Producing an employee-friendly workplace

Improving in-house systems

Human resource development

Safety and health / Disaster prevention

Diversity efforts

Promoting female employees

INOAC enables female employees to demonstrate their skills and capabilities, actively seeking out roles for them and creating environments where they can contribute to the company. Every year, we hold a seminar on promoting women's success at work, aimed at female candidates for management positions to encourage them to broaden their perspectives and advance their careers. We also hold a seminar every year aimed at male managers and the company is leading efforts to create a system that supports the success of female employees.

Work related to the enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace

Following the enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace in April 2016, we have been engaged in promoting women's success at work with the three goals below. They are designed to encourage female employees to demonstrate their potential and develop their careers in many departments over a period of five years from April 1, 2016 to March 31, 2021.

Goals

- (1) To raise the proportion of female subsection chiefs to that of male subsection chiefs, we will aim to promote 10% of female candidates to the position of subsection chief this term.
- (2) To find more female candidates for management positions, we will increase the proportion of female participants in training courses for mid-level employees and subsection chiefs to 10%.
- (3) We will make the usage rate of managers' annual paid vacation equal to that of general employees.

Employing persons with disabilities

In order to realize a society where everyone can expand their potential, we actively hire persons with disabilities. Doing so, we found that employees become more considerate toward others and that it creates heightened awareness.

Users of the continued employment system

Since January 2015, we have been actively engaged in creating an environment in which senior citizens can effectively put their career skills to use. We are increasing wages for employees who continue to work with us, thereby implementing a system that makes it worthwhile to rise to positions of responsibility.

Promoting work-life balance

We are actively working to support balance between work and family life, to have an employee-friendly workplace and promote the advancement of women. According to our regulations regarding childcare leave, employees are able to take leave until their children are two years old. Special (paid) leave is also available to attend to sick or injured children: five days are provided to employees with one child and ten days to employees with two or more children. In addition, we offer a system of reduced working hours, which can be used for up to three years (available until the child finishes third grade in elementary school). We also institute five days of special paid leave when a spouse gives birth to a baby.

Support systems to balance work and childcare (year enacted)

Paternity leave (before 1980) Flextime system (1990) Regulations regarding family care leave (1990) Happy Holiday Leave (1991) Regulations regarding childcare leave (1992) Regulations regarding measures for maternity health management (1998) System for paid half days off (2000) Family support holiday leave (2005) Sick/injured childcare leave (2005) Regulations regarding childcare leave amended (leave period extension) (2005) System of reduced work hours for childcare (2008) Family Care Leave (2010)

* Flextime was changed from "with core time" to "no core time" on April 1, 2020.

Harassment prevention

INOAC implements the following measures against harassment in the company.

(1) Declaration and publication of company policy

INOAC declares its company policy concerning harassment, including sexual and power harassment.

(2) Establishment of consultation desks

Consultation desks to address harassment in the workplace are established in the Global HR Division in each area of Japan. We also have dedicated consultation desks for women, and labor union consultation desks.

(3) In-house fact-finding surveys

The Power Harassment Questionnaire is administered annually to all employees to gain an understanding of the actual conditions.

(4) Harassment prevention training

All managers at INOAC are required to attend Harassment Workshops.

24 INCAC CSR REPORT 2020

Global human resource development

The INOAC Group began full-scale overseas expansion in the late 1950s, and now operates factories and offices globally in more than 50 locations. In order to develop human capital that can drive progress in globalization, INOAC stresses its Global HR Development activities - with a particular focus on younger employees.

Pre-Overseas Work Training

INOAC provides special training for employees who are candidates for overseas posts to give them the skills they will need to be immediately productive in work environments outside of Japan. This includes lectures on key points for overseas work by in-house instructors from various sections, and training by instructors from outside the company for developing global mindsets and leadership.

In 2019 we held sessions that provided opportunities for candidates to listen to the experiences of senior employees posted abroad. In addition to hearing all the war stories, the candidates also got to hear about the fulfilling aspects of working overseas.

Welcoming international employees

As part of our human resources development efforts, we invite international employees working at local subsidiaries overseas to the mother plant in Japan and welcome them as trainees to increase their technical knowledge and improve their skills. These employees then bring back and utilize the knowledge and experiences they gained in Japan, thus advancing localization and globalizing our know-how. The sections that welcome the international employees also gain global perspectives through this experience.

Trainee System rollout

In 2019 we rolled out the new Trainee System, which allows young employees to experience roughly a year of practical training abroad. During the first year we sent trainees to the United States and China, where they achieved even more there than expected. The local business locations accepting the trainees are also on board with the aim of our global human resource development, and local staff provide the trainees with attentive instruction. For this system, we are defining professional growth as taking on as many challenges as possible over the course of a year and learning from both the successes and the failures. Many employees are now applying to use the system. We are already considering applications for years two and three.

Comments from _ a participant

Jun Tanaka

(Production Engineering Section, Resin Molding Department, Global Automotive-related Products Division)

I've been a trainee in the United States since September 2019. I work together with the American engineers on measures against defects. During my time here I have participated in several meetings and studied English in my spare time to bring my language skills up to speed. As a result, I have been able to state my opinions, understand others, and ultimately contribute to reducing defects, which has been an invaluable experience for me as an engineer.



Manami Hayashi

(Foam Product Planning Section, Business Planning Department, High Performance Material Division)

I have been on assignment in Shanghai since July 2019. After four months of language training at a local university I underwent my trainee program in Shanghai under a local female sales manager. Through this program I've been able to get a feel for the practical skills required in Shanghai and for the way the local staff goes about their work, and now I know what challenges I want to take on myself going forward.



Personal development

Distance learning program

The Distance Learning Program and Qualification Acquisition Support Program are available for employees who are seeking personal development. The Distance Learning Program offers 100 courses every year and participants get a refund of half the cost upon completion of the course. With the Qualification Acquisition Support Program, the company sponsors employees to take qualification exams that are specified in the program regulations. Through continuous efforts such as these, the entire company is engaged in supporting personal development.



English learning support

We provide English language lessons to boost our employees' motivation for learning. Rather than focusing on raising test scores of younger employees, the aim of these lessons is to teach English that can be used in practical business scenarios. The lessons are provided online, allowing employees to learn in their preferred environments without needing to travel. Motivation-building seminars are held before the lessons With video letters from company officers and direct communication by outside instructors about the importance of English, we are creating an environment that motivates young employees.

Principles and basic policy for safety

 (1) Safety is the basis of the very existence of the company.
 (2) All accidents and hazards are preventable.
 (3) Safety is achieved through the awareness and responsible action of each employee.

Based on the safety principles above, safety is prioritized above all, and this is demonstrated through action. When a risk becomes known, our established practice is to "stop it, call it in, and wait." Our yearly activity plans include activities organized by the Ministry of Health, Labour and Welfare and monthly activities that past disasters have taught us to be of critical importance. We strive to improve the safety, health and disaster prevention levels at all of our locations by conducting repeated training and improving any weaknesses we find in our safety, health and disaster prevention assessments.

All INOAC Safety and Health Committee meetings

The following safety activities are led by top management and attended by all members of the company.

 \bigcirc Central Safety and Health Committee meeting: Held four times per year \bigcirc Field inspection by officers: Held twice per year

 Safety Practitioners Conference: Held six times per year
 Safety and Health Committee meeting at each location: Held monthly Through these activities, INOAC enhances company-wide awareness of safety, health, disaster prevention. We hold these meetings on safety to

build organizational culture and prevent the reoccurrence of disasters.

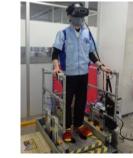


Field safety inspection by top management

Developing safety-conscious workers with the Safety Dojo

The Safety Dojo lets employees experience potential work hazards in safe settings using 15 simulators that enable the employees to see, hear and feel the hazards. The experience helps build workplaces capable of achieving the zero-disaster standard by making employees more

sensitive to potential hazards, training their ability to predict them, and building habits in safe work practices. Employees will be even more alert for potential disasters thanks to the virtual reality (VR) system we implemented in 2020.



Safety Dojo (1,000 employees have participated)

Promoting employee health

- Managers are improving their skills and knowledge so that they can lead by example.
- © Establishing mental health and harassment consultation desks
- © Establishing outdoor smoking space to ensure separation of smoking areas
- © Reducing road surface temperature as an environmental measure
- Organizing learning sessions and trainings by industrial physicians and the health insurance association
- © Taking preventive measures against heatstroke



Heat insulating pavement (reducing road surface temperature by reflecting infrared rays)

Safety Practitioners Conference

1. Summary from the FY 2019 Conference

- (1) Reports on safety, health and disaster prevention activities
- (2) Statistics and analysis of disasters in the INOAC Group
- (3) Notices and changes in the Industrial Safety and Health Act
- 2. Education and awareness raising to prevent occupational accidents
- Efforts to prevent occupational accidents
 Kyushu and Tohoku (via online connection)

3. Policy for FY 2020

 (1) Explanation on safety, health and disaster prevention activities in FY 2020
 (2) Proposals from the labor union



Safety conference

Disaster prevention activities

We take action according to our Crisis Management Regulations to minimize damage by natural and other disasters, execute accurate first responses, and ensure early recovery.

1. Large earthquakes

 $\hfill O$ Measures to alleviate earthquake damage to buildings and facilities $\hfill O$ Safety and disaster prevention equipment and stockpiles for earthquakes $\hfill O$ Post-earthquake response

 $\ensuremath{\mathbb{O}}$ Stockpile of mattresses and other items to contribute to the community

2. Measures against fires, storms, and floods

- Prevention of fires and explosions in manufacturing facilities
- Preparedness and systems for dealing with storm and flood damage
- © Establishment of a weather information distribution system
- 3. Disaster prevention education
- © Establishment of a disaster
- prevention training center