FY66 Materiality, Targets and Results

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Theme	Materiality (Key Issues)	Approach	Indicator (KPI)	Unit	Base year	Base value	Target year	Target value	Results year	Result	Scope
Environment	Climate change mitigation	Reduce CO_2 emissions by 46% from the FY2018 level by FY2030 and achieve carbon neutrality by FY2050. Install energy-saving equipment and promote solar PPAs and the procurement of renewable electricity.	CO_2 emissions (Scope 1+2)	t-CO_2	FY2018	13,010	FY2030	7,025	FY2025	9,202	Group
		(Long-term target) Achieve carbon neutrality by FY2050.	CO_2 emissions (Scope 1+2)	t-CO_2	FY2018	13,010	FY2050	0	FY2025	9,202	Group
		Increase the renewable energy ratio.	Renewable energy ratio	%	FY2021	0	FY2030	60	FY2025	42	Group
		Determine emissions across the entire supply chain and work to reduce them.	CO_2 emissions (Scope 3)	t-CO_2	FY2025	111,823	FY2030	78,276	FY2025	111,823	Non-consolidated
		Set a standalone absolute reduction target for Scope 1 (fuel combustion at our own sites, etc.).	CO_2 emissions (Scope 1)	t-CO_2	FY2023	989	FY2030	1,100	FY2025	1,241	Group
		Set a standalone absolute reduction target for Scope 2 (purchased electricity, etc.).	CO_2 emissions (Scope 2)	t-CO_2	FY2023	10,350	FY2030	5,784	FY2025	7,961	Group
		Set an absolute reduction target for Scope 3 (supply chain).	CO_2 emissions (Scope 3)	t-CO_2	-	-	FY2027	Target to be set	FY2025	-	Group
Environment	Conservation of water resources	Continuously reduce water use by recording and managing the volume of water pumped and reusing cooling water as non-potable water.	Water use	thousand m^3	FY2025	477	FY2030	430	FY2025	477	Non-consolidated
Environment	Waste reduction	Thoroughly separate waste, curb waste generation by improving yields and using returnable containers, and raise the recycling rate.	Recycling rate	%	FY2023	95	FY2030	99	FY2025	95	Non-consolidated
		Manage chemical substances properly in accordance with work standards and comply with regulations (REACH, PRTR, etc.).	Releases and transfers of PRTR-listed substances	t	FY2024	0.2	FY2030	0.2	FY2025	0.2	Non-consolidated
		Provide environmental training to all employees.	Percentage of employees who received environmental training	%	FY2023	100	Every year	100	FY2025	100	Non-consolidated
Environment	Biodiversity conservation (as part of community contribution activities)	Give consideration to the ecosystems around our sites and do not operate in areas of importance for biodiversity.	Number of sites located in protected areas of importance for biodiversity	Sites	FY2025	0	Every year	0	FY2025	0	Non-consolidated

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Safety and Quality	Customer health and safety	Maintain a quality assurance system based on IATF 16949 and ISO 9001, and prevent serious product accidents and recalls.	Number of recalls	Cases	FY2021	0	Every year	0	FY2025	0	Group
Labor and Human Rights	Promoting employee safety and health	Prevent lost-time accidents and fatal accidents among all workers, including temporary agency workers.	Number of occupational accidents	Cases	FY2025	5	FY2030	0	FY2025	5	Non-consolidated
		Maintain zero fatal accidents.	Number of fatal accidents	Cases	FY2021	0	Every year	0	FY2025	0	Group
		Promote health and productivity management, and ensure that all employees undergo regular health checkups and stress checks.	Regular health checkup rate	%	FY2024	100	Every year	100	FY2025	100	Non-consolidated
		In accordance with the laws and regulations applicable in the countries and regions where we conduct business activities, strictly prohibit forced labor, human trafficking and child labor, and protect employees' health while managing labor appropriately. (From the Objectives column of the FY64 list) Regard initiatives to maintain and improve employee health as an investment that will enhance profitability and other aspects of performance in the future, and practice health management strategically from a management perspective.	Percentage of employees on leave due to non-work-related illness or injury	%	FY2024	1.36	FY2030	1	FY2025	1.09	Non-consolidated
		Led by the Safety and Health Committee, embed risk assessment and verify its effectiveness to reduce the frequency of occupational accidents resulting in lost time.	Lost-time injury frequency rate (LTIFR)	–	FY2023	0.9	FY2030	0.45	FY2025	0.8	Non-consolidated
Labor and Human Rights	Stable employment and a comfortable workplace	Comply with the Article 36 Agreement and keep overtime work at an appropriate level.	Average monthly overtime hours	Hours	FY2023	22.3	FY2030	15	FY2025	21	Non-consolidated
		In accordance with the laws and regulations applicable in the countries and regions where we conduct business activities, strictly prohibit forced labor, human trafficking and child labor, and protect employees' health while managing labor appropriately. (From the Objectives column of the FY64 list)	Turnover rate	%	FY2021	3.4	FY2030	3	FY2025	3.6	Non-consolidated
		Set and publish time-bound quantitative targets for paying wages that meet living wage levels.	Percentage of employees paid below a living wage	%	FY2023	0	FY2030	0	FY2025	0	Non-consolidated
Labor and Human Rights	Stable employment and a comfortable workplace (developing self-reliant talent through investment in human resources)	Support employees' skill development and career building based on the in-house vocational skills development plan.	Average training hours per employee	Hours	FY2025	5.95	FY2030	10	FY2025	6.3	Group

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Labor and Human Rights	Stable employment and a comfortable workplace (developing self-reliant talent through investment in human resources)	Conduct performance evaluations for all employees and communicate the results to each employee in an interview.	Performance evaluation implementation rate	%	FY2023	100	Every year	100	FY2025	100	Non-consolidated
		Provide job-specific skills training in a planned manner.	Percentage of employees who received skills-related training	%	FY2025	13.8	FY2030	30	FY2025	13.8	Non-consolidated
Labor and Human Rights	Respect for human rights	Respect the International Bill of Human Rights and the ILO Declaration, and do not permit child labor or forced labor. Verify ages, and do not retain passports or other identity documents.	Number of violations of human rights-related laws and regulations	Cases	FY2023	0	Every year	0	FY2025	0	Group
Labor and Human Rights	Respect for human rights (freedom of association and the right to collective bargaining)	Respect freedom of association and the right to collective bargaining, and continue dialogue with the labor union and employee attitude surveys.	Work engagement score (out of 4.0)	Score	FY2023	2.41	FY2030	3	FY2025	2.46	Non-consolidated
		Respect, and do not obstruct, the freedom of employees (regular employees) to join a labor union and the right of labor unions to bargain collectively.	Percentage of employees who are labor union members	%	FY2024	100	Every year	100	FY2025	100	Non-consolidated
Labor and Human Rights	Respect for human rights (prohibition of discrimination and harassment)	Prohibit discrimination and harassment, and work to ensure fair recruitment and selection and to promote women's advancement.	Ratio of women in management positions	%	FY2025	4.5	FY2030	5	FY2025	4.5	Non-consolidated
		Encourage men to take childcare leave and support employees returning from childcare leave.	Rate of men taking childcare leave	%	FY2023	70	Every year	70	FY2025	100	Non-consolidated
		Provide harassment prevention training to all employees.	Harassment training participation rate	%	FY2023	98.5	Every year	100	FY2025	99.2	Non-consolidated
		Eliminate all incidents of discrimination and harassment.	Number of incidents of discrimination and harassment	Cases	FY2025	0	Every year	0	FY2025	0	Non-consolidated
		Promote the hiring and advancement of diverse personnel regardless of nationality, disability, age or other attributes.	Percentage of employees from minority and socially vulnerable groups (foreign nationals, persons with disabilities, persons aged 60 or over)	%	FY2023	7	FY2030	10	FY2025	8.3	Non-consolidated
		Promote the employment of persons with disabilities and maintain a level above the statutory employment rate.	Employment rate of persons with disabilities	%	FY2023	1.64	FY2027	2.7	FY2025	0.75	Non-consolidated
		Narrow the gender pay gap.	Gender pay gap (all workers)	%	FY2023	64.5	FY2030	80	FY2025	70.5	Non-consolidated
Ethics	Ensuring business ethics and compliance	Prohibit entertainment and gifts; entertainment and meeting expenses require prior application and approval. Ensure that no officer or employee engages in corrupt practices.	Number of serious compliance violations	Cases	FY2021	0	Every year	0	FY2025	0	Group
		Make no political contributions.	Amount of political contributions	Yen	FY2023	0	Every year	0	FY2025	0	Group
		Provide compliance and business ethics training to all employees every year.	Compliance and business ethics training participation rate	%	FY2023	98.5	Every year	100	FY2025	99.2	Non-consolidated
		Conduct internal assessments or audits of ethics items at all sites.	Percentage of sites where internal assessments or audits were conducted	%	FY2023	0	FY2027	100	FY2025	60	Group

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Ethics	Ensuring business ethics and compliance	Comply with competition laws and the Subcontract Act, and conduct fair transactions.	Number of anti-competitive practices	Cases	FY2021	0	Every year	0	FY2025	0	Group
Ethics	Ensuring business ethics and compliance (raising information security awareness)	Protect information assets in accordance with the Information Security Policy and prevent security incidents.	Number of information security incidents	Cases	FY2023	1	Every year	0	FY2025	1	Group
		Provide information security training to all employees every year.	Information security training participation rate	%	FY2023	100	Every year	100	FY2025	91	Non-consolidated
Sustainable Procurement	Supplier environmental practices	Communicate the Purchasing Policy and CSR Guidelines to suppliers and obtain confirmation of receipt. Continue surveys of chemical substances contained in products (REACH, etc.).	Purchasing Policy receipt confirmation rate	%	FY2025	100	Every year	100	FY2025	100	Target suppliers
		Incorporate clauses on the environment, labor and human rights into basic transaction agreements.	Percentage of contracts including CSR clauses	%	FY2025	89	FY2026	100	FY2025	89	Target suppliers
		Add greenhouse gas emissions and reduction initiatives to the criteria for selecting suppliers.	Incorporation into supplier selection criteria	-	FY2024	Not implemented	FY2030	Stated in selection criteria	FY2025	Selection sheet completed	Target suppliers
		Work with suppliers to reduce emissions.	Number of joint initiatives with suppliers	Cases	FY2025	1	FY2030	5	FY2025	1	Target suppliers
		Collect Scope 3 calculation data from major suppliers.	Number of suppliers that provided data	Suppliers	FY2024	0	FY2030	52	FY2025	38	Target suppliers
Sustainable Procurement	Supplier social practices	Procure 3TG (tin, tantalum, tungsten and gold) and cobalt in a manner that does not contribute to conflict or human rights abuses.	Conflict minerals survey (CMRT) response rate	%	FY2023	100	FY2027	100	FY2025	100	Target suppliers
		Assess suppliers' human rights and labor practices through self-assessment questionnaires (SAQ), and request improvement where issues are found.	Number of companies that completed the SAQ	Companies	FY2023	0	FY2030	62	FY2025	50	6 Group companies

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Sustainable Procurement	Supplier social practices	Expand supplier sustainability assessments and on-site audits in a planned manner.	Percentage of suppliers assessed or audited	%	FY2023	0	FY2030	80	FY2025	0	Target suppliers
		Provide sustainable procurement training to all employees in procurement departments.	Percentage of procurement department employees trained	%	FY2023	0	FY2027	100	FY2025	100	Group procurement departments
Social	Community contribution activities	Aim to be a good neighbor and a good corporate citizen through community contribution activities.	Number of community contribution activities	Cases	FY2023	50	FY2030	60	FY2025	50	Non-consolidated

Each target is, in principle, reviewed once a year.

In the Scope column, “Non-consolidated” refers to Pacific Engineering Corporation (two sites: Head Office and Ogaki), and “Group” refers to a scope that includes consolidated subsidiaries in Japan and overseas.

Overseas environmental data are aggregated by calendar year (January–December), and domestic data by fiscal year (April–March).