



## Relations with Employees

Nurturing originality and the spirit of innovative challenge, we aim to create energetic workplaces where dreams abound, by stimulating workplaces and raising the level of organizational capabilities through improvement activities.

### HR function policy

We are promoting development of human resources who can play active roles in largely changing environments, are developing work environments where each and every one of our employees can work safely and healthily, and are building various systems to bring out employees' enthusiasm toward work and capability.

#### Thorough implementation of safety first

- Promotion of risk assessment activities toward zero industrial accidents
- Creation of workplaces where major industrial accidents will not be allowed to happen

#### Development and acquisition of human resources, and improvement in labor quality

- Construction of a human resources development system that can develop people (Creation of a framework for human development)
- Construction of a structure that constantly produces the next generation's successors
- Development of work environments for new value creation (Work-style reforms)

#### Activities as a corporate citizen and the maintenance and construction of healthy employer-employee relationships

- Promotion of activities for preventing violation of legal compliance obligations and corporate scandals
- Strengthening of the labor foundation which contributes to the stable operation of overseas companies

### Human resources development policy

In order to develop our employees' abilities, we provide training by job grade, by function and by workplace, and work on the development of creative personnel who will be able to inherit and pass on specialized knowledge and respond to diverse changes. We make everyone aware of what their individual role is and clarify attainable work objectives. We clarify an employee's "strengths" and "weaknesses." With the goal of connecting those two points, we hold a meeting twice a year for superiors and employees.

We develop creative human resources who will be able to inherit and pass on specialized knowledge and respond to diverse changes.

#### Training system chart (Summary)

| Training categories     | Training by job grade                    |                               |  |   |  |  | Training by workplace      |
|-------------------------|--|-------------------------------|--|---|--|--|----------------------------|
|                         | Recognition of roles / management        |                               | Problem solving  |   | Human resources development                |  |                            |
| Job grade               | Clerical / engineering                   | Technical skills              | Clerical / engineering   | Technical skills                          | Clerical / engineering                     | Technical skills   |                            |
| General manager         | Training for new general managers        |                               | Problem solving training for division managers and department managers |   |  |  | Training in each workplace |
| Deputy general manager  | Training for new deputy general managers |                               |  |   |  |  |                            |
| Section manager         | Training for new section managers        |                               |  |   |  |  |                            |
| Assistant manager       | Training for new assistant managers      |                               |  |   | OJT training                               |  |                            |
| Instructional positions |  | Training for new team leaders | Problem solving training for mentors                                   | Problem solving training for team leaders | OJT training for mentors for new employees | TWI-JI (Training on how to teach work) ; TWI-JR (Training on how to handle people) |                            |
| Staff                   | Training for new employees               |                               | Problem solving training for staff                                     |   |  |  |                            |

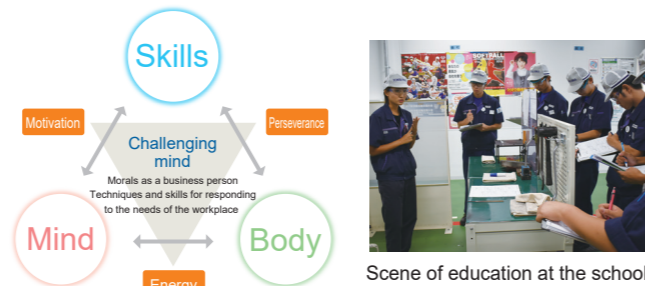
  

| Training categories     | Training by function                   |  |  |   |                              |  | Global human resources development (Employees in overseas companies)   |
|-------------------------|--|--|--|---|------------------------------|--|--|
|                         | 3E activities (Small group activities) | Training for functional divisions                            | Training on specific techniques and skills   | Global human resources development (Domestic employees)   | Support for self development | Other  |  |
| General manager         |  |  |  |   |                              |  | Overseas employees acceptance training<br><br><Indirect><br>· ICT training<br>· HIDA training<br><Direct><br>· Global training<br>· Production engineering skills training |
| Deputy general manager  |  | "How-to-teach improvement training" for functional divisions | <Education on production engineering and skills><br>· Education on advanced skills<br>· Education on basic skills<br><Development of professional engineers><br>· National trade skills tests<br>· In-house trade skills tests | Training for personnel who have been notified of an expatriate transfer<br><br>(Training on language, culture, and by function) | TOEIC / IP                   | · Education on legal affairs<br>· Statutory education related to general affairs<br>· PL education<br>· Education on health and safety<br>· Education on labor affairs management<br>· Education on cost management<br>· Education on quality management<br>· Education on technology development<br>· CAE education<br>· Education on production engineering<br>· Technical education on high pressure gases<br>· Environmental education<br>· Education on production control<br>· TPS education |  |
| Section manager         |  |  |  |   |                              |  |  |
| Assistant manager       | Advisor training                       |  |  |   |                              |  |  |
| Instructional positions |  |  |  |   |                              |  |  |
| Staff                   |  |  | Tokai Rika Training School Training for TR Training School students  |   |                              |  |  |

Relations with Employees

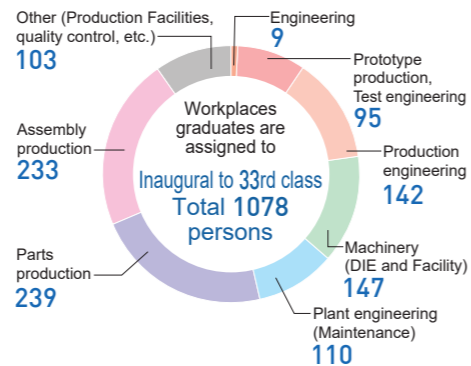
Tokai Rika Training School  
(Faculty of Machinery Processing, Faculty of Electronics, Faculty of Electric Machinery)

We develop human resources who are outstanding in terms of their minds, skills and physical condition, and who simultaneously possess the attributes “a challenging mind,” “morals as a business person” and “the techniques and skills required to be able to respond to the needs of the workplace,” in order for them to be the “core” of Tokai Rika in the future. The Electric Machinery will be established in FY 2019 and the school is continuing to further what education it offers.



Scene of education at the school

List of divisions the graduates belong to



Education policy

- Emphasizing education that is rich in humanity and engenders a spirit of self-motivation and cooperation
- Emphasizing education in the practical skills and practical business which form the basis of Monozukuri
- Developing core human resources who will carry our Monozukuri on their shoulders
- Developing human resources who are strong in terms of both their hard-side and soft-side skills

Education on specialized knowledge and skills

We aim to pass on and raise the level of the “TR Core Skills” required to achieve the top level in the industry and the same quality around the world, and support the development of human resources who will function as axes in their workplaces. (We also accept people from overseas and domestic affiliated companies.)

Tokai Rika Technical Skills Competition

From FY 2018, we adopted the new name “skills competition” from the “skills exchange meeting,” which originally focused on an exchange and social get-together among certified skilled workers. We hold this competition as a means to develop skilled human resources. 63 contestants from 12 departments participated.

Contestants demonstrate skills they developed on the job and craftsmanship. We hold 6 competitions that involve mechatronics, product inspection, surface grinding machines, machine inspection, electrical maintenance, and jigs and tools finishing. We also hold a competition where senior workers from each department put the finishing touches on surfaces.



Tokai Rika Technical Skills Competition

| Event name                  | Number of participants (people) |
|-----------------------------|---------------------------------|
| Mechatronics                | 8                               |
| Electric system maintenance | 5                               |
| Machine inspection          | 6                               |
| Product inspection          | 22                              |
| Surface grinder             | 6                               |
| Jig and tool finishing      | 5                               |
| Surface finishing           | 11                              |
| <b>Total</b>                | <b>63</b>                       |

Topics

Examples of training

TRP (Philippines)

TRP conducted training regarding the principles of molding and the basics of plastics. The company aims to develop human resources who have acquired expert knowledge about the properties of materials and methods for investigating causes, etc. and are able to give guidance to local staff.



Voice

We comply with standardized work so we don't risk recalls and disseminate our knowledge of materials throughout our workplace.

TRP (Philippines)  
Vicente Teope De gracia Jr.



Voice

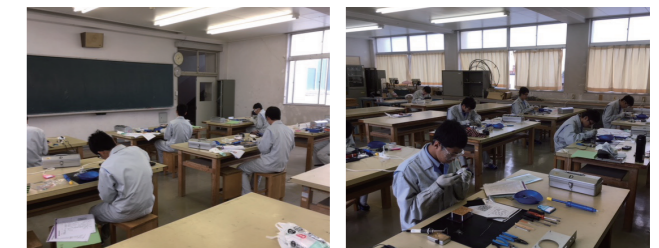
We leave our records when conducting facility inspections and think of correct counteractive plans when problems occur.

TRP (Philippines)  
Riestone Parcon Gonzaga



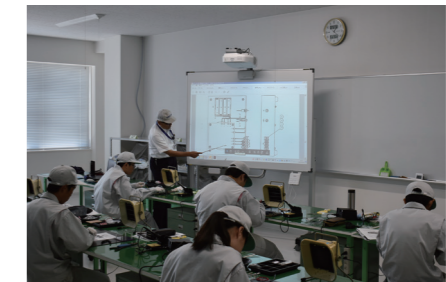
Businesses that use local technicians

In order to pass on practical skills and knowledge to high school students and develop human resources who are responsible for manufacturing production, we dispatched skilled technicians from our plant in the region to Toyokawa Technical High School. We wish for students to pass the 3rd grade trade skill test grade (electronic equipment assembling). Certified skilled workers of this company have been dispatched from FY 2016 to FY 2018 and the passing rate of the skills qualification test was 67 percent in FY 2018.



Taking part in Craftsman III

There are 17 industrial high schools in the prefecture that have a connection to manufacturing companies, having established an educational program that lets one acquire practical skills that meet the needs of local industries with a hands-on approach. This scheme started with the idea in mind to develop human resources that can handle the future of Aichi Prefecture's manufacturing industry. We have been pairing up with the Aichi Prefectural Board of Education and Toyokawa Technical High School since FY 2017. We participate in activities and offer practical guidance on the grade 3 trade skill test (electronic equipment assembling).



Topics

Employee skills awards Here, we introduce seven employees who received awards and recognition this fiscal year.

Prefectural “Aichi no Meiko” (“Master Craftsmen of Aichi”) Award

In order to raise general awareness of certified skilled workers, their place in society, and the advancement of technical standards, those who have excellent skills that work within the prefecture, and have contributed to society with their skills are awarded the “Aichi no Meiko” (“Master Craftsmen of Aichi”) award. Seven employees from our company received an award in FY 2018.



(From the back left row) Ikehata, Ono, Rokugawa, Fujishiro  
(From the front left row) Matsui, Kokubo, Mitsuda

Award winners

| Name                | Affiliation (as of awarding)                         |
|---------------------|--|
| Tatsuo Ikehata      | Oguchi Electronics Production Division               |
| Akio Ono            | Oguchi Production Engineering Division               |
| Hiroyuki Mitsuda    | Quality Assurance Division                           |
| Yoshio Kokubo       | Human Resources Development Division                 |
| Hiromichi Matsui    | Human Resources Development Division                 |
| Tsunehiro Fujishiro | Temporary transfer in Japan (Enshu Co., Ltd.)        |
| Yoshio Rokugawa     | Temporary transfer in Japan (Toshin Kasei Co., Ltd.) |

Voice

I think that I was able to be an Aichi no Meiko as a result of my seniors' guidance and being surrounded by good friends. I want to continue to take care of my juniors and nurture more skilled personnel.

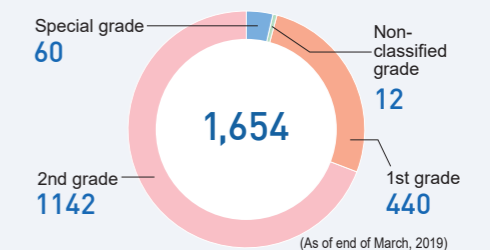


Human Resources Division  
Yoshio Kokubo

People who have passed technical skills tests

| Test Type                       | Level                | Number of People                           |
|---------------------------------|----------------------|--|
| National technical skills tests | Special grade tests  | 7 people                                   |
|                                 | 1st grade            | 30 people                                  |
|                                 | 2nd grade            | 46 people                                  |
|                                 |                      | <b>Combined skilled workers: 12 people</b> |
| In-house technical skills tests | Advanced-level tests | 8 people                                   |
|                                 | Mid-level tests      | 30 people                                  |

Total number of people who passed national trade skills tests



(As of end of March, 2019)

Relations with Employees

Creating workplaces where people can work with peace of mind

With keeping employees safe and healthy and aiming to achieve comfortable workplace environments as our basic principles, we are promoting health and safety activities and are working to create safe and secure workplaces. With the aim of achieving “zero industrial accidents,” we are implementing continuous initiatives under our basic policy on health and safety.

- Basic policy on health and safety**
- 1 Safety takes priority over everything else
  - 2 Following the rules is the basis of safety
  - 3 Our health is a treasure we protect by ourselves
  - 4 Our wish is to achieve “0 (zero) accidents”
- Safety activities**
- Inspection activities to ensure safety
  - Activities to raise safety awareness
  - Activities to create comfortable workplaces
  - Environmental improvement activities for workplaces where harmful substances are handled
  - Activities for building mental and physical health
- Slogan** Safety takes priority over everything else, and our wish is to achieve “0 (zero) accidents”

Safety-awareness Dojo

In order to prevent industrial accidents involving employees of and persons related to our company, we conduct experiential and participatory health and safety education. Together with getting them to learn about how frightening the dangers are, about the dangers that lurk nearby, how necessary the idea of health and safety is, and how to reflect and deploy these in everyday safe work, we improve their skills with regard to health and safety.

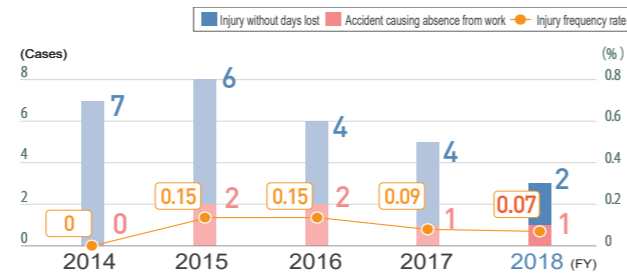
Health management initiatives

We have developed a health management declaration which aims to balance employees' mind, body, and health, and bring about a great lifestyle. Taking into consideration employees' health, we run events to encourage lifestyle improvements with regard to nutrition and exercise, for example providing healthy menus in the cafeteria, and holding exercise classes, health classes and in-house relay marathons.

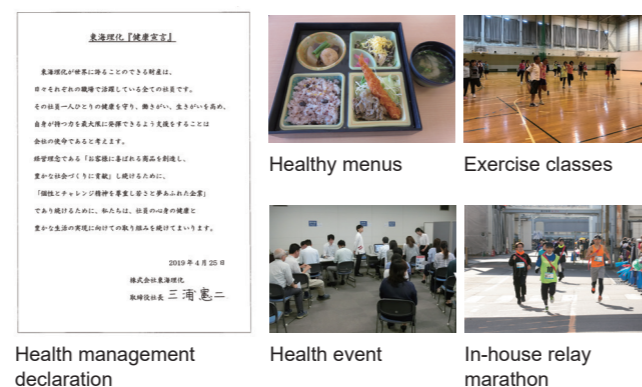
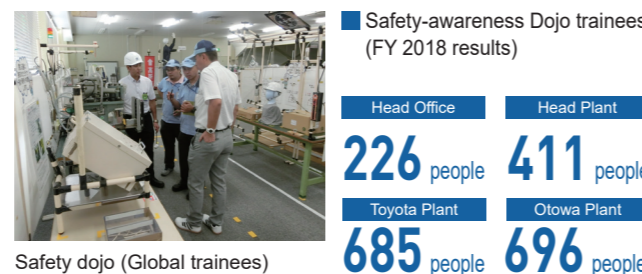
Safety & Health Committee

We have appointed a Safety and Health Committee on the basis of the Industrial Safety and Health Act. Our central Safety and Health Committee meeting is held twice a year and our regional Health and Safety committee meeting is held once a month. At these meetings, we discuss labored-related accidents, confirm operations related to health, improvement activities, and more. We strive to create a workplace that is safe and pleasant.

Status of industrial accident occurrence in FY 2018



Education for new employees on KY Safety convention for constructors (hazard prediction)



Safety & Health Committee

Work-life balance

Cut out zero annual paid holidays

Labor and management carried out leave-taking promotion activities toward “cutting out zero,” in order to refresh minds and bodies, reduce the total working hours, and improve planning and efficiency. Specifically, we developed an annual acquisition plan for each individual, held progress check meetings between labor and management, and conducted follow-ups to achieve the target.

Activities for reducing working hours

Since April 2017, we have strove to reduce working hours in order to correct working long hours. We are promoting the improvement of work efficiency through work-style reforms and activities at each workplace, and this has been bringing good results. We will continue to work on it, aiming to get the climate firmly established.

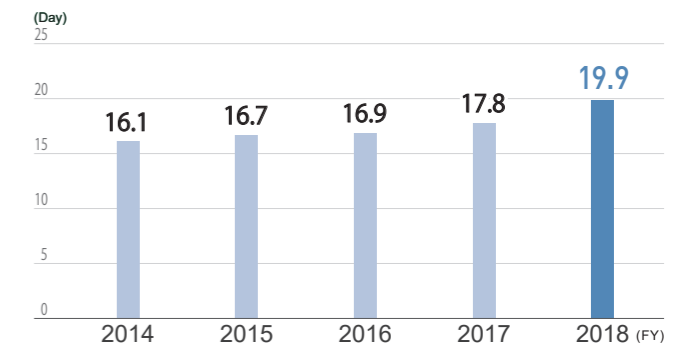
Activities for nursing care support

We provide support to balance work and nursing care by, for example, establishing a nursing care leave system that goes beyond what is legally required (within 365 days, no limitations on the number of times it can be taken), and providing a short working hours system for nursing care (within three consecutive years starting from the date of using the system, no limitations on the number of times it can be taken). In 2018, we held a nursing care seminar, personal consultations on nursing care, and distributed a “work and nursing care coexistence support handbook” to employees who were over the age of 40.

Activities for childcare support

We continue to work on balancing work and childcare by, for example, establishing a childcare leave system that goes beyond what is legally required (until the child turns two years old, regardless of the childcare situation), and a childcare shortened working hours system (until completion of the first grade at elementary school). In 2008, we acquired “Kurumin” a certification mark for the “Act on Advancement of Measures to Support Raising Next-Generation Children.” Since September 2018, we have been offering childcare for employees' children (up to third grade at elementary school) in the Head Plant, Toyota and Otowa Plants on holiday working days.

Average number of days taken during the year

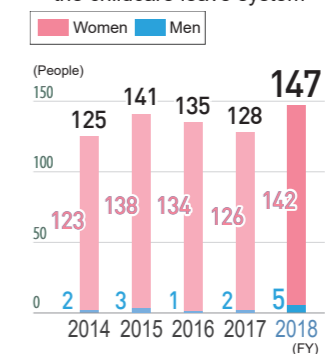


Nursing care seminar

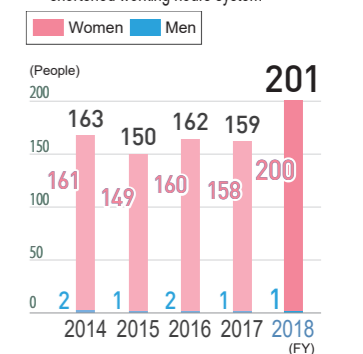


Nursing care handbook

Number of people who used the childcare leave system



Number of people who used the childcare shortened working hours system



Childcare on holidays



“Kurumin” a certification mark for the “Act on Advancement of Measures to Support Raising Next Generation Children”

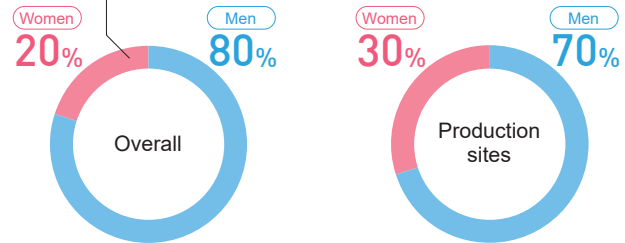
▶ Relations with Employees

● Diversity activities

We deal with many small and delicate parts, including switch products. Our production sites, in particular, have become a place of active participation for women, who are good at detailed jobs. We work on creating environments that continuously support active participation for women in order to bring out to the maximum the skills each individual has honed. In November 2017, we received the “Eruboshi” certification based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (also called the Act on Promotion of Women’s Active Participation).

■ Employee ratio by gender

Women in managerial positions: 80 (About 6% of all female employees)



● Harmonizing with the labor union

We have built a good employer-employee relationship with the Tokai Rika Labor Union, on the basis of the idea of “mutual trust and mutual responsibility between employer and employees.” Respecting each other’s standpoints, we have established works councils, safety and health committee meetings, etc., and periodically hold discussions with the aim of creating workplaces that are easy to work in.



New equipment inspection

● Building bridges to local communities and families

Holding sports lessons

Sport clubs owned by our company, namely our Baseball Club and Softball Club, not only boost the unity of the company and the morale of employees, but also actively take part in volunteer activities to become a bridge between local communities and the company.



Baseball lesson  
(Baseball Club)



Softball lesson  
(Softball Club)

Open House 2018 (Children visit parents workplace)

Holding an open house, where we invite our employees’ children to the company, plays a role in improving family communication by raising the children’s interest in society and work through getting to know about their parents’ company and workplaces. Furthermore, we aim to promote a good balance between work and life (work-life balance) by creating an atmosphere in workplaces that values employees’ families, at a company level.



Opening ceremony



Plant tour