

Diversity & Inclusion







Diversity at JATCO

In order to expand our business globally in response to changing times, JATCO positions diversity as a value to be cherished by our employees. This involves engaging in a variety of initiatives with the objective of generating new ideas and providing better value to our customers by having employees with a wide range of values work together and exchange opinions while treating one another with respect.

Diverse work styles

JATCO aims to build a workplace environment that enhances productivity and enables everyone to work enthusiastically with a sense of security, improving the quality of life (QoL) for all employees. We have been early adopters of flex time; life support leave for a wide range of family assistance encompassing childcare, nursing care, and fertility treatments; telecommuting; and work interval systems, which many employees utilize. Since

2015, in recognition of our achievements, JATCO has been receiving the Special Certification Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (commonly known as the Platinum Kurumin Certification).



 Platinum Kurumin: Among Kurumin certified companies, those making a higher level of effort and satisfying certain requirements can receive this certification.



Empowering women

JATCO works to empower women as one of the pillars of its diversity promotion efforts. The ratio of women in managerial positions currently stands at 5.2% in FY2023, surpassing the Ministry of Health, Labour and Welfare's published cross-industry average for women in management, and we are focusing our efforts on training with the goal of achieving a further increase of this figure to 7%. We also encourage male employees to take childcare leave to participate in parenting and are working to top the 30.2% male childcare leave rate achieved in FY2023. Additionally, regarding the

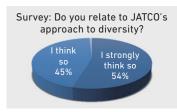
empowerment of women at our manufacturing facilities, women can demonstrate leadership on our diversity lines, where everyone is made to feel welcome.



Encouraging the understanding of the entire company

In order to widely inform and encourage understanding among employees about JATCO's approach to diversity and inclusion and the current situation of the entire company, every year we conduct e-Learning and surveys across the entire company, including management.

From 2022, we will introduce diversity training for new employees as



well, providing opportunities for discussions among the employees. In the 2023 survey, 99% of respondents said they related to JATCO's approach to diversity.

Promoting the active participation of individuals with disabilities

Many employees with disabilities are thriving at JATCO. Establishing workplaces (diversity lines and indoor farms) that accommodate diverse work styles and personnel has led to providing new value, enabling employees to participate vibrantly for a long time. Our employment rate for individuals with disabilities is 2.57% in FY2023, surpassing the statutory rate. The herb teas and vegetables cultivated at our indoor farms are used and sold in the cafeteria during lunch breaks and are very popular with our employees.









We cultivate vegetables and herbs in our indoor farms, provide them to our employees in the cafeteria, and utilize them as gifts for our customers.





In our production plants, employees with disabilities are also in charge of assembly and other work together with the other workplace staff.

Human Resource Development — JATCO's Approach to Human Resource Development—

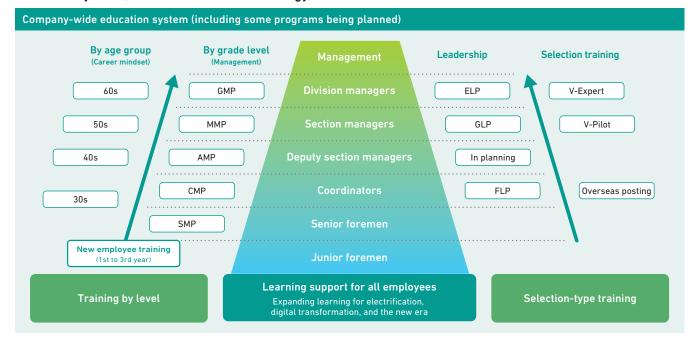






JATCO regards each and every employee as important human capital that makes up the company, and we respect their diversity while proactively working to develop human resources with the aim of becoming a company where all employees can experience personal growth and job satisfaction. Employees grow not only by gaining experience in their roles and solving problems in the workplace, but also by actively taking advantage of a wide range of growth opportunities that are provided on an ongoing basis, including role-based skill development programs and trainings for problem-solving and communications skills. Supervisors support employees' growth through interview programs and ongoing on-the-job training. For new employees who have taken their first steps into the workforce at JATCO, we have introduced a Freshman Leader System in which senior employees give daily consultations, guidance, and advice, providing support so that these new employees can enjoy a fulfilling corporate life at their assigned workplace and can take on work assignments with confidence.

Education system (administration and technology)



GMP: General manager management practice, MMP: Manager management practice,

AMP: Assistant manager management practice, CMP: Chief management practice,

SMP: Staff management practice, FLP: Future leadership program, GLP: Global leadership program

Fostering a global intuition through business and training, etc.

JATCO is working to develop employees that can handle global business. Starting with overseas training in the second year at the company, the short-term dispatch programs in which young employees are sent to overseas offices for several months to a year allow them to build strong relationships with the overseas offices and encounter different cultures, thereby acquiring a sense of global standards, through a variety of experiences, not only in business but also in their daily lives.

Furthermore, we actively accept human resources in the overseas offices through similar kinds of short-term dispatch programs, developing human resources at our offices and promoting inbound globalization.

The use of DX tools has made it extremely easy to communicate with people overseas, so we also started operating a new global training program that allows simultaneous online participation from multiple overseas offices.



Global training program

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Human Resource Development — A Wide Range of Growth Opportunities—

JATCO has abundant mechanisms to support employee growth, including a thorough training system, interviews, and open recruitment. We also provide practical role education by grade, career training by age group, global selection training, regular interviews with supervisors, and rotations based on career plans, etc.

New employee training

After joining the company, new employees go through a one-year program called "Getting to Know JATCO." They learn the ethics and manners required of working adults and about the monozukuri process and how to work based on shared values. In addition, we have established opportunities for all our employees to undergo practical training at the production sites in order to learn about our products and sites. Through a variety of training programs, they deepen their ties with their colleagues and learn about the company's corporate purpose, which is its reason for existence.







Second year overseas training

We provide five-day overseas training to employees in their second year at the company in order to foster an "axis and resolve" for globalization and therefore a desire for continuous personal growth, by having the employees experience challenging situations overseas at an early stage. We deepen their ties with their colleagues and foster their global mindset by having them take on various challenges in an environment with a completely different language and culture.







Practical education for each role

In order to understand the roles at each level and acquire practical skills, employees participate in regularly-held group training while actually working for approximately a year. They also hold group discussions with colleagues at the same level from other divisions to share concerns and questions, leading to greater understanding and the strengthening of cooperation among employees.

Furthermore, for managers, the PCC Program including subordinate management, evaluations, and interviews, etc., is incorporated into the training content and they learn the basics of being a manager through practice.

This education, called the MMP Series, is based on the above concept and is also implemented at each company of our overseas offices, supporting the shared growth of our employees globally.

Career training for each age group

We provide career training for each age group to increase the number of employees who continue to grow and work vibrantly, regardless of their age. In the training, employees take stock of their careers, picture what they really want to be, make an implementation plan to realize that goal, and then share

the plan with their supervisor to work out the concrete details of an action plan. Going forward, we plan to expand career training, which started with employees in their 40s and 50s, to employees in their 30s and 20s.



PMD/PCC Program

Based on the concept that "the company and its employees grow together," we operate the PMD (Performance & Management Development) Program for Division and Section Managers and the PCC (Performance/Competency/Career) Program for General Employees, and we are concretely and extensively implementing support measures for growth and career formation, based on interviews regularly conducted between supervisors and subordinates.

In-house open recruitment system

JATCO has established an in-house open recruitment system that allows employees to take on the challenge of finding the jobs they want, in order to support them in developing their own careers. Many employees utilize this system, under which they apply for jobs advertised in each division, to realize the career formation that is ideal for them.

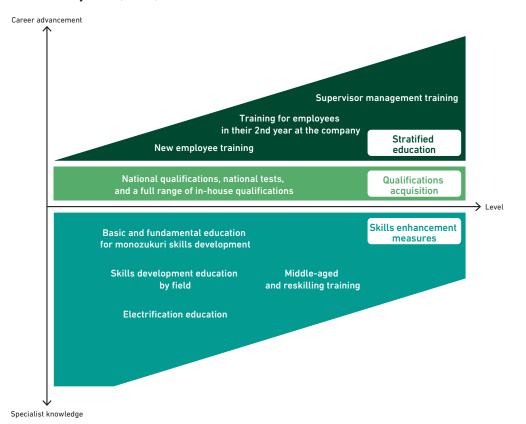
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Human Resource Development —Diverse Educational Programs at Manufacturing Sites—

In an ever-changing environment, we must continually enhance techniques and skills at our manufacturing sites for JATCO to reliably deliver competitive, top-quality products to customers worldwide. JATCO provides systematic education from the time new employees join the company until they become managers and supervisors, ensuring manufacturing personnel can continually enhance the techniques and skills that are the foundation of monozukuri (manufacturing).

Education System (skills)



Supervisor management training

Employees with hands-on experience acquire the practical abilities to act as workplace leaders. With guidance and advice from instructors, they learn in a practical manner about the management cycle, including standardizing tasks, teaching tasks, and post-teaching confirmation. This expands their awareness of others, sensitivity, and strength of character while learning the basics of communication and human skills.



Guidance regarding "teaching tasks"

Monozukuri skills development training

We have staged courses tailored to skill levels across job types so that employees can incrementally acquire techniques from monozukuri fundamentals to the specialized skills in each field and put them into practice at manufacturing sites. Furthermore, a similar kind of human resource development is being carried out at overseas offices as well.







Specialized assembly core skills (Thailand)



Human resource development for electrification

As an electric powertrain manufacturer, we are committed to developing personnel who can work on electrified products. Building on JATCO's unique manufacturing expertise cultivated in CVTs

and ATs, we are steadily advancing preparations to achieve the higher levels of safety and quality required in electrified products by sufficiently understanding functional and structural aspects unique to these goods. We have also established electrified-product training dojos.



Electrified-product training dojo



In order to achieve a workplace environment in which our employees can work safely, healthily, and enthusiastically, JATCO is working on the creation of workplaces with no accidents or fires and the development of people proficient in safety under the banner of "absolute safety" and working on continuous improvements to the physical and mental health of our employees under the banner "health management."



ABSOLUTE SAFETY

- Safety has priority over all works.
- 2. Safety is the most important in any operation.
- 3. Absolute safety means that safety has priority over work efficiency at all times.
- 4. Safety is the basis of work efficiency, and safety and efficiency never contradict each other.
- 5. Safety first begins with the 2S (Seiri & Seiton) in the work area.

Jatco

JATCO's key phrase is "Absolute Safety"

Basic Health and Safety Management Policy

Implementation of health and safety activities in which each and every employee actively participates

Ensuring the health and safety of employees is the basis of our corporate activities.

Recognizing that these are important issues in our corporate activities and that any setbacks could affect the survival of the company, labor and management will work together to promote health and safety activities in which each and every individual actively participates.

Health and safety activities that lead to corporate development

By continuously ensuring health and safety, we aim to be a company that is trusted by employees, their families, our customers, and the community, where the employees can work with peace of mind.

To achieve this, we will efficiently pursue the inherent safety of equipment, improve the work environment and work methods, and advance education and training, aiming for zero work-related accidents, occupational illnesses, and traffic accidents, which will lead to the development of the company.



Site patrols by health and safety officials

Initiatives to secure safety

The three pillars of safety activities

At JATCO, we have established the following three pillars regarding safety activities.

1. Development of people proficient in safety, 2. Realization of safe equipment/work methods, 3. Initiatives to prevent the recurrence of accidents

Firstly, we believe that "education" is an essential measure from the perspective of human resource development, so we repeatedly emphasize the importance of behaving safely and the scariness of unsafe conditions.

Secondly, we are carrying out "activities to eliminate non-standard processes" in order to realize safe equipment and working methods. The main purpose of the activities is to "eliminate non-standard processes," but even after implementing physical measures we implement the activities in collaboration with the on-site workers for management until elimination.

Finally, as initiatives with respect to "preventing the recurrence of accidents," we conduct comprehensive inspections of accidents which occurred in the past. We are carrying out activities to identify not only hard countermeasures but also soft countermeasures that can be implemented, and to ensure that accidents are not forgotten.





Developing people who are proficient with safety

Raising the safety level for employees overall

The plants have continued to take the lead in implementing safety activities based on Safety CAPDo*1 activities, but the situation is that accidents both requiring and not requiring time off work are continuing to occur.

We analyzed the factors behind the accidents occurring from the perspective of the 4Ms*2 and in the results the following four points came into sharp relief.

- 1. Lack of safety knowledge 2. Lack of danger sensitivity
- 3. Lack of confirmation in daily work
- 4. Overlooking of accompanying work

Regarding the basic axis, Safety CAPDo, we have given the first priority to raising danger sensitivity without making any changes (Level 1) and have stipulated Level 2 as increasing the propensity to take risks and additionally to abide by company rules.

Furthermore, we have defined Level 3 as employees who understand the meaning of the safety rules and can always sense, judge, and avoid danger, and we are currently working hard on

safety activities every day with the goal of employees becoming Level 3 "persons who can think and act."

- *1 CAPDo: In contrast to the PDCA method of creating a plan first, this improvement cycle method changes the order of PDCA and starts with "C (Check = ascertain the current situation)"
- *2 4Ms: A framework named by taking the initial letter of the four elements of Man, Machine. Material, and Method

Renovating the safety experience training dojo

We provide experiential education at the safety dojo with the goal of providing emotionally compelling education that allows employees to recognize danger and experience the fear of unsafe behavior and unsafe conditions. The content of the education is created based on actual near misses and accidents that have occurred.

Furthermore, for accident/near miss cases that would entail danger if they were actually recreated, we have introduced a theater-style experiential education tool. This enables the trainees to experience danger in a virtual space, as if they were actually present and working in that space.

A scene in education using theater-style experiential education tool



Physical experiential education: demonstration

Implementation of occupational health and safety education

(1) Education to enhance skills with respect to hazardous substances

We develop qualified personnel in-house by implementing skills courses based on the Industrial Safety and Health Act.

Persons eligible for the courses	Number of qualified personnel
Persons engaged in work handling hazardous substances	62 people
In-house certified safety auditors	1,744 people

(2) Safety education by level

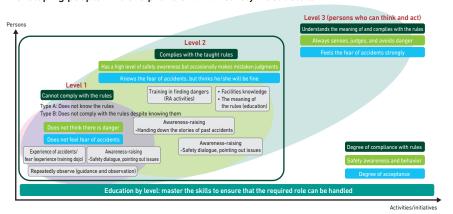
Section managers and also health and safety management section assistant managers, plant managers, and leaders are required to receive safety education once a year.

Particular emphasis is placed on training for newly appointed health and safety management for the health and safety management section assistant managers who are present as the people responsible not only for on-site guidance but also for safety and health activities for employees in their divisions and sections.

About the safety education system and our priorities

Level	Cur	rent situation	FY24		
Level	Frequency Content		F†Z4		
Section managers	Only at times of promotion	Training for newly appointed managers			
Health and safety management section assistant managers	t	Training for newly appointed health and safety management section assistant managers	Once a year Implement inculcation		
Plant managers	1	Foreman education			
Leaders	1	†			
	Only when joining the company	Subcontractor education (shared)	_		
		↑ By SHOP			
		† After deployment	Improvem		
General employees	Once each	Skills development education (basic and fundamental)	New introduction of DX experiential safety education Physical experiential education		
		† Junior	Tool updates		
		† Intermediate	New introduction of driving		
		† Senior	simulators		

"Developing people who are proficient with safety" ideal state





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Realization of safe facilities/work methods

Safety activities tackled by all of our employees

We recognize the task of ensuring safety as a priority in all our work, and have established "Absolute Safety" as our motto. In line with this, we engage in safety activities with a focus on on-site inspection, such as risk assessments, SES I*1, 5S patrols*2, plant (division) safety patrols, public work inspections, and safety specialist inspections by agilely (adaptably and quickly) applying Safety CAPDo in order to move from zero accident to zero danger workplaces.

- *1 SES I (Safety Evaluation System I): Our system for quantitatively assessing safety levels at the workplace
- *2 5S patrols: Patrols of our sites on a regular basis to ensure compliance with the 5S methodology (Seiri [Sort], Seiton [Set in order], Seisō [Shine], Seiketsu [Standardize], Shitsuke [Sustain])

Implementing SES I globally, including the overseas offices

Eliminating non-standard processes

Particular emphasis is placed on eliminating non-standard processes that have a high risk of causing work accidents and may also cause losses in our production activities.

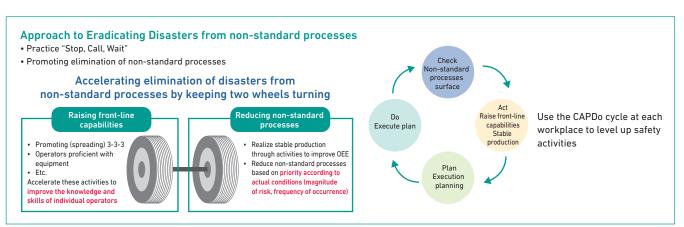
The assessed risks of each production activity are summarized in a list. We establish the degree of priority and the appropriate countermeasures based on the size of the risk, and then speedily implement essential safety countermeasures (hard countermeasures, such as improving facilities), and soft countermeasures, such as training and guidance.

Additionally, by revitalizing risk assessment activities in the workplace, we are promoting the creation of workplaces in which all of our employees can work safely and comfortably.

Deployment of health and safety management section assistant managers

We have deployed a dedicated health and safety management section assistant manager to each of the production sections in order to provide specialized management of health and safety management. They have responsibility for the safety/fires/traffic accidents/health management of their section, and they have the duties of listening to feedback from their colleagues working in the workplace and making improvements.

As experts, they are aiming to construct a strong health and safety network both inside and outside the company in order to build a team whose members absorb the good things from each other. They are also taking on the challenge of creating a culture where the employees "take action immediately," "praise what is good," and "say no to what is bad" by speaking to each other about diverse ideas which are oriented toward the outside world.



Execute and advance risk assessment activities at each site, focusing on eliminating non-standard processes

Initiatives to prevent the recurrence of accidents

Comprehensive inspection activities for the horizontal rollout of accidents which occurred in the past

There are activities in which, in order to prevent accidents from recurring, the Safety & Health Administration cooperates with the health and safety management section assistant managers of each section to check and follow up on the status of the countermeasures that have been horizontally rolled out throughout the company, regarding whether they have penetrated the work sites and whether the countermeasures are being implemented on an ongoing basis. The main purpose of the activities is to prevent accidents from recurring, but a comprehensive inspection is also carried out, including OJT (danger awareness) for newly assigned colleagues.

Creating a safety culture which is not forgotten

In addition to the above, the Safety & Health Administration distributes past accident cases with the title of Accident Memorial. In order to ensure that lessons learned from accidents which occurred in the past are not forgotten and to ensure the same accidents do not occur repeatedly, each month we distribute to all of our employees the industrial accidents which have occurred at the company over the past ten years as accident examples which occurred in that month.

We create time for all of our employees to think about accidents, such as by raising awareness at morning meetings in each division as part of our daily safety activities.

Safety activity management metrics

Accident occurrence status

Year	Category	Results
2023	Fatal accidents	0
2023	Accidents requiring time off work	1
2022	Fatal accidents	0
2022 -	Accidents requiring time off work	0
2021	Fatal accidents	0
2021	Accidents requiring time off work	0

Injury in the course of employment (accidents requiring time off work frequency rate*3)

	Category	Results	All industries*5	JAMA*6
2022	Accidents requiring time off work frequency rate		2.14	_
2023	Severity rate*4	0.005	0.09	_
2022	Accidents requiring time off work frequency rate	0.000	2.06	0.07
2022	Severity rate*4	0.000	0.09	0.002
2021	Accidents requiring time off work frequency rate	0.000	2.09	0.07
2021	Severity rate*4	0.000	0.09	0.018

^{*3} Accidents requiring time off work frequency rate: Number of casualties due to work accidents per 1 million actual working hours [(number of casualties / number of actual working hours) x 1,000,000]

^{*4} Severity rate: this is the total number of workdays lost per 1,000 actual working hours, and expresses the extent of the seriousness of the accident

^{*5} Source: Ministry of Health, Labour and Welfare statistical tables

^{*6} Source: Japan Automobile Manufacturers Association (JAMA) (14 companies) Scope: JATCO Ltd

Initiatives for health management

Declaration on Health Management

The JATCO Group considers the physical and mental health of employees to be an invaluable asset of the company. We have established the JATCO Group's Declaration on Health Management, intending to be a company where employees can work enthusiastically and comfortably.

The JATCO Group's "Declaration on Health Management"

Developing advanced products that reflect the needs of our customers by enabling each and every employee to demonstrate their leadership. Improving manufacturing technology to achieve a level of quality exceeding that of our global competitors. Contributing to the revitalization of communities by running our business fairly and valuing our connections with local communities. These are the driving forces that give energy to every JATCO Group employee.

Such energy is founded on our employees' physical and mental health.

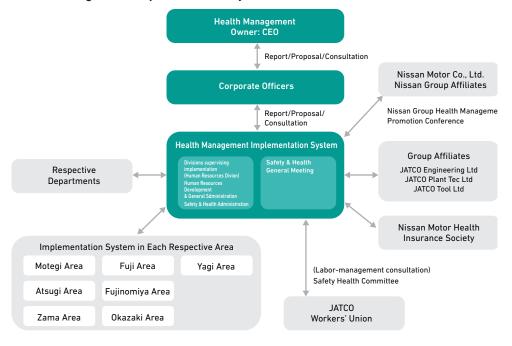
The JATCO Group considers the well-being of its employees to be invaluable assets, so we aim to promote the well-being of both our employees and our company by working to improve quality of life (QoL) so that employees can feel fulfilled, both in and out of the workplace. We believe that ensuring the health of every employee and their family is not only the cornerstone of the JATCO Group's continued growth, but also an answer to societal demands for extending healthy life expectancy.

Acknowledging health care as a significant management task, the JATCO Group declares it will continue working to promote the health of each and every employee and become a company with a healthy and supporting work environment.



Tomoyoshi Sato President and CEO of JATCO Ltd

Health management implementation system



External evaluations

JATCO has been a Certified Health & Productivity Management Organization (White 500) for six consecutive years since 2019.

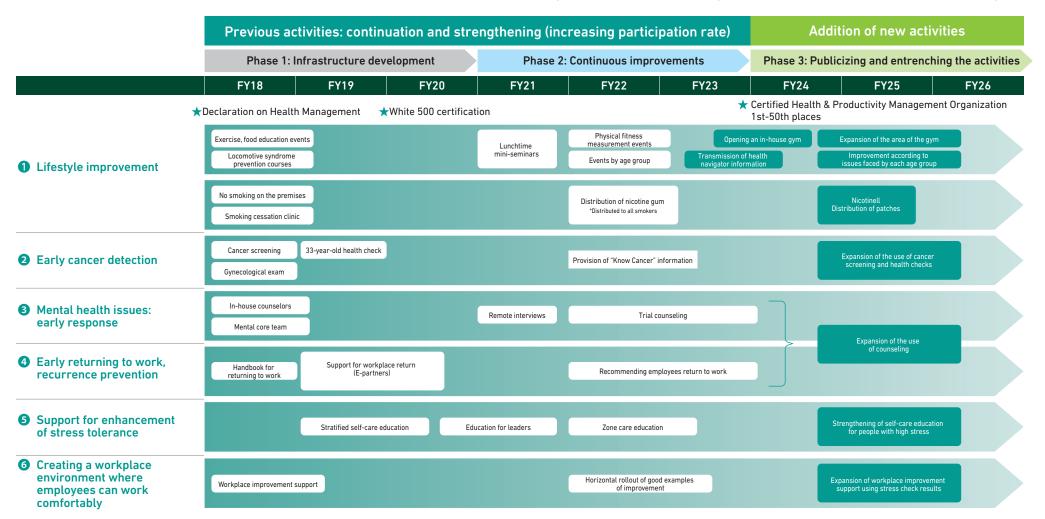


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Medium-Term Health Management Plan

We formulated a medium-term plan in order to achieve the vision aimed for by the Declaration on Health Management, and we are implementing activities based on the six pillars of JATCO health management.



Lifestyle improvement

Health-building events and health education

We continually implement health promotion activities in order to help employees establish better lifestyles with respect to the health risks they face. We hold fun, hands-on, participatory events at each location with the aim of enhancing health awareness.

In-house gym

We have installed a training gym inside our location to create an environment where even people who have not previously had the habit of exercising can exercise easily.

In-house gym

Health event for officers

Health-building events: 1,740 participants

Food education events

• Provision of a healthy menu

Walking events

• Establishment of routes for employees to visit local attractions and shops with their families

Physical fitness measurement

• Maintenance and enhancement of physical fitness for aging

Health education: 599 participants

Education on health issues specific to women

• Implementation of education to enhance knowledge of health issues

Education by age group

• Lifelong health improvement activities adapted to changes in life stages and workplace environments

In-house gym: 122 participants

We have installed a gym in-house where all of our employees (including the related contractors) can exercise at their leisure

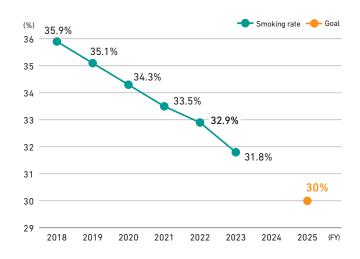
Measures to Reduce Smoking

Our company, including the group companies, started taking measures against smoking from 2003, with full-scale segregated smoking activities starting from 2007, the establishment of nonsmoking hours from 2013, and a smoking ban on our premises (inside our site) since 2017. We are also implementing "move beyond smoking (quit smoking)" activities for smokers, such as interviewing former smokers, distributing smoking cessation gum, and opening an in-house smoking cessation clinic.

As a result, the smoking rate among our employees is gradually

Our goal is to reduce it to 30% by 2025.

Trend in the smoking rate



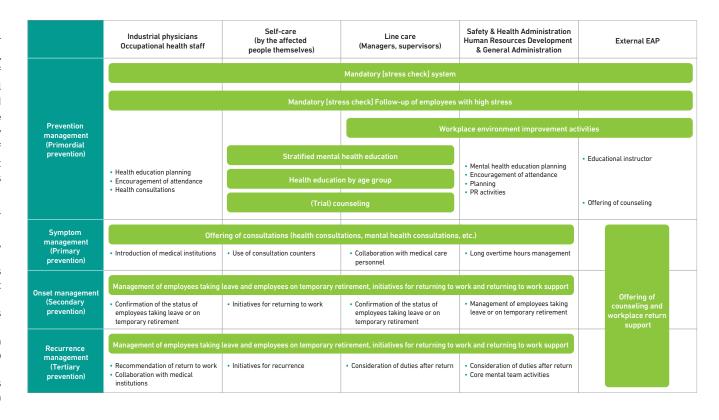


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About initiatives for mental health measures

JATCO has developed mental health support measures for employees, managers and supervisors, occupational health staff, and the Human Resources Division, and is tackling the acquisition of and penetration of understanding of basic knowledge about mental health, knowledge about stress management (self-care), and knowledge about how to deal with subordinates (line care). Since FY2018, as one of its health management activities, the company has been implementing initiatives with a greater awareness of PDCA and approaches to the sense of psychological burden that comes with changes to and diversification of work styles, such as working from home.

- (1) Implementation of regular mental health education for all of our employees and group companies
- (2) PR activities of the in-house and external consultation counters, including trial counseling, etc.
- (3) Conducting of surveys on telecommuting and extraction of the issues
- (4) Implementation of and reflection on workplace improvement activities using the stress check results
- (5) Introduction of good examples of workplace improvement activities using stress check results
- (6) Workplace return support using external EAP for recurrence prevention
- (7) Recommendation of the utilization of external return to work to prevent recurrence
- (8) Collaboration of medical care personnel, the Human Resources Division, the R&D Division, and the Production Division (implementation of a regular mental health meeting)



Health management activity management metrics

		FY21	FY22	FY23
Absenteeism	Number of employees taking leave for physical reasons per thousand	4.6	2.6	2.6
	Number of employees taking leave for mental reasons per thousand	8.8	7.4	6.9
Presenteeism	At the same times as the stress checks, employee surveys are regularly conducted using the WHO-HPQ absolute presenteeism scale (0 to 100 points (%)). The actual value is computed by calculating the loss percentage and averaging it across all of our employees, with higher values indicating greater losses. The actual value is the average for all of our employees (%).	38	37	36
Work engagement	At the same times as the stress checks, we regularly conduct Venta Original employee surveys, which are highly correlated with the Utrecht Work Engagement Scale. The actual value is computed by taking the average of the deviation values across all of our employees, with higher values being better. The actual value is the average for all of our employees (%).	47.5	47.8	48.9

