

# Diversity and Inclusion/Human Resource Development

## Diversity & Inclusion

### Basic approach

Aichi Steel believes that employees with diverse values, abilities, and experiences fulfilling their potential by accepting and learning from each other will lead to the creation of new value. To this end, we are committed to securing and training human resources and improving our in-house environment.

### Promoting advancement of women

Aichi Steel is committed to creating an environment in which women can choose flexible workstyles to pursue their goals. We support career development through training and other measures, and have adopted systems to help women balance work and life events. These include the Nice Family System, which is centered on childcare and nursing care support systems, as well as flextime system without a core period and working from home system. We are also focusing on awareness initiatives, such as providing e-learning on childcare support systems to all managers, in order to promote understanding in the workplace and among supervisors and make it easier for employees to take childcare leave regardless of their gender. As a result, in FY2023, the percentage of male employees taking childcare leave increased significantly from the previous year to 69.7%.

		FY2022	FY2023
Rate (and number) of female managers <sup>1</sup>		1.0% (4 people)	1.3% (5 people)
		33.3% (22 people)	69.7% (53 people)
Rate (and number) of male employees taking childcare leave <sup>2</sup>		66.5%	65.4%
	All employees	68.2%	68.2%
	Full-time employees	68.7%	62.0%
Wage difference between male and female employees <sup>1,3</sup> (%)	Part-time/temporary employees		

<sup>1</sup> Calculated based on the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life"

<sup>2</sup> Based on the provisions of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members," calculating the percentage of childcare leave, etc. taken under Article 71-4, Item 1.

<sup>3</sup> There are no gender differences in our pay and evaluation systems, and any wage differences between men and women are due to factors such as length of service, the ratio of men to women in manager positions, and the ratio of men to women in different positions at different pay levels.

### Senior employee participation

In view of the declining labor force and the need to maintain and improve on-site capabilities, we believe it is important to maximize the performance of our senior employees (aged 60+). We have established a "Nice Senior System" that allows all those who wish to continue to work from their retirement age until their pension benefits begin. We are improving work environments and reviewing compensation packages

while holding discussions with labor and management to ensure that senior employees can continue to work with a sense of security and a high level of motivation. We also conduct initiatives to help senior employees develop self-sustaining careers, including seminars on such topics as "Ways of Working," "Retirement Benefits and Pensions," and "Health and Diet" for those who have reached the age of 55, as an opportunity for them to rethink their future career plans and the meaning of work. Our post-retirement reemployment rate for FY2023 was 91% (107 out of 117 people).

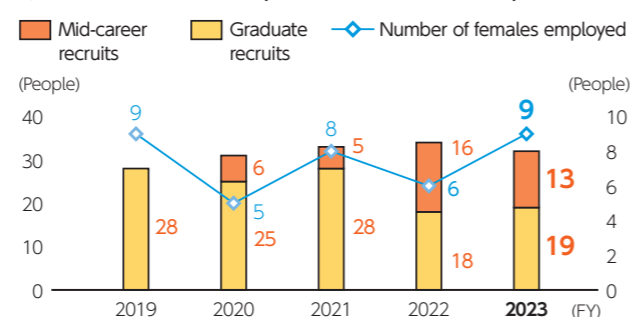
### Expansion of vibrant workplaces for people with disabilities

As well as systematic regular and mid-career hiring, we are taking various steps to enable employees with disabilities to play an active role in a wide range of workplaces, including manufacturing sites and administrative departments. With a focus on work motivation and how well each individual's unique characteristics fit the job description, we determine assignments based on a series of practical workplace training and interviews. We are also taking various measures to fully utilize the potential of employees with disabilities after assignment, such as regular meetings with the employee concerned, follow-up with their workplaces, and other support and consideration led by the Vocational Life Consultants for Persons with Disabilities. In addition, to eliminate obstacles making it difficult for employees with disabilities to work, we are also committed to expanding the number of workplaces available to them through the introduction of barrier-free facilities, support for career development, and initiatives to raise employees' awareness and improve understanding.

### Mid-career recruitment

In these times of growing uncertainty, we believe that we need more advanced knowledge, diverse experience, and abilities than ever before in order to solve social issues with speed through our business. For this reason, we are focusing on mid-career recruitment, especially in our priority areas such as DX and research and development. In FY2023, we hired 13 employees in general positions. (Rate of mid-career recruitment: 40.6%)

### ◆ Number of recruits (General technical staff)



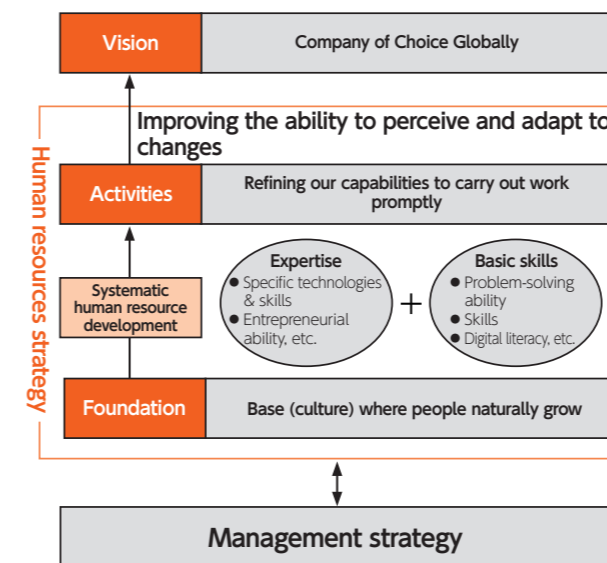
## Human Resource Development

### Basic approach

Aichi Steel is committed to developing human resources who can improve their basic skills, which are needed in any environment, and their expertise necessary to adapt to changes, and are able to think and act independently, while practicing the Aichi Way, a set of shared values that must be held by all employees of the Aichi Steel Group whose key words are "Sustain," "Appreciate," and "Create."

### Strengthening basic skills and expertise

To strengthen the basic skills required for our operations, Aichi Steel is focusing on three areas: problem-solving capabilities, which are the foundation of work, skills for strong workplace capabilities, and digital literacy, which has been newly added. Our basic approach is to acquire problem-solving capabilities and skills through on-the-job training based on "Genchi-Genbutsu," and to enhance their effectiveness through off-the-job training (group education, training, etc.) We provide digital literacy education mainly through e-Learning, with a menu of educational programs according to the proficiency level of each individual, thereby efficiently improving their skills. In addition, to support self-development efforts, we provide correspondence courses, study assistance, and certification incentive programs to strengthen expertise.



### On-the-job and off-the-job training

We actively and systematically implement on-the-job training, based on the belief that experience and learning through "Genchi-Genbutsu" (on-the-job experience) are essential for human resource development. We have established a system in which each employee reviews their future career plan and regularly discusses with their

superior their work assignments and goals for acquiring the skills and knowledge necessary to realize the plan and for developing competencies. Efforts are also made to enhance the effectiveness of our various training programs, such as managers and supervisors instructing junior employees to achieve a synergistic effect between on-the-job and off-the-job training, and top management giving talks on their own experiences to raise participants' motivation.

### Digital literacy education

To maintain and improve competitiveness, we recognize that in addition to initiatives at manufacturing sites such as smart factories, we need to promote DX to transform our operations, organization, and corporate culture, and we are working to strengthen the development of our DX human resources. In FY2023, we are speeding up our development of DX leaders by conducting basic digital literacy education, and by determining the DX level of every employee through a DX assessment and using it to build a future education system. We are also working to promote DX companywide by fostering awareness through such events as a Hands-on DX Exhibition and a Generative AI Application Contest.



### ◆ DX human resource targets

	DX level required	Targets for 2026
DX leaders	Have the ability to lead digital human resources to promote DX	125 people
DX members	Possess digital technology and have the ability to promote operational transformation	515 people
General technical & business staff	Have the ability to use digital technology to promote operations	900 people

### Efforts to develop human resources for executives

We are engaged in ongoing and systematic training to acquire new management personnel. To increase the self-awareness of the candidates, managing executive officers themselves serve as instructors, and the content focuses on mindset. In addition to equipping them with management and leadership skills that enable them to see and think from a companywide perspective and to create management ideas, we also hone their boldness, vision, sense of speed, and other qualities necessary for assuming higher responsibilities.