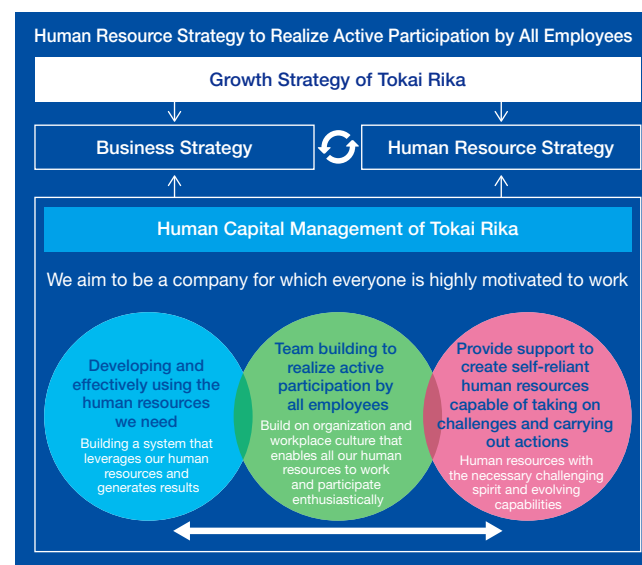


# Promoting Human Capital Management

## Promotion of business centered on human capital capable of taking on challenges and realizing transformation

### Sumikazu Sasaki

Corporate Officer,  
General Manager, Corporate  
Group, in charge of Diversity  
Promotion Department



In May 2025, as part of TRV 2030, we announced that we would undertake “business centered on human capital capable of taking on challenges and realizing transformation” in order to accelerate our growth strategy. In addition, we set forth three key initiatives. The first is to promote health and productivity management. We will implement various health initiatives to ensure that employees can continue working in good physical and mental health, full of vitality, and in a cheerful and energetic manner. The second is to nurture human resources capable of leading transformation. We will cultivate human resources who possess both strong willpower and character and can consistently deliver results. The third is to further expand opportunities for employees to take on challenges, grow, and actively participate. We will implement measures to accelerate risk-taking and growth by providing opportunities for each employee to update their skillsets and translate them into contributions.

Centered on these three key initiatives, we will nurture human resources capable of realizing next-generation products and new businesses unique to Tokai Rika. By supporting employees in taking on challenges and creating change, we aim to realize the company's sustainable growth.

Team building to realize active participation by all employees

## Health and Productivity Management Initiatives

The health of our employees is the foundation for doing good work and is essential to our sustainable growth. The company is united in its commitment to health and productivity management, to ensure that every employee can continue working in good physical and mental health, full of vitality, and with a smile for years to come.

### Health and productivity management targets

We believe that for each employee to maximize their capabilities and for the company to enhance its overall productivity, potential losses due to health risks must be reduced.

We have set targets for health and productivity management, as shown on the right, to achieve by 2030 and are focusing our efforts on measures that aim to improve lifestyle habits highly correlated with health risks.

### Survey of health habits

The company regularly surveys all employees to verify the effectiveness of health measures and foster awareness of healthy habits. We survey five health habits—diet, exercise, sleep, smoking, and alcohol consumption—and use the results as benchmarks to monitor.

Each of the five health habits is assigned one point, and the average total score serves as the target value.

### Targets and indicators for health and productivity management

		FY 2024	FY 2025 targets	FY 2030 vision
1	Reduction in absenteeism due to illness	Absenteeism 3.5%	Absenteeism 3%	Absenteeism 2%
2	Reduction in productivity loss due to physical and mental health issues	Presenteeism 21.6%	Presenteeism 18%	Presenteeism 12.4%
3	Reduction in the percentage of employees with abnormal findings in health checkups	Employees with abnormal findings in health checkups 42.0%	Employees with abnormal findings in health checkups 38%	Employees with abnormal findings in health checkups 35%

### Behavioral change indicators for health

		FY 2024	FY 2025 target	FY 2030 vision
	Total score for health habits survey (average)	3.3 points	3.5 points	4.0 points

## Transforming our culture to achieve effective health and productivity management

To further advance health and productivity management, we have in place a health policy and promote health activities based on two key principles: that employees should both strive to maintain and improve their own health (duty of personal health) and take care to ensure they can work safely and in good physical and mental health (duty of care for safety).

Based on the results of regular health checkups, we have established thresholds (red and yellow zones) that require employees to care for their safety and created a system to follow up with such employees until improvements are made. These initiatives will raise the health awareness of employees.

We also invite leading experts on health management in Japan to give lectures in order to deepen our understanding of our own health and productivity management practices.

Red zone (work restrictions required)				Yellow zone (work restrictions pending)			
	Item	Threshold	Unit		Item	Threshold	Unit
Circulation	Systolic blood pressure	Above 180	mmHg	Circulation	Systolic blood pressure	160-179	mmHg
	Diastolic blood pressure	Above 110	mmHg		Diastolic blood pressure	100-109	mmHg
Blood glucose	HbA1c	Above 10	%	Blood glucose	Electrocardiogram (ECG)	Re-exam/Detailed exam/Treatment	
					Blood glucose HbA1c	8.4-9.9	%
Anemia	Hemoglobin (Hb)	Below 8	g/dl	Anemia	Hemoglobin (Hb)	8-10	g/dl
Liver function	AST/ALT	Above 200	U/l	Lipids	LDL cholesterol	Above 200	mg/dl
Kidney function	Creatinine	Above 2.0	mg/dl	Respiratory system	Chest X-ray	Re-exam/Detailed exam/Treatment	

Note: Red zone values were determined based on the Ministry of Health, Labour and Welfare's research report, "Consensus study on health management for individuals with abnormal findings in health checkups."

Supporting affected employees	After the employee's health checkup, have them promptly consult an occupational physician and consider work restrictions
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Supporting affected employees	<ul style="list-style-type: none"> <li>Recommend a secondary examination</li> <li>If the employee's examination results are not reported within two months of the health checkup, have them consult an occupational physician and consider work restrictions</li> </ul>
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## Expanding health checkups

Purpose	Offerings	Making use of health checkups
We expanded our health checkup system in FY 2025 to enable early detection and treatment of treatable diseases and prevent our employees and their families from experiencing sorrow. The goal is to enable early detection, across different age groups, of a wide range of diseases with high incidence risks.	<p>This system allows employees to receive the following health checkups at no cost.</p> <ul style="list-style-type: none"> <li><b>Milestone health screening (Every five years for ages 35 and up)</b> More thorough than a standard health screening</li> <li><b>Cerebrovascular exam (Every five years for ages 46 and up)</b> Head MRI and MRA, neck ultrasound</li> <li><b>In-house health checkup</b> Screens additional items for diseases with increased risk by age group</li> <li><b>Cancer screening</b> Cancer screenings, which have a proven effect in reducing mortality rates, are a component of in-house health checkups</li> </ul>	<p>A health checkup is not simply an exam to undergo, but a vital opportunity to understand one's current health status and detect areas that must be addressed.</p> <p>We provide 1-on-1 guidance and video materials to help each employee review their results and independently manage their health. Our goal is to establish a health management system that empowers employees to live in good health for many years, including after retirement.</p>

## Initiatives that encourage walking

Walking, which is linked to various daily activities, is fundamental and essential for good health. In our annual Walking Event, workplace-based teams compete in step counts that are tracked by a smartphone app, allowing the entire Company to be mindful of good walking habits. In FY 2024, we conducted walking posture events at all factories to help employees walk effectively with correct posture.

In FY 2025, we upgraded the Walking Event to the Walking Challenge. This revamped initiative uses InBody, a body composition analyzer, to help employees improve their body composition through walking. We will continue to support our employees in maintaining their health, not only during work, but also through daily walking.



## Certified as a Health and Productivity Management Outstanding Organization White 500

Recognized for our health and productivity management efforts, we have been certified as a Health and Productivity Management Outstanding Corporation White 500 for six consecutive years since 2020.



## Promote Human Capital Management

Team building to realize active participation by all employees

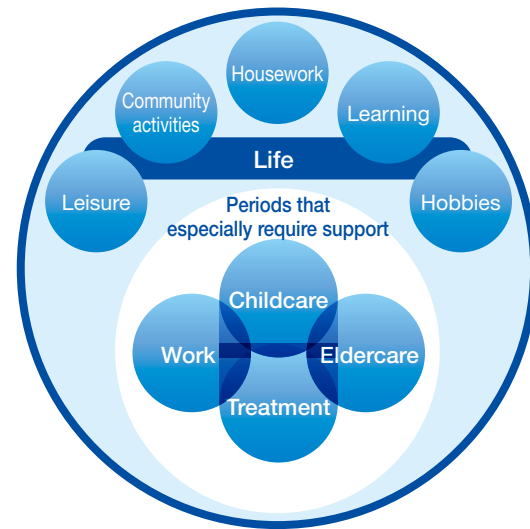
## Improving the Enthusiasm and Motivation of Employees

As life stages and personal values diversify, there is a growing need for work styles to accommodate individual life styles with a range of demands, from childcare and eldercare to health and personal growth. At Tokai Rika, we are enhancing flexible systems and support structures so that each employee can work while being themselves and maintaining a healthy work-life balance.

## 1 Supporting work-life balance

## Our vision

Based on the belief that all employees are navigating life while balancing work and personal time, our support for work-life balance extends to every employee, not just those in the midst of childcare, eldercare, or treatment. We have established a system for outside challenges (side jobs) and, starting in 2025, extended the validity period of annual paid leave from two years to three. We support our employees in making use of these systems to adjust their work and personal time, making it possible for them to work in a way that respects their values and life events.



## Key measures

## Childcare period

- Introduced a handbook on supporting work-life balance during childcare (February 2024) (For supervisors, employees on childcare leave, and male employees)
- Introduced career development support for mothers by arranging six meetings between an employee's pregnancy and return from childcare leave (February 2024)
- Introduced briefing sessions on supporting the balance of work and childcare (February 2024) Held monthly; 302 participants in FY 2025
- Introduced a system to ask about childcare and eldercare situations during career counseling sessions (April 2025)
- Expanded leave eligibility for childcare-related reasons (April 2025) Now available for children up to sixth grade

## Eldercare period

- Relaxed requirements for eldercare leave (April 2025) Now available for those certified with level 1 support or higher
- Introduced briefing sessions to support the balance of work and eldercare (September 2025) 648 participants in FY 2025
- Offered 1-on-1 consultations in collaboration with community support centers

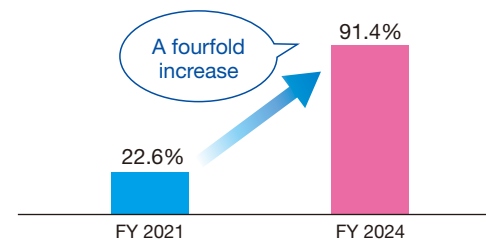
## Treatment period

- Introduced a reduced-hour work system for treatment (February 2025) Available to employees needing cancer treatment



## Childcare leave acquisition rate for male employees

Since launching a series of initiatives one year ago, employee feedback in surveys has significantly changed, and a workplace atmosphere that supports the work-life balance of everyone is gradually spreading. Furthermore, the childcare leave acquisition rate for male employees has increased dramatically from 22.6% in FY 2021 to 91.4% in FY 2024.



## 2 Creating an environment that supports further success

## Our vision

We aim to create an environment where every employee, regardless of age or life stage, can take on challenges with enthusiasm, feel motivated in their work, and grow.

We believe it is important to foster an environment where everyone can actively participate by leveraging their unique experiences and skills, thereby boosting the vitality of the entire organization.

## Introduced a continuous employment system for those past the age of 65

In May 2025, we removed the upper age limit for re-employment and introduced a continuous employment system that allows employees to continue working regardless of age. Under this system, employees can continue working past the age of 65 if their willingness aligns with the company's needs. We will provide opportunities for employees to contribute to the company with their accumulated experience and skills, while also supporting them in starting new chapters in their lives.

Team building to realize active participation by all employees

## Diversity

We view diversity and inclusion as one of the key pillars supporting our management foundation, and are working to foster systems and an organizational culture where diverse human resources can thrive.

## Transforming our culture so that everyone can thrive

To build an organization where diverse values naturally coexist and innovation continues to flourish, we must not only transform the employees themselves but also our surrounding environment and corporate culture itself. As part of this cultural transformation, we began providing training for managers in FY 2025.

We will foster a culture where the entire organization collectively considers how to best manage and maximize each employee's unique strengths and translate that into business success.

## Improving diversity management capabilities

Our diversity management training helps managers reaffirm both the company's objectives for diversity initiatives as well as key considerations for their implementation. In addition, we provide managers with the opportunity to consider how to best support their subordinates' career development by having them reflect on their own careers and engage in role-play exercises of actual meetings.

## Creating opportunities to learn outside

We believe that engaging with different corporate cultures is essential to embracing and leveraging diverse values, and we host various events to facilitate this.



## Lectures by leaders from other industries

We host lectures by various leaders, including an individual with extensive management experience in advertising and an executive who had previously been a professional athlete. By inviting experts from a wide range of fields to speak, we continue to broaden and elevate our perspective on matters.

## Cross-industry networking events

We network broadly with companies from various industries beyond the automotive parts sector, including home appliances, transportation, printing, and office supplies. By engaging with people and insights previously unencountered, we aim to enrich our employees' ideas and foster an organizational culture that sparks innovation. These cross-industry events are held periodically with discussion topics set for each session, bringing together a diverse set of participants such as female engineers, young leaders on the production floor, developers from design departments, and others.

## Keiko Kimura

Office Manager of the Diversity Promotion Department



In addition, as part of our efforts to support people with disabilities, we actively work to foster a deeper understanding of disabilities by visiting special needs schools and special subsidiaries that employ people with disabilities.

## Career support

We host a seminar for those in their 50s on vibrant living to help senior-level employees at the milestone age of 50 contemplate their futures from a career-oriented perspective.

In addition, we interview former employees who are enjoying their post-retirement lives about their current lifestyles and personal outlooks. This helps current employees envision their future careers while continuing to thrive.



Alumni interview articles

## Employee socializing

In addition to outside exchanges, we also proactively encourage employees to interact across our own departments and factories.

## Mix Up Talk

By having product developers in new fields share their experiences and answer questions—e.g., on the rewards of venturing into new areas and the obstacles overcome to bring products to market—both employees working on existing products and in new fields are able to deepen their understanding of one another.



## Social gatherings for mid-career and new graduate hires

We hold social gatherings that bring together new hires with prior work experience and those who joined Tokai Rika as new graduates. By having mid-career hires share their perspective of Tokai Rika from the outside and new graduates share aspects of Tokai Rika not visible from the outside, we foster opportunities for both groups to be inspired and gain fresh insights.



## Promote human capital management

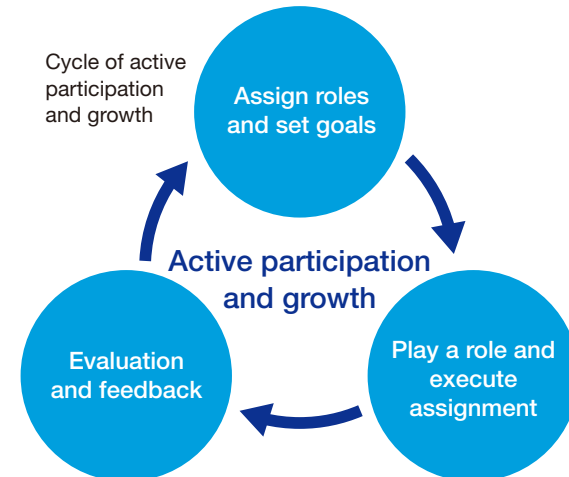
Supporting human resources to independently take on challenges and thrive

## Human Resource Development

Nurturing the spirit of originality, enthusiasm and innovative challenge, we aim to build an energetic and promising workplace where dreams abound by stimulating our workplaces and raising the level of organizational capabilities through improvement activities.

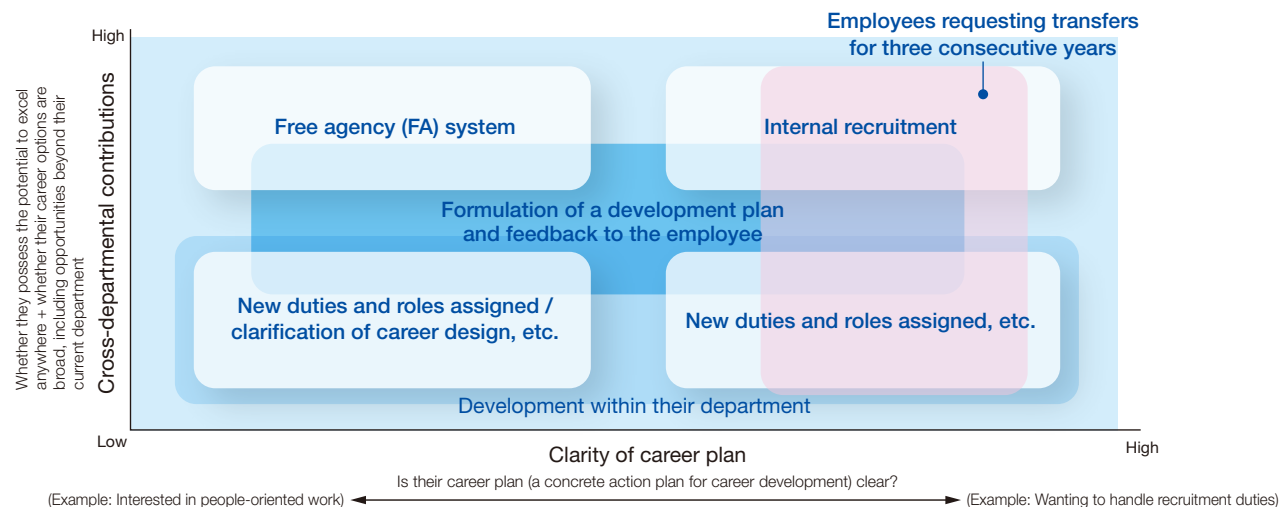
## Human resource development initiatives

To enable each and every employee to maximize their abilities, we firmly implement the “cycle of active participation and growth” by having a regular interview three times a year between superiors and subordinates and conducting various types of training consisting of training by job grade, function, and workplace. In particular, in training by job grade, we implement “preparatory training” to acquire the mindset, stance, and skills equivalent to higher role qualifications, aiming to smooth role fulfillment after promotion. We also provide reskilling opportunities to existing employees. Specifically, by learning the skills to respond to digitalization in line with market needs, we will expand the field of activity and realize the growth of the employees and the company. Along with this, Tokai Rika Training School's educational curriculum is also shifting to a focus on software.



## Supporting self-reliant career development

Our Company supports self-reliant career development in order to promote employees' individual growth (which drives company growth) by leveraging their experiences, skills, and unique qualities. We implement various initiatives to help our employees foster self-reliant careers.



## 1 Transfer and development plans for employees requesting transfers for three consecutive years

To support each employee in developing their own career, we have introduced a new system where workplaces systematically respond to employees who have submitted transfer requests for three consecutive years. The company's basic policies for this system are to have employees formulate a development plan and engage in dialogue with supervisors. Last fiscal year, 223 employees submitted requests, leading to the formulation of transfer plans for 37 employees, of whom 26 were successfully transferred. This fiscal year, 167 employees have requested transfers for the third consecutive year. We are encouraging more dialogue about career direction by reviewing each employee's transfer and development plans.

## FY 2024 transfer requests / Transfer and development plans

FY 2022-2024 consecutive transfer applicants <b>223</b>	Planned transfers and transfers realized for FY 2024	26 of 37 employees transferred	108 employees (with transfer plans formulated between FY 2024-2026)
	Planned transfers for FY 2025 & 2026	71 employees	
	Non-transfer development plans	115 employees	

## FY 2025 transfer requests / Transfer and development plans

FY 2023-2025 consecutive transfer applicants <b>167</b>	Planned transfers for FY 2025	Formulated by each department by the end of August 2025
	Planned transfers for FY 2026 & 2027	
	Non-transfer development plans	

## 2 A new free agency (FA) system

We newly introduced a free agency (FA) system to support our employees' aspirations for growth. This system provides highly-rated and promotion-eligible employees—who demonstrate strong motivation to take on new challenges, even if their career direction is not yet clear—with new opportunities to thrive within the company. Our scouting department requests interviews based on the information of registered employees, and transfers are finalized after coordinating with the employee's current department. By lowering the barriers to transfer, we support our employees in carving diverse career paths and moving closer to their future goals by allowing them to gain experience in workplaces suited to their interests and talents.

## 3 Expanded the incentive program

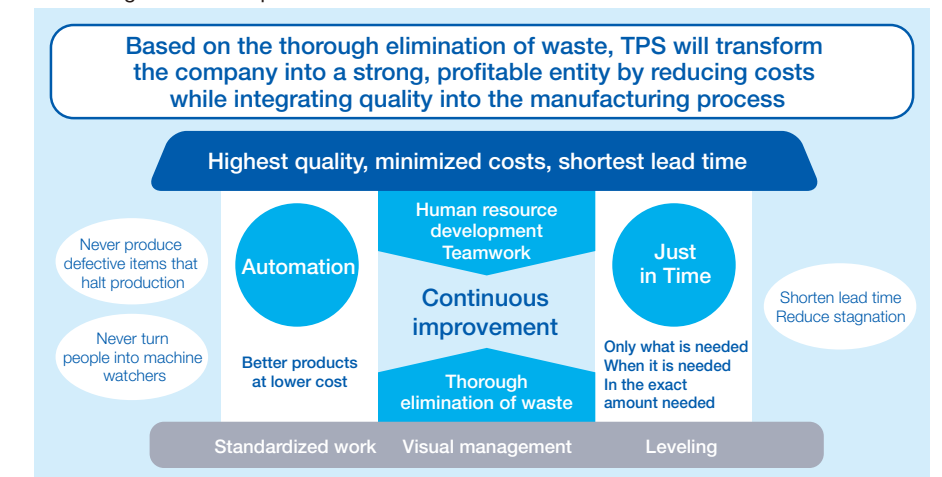
To spur more employees in challenging themselves, we expanded the scope of our incentive program introduced in January 2024 to include advanced examinations and qualifications equivalent to national certifications. We subsidize examination fees for all exam-takers and provide a lump-sum bonus to those who pass.

As of August 2025, there have been 61 employees who have applied and are taking on a challenge.

## 4 Developing human resources who can think and act independently based on principles

Building upon the philosophy of the Toyota Production System (TPS), we are developing human resources who can think and act independently based on principles. In addition to the ongoing use of TPS at our factories, we began implementing it within our offices for all Company activities in 2025. Through ongoing efforts, we aim to strengthen our corporate foundation and uphold the Tokai Rika spirit.

## The management concept of TPS



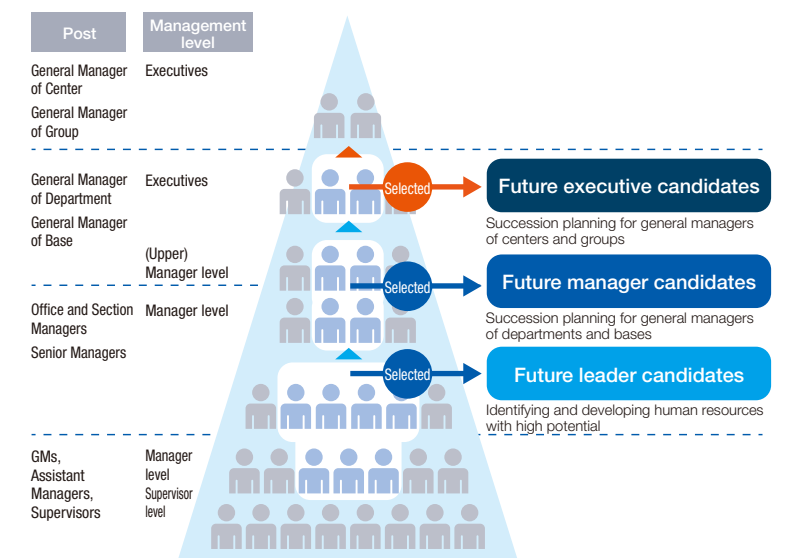
## Developing and effectively using the human resources we need

Our Company implements measures to develop the next generation of executives, leaders, managers, as well as young employees, to cultivate human resources who will enhance corporate value. We also provide training for line managers to strengthen their management skills in order to foster workplaces that encourage employees to take on challenges. For young employees, we offer an overseas trainee program that develops cross-cultural understanding and problem-solving skills, thereby promoting their growth as human resources that can thrive globally.

## 1 Development of select human resources

Our development program for future management, launched in FY 2025, aims to develop human resources that can enhance corporate value, selecting candidates for the next generation of executives, managers, and leaders. For executive candidates, we offer a program where they can experience management reforms through the implementation of TPS, cultivating their management perspective, as well as their ability to make decisions and take initiative. For future managerial candidates, we conduct developmental training aimed at fostering leaders who take initiative and inspire others, helping them build a foundation for adapting to internal and external changes. For future leadership candidates, we will provide them with opportunities that enhance their practical skills through difficult experiences and broaden their career possibilities.

## Overview of our development program for future management



## 2 Training for line managers

We began implementing a training program for line managers (managerial level) in 2025 that aims to strengthen their management skills. First reaffirming the role of management, line managers then systematically learn how to both set goals that encourage employees to take on challenges and provide feedback that fosters growth. The program aims to instill these skills by having them practiced in the workplace and providing ongoing follow-ups. Through this training, we seek to improve our mindset towards human resource development and adopt management practices that encourage risk-taking.

## 3 Overseas trainee program

Tokai Rika offers an overseas trainee program for young employees to cultivate a global perspective and grow through difficult experiences. Trainees spend one year working at overseas locations under local managers, developing cross-cultural understanding and problem-solving skills. By working overseas, our employees gain new insights and opportunities for growth, enabling them to thrive in global business environments.

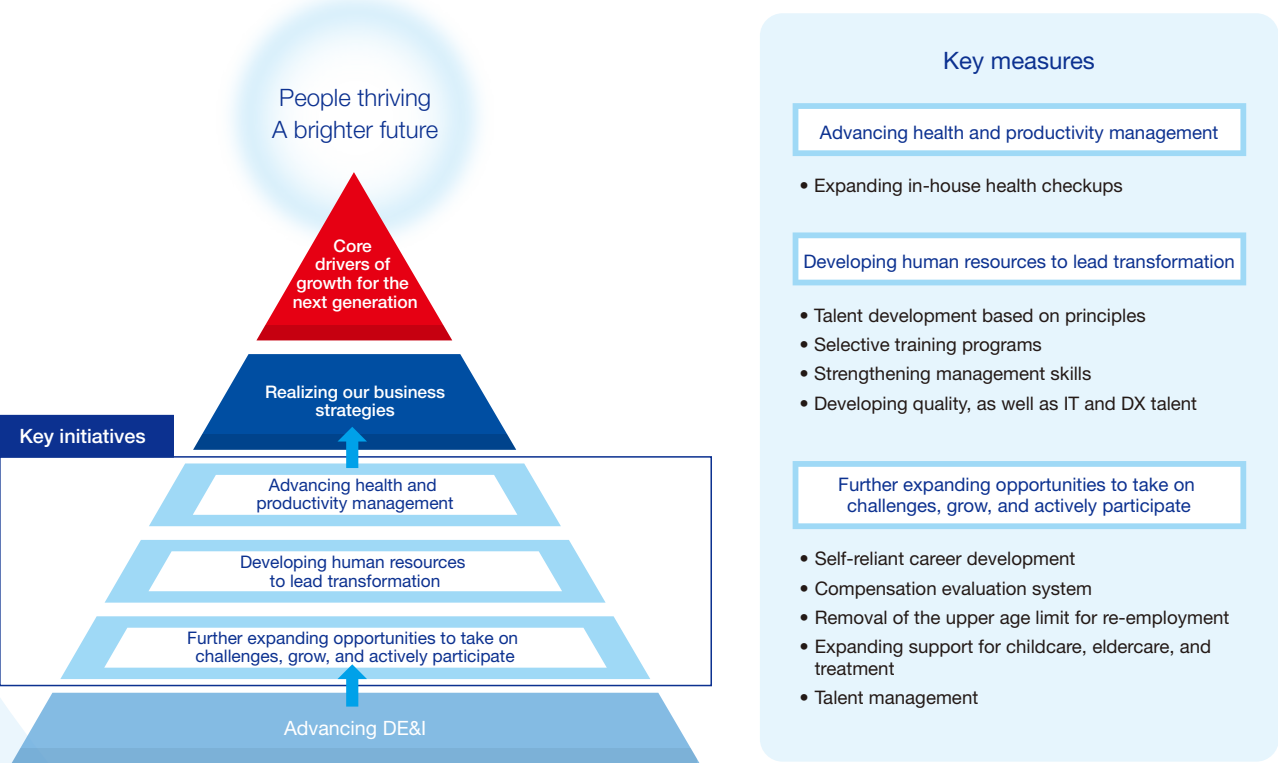
Indicators and Targets

We implement measures using the following indicators to realize our strategies, and our targets and results related to the indicators are as shown below.

	Vision	Indicators	FY 2024	FY 2030 Targets	Measures
Team building to realize active participation by all employees	Building an organizational culture where all human resources can work with vitality and thrive	Percentage of respondents who are happy to work for their current company	71.2%	Over 80%	• Strengthening career counseling • Training line managers
		Rate of absence from work due to illness	3.5%	2%	• Expanding health checkups (milestone health screenings, cerebrovascular exams, etc.) • Walking Challenge
		Decrease in productivity due to poor mental and physical health (presenteeism rate)	21.6%	12.4%	
		Percentage of employees with abnormal findings in health checkups	42%	35%	
		Childcare leave acquisition rate for male employees	91.4%	Over 90%	• Introducing a handbook on supporting work-life balance during childcare • Briefing sessions on supporting the balance of work and childcare
		Average days of childcare leave taken by male employees	88.3 days	90 days	
		Percentage of female managers	2.0%	5.1%	
		Percentage of female supervisors	5.5%	8.5%	
Support human resources to independently take on challenges and thrive	Encouraging the human resources we need to take on challenges and evolve	Participation rate in diversity activities (cumulative)	15%	100%	• Diversity management training • Cross-industry leadership lectures and networking events
		Employees using the incentive program (who earned a certification bonus)	34	100	• Expanding incentive programs • Strengthening career counseling/Planning transfers and development • Overseas trainee program
Developing and effectively using the human resources we need	Building a system that leverages our human resources and generates results	Employees using the outside challenges (side job) system	87	100	
		Employees taking part in on-demand training	635	1,400	
		Overseas trainees dispatched	0	30	

To Achieve Tokai Rika Vision (TRV) 2030

To achieve our FY 2030 goals, we will further evolve our human capital management. Amid rapid environmental changes and technological innovation, the company's sustainable growth will require us to maximize the capabilities and motivation of each employee and enhance the organization's overall capacity for transformation. Therefore, we will pursue the following key priorities to achieve our goals for FY 2030 and sustainably enhance corporate value.



Respect for Human Rights

1

Basic philosophy and framework

At Tokai Rika, our philosophy is “to honor the language and spirit of the law and the ethics of every nation, and to work in harmony with nature and local communities,” and we recognize the importance of respecting human rights in all of our business activities. We support the United Nations Guiding Principles on Business and Human Rights, and promote efforts to respect human rights based on our Group Human Rights Policy.  
<https://www.tokai-rika.co.jp/en/sustainability/society/human-rights/pdf/policy.pdf>

2

Conducting human rights due diligence

Scope of investigation

We annually assess the risks to human rights for our Company, Group companies in Japan and overseas, and major business partners.

Implementing risk assessment methods

We identify risks by appropriately relying on both surveys and interviews.

Consideration for foreign technical interns

We investigate the placement of interns on an individual basis and have in place an evaluation and improvement process that covers items such as working conditions, housing, living support, and fees.

3

Expanding activities that educate and raise awareness

Joint education with Group companies and business partners

We bring together—both in-person and online—our own executives and department general managers, Group companies in Japan and overseas, and business partners for education on human rights concepts and due diligence. We had approximately 150 participants in FY 2024.

Human rights training for new employees

We also conduct human rights education during April's new employee training, including for new hires from Group companies, given that we believe such knowledge to be essential for working professionals.

4

Expanding consultation services

We have in place various consultation services both inside and outside the company, workplace counselors, and family counseling services. By making these services more accessible to both internal and external parties, and by continuously training our consultation and counseling staff, we maintain a system capable of providing appropriate responses.

5

Future goals and specific commitments

Expand training beyond new hires to include all employees and, from FY 2025, incorporate human rights education into training for employees being promoted.

Create a human-rights risk map to identify risks in detail and address issues for our Company, our Group companies in Japan and overseas, and our major business partners.

Incorporate items related to harassment in our engagement surveys, conduct regular workplace interviews to understand what actually has taken place, and promote efforts to prevent and eradicate such issues.