

Health

Basic approach

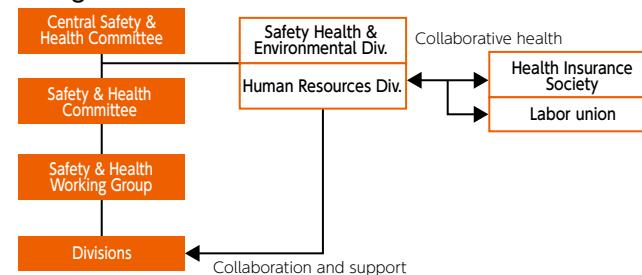
Since its foundation, Aichi Steel has practiced people-oriented management. This is management that realizes "valuable living" and "happiness for employees and their families," with employees leading healthy and active lives both mentally and physically, thereby providing value to society. We position "employee health and safety" as a priority issue, striving to maintain and promote mental and physical health, and promoting the creation of a people-friendly workplace.

Implementation of health and productivity management

Aichi Steel believes that efforts to maintain and improve employee health bring a range of benefits, including vitality and productivity improvements for the organization. Based on this belief, we are committed to implementing health and productivity management for sustainable growth. In our Medium-term Management Plan, we have established quantitative targets for health, and are working on continuous improvement through a PDCA cycle. With mental health and the prevention of lifestyle-related diseases as our priority issues, we are working to enhance various measures by promoting collaborative health*, a cooperative effort among the company, health insurance society, and labor union. In recognition of these initiatives, we were recognized for the eighth consecutive year in 2025 as a Certified Health & Productivity Management Outstanding Organization.

*Efficient and effective implementation of disease prevention and health promotion for insured individuals through active collaboration between the insurer and the business with clearly assigned roles and favorable workplace environments

Organization chart



Health management indicators

Item	FY2022	FY2023	FY2024	
Productivity loss due to presenteeism* (%) *SPQ: Single-item Presenteeism Question, University of Tokyo, single item version	21.6%	14.2%	14.8%	
Regular Health Checkup Participation Rate	100%	100%	100%	
Stress Check Participation Rate	99.4%	99.5%	98.5%	
Health Checkup Questionnaire Results (smoking and exercise rates, etc.)	Adequate weight (BMI 18.5~24.9) Eat breakfast every day Non-smoker 30+ minutes of exercise per day, at least once a week	65.2% 79.6% 68.9% 38.1%	63.8% 80.7% 70.2% 38.9%	61.6% 80.6% 71.3% 41.0%
Stress Check Results (Rate of high-stress individuals, etc.)	7.9%	8.6%	8.6%	

Prevention of lifestyle-related diseases

With the aim of improving lifestyle habits for better health, Aichi Steel is promoting its "Health Challenge 8" initiative to raise employees' health awareness and encourage behavioral changes. To promote healthy habits in the eight categories of body weight, breakfast, alcohol, snacking, smoking, exercise, sleep, and stress, we are providing healthy meals in the company cafeteria, holding vegetable intake visualization events, organizing inter-workplace walking competitions, and expanding the variety of specialized exercise classes, among other initiatives that allow employees and workplaces to engage in health and fitness building while having fun.

Furthermore, in May 2024, we introduced a total smoking ban on company premises to prevent passive smoking. Combined with our existing support for smoking cessation, we are vigorously engaged in promoting employee health.



Yoga class for vitality and fitness

Mental health

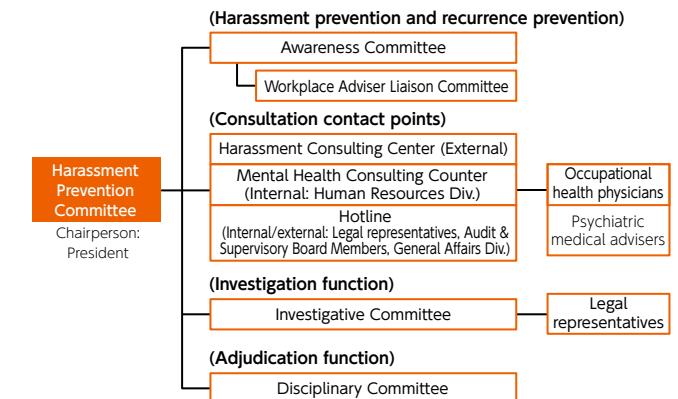
Aichi Steel is working to prevent the occurrence of mental health issues and ensure their early detection and care by establishing a Mental Health Consulting Counter, providing education to both regular employees and supervisors, and providing consultations with a psychiatric medical adviser for

employees with mental health issues. In addition, we conduct stress checks once a year for all employees, and promote mental health by providing care for high-stress individuals and high-risk workplaces.

Harassment

This is not only an assault on personal dignity and a disturbance in the workplace, but also a problem that severely impacts business management. This is why labor and management are working together to create harassment-free workplaces. We have established the Aichi Steel Harassment Prevention Guidelines, which stipulate harassment prevention measures and other matters for the company and employees to observe, and provide education to all executive officers and employees. We have also established dedicated consultation contact points internally and externally to address harassment issues, and we are allocating consultants in each workplace to systematically suppress harassment while achieving early detection and resolution. In FY2024, we received 14 consultation requests and reports. These are promptly examined and fact-checked by the Investigative Committee, which is comprised of members from both labor and management, and efforts are made to prevent recurrence, including strict action and education for supervisors.

Organization chart



Safety

Basic approach

The Aichi Steel Group recognizes that safety takes priority over all. In accordance with our Basic Philosophy for Safety and Health, we aim to create a safe and secure work environment for everyone working on our premises, and to transform into a company with a safety culture.

Basic Philosophy for Safety and Health

Safe work, Reliable work, Skilled work. Safe work is "the gate" to all work. Let us pass through this gate.

Activity policy

To achieve "zero accidents", the Aichi Steel Group is developing safety activities based on the three pillars of safety management, fundamentally safe designs, and the development of safety-conscious human resources.

Transform into a company recognized by society as having a safety culture

- Safety takes priority over all
- Develop a culture of mutual awareness

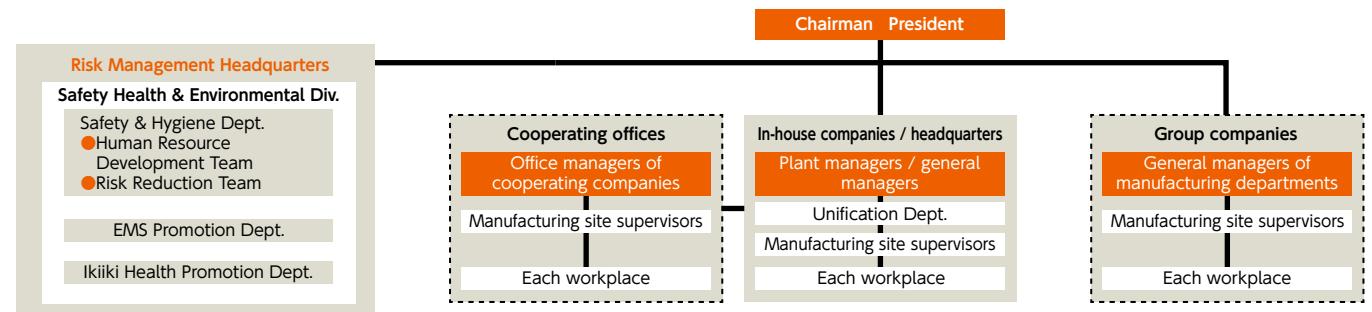


*Abbreviation for Occupational Safety and Health Management System

Promotion structure

Recognizing that safety and quality are the foundation for creating added value, we promote companywide activities with the Risk Management Headquarters as the overall driving force. The Safety, Health & Environment Division plays a central role in safety, and based on the belief that all accidents and injuries can be eliminated, it strives to create a safe and healthy work environment for all employees on our premises by sharing companywide policies with our in-house companies, headquarters, Group companies, and cooperating companies.

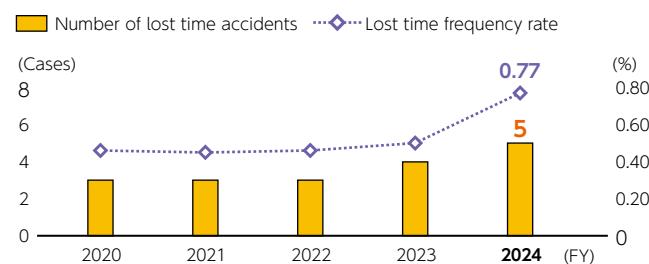
Promotion structure chart



Prevention of occupational accidents

We conduct risk assessments aimed at eliminating occupational accidents. Especially for high-risk work that could lead to significant or serious accidents, we strive to prevent accidents by systematically implementing improvements through fundamentally safety measures that eliminate the causes and reduce the risks. For all occupational accidents, we work to prevent recurrence by clarifying the true cause, including the context, and informing the group and cooperating companies of the accident.

Number of lost time accidents and lost time frequency rate



Initiatives for FY2024**Safety management****Management safety inspection meeting**

To accelerate safety initiatives, management goes to problem workplaces to understand issues first-hand through Genchi-Genbutsu (on-site experience).

Proactive prevention activities through Genchi-Genbutsu

Dedicated safety time is set aside for management supervisors to verify safety on site, where they focus exclusively on safety and engage in activities to identify workers' concerns.



Safety check during dedicated safety time



Management safety inspection meeting

Fundamentally safe designs**Reduction of high risk through risk assessment**

We improve high-risk operations and equipment identified through risk assessments to make them safer and to promote accident prevention.

Introduction of equipment eliminating hazards and harmful factors

When installing new equipment or modifying existing equipment, we separate people from hazard sources from the planning and design stages to make it fundamentally safe and reduce risk.

Development of safety-conscious human resources**Safety key personnel training**

Since 1995, we have conducted specialized occupational safety and health training to develop capable personnel who form the core of workplace safety and health activities, working to raise the overall level in safety and health management.

Training and drills

We have established an Anzen Dojo venue where employees can learn and experience the risk of occupational accidents at work using actual equipment and VR, as well as a Skill Competition where they can review, refine, and raise the level of their safety awareness and technical skills. We also hold joint disaster drills with the Tokai City Fire Department, simulating scenarios such as fires and explosions as part of our efforts to prevent industrial and occupational accidents.



Safety key personnel training session



Anzen Dojo



Forklift operation at skills competition



Joint disaster drill

Occupational health**Heat environment improvement**

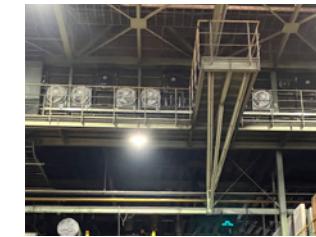
We have improved working conditions by conducting risk assessments in response to recent climate change and strengthening heat countermeasures.



Heat countermeasure (Spot cooling areas)



Heat countermeasure (evaporative cooling equipment)



Heat countermeasure (cool air circulation in buildings)

Stakeholder relations

Basic approach

Aichi Steel conducts its business activities through relationships with various stakeholders, so building positive relationships with those stakeholders is important for improving our corporate value. Through proactive dialogue with stakeholders, we are able to incorporate the needs of society and expectations for us into our business activities, and encourage them to feel a sense of closeness with Aichi Steel. In this way, we are able to grow alongside all of our stakeholders, including customers, shareholders and investors, employees, suppliers, and local communities.

Promoting dialogue with employees

Under the principle of “people-oriented management,” we create an environment in which each and every employee can feel secure and demonstrate their full potential, as we aim to provide value to society and achieve sustainable growth. To achieve high employee engagement, which is a source of value creation, we are promoting the

● Initiatives and achievements for each stakeholder

Stakeholders	Initiatives to promote dialogue	FY2024 results
Customers	● Customer service desk: Improvement by responding to customer comments and providing feedback internally	Number of inquiries 1,561
Shareholders and investors	● General Meeting of Shareholders: Business reports, discussions and resolutions on financial matters, Q&A with shareholders ● Dialogue with investors: Through briefings on financial statements and future strategy, individual talks, etc.	Number of dialogues with institutional investors (total) 45
Employees	● Regular meetings of the Labor-Management Committee: Mutual understanding, discussion and negotiation, and exchange of views between labor and management ● Various awareness surveys: Surveys on organizational and workplace culture, working lives, etc.	Number of labor-management roundtables and conferences 22
Suppliers	● Suppliers convention: Sharing of procurement policy, mutual learning opportunities, strengthening of partnerships	Number of participating companies 126
Local communities	● Collaboration and volunteer activities with NPOs, etc.: Communication through active participation in social contribution and community volunteer activities ● Collaboration with industry groups: Proposals on common industry issues and facilitation of information sharing through the Japan Iron and Steel Federation, etc.	Employee participation rate in social contribution activities 80%

development of rewarding workplaces and the evolution of our human resource system through continuous dialogue.

Built on mutual trust between labor and management, we hold labor-management meetings twice a year at the in-house company and headquarters levels to accelerate the pace of change through frank discussions to resolve issues that are relevant to the workplace. We continuously carry out initiatives that reflect employee feedback, such as identifying and rectifying issues from morale survey results, improving workplace conditions, and enhancing welfare benefits.

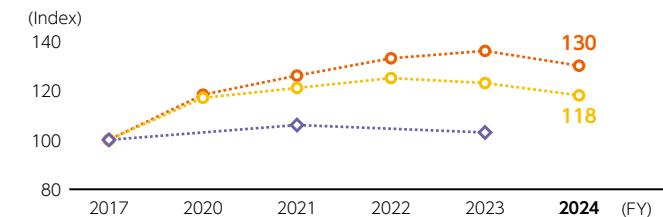
Specifically, through measures such as subsidizing workplace trips and social gatherings, and rebuilding dormitories for single employees, we aim to create a workplace where diversity is respected, openness is encouraged, and everyone can feel comfortable and gain a sense of fulfillment.

● Initiatives to improve engagement

Aichi Steel conducts an annual engagement survey of all employees. Based on the results of the analysis from various perspectives, such as motivation toward work, sense of growth through work, support from superiors, and workplace culture, we are working to develop various personnel measures and improve management in each workplace. In FY2023, we revamped the survey with the goal of deepening our analysis and clarifying issues for each workplace. We launched a new leadership training program in FY2024, incorporating responses to issues identified through the survey and enabling continuous improvement of workplace culture. Going forward, we are enhancing engagement by verifying the results of these efforts and addressing additional issues.

● Changes in engagement evaluation

··· Morale survey ····· Office workplace management survey
······ Workplace capability survey



*Index taking FY2017 as 100

Morale survey	Survey of employee attitudes toward company management and policies, work motivation, etc. (once every two years)
Office workplace management survey	Survey of attitudes of general workers to workplace management, relationships with supervisors and co-workers, etc. (once a year)
Workplace capability survey	Survey of attitudes of skilled workers to workplace management, relationships with supervisors and co-workers, etc. (once a year)

Strengthening partnerships with suppliers

Superior raw materials, parts, and technologies supplied by our suppliers are essential for manufacturing Aichi Steel's products. Based on our belief that collaboration with suppliers is important in addressing various sustainability issues, we are working to build a relationship of trust with them through close communication, and to establish and strengthen a sustainable supply chain that allows us to grow together and share our achievements.

Every year in April, Aichi Steel holds the Hokokai* General Meeting to explain the business environment and company policies and share information on initiatives and goals regarding safety, compliance, and sustainability. In December 2024, we revised our Partnership Building Declaration to be more specific about coexistence and new partnerships throughout the supply chain, and adherence to fair business practices with subcontractors. It was distributed to all 126 member companies at the April 2025 Hokokai General Meeting to share a common understanding. We also launched new study group activities within the Houkokai in FY2024 to strengthen the entire supply chain, conducting workshops on the Subcontractor Act in July that year and on the realities of cyberattacks and key countermeasures in December.

*An organization consisting of suppliers aiming for mutual development based on partnership and mutual trust with Aichi Steel. For more information on our Partnership Building Declaration, visit:



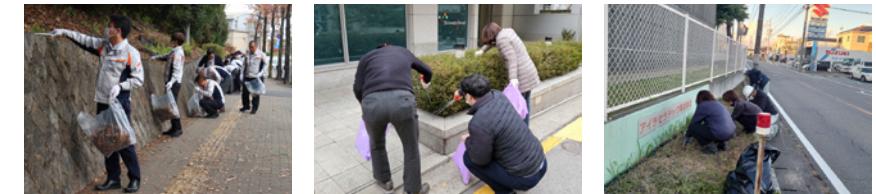
https://www.aichi-steel.co.jp/_assets/dl/about/procurement/partnership20241224.pdf

Strengthening relationships with local communities

As a good corporate citizen, we recognize the importance of communicating with local communities through social contribution activities and so on, and are engaged with them in co-creation activities. Specifically, we are developing activities based on the four pillars: clean, green, creative, and volunteer support. Such activities not only strengthen our relationships with local communities, but also help develop a social issue solving mindset among employees and provide feedback on our business activities. We will continue working actively toward the realization of a sustainable local community, to which every one of our employees can make a contribution.

— Clean

- Cleanup activities conducted on Clean AICHI STEEL Day in areas surrounding domestic and overseas business sites



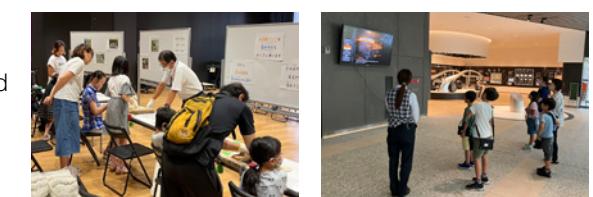
— Green

- Flowerbed maintenance conducted in front of Jurakuen Station to improve the area's appearance



— Creative

- Hands-on classes and plant tours for elementary school students held at the Tokai City Monozukuri Dojo



— Volunteer support

- Operation of the Aichi Steel Volunteer Fund, which uses employee donations to contribute to local welfare facilities (We have also established a Matching Gift Program under which the company contributes the same amount)

