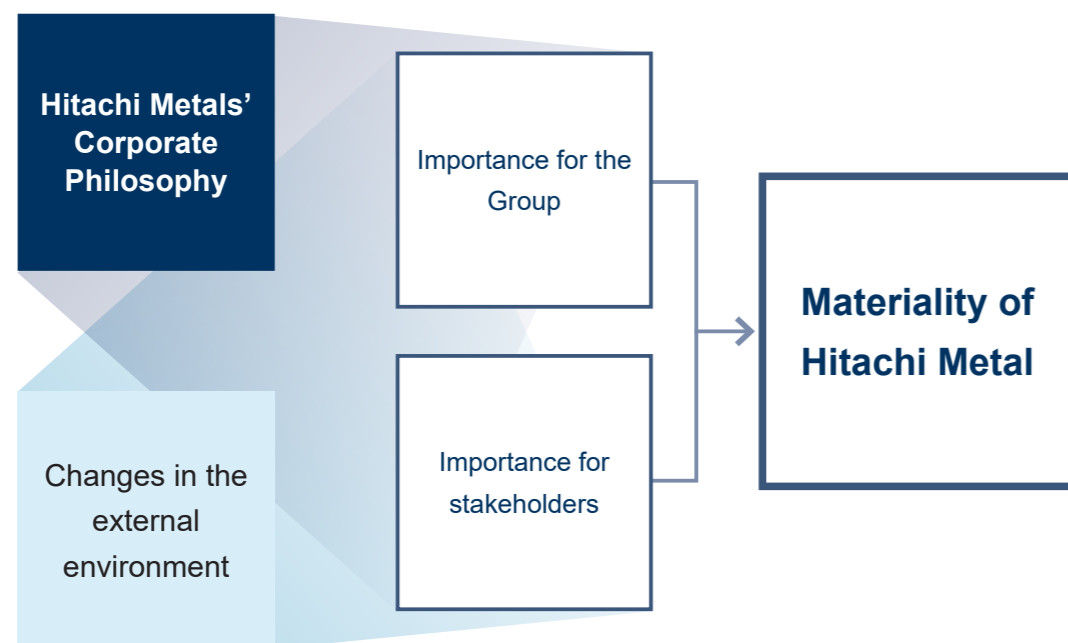


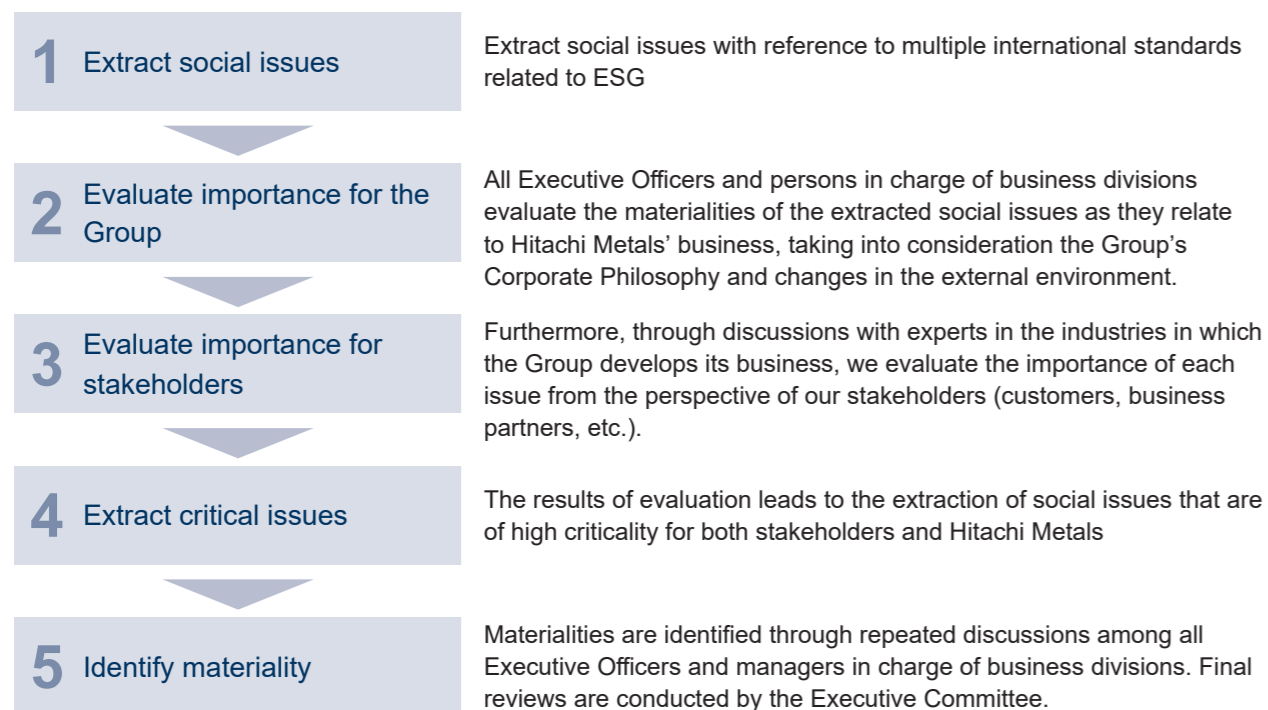
Hitachi Metals believes that promoting business activities that contribute to social and environmental sustainability is the foundation of its business continuation and presents important business opportunities for the Group's growth.

The Group has long carried out business activities with a strong consciousness of ESG issues. To further accelerate our efforts, we have identified materialities (critical issues) to which to devote our energy. In addition, we have also organized measures and key management indicators related to each materiality. We have also presented SDG goals related to each materiality.

Approach for Identifying Materiality



Process of Identifying Materiality



Materialities of Hitachi Metals

The identified materialities are classified into six categories. All materialities are reflected in concrete management measures, implemented based on the Group's Value of "Unflinching integrity" and Vision of "Leading sustainability by high performance." Furthermore, by continuously improving and deepening our engagements in these materialities, we will embody our Mission of "Make the best quality available to everyone."

Materiality	Description	Related external environmental changes (opportunities and risks)	Related SDGs	
Environment	Contributing to realize a decarbonized society	Under the vision of "Leading sustainability by high performance," we will contribute to the realization of a society where greenhouse gas emissions are reduced to net zero through green manufacturing activities and efficient use of energy.	Opportunities: Increase in momentum to promote carbon neutrality among customers, suppliers, governments, etc., as climate change becomes more serious. Risks: More stringent regulations on greenhouse-gas emissions, higher prices for clean energy due to increased energy demand and geopolitical risks, etc.	7 エネルギーを安全に としてカーボンに 9 産業と技術革新の 基盤をつくらう
	Ubiquitization of resource-conserving, recyclable, and environmentally-friendly products	Under the vision of "Leading sustainability by high performance," we will continue to contribute to the realization of a sustainable society by designing and delivering products that contribute to solving environmental issues including resource conservation and recycling.	Opportunities: Expansion of the market for environmentally-friendly products through the promotion of environmental initiatives in customer industries, growing momentum for waste reduction and recycling, development of new material technologies, etc. Risks: Increased demand for recycled resources, competition for rare metals, soaring resource prices and challenges in procurement due to geopolitical risks, etc.	12 つくも買得 つかう買得 13 気候変動に 関係する対策を
Social	Safety and health are our overriding priority	Based on the concept of "Prioritizing the protection of safety and health above all else," our highest priority is to protect the physical and mental health of our employees, their families, and our other stakeholders, including our business partners and the communities where we operate.	Opportunities: Development of robot technology for hazardous work, etc. Risks: Lack of business successors due to intensified competition for human talent, outbreaks of infectious diseases, occurrences of natural disasters, etc.	5 ジェンダー平等を 実現しよう
	Diversity and Inclusion	Guided by the "United by respect" section of our values statement, we respect the diversity in the workplace and strive to create a workplace where each employee can work with a sense of fulfillment, trust, and ownership, thereby creating a team that delivers results.	Opportunities: Increase in importance and social momentum for work style reform due to intensifying competition for human talent, etc. Risks: Insufficient human resources due to intensified competition for personnel, etc.	8 働きがいも 経済成長も
Governance	Make quality a strength	To deliver high-quality products and services to customers, thoroughly implement measures to prevent the recurrence of quality problems and make quality our strength that sets us apart from others	Risks: Increase in society's interest in quality assurance, technological advances in measures against internal fraud, etc. Risks: —	9 産業と技術革新の 基盤をつくらう
	Business model and process evolution anticipating changes in the external environment	By anticipating rapid changes in the external environment and flexibly changing the way we operate, including the value provided by our products and services, the procurement of materials, and our production methods, we will continue to meet the demands of society and be a company that is needed by society.	Risks: Increase in customer demand for resilience to changes in the external environment (e.g., stable supply), development of related technologies (e.g., new materials, R&D technologies), etc. Risks: Increase in geopolitical risks, outbreaks of infectious diseases, occurrence of natural disasters, etc.	17 パートナーシップで 目標を達成しよう