care.

In recognition of these initiatives, we were recognized for the fifth consecutive year in 2022 as a Health and Productivity Management Outstanding Organization.

* Health Challenge 8 is an initiative that focuses on eight lifestyle areas (appropriate weight, eating breakfast, drinking alcohol, snacking between meals, giving up smoking, doing exercise, sleeping, and stress) and encourages participants to put as many healthy habits into practice as possible.

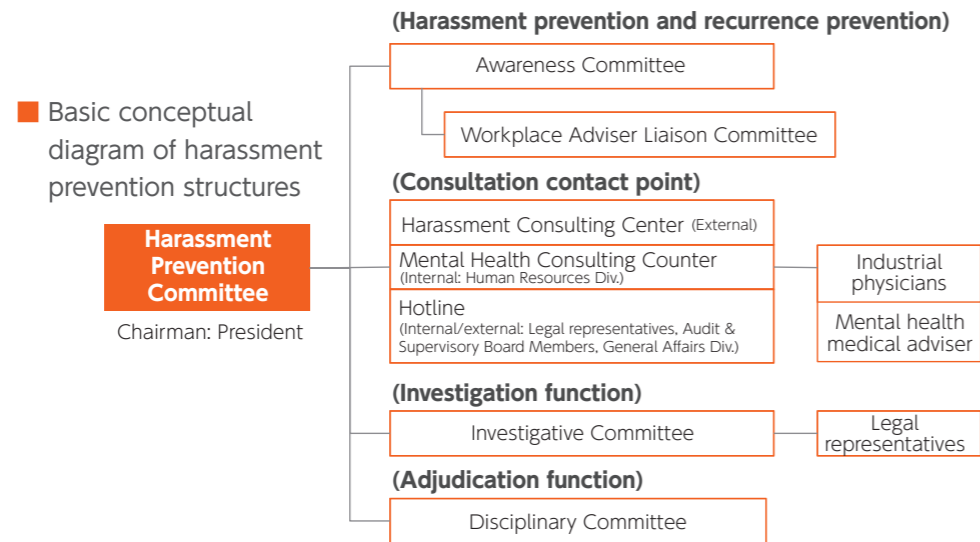
Promotion framework



I Harassment

Harassment is not only an assault to personal dignity and a disturbance of the peace in workplaces, but it is a problem that severely impacts business management as well. This is why labor and management are working together to create harassment-free workplaces. We established the Aichi Steel Harassment Prevention Guidelines, and provide education to all executive officers and employees, to define measures for preventing harassment and rules for the company and employees to observe. We have also established dedicated

harassment consulting services internally and externally, and we are allocating consultants in each workplace to systematically suppress harassment while achieving early detection and resolution. Consultations, reports, and issues uncovered are quickly examined, and facts are confirmed, in an Investigative Committee made up of members of labor and management who work to prevent recurrence through strict measures, education of supervisors, and other actions.



I Safety

We recognize that "safety takes priority over all," and we apply the Basic Philosophy for Safety and Health that says "Safe work, Reliable work, Skilled work. Safe work is "the gate" to all work. Let us pass through this gate." With this in mind, employees and everyone else working on our premises aim to create safe and secure working environments and to transform into a company with a safety culture.

Safety and health activity policy

To help prevent accidents, we are working on the three pillars of "safety management," "development of safety-conscious human resources," and "fundamentally safe designs." For safety management, we are developing risk assessment tools able to reliably identify sources of danger. For development of safety-conscious human resources, we are working to foster people who can learn

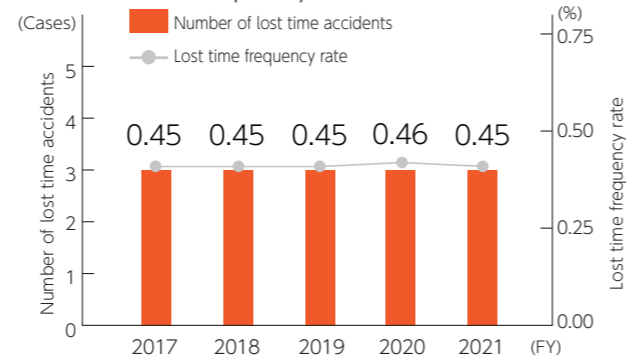
knowledge and skills, maintain a strong awareness, and promote mutually beneficial communication. For fundamentally safe designs, in the facility design stage, we are enhancing the standard of zero points of contact between people and sources of danger. We will continue strengthening these three pillars into the future as we work to create safe workplace environments.

Basic conceptual diagram of safety and health



* Occupational Safety and Health Management System

Number of lost time accidents and lost time frequency rate



Employee engagement

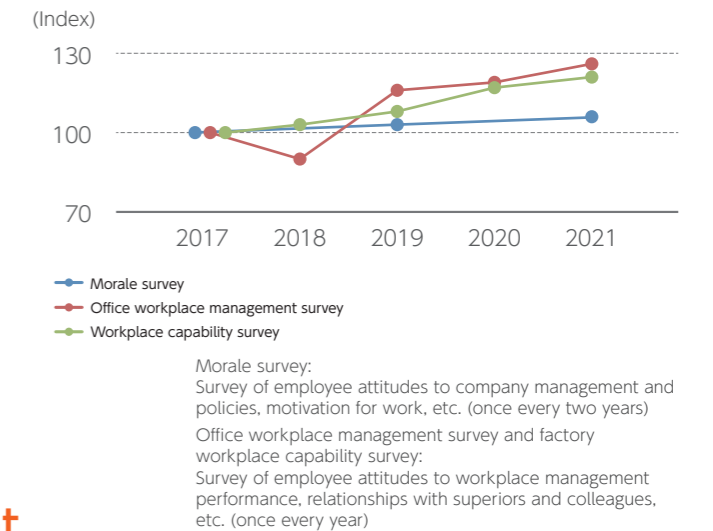
Creating structures where the company and individuals share objectives and targets, and can each grow, will encourage each employee to take on challenges and will lead to an organization able to meet the challenges of any changes in the business environment. This is why it is important that each of our employees can continue to grow through their work, and can maintain motivation in their work. It is also why we conduct regular surveys and take whatever measures are required.

I FY2021 achievements and future initiatives

For individuals to grow, they need a nurturing base, or culture, and to create such workplaces, we have launched a three-year Workplace Culture Reform Project. We started by making the behavior and care of our supervisors more visible. Going forward, we will provide mutual learning opportunities for our supervisors, and establish evaluation methods that will lead to further improvements.

By rebuilding deteriorated dormitories for single employees, further enriching the teleworking environment, and conducting other initiatives, we will remove stresses from daily living and develop environments where our employees can concentrate on their work anytime and anywhere.

Changes in evaluation of employee engagement (calculated as an index with FY2017 being 100)



Human resources development

For Aichi Steel to remain the company of choice for customers, as a company that expands the possibilities of manufacturing through materials, we must improve our ability to flexibly respond to changes around the world. For this reason, we have added Human Resources Development to Vision 2030. We will now follow this plan to ensure we develop and secure human resources with both expertise and basic skills.

I Adaptability to change

In times of increasing uncertainty and a future that is hard to see, rather than defining a single destination, it is important that we both increase the level of expertise required at present, and refine basic skills to be able to adapt to any change. These basic skills include the skills and problem-solving capabilities acquired over many years, and the digital literacy that is necessary now.

Our basic approach to teaching skills and problem-solving capabilities is to employ on-the-job training, so we have expanded our training systems in the

belief that group training programs will improve the effectiveness of that training. We are also improving the synergies of on-the-job and off-the-job training by enlisting senior employees, who have acquired instructor education in group training programs, to guide our junior employees.

For digital literacy, we formulated a training program in fiscal 2021 and started implementing that program in fiscal 2022. In the future, we will expand the knowledge training required for business reform to all employees, and we will both select and develop DX Leaders to drive that reform.



Remote delivery of digital literacy education



President Fujioka teaching problem-solving directly to managers