

# Sustainability Management

The Fujikura Kasei Group engages in sustainability management to achieve sustainable company growth and enhanced corporate value, by contributing to addressing environmental and social issues through its businesses.

## 〈Sustainability Basic Policy〉

We recognize contributing to the solution of social issues as our duty and will promote sustainable management in accordance with the following basic policy:

1. We will contribute to society through our business activities and achieve sustainable growth with "Co-creation × Evolution × Power of Chemistry."
2. We will create value and generate profits to enhance corporate value.
3. We will strive to reduce environmental impact through technological development and business activities.
4. We will respect the individuality of each employee and expand diversity while creating an organization that generates innovation.
5. We will respect and act according to international norms related to corporate activities such as human rights, labor, safety, environment, and fair trade.
6. We will realize management that gains high trust from society through strengthening corporate governance and risk management.

## 〈Fujikura Kasei Code of Conduct〉

1. We will maximize corporate value by achieving management plan according to each company's business style to realize sustainable management.
2. We will continuously strive for R&D and provide excellent products and services.
3. We will respect compliance with laws and regulations, respect the cultures and customs of the countries and areas in which we operate, act according to the common sense of society.
4. Based on our human rights policy, we value the fundamental human rights and individuality and eliminate any discrimination.
5. Based on our human rights policy, we will create a workplace without harassment.
6. We will not engage in acts of antisocial forces both directly and indirectly.
7. We will consider opinions of each stakeholder and build a proper and transparent partnership.
8. We will establish an occupational safety and health management system and work with priority on safety and health.
9. We will establish an environmental management system and strive to contribute to the environment by reducing the possible environmental impact from our business processes and creating environmentally friendly products.
10. We will establish a quality management system and aim to improve customer satisfaction.
11. We will establish a chemical management system and conduct necessary control according to laws and regulations to minimize health problems associated with chemicals.
12. We will formulate business continuity plans and strive to provide stable supply of our products to customers.
13. Information concerning the Fujikura Kasei Group will be disclosed in a timely and appropriate manner.
14. Based on our information security policy, we will prevent leakage of information to be managed by strict and appropriate information security management.
15. Based on our fair trade and ethics policy, we will properly manage and operate the property of the company (including intellectual property) and will not do any infringement of the property of other companies.
16. We will contribute to the local community through dialogue and activities with the community.

## The sustainability concept

The basic concept of sustainability management is to pursue corporate social responsibility (CSR) as a means to reduce and eliminate corporate risks and thereby create new business opportunities through the creation of value.



## Sustainability management framework

We have a framework in place under which the Sustainability Committee and Board of Managing Directors discuss and make decisions on important sustainability issues and the Board of Directors supervises and monitors sustainability management as a whole.



# Materiality

To further clarify the progress of our sustainability initiatives, we are revising our CSR priority issues to newly formulate our materiality. While maintaining the universal elements of the CSR priority issues, we are exploring and developing a value creation-centered approach.

## Evolution from CSR priority issues to sustainability materiality

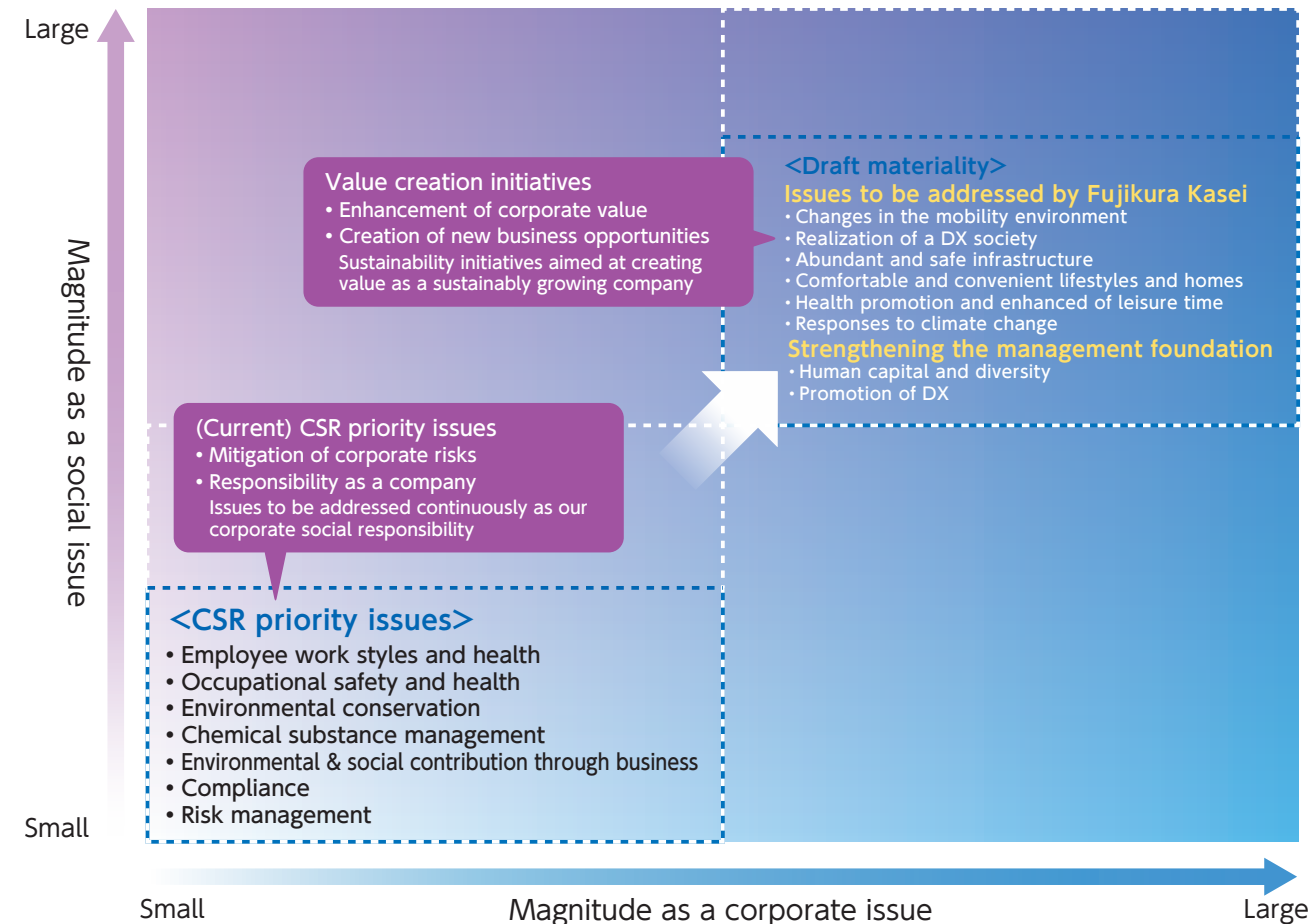
We formulated our CSR priority issues in 2020 to plan and promote our corporate social responsibility and have steadily worked to achieve each specific target. From the 11th mid-term management plan, we will focus on realizing our 2030 Vision to “provide new value through co-creation × evolution × power of chemistry” and continue our path as a sustainably growing company by addressing sustainability issues and creating new value.

In addition to our previously identified CSR priority

issues, we will push forward value-creation initiatives from the perspectives of social and corporate issues as an even more sophisticated company-wide challenge for sustainability.

To further clarify the progress of our sustainability initiatives, we are revising our CSR priority issues to formulate them anew as our materiality, placing weight on value creation while maintaining the universal elements of the CSR priority issues.

## ●Toward realizing the 2030 Vision to “provide new value through co-creation × evolution × power of chemistry”



## Materiality examination framework

Starting with the 11th mid-term management plan, we have begun discussing and exploring the formulation of materiality through the Sustainability Committee as a management issue toward strengthening sustainability initiatives.

## Materiality examination process

In formulating our materiality, we will examine the magnitude of both social and corporate issues and evolve from the conventional “defensive” approach to a “proactive” approach to solve these issues.

In particular, we will place emphasis on communicating with our employees, widely gathering their opinions through company-wide information sessions and questionnaires, and engage in ongoing discussions.

## Materiality examination process

### FY2023

#### Renewed awareness of CSR priority issues

CSR priority issues align with the magnitude of both social and corporate issues. We will continue to address them by evolving them into our materiality.

#### ●6 social issues that Fujikura Kasei aims to solve and our initiatives regarding human capital and diversity

#### Value creation initiatives

We identified six social issues in our 11th mid-term management plan and aimed to solve them through our business to achieve sustainable growth. We also identified the significance of human capital and diversity in achieving our aim.



#### Examination of our approach to solving social issues through our business and initiatives regarding human capital and diversity as part of our materiality

In the effort to create new value, we reexamined, on a company-wide scale, the value that we can provide to address the six social issues and our initiatives regarding human capital and diversity. We also provided an explanation to all employees at the company-wide presentation event and carried out an employee-wide survey.



Briefing by the Sustainability Promotion Dept. at a company-wide presentation conference

### FY2024

#### Formulation of our materiality and KPIs

We will formulate our materiality and KPIs based on the results of the company-wide questionnaire survey and discussion by the Sustainability Promotion Dept.

#### Deliberation and finalization by the Sustainability Committee

Our materiality and KPIs, combining our corporate social responsibility and value-creation initiatives, will be discussed and finalized by the Sustainability Committee as a management issue. The materiality will be the materiality will be addressed across the company.



# Realization of Human Capital Management

To Fujikura Kasei, we consider our employees to be our most valuable asset. We actively promote human resource development and diversity initiatives to enhance our ability to address unpredictable and uncertain changes in the external environment. In formulating our human resource development policy, we first assess the current situation, clarify the ideal state, and identify the differences between the two as challenges in human resource development. We then concretely examine our human capital strategy to address these challenges.

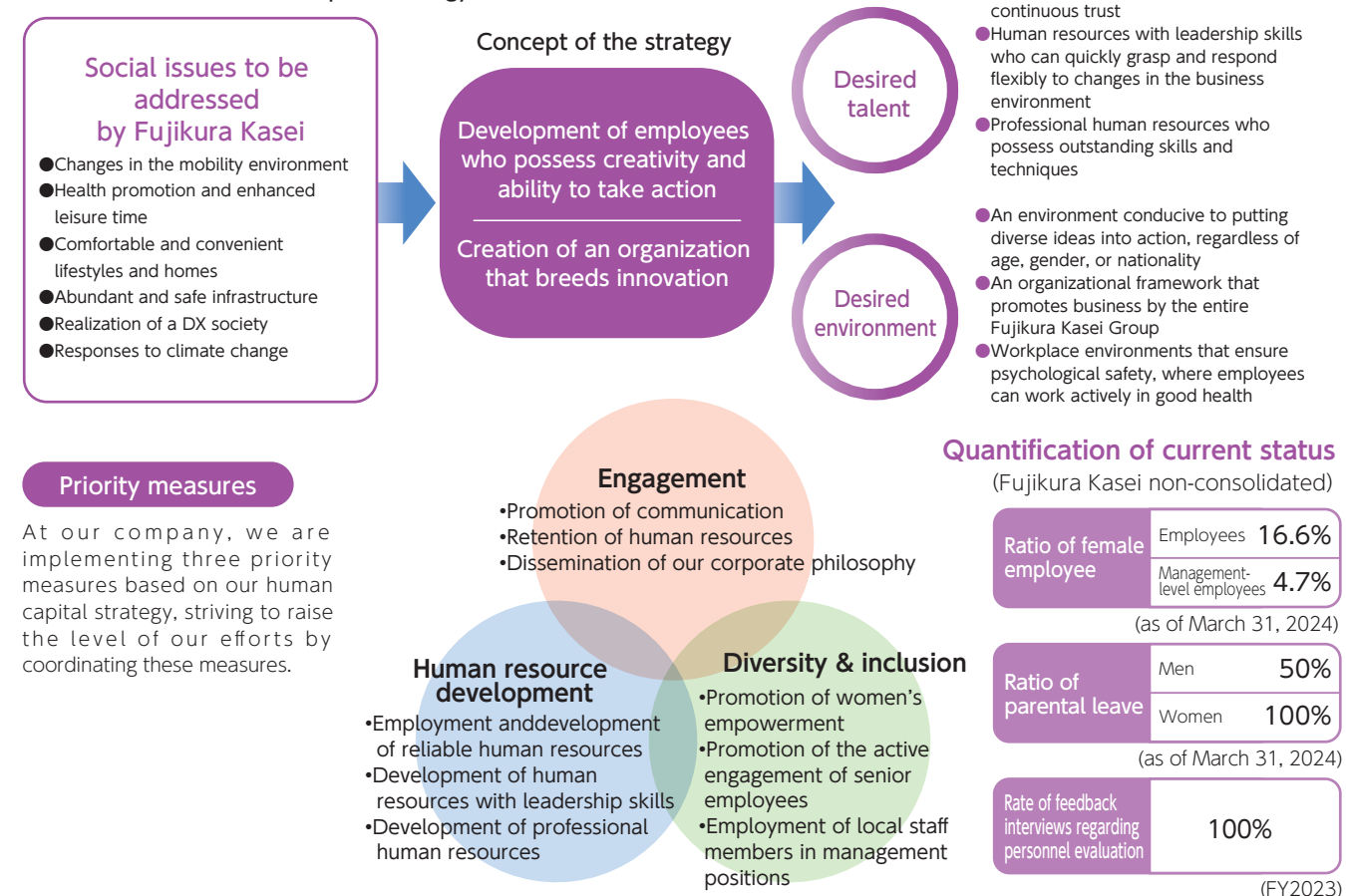
## Basic concept of human resources

Based on the awareness that human resources are essential to sustainable growth, we strive to realize human capital management by promoting the development and employment of human resources capable of executing the necessary measures to solve the six social issues we have identified as issues to be addressed by our company.

## Human capital strategy in the 11th mid-term management plan

To promote our business portfolio strategy, we will clarify our policies on investing in and utilizing human capital, intellectual property, and intangible assets under proper governance.

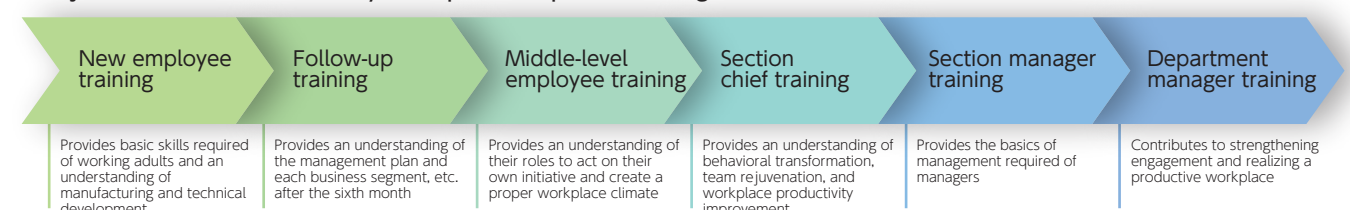
### ●Overview of our human capital strategy



## Human resource development

We support employee self-development and provide regular training so all employees can maximize their abilities. We also hold supervisor feedback meetings on performance evaluations and meetings with the human resource department as a key initiative in promoting human resource development.

### ●Fujikura Kasei's educational system (position-specific training)



## Diversity & inclusion

We are strengthening diversity mainly by building systems and providing education based on the thinking that diversity breeds innovation.

### Women's empowerment

As part of our action plan to promote women's empowerment, we established a goal to increase the number of female managers and are actively promoting this initiative. We are building systems that align with women's life stages, and every five years, we provide an empowerment training program for all female employees as an opportunity for them to think about their future careers.

### Active engagement of people with disabilities

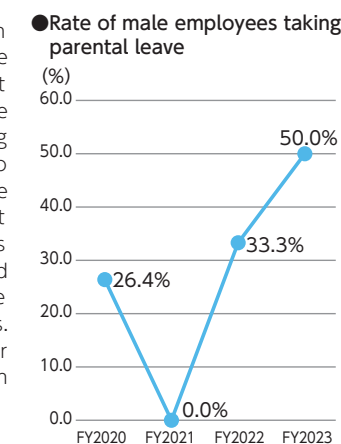
We provide continuous employment to people with disabilities, giving consideration to their individual needs regarding place of work, working environment, work description, and other such factors.

### Active engagement of senior employees

With the rapidly declining birthrate and aging population coupled with a shrinking population, there are growing expectations for the active participation of senior employees. In response to this situation, the Revised Act on Stabilization of Employment of Elderly Persons was put into effect on April 1, 2021, requiring companies to make their best effort to secure the employment of employees up to the age of 70. We are revising our reemployment system to comply with this legal amendment and effectively foster successors while transferring the necessary skills.

### Work-life balance support

To promote diverse human resources and work styles, we are implementing systems that support our employees' work-life balance. Additionally, following the June 2021 amendments to the Childcare Leave Act, we have improved our employment environment for employees raising children and disseminated our programs, verifying the intentions of our male employees. As a result, an increasing number of male employees have chosen to take parental leave.

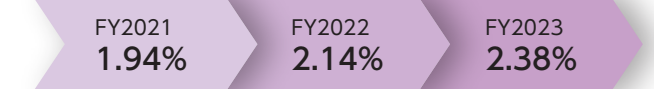


### Fujikura Kasei's parental leave program (characteristics)

Employees may take parental leave until the end of April following the child's second birthday, at the longest. They may also work on a shortened working hour system until the child reaches the third grade in elementary school. In addition to these programs, the saved leave system\* may be used to take a leave when a child requires nursing care. To prevent harassment during the use of these systems and to confirm work details both when taking and returning from parental leave, a three-way meeting is held between the leave taker, their supervisor, and the human resource department.

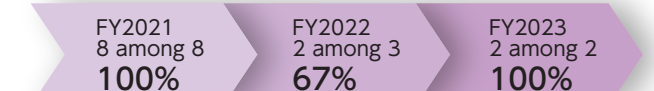
\*The saved leave system is unique to our company. It allows employees to retain up to 100 days of unused paid leave and use them for the abovementioned parental leaves or when taking a leave to attend to their own illness or injury or to the nursing care needs of family members.

### ●Growing employment rate of people with disabilities



Additionally, we provide second career training sessions to employees who reach the age of 50, allowing them to discuss post-retirement work plans and succession matters in individual interviews with the human resource department.

### ●Ratio of post-retirement employees using the reemployment system



### Examples of work-life balance support measures

●**Support for taking and returning from parental leave**  
Three-way meetings are held with both male and female leave takers, their supervisors, and the human resource development both when employees take and return from their leave. The purpose of these meetings is to prevent harassment during the leave and confirm job responsibilities both before and after.

●**Saved leave system**  
This system is unique to our company. It allows employees to retain up to 100 days of unused paid leave and use them for the abovementioned parental leaves or when taking a leave to attend to their own illness or injury or the nursing care needs of family members.

●**Comeback employment system**  
This system supports the reemployment of employees who have resigned due to parental, nursing care, spousal relocation, self-development, or other personal reasons.

## Engagement

### Engagement surveys

We constantly strive to improve our workplace environment so our employees can maintain their motivation to work and maximize their abilities. As part of this effort, we carry out an engagement survey regularly. Beginning with last year's survey, we have placed greater emphasis on disseminating a better understanding of our management philosophy. In fiscal 2024, we plan to implement a training program to enhance workplace engagement, for general manager-level employees.

### Employee health management

We are committed to promoting good health among our employees based on the belief that the health and well-being of our employees and their families are directly linked to increasing productivity and enhancing corporate value.



### Examples of employee health management

- Subsidies for influenza vaccination
- Encouraging employees and their dependents to undergo health checkups and providing specific health guidance
- Executive meetings on the results of the stress check system in each workplace
- Subsidies for comprehensive medical examinations
- Establishment of a telephone hotline for health consultations
- Encouragement of sports (initiatives of the corporate culture and sports group and the health insurance union)
- Vaccination subsidies for employees assigned overseas
- Temporary home visit system for employees assigned overseas (once every six months for single employees, once a year for employees accompanied by their families)
- Health promotion app (health insurance union)

# Promoting Digital Transformation (DX)

At Fujikura Kasei, we are working to promote digital transformation (DX) toward achieving our 2030 Vision to "provide new value through co-creation × evolution × power of chemistry."

In the 11th mid-term management plan, DX promotion forms one of the pillars in strengthening our management foundation to support relentless change and sustainable growth.

## DX promotion initiatives

We will promote DX that accords with the operational characteristics of each division and support changes and sustainable growth.

<b>R&amp;D</b> <ul style="list-style-type: none"> <li>▶ Advanced information on raw materials</li> <li>▶ Sharing and utilization of experimental data</li> <li>▶ Intellectual property information</li> </ul>		<b>Production &amp; operations</b> <ul style="list-style-type: none"> <li>▶ Production plans, plant control</li> <li>▶ Inventory information</li> <li>▶ Order receiving/issuing, delivery operations</li> </ul>	
<b>Sales</b> <ul style="list-style-type: none"> <li>▶ Cultivation of new customers</li> <li>▶ Information sharing among team members</li> <li>▶ Contact with customers</li> </ul>		<b>Indirect departments</b> <ul style="list-style-type: none"> <li>▶ Strengthening core systems</li> <li>▶ Development of digital human resources</li> <li>▶ Visualization of management</li> </ul>	

## Development of DX promotion personnel

Our group has a large accumulation of valuable data, including customer and formulation data. To explore how we can process and utilize these data and what kind of added value we could attach to the information, we held the "What to do about DX!" seminar in February 2024, featuring Mr. Naoyuki Kamatani, Chairman of StaGen Co., Ltd. and Director of the Research Institute for Artificial Intelligence in Medicine. It was held both in person and as an in-house webinar.

A post-seminar survey revealed that many employees are interested in future DX seminars. In fiscal 2024, we will launch e-learning courses and practical sessions aimed at promoting DX and developing DX personnel. This initiative, along with the advancement of data utilization, will contribute to creating new value.

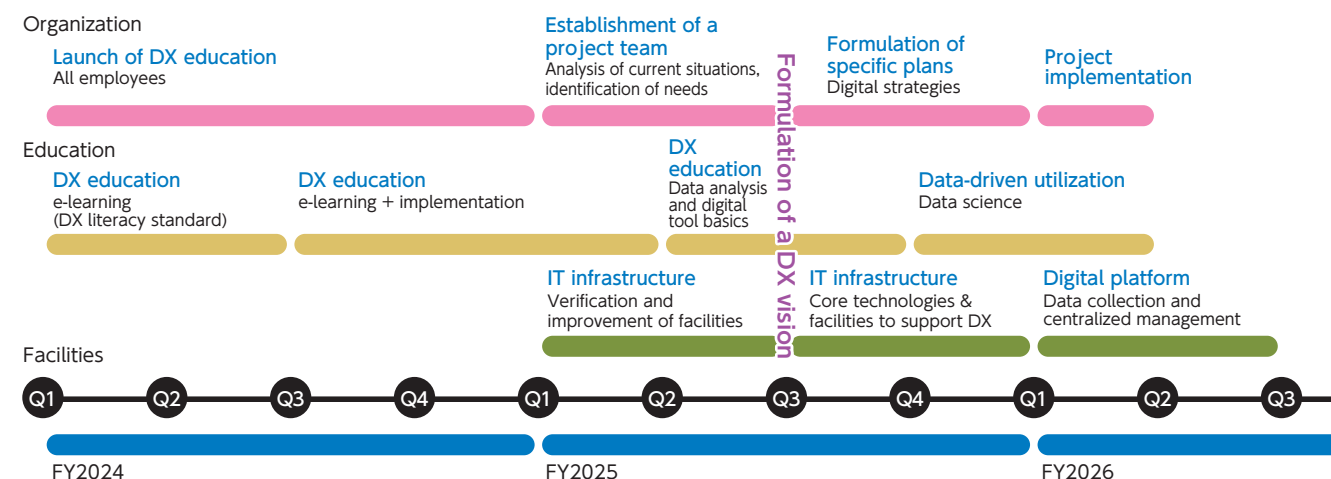


"What to do about DX!" seminar

## DX promotion roadmap

We formulated a DX promotion roadmap within the 11th mid-term management plan to guide us on our path to achieving sustainable growth and ultimately our 2030 Vision. In fiscal 2024, we will focus on enhancing the digital skills of our employees and promoting digitization across the company. This initiative will form the

foundation of our development for fiscal 2025 and beyond. We will aim to strengthen our business foundation by utilizing digital technologies to increase operational efficiency and introducing a data-based decision-making process.



# Contributing to a Decarbonized Society

## Addressing Climate Change as a Corporate Social Responsibility

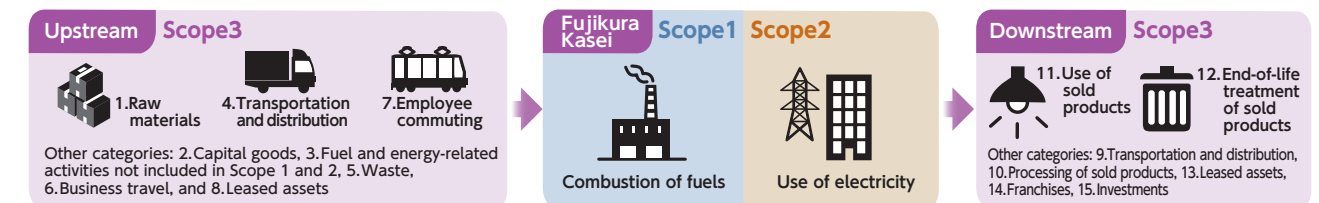
At Fujikura Kasei, we recognize our responsibility to address climate change as a management issue and engage in assessing greenhouse gas emissions from throughout our supply chain.

We also strive to ensure proper disclosure in line with the international reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD) while making an active contribution to reducing greenhouse gases.

## The climate change issue and our responsibility

Responding to global-scale climate change is one of the goals of the Sustainable Development Goals (SDGs) being addressed globally since the Paris Agreement entered into force in November 2016. In October 2020, Japan pledged to achieve carbon neutrality by 2050, and responding to climate change has become ever more important. Our company is taking initiatives to reduce greenhouse gas emissions based on the awareness that we have a corporate

social responsibility to address climate change. Based on the 'Act on Promotion of Global Warming Countermeasures,' we have monitored CO<sub>2</sub> emissions from our business activities and established our own medium- to long-term environmental goal, the 'Eco Vision.' Furthermore, we continuously work toward the efficient use and reduction of fuel and electricity and report our progress in our Sustainability Report.



## FY2023 activity report

### Commencement of the documentation and operation of the calculation method for Scope1, Scope2, and Scope3

We have documented our carbon footprint calculation method in line with the "Basic guidelines for calculation of greenhouse gas emissions from supply chains (ver. 2.5)" issued by the Ministry of the Environment and Ministry of Economy, Trade and

Industry in March 2023 and commenced its operation with the approval of our relevant directors. We will revise it as necessary and strive to expand the scope of calculation and increase calculation accuracy.

### Commencement of efforts to acquire primary data from relevant business partners

While European companies have already made significant progress in providing relatively prompt information, many domestic companies are still in the process of establishing or have not yet begun to establish the necessary systems, and their responses largely vary depending on company size and industry.

Furthermore, some companies require the submission of memorandums or the signing of confidentiality agreements, which prolongs the data collection process. Despite this situation, our company actively seeks to collect primary data to enhance the accuracy of CO<sub>2</sub> calculations.

### Initiatives to improve the efficiency of carbon footprint (CFP) calculations

We have developed a system for calculating product CFPs to respond more promptly to customer requests. For Scope3 Category1, which accounts for a significant proportion of CO<sub>2</sub> emissions, we place priority on obtaining primary data from raw

materials manufacturers. In cases where obtaining such data is difficult, we rely on IDEA data to calculate CFPs so we may swiftly provide the information to our customers.

## Creating new value from climate change measures

At Fujikura Kasei, we recognize our responsibility to address climate change as a management issue. In May 2023, we expressed our agreement with the Task Force on Climate-related Financial Disclosures (TCFD) and conducted a scenario analysis encompassing all consolidated companies in Japan based on

TCFD recommendations. (See p. 33 for details) In addition to reducing greenhouse gases associated with our products, we also contribute to reducing greenhouse gas emissions by promoting the use of our products in new technologies and fields in collaboration with our customers.

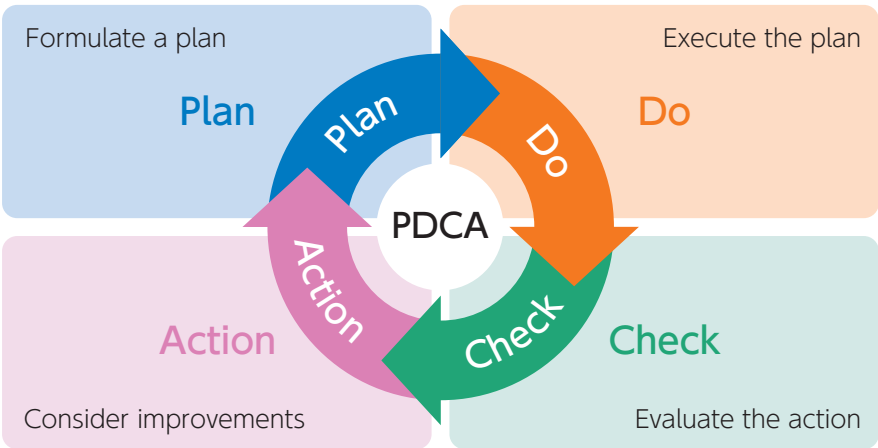


Risk Management

At Fujikura Kasei, we strive to ensure sound and smooth business operations by developing a management framework for preventing risks related to business as a whole and defining methods for responding to risks should they occur.

Our concept of risk management

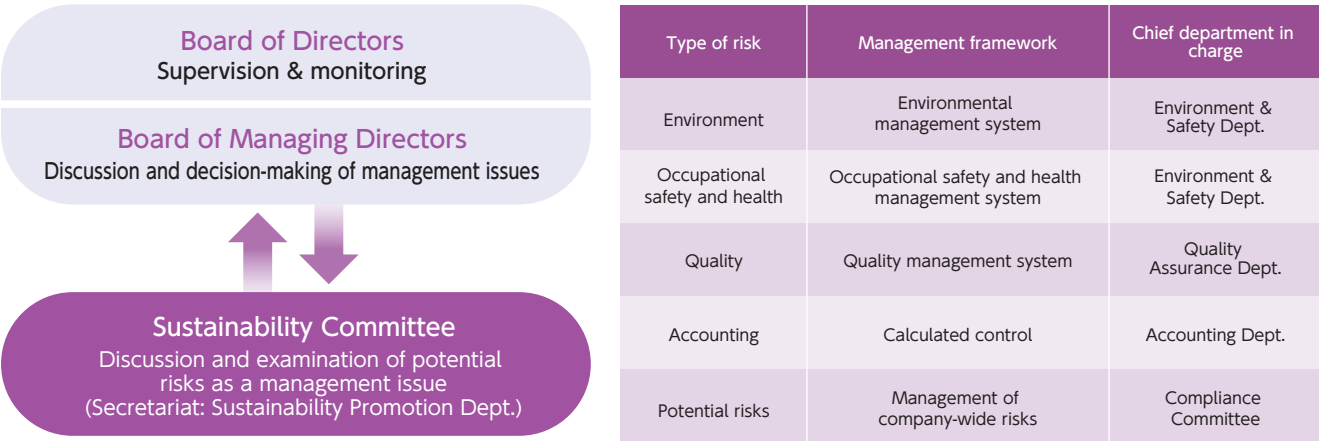
At Fujikura Kasei, one of our most important management issues is to prevent potential crises by visualizing risks that could hinder our business operations and, in the event a significant risk occurs, to minimize the impact of that risk on our company. Companies must address both inherent risks and a wide range of risks that vary in scale and frequency. Therefore, we have established a detailed company-wide risk management process. By taking appropriate measures for each risk and mitigating all risks, we aim to achieve sustainable growth and enhance our corporate value.



We formulate a risk management plan upon identifying potential risks (Plan). Next, we establish a system to execute the plan and raise awareness within the company (Do). Then, we regularly check the system's operational status for any new risks (Check) and implement an improvement plan (Action). By applying this PDCA cycle, we work to maintain the effectiveness of our risk management.

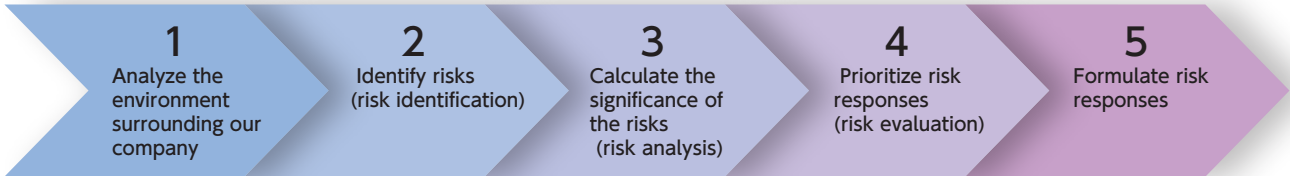
Risk management framework

We have a long-established risk management framework in place that defines specific measures for each type of risk. As part of our effort to strengthen our sustainability initiatives under the 11th mid-term management plan, the Sustainability Committee discusses and reviews potential company-wide risks as a key management issue.



Identification of company-wide risks and formulation of countermeasures for risk management

As part of our efforts to strengthen our sustainability initiatives under the 11th mid-term management plan, the Sustainability Committee has assumed overall control of potential company-wide risks as a management issue. It has clarified the risks anew from a company-wide perspective and launched initiatives to mitigate those risks.



1. Environmental analysis

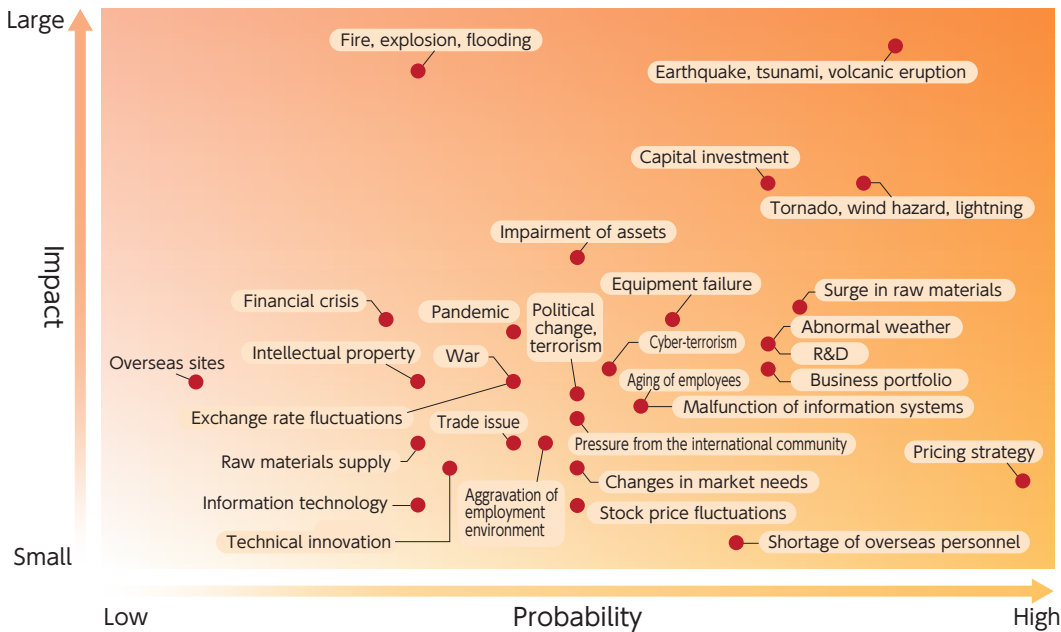
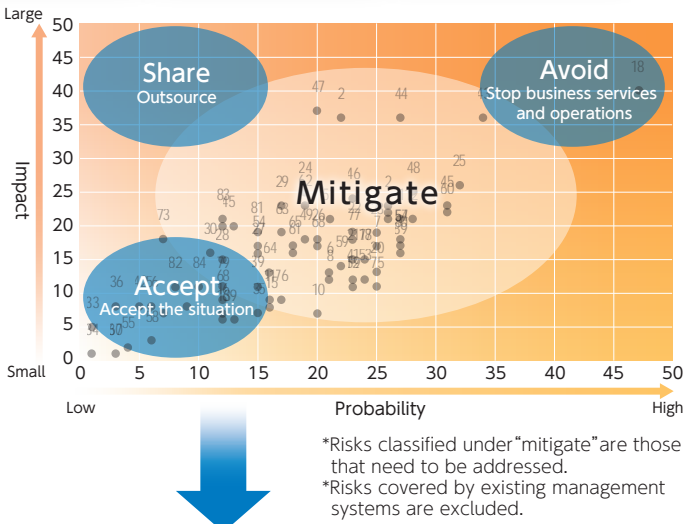
Verify the environment surrounding our company from the perspective of achieving sustainable growth and enhancing corporate value.

2. Identify risks (risk identification)

Identify conceivable risks in the operational processes of each department in terms of both external and internal factors (a total of 84 categories of operational risks, financial risks, strategic risks, and hazard risks).

3. Calculate the significance of the risks (risk analysis)

Weigh the identified risks. Create a risk matrix with impact and probability on the two axes. Categorize the risks into share, avoid, accept, and mitigate, with those classified under mitigate as risks that need to be addressed. Risks other than those already covered by existing management systems are considered potential risks.



4. Prioritize risk responses (risk evaluation)

Prioritize risks in consideration of various elements.

5. Formulate risk responses

Decide on a risk owner (responsible executive) for each risk item. Make company-wide efforts to mitigate risks.

Under the supervision of the risk owner (the responsible executive), each department explores specific countermeasures for the identified risks that require mitigation and implements these measures by applying the PDCA cycle. The Sustainability Committee regularly discusses and reviews the progress of these efforts to strengthen the company-wide risk management system.



# Responses to Climate Change

(Disclosure based on TCFD Recommendations)

Fujikura Kasei identifies climate change as one of its priority issues and has expressed its agreement with the Task Force on Climate-related Financial Disclosures (TCFD) in May 2023. In line with the TCFD recommendations, we will analyze and assess the impacts of climate change on our business activities, formulate measures based on multiple scenarios, endeavor to strengthen the resilience of our business, and disclose these initiatives to all stakeholders.

### Governance

We have a framework in place to ensure that important resolutions concerning climate change are discussed and decided on as management issues by the Sustainability Committee, which is chaired by the president, and by the Board of Managing Directors. Also under this framework, all resolutions are properly supervised and monitored by the Board of Directors.

Specific responses and initiatives are discussed by the Sustainability Committee and the content of these discussions are reported to the Board of Directors at least once a year. The Sustainability Committee, composed of full-time directors, convenes twice a year or more, as necessary.

### Strategy

We have analyzed scenarios based on TCFD recommendations and conducted a business impact assessment of risks and opportunities that have been identified, in light of the world

outlook if temperatures were to increase by 1.5°C and 4°C. In fiscal 2023, we expanded the scope of the assessment to include our consolidated companies in Japan.

### Overview and responses to the risks and opportunities of climate change on Fujikura Kasei

Category	Subcategory	Business impact	Assessment
Transition risks	Policies & regulations	• Increase in expenses in proportion to the amount of greenhouse gases emitted from our offices, due to the introduction and strengthening of the carbon pricing system and emissions trading system by the government • Increase in expenses for switching to higher efficiency facilities and devices and making capital investments, when energy conservation and renewable energy regulations are strengthened	Large
	Technologies & markets	• Weakening of brand strength as a result of a delay in responding to decarbonization • Increase in expenses due to the rising costs of naphtha, silver, etc. • Possible decrease of customer transactions and switches to competitor company products in the event that environmental consideration is insufficient • Increase in wages and production costs due to an exacerbation of working environments and a shortage of workers	Large
	Reputation	• Increase in the cost of capital procurement in the event that environmental consideration and environmental information disclosure are insufficient	Medium
Physical risks	Acute	• Direct damage and corresponding costs from a disruption of the supply chain or destruction of the company's production sites, and spreading of their impact on sales opportunity losses • Difficulty in implementing onsite coating operations due to an increasing frequency of weather disasters and heatstroke	Large
	Chronic	• Increased costs due to an increase in the usage of air-conditioning facilities in plants and offices • Increased risks of accidents in handling dangerous articles due to a rise in temperature • Increased health risks among workers	Large
Opportunities	Resource efficiency	• Increase in demand for recyclable products • Development of products using recycled raw materials • Growth in demand for re-coating work accompanying an increased utilization of the used home market	Large
	Energy sources	• Decrease in the cost of procuring renewable energy • Effective utilization of waste heat • Increase in maintenance work accompanying an increase in houses with solar panels	Large
	Products/ services	• Expanded sales by achieving differentiation and enhanced brand strength with products that are process-saving, energy-saving, and low energy consuming • Increase in demand for our company's products owing to the dissemination of decarbonization technologies and products in sectors such as the mobility, residential, infrastructure, and IT sectors • Expanded sales of disaster prevention products	Large
	Markets	• Enhanced corporate value as a result of pursuing eco friendliness and environmental information disclosure • Expansion of coating work opportunities in cold regions	Medium
	Resilience	• Stable supply of products owing to a diversification of raw materials • Differentiation by strengthening business continuation measures	Medium

### Risk management

Risks that may hinder our business activities and necessary measures against such risks will be discussed and examined by the Sustainability Committee. Risks and opportunities associated with climate change will be identified by the committee and are addressed by the entire company.

### Metrics and targets

Fiscal 2023 greenhouse gas emissions by Fujikura Kasei (on a domestic consolidated basis) are shown in the table at right. As part of our commitment to reducing the environmental impact of our business activities, we have set a goal of reducing Scopes 1 and 2 CO<sub>2</sub> emissions from Fujikura Kasei's non-consolidated business activities by 41% by fiscal 2030 compared to fiscal 2013 levels.

	Domestic consolidated	Non-consolidated
Scope1	1,085t/year	1,071t/year
Scope2	1,927t/year	1,646t/year
Scope3	80,741t/year	50,452t/year



# CSR Procurement

Fujikura Kasei is committed to addressing human rights, environmental issues, and compliance throughout its supply chain as its social responsibility. By surveying and ensuring proper management of these issues along the entire supply chain, we aim to achieve sustainable procurement.

### Surveys of the status of CSR activities by our business partners

In light of the growing importance of corporate social responsibility, we surveyed our business partners' initiatives, continuing from the previous year. We requested our business partners to review our various policies to further their understanding of our CSR activities. These policies included our sustainability basic policy, the Fujikura Kasei code of conduct, human rights

policy, occupational health and safety policy, environmental policy, energy conservation policy, fair trade and ethics policy, quality policy, chemical substance management policy, and information security policy. We also requested them to self-evaluate the status of their initiatives in the eight areas shown below.

I. CSR in general	Verify the formulation of CSR policies, the codes of conduct promotion organizations, status of information dissemination, etc.
II. Human rights and labor	Verify the status of policies, frameworks, and legal compliance concerning human rights and labor, in addition to initiatives concerning the human rights, labor, employment of employees, etc.
III. Health and safety	Verify the status of policies, frameworks, and legal compliance concerning safety and health, in addition to safety measures for machines and facilities, safety and risk assessment in the workplace, assessment and responses to the working environment, responses to disasters and accidents, etc.
IV. Environment	Verify the status of policies, frameworks, and legal compliance concerning environmental safety and health, in addition to initiatives for chemical substance management, the environment, energy and resource conservation, reduction of waste and greenhouse gas emissions, etc.
V. Fair trade and ethics	Verify the status of policies and frameworks concerning fair trade and ethics, the status of information disclosure to customers, initiatives against inappropriate profit-sharing, initiatives for fair trade, status of the export control framework, etc.
VI. Quality	Verify the status of policies and frameworks concerning quality
VII. Information security	Verify the status of policies and frameworks concerning information security, initiatives against network threats, responses to the management of the personal information of customers and employees and confidential information, etc.
VIII. Social contribution	Verify the status of activities that aim to contribute to the international and local communities, etc.

We will provide feedback on the self-evaluations submitted by our business partners regarding their initiatives, requesting improvement in areas where self-evaluation scores are low. Additionally, we will continue to survey the status of these initiatives and work towards enhancing CSR across the entire supply chain.

### FY2023 supplier survey criteria

Eighteen companies falling under the following criteria were selected to be surveyed.

- Top-ranking companies in each business segment in terms of purchase amounts
- Exclusion of companies with high self-evaluation scores in FY2022
- Re-examination of companies that had low self-evaluation scores in FY2022
- Companies that had quality or delivery trouble in the past