

## Improving in-house systems

### 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. Two female employees were promoted to manager roles in FY 2020, raising the ratio of female workers who comprise our management roles to 4%.

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

We promote 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 a variety of departments over a period of five years from April 1, 2021 to March 31, 2026.

#### Goals

- (1) Raise the ratio of females among all INOAC workers to 20% or more.
- (2) Raise the ratio of female employees in sales roles to 15% and in technical roles to 7%.
- (3) Make the usage rate of managers' annual paid vacation equal to that of general employees (54.8%).

#### ■ 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.

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

#### ■ 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)
- Regulations regarding telecommuting (2020)

### Harassment prevention

INOAC implements the following measures against harassment in the company.

- (1) **Declaration and publication of company policy**  
INOAC declares and discloses 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 workplaces across Japan (for each area). We also have dedicated consultation desks for women, and labor union consultation desks.
- (3) **In-house fact-finding surveys**  
We administer the Power Harassment Questionnaire annually for all employees, gain an understanding of the actual conditions, and take action in response.
- (4) **Harassment prevention training**  
All managers at INOAC are required to attend Harassment Workshops.

## Human resource development

### 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 five total days of training by instructors from various sections of the company as well as outside instructors for employees who are candidates for overseas posts, to give them the skills and mindsets they will need to work outside of Japan. Every year we gradually make improvements to the training content. In 2020, this included content that highlighted the fulfillment of working overseas while seeking to preemptively alleviate anxieties about living abroad, including various online round table meetings with current expatriate employees and specific examples shared by in-house instructors who have worked overseas. Local staff members at overseas locations also appeared as supporters and role played meetings in English, which intimidated many of the trainees. However, some commented that at the end of the day, it had helped them realize the need for English language skills as well as their own lack of communication skills with foreigners in business settings, and they became determined to turn the experience into something positive. We also conduct training for risk management in situations such as terrorist incidents, kidnappings, and property theft.

While there are certainly many things that those on their first assignments will simply have to actually go abroad to understand, we are packing as much specific content as possible into the training.

#### Welcoming international employees

Current restrictions on international travel have made it difficult to visit Japan from overseas. However, we have still held the same Global Meetings that have been held each year until now, gathering managers and director-level personnel from locations in other countries together with main team members from INOAC departments to share Japan's new products, new technologies, and customer trends, and trade ideas about how to deploy them internationally. Sharing the circumstances in each country between local staff members in the different countries has also helped to establish horizontal ties. These meetings were originally centered on the sales sections of major business units, but since several years ago we have expanded the activity to also include other sections such as technology, IT, and accounting. When the COVID-19 pandemic is over, we will once again invite large numbers of international personnel to Japan and expand networking within our company.

#### Overseas trainee system

In 2019 we picked out the inaugural batch of trainees and sent three young employees on year-long training assignments to the US and China.

Responses from the local companies where they worked were also overwhelmingly positive, and just as we were preparing for the second batch of trainees, we had to suspend the program when COVID-19 pandemic struck in 2020. However, we finalized the first overseas assignments again in 2021 after a year off. Since this is designated to be training, their objectives differ from those of expatriate staff. The chief objective of the trainees is to gain various experiences and take on various challenges in that location. Based on support from local staff, they are directed to think, act, and overcome challenges on their own for a year. After completion, trainees give results presentations both locally and back in Japan.

#### Report from a First Batch Trainee

Yuki Narita

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

My training was in North America, starting in November 2019. In terms of work-related tasks, I learned how important it is to take the initiative to exercise your capabilities and produce results.

Particularly in the US, I learned that doing so is the first step in earning the trust of the local staff. The operational expertise I had gained in Japan was extremely helpful in accomplishing this. Since my language skills were a daily source of frustration, I also studied English on my own every day while I was there. During vacations I was also able to enjoy lots of different experiences in North America such as long-distance road trips around the continent, and visiting a number of different apple orchards. In Japan I will continue working hard so that I can display my capabilities overseas again sometime in the future.

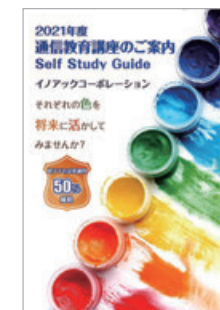


### Personal development

#### Distance learning program

The Distance Learning Program and Qualification Acquisition Support Program are available for employees who are seeking personal development.

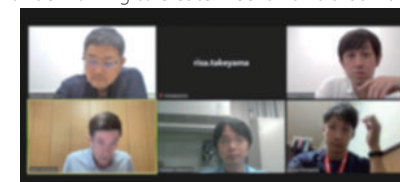
In our Distance Learning Program, we make over 100 types of popular courses available each year and return 50% of course fees to learners who complete the courses. Additionally, our Qualification Acquisition Support Program provides assistance such as course fees and incentives for acquiring officially recognized qualifications, based on company rules.



#### English language learning

In addition to lessons for young employees to learn English conversation that they can utilize in business scenarios, this fiscal year we also introduced a new, more practical online English learning platform for all employees to give presentations and have discussions in English. The number of course takers has more than tripled. We also held online social events to boost employee motivation and shared tricks for making a habit out of English learning.

We will continue working to create mechanisms that make even more employees say, "I want to learn English!"



Online English learning

## Safety and health / Disaster prevention

### 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.

- ⊙ Central Safety and Health Committee meeting: Held four times per year
- ⊙ 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

### 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
- ⊙ Taking environmental measures to reduce road surface temperature and use the Thermax ceiling cover method to lower temperature inside plants
- ⊙ Organizing learning sessions and trainings by industrial physicians and the health insurance association
- ⊙ Taking preventive measures against heatstroke
- ⊙ Measures to prevent the spread of the novel coronavirus
  - Implemented a body temperature checking system at entrances
  - Arranged partitions in meeting rooms and discussion areas
  - Placed hand sanitizer in pertinent areas



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



Body temperature checking system at entrances



Partitions in discussion areas

### Safety Practitioners Conference

#### 1. Summary from the FY 2020 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

- (1) Efforts to prevent occupational accidents
  - Locations far away participate online

#### 3. Policy for FY 2021

- (1) Explanation on safety, health and disaster prevention activities in FY 2021
- (2) Proposals from the labor union

#### 4. Organizing safety presentations by outside instructors



Safety conference

### Safety Dojo disaster prevention activities to develop safety-conscious workers

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.

In 2020 we introduced a virtual reality (VR) system and brought VR equipment to each location for on-site interactive safety training.



Safety Dojo (1,000 employees have participated)

### 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

- ⊙ Measures to alleviate earthquake damage to buildings and facilities
- ⊙ Safety and disaster prevention equipment and stockpiles for earthquakes
- ⊙ Post-earthquake response
- ⊙ 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

- ⊙ Utilizing the Disaster Prevention Training Center and performing disaster prevention training at worksites



Disaster Prevention Training Center