

Megatrends

Megatrends that significantly impact the Company's business activities include the following. In addition to our Corporate Philosophy, we have identified materiality (critical challenges) based on these changes in social issues.



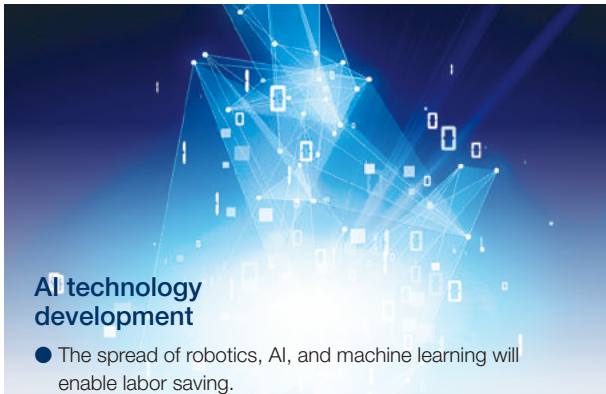
Intensifying climate change

- Global warming has the potential to significantly impact society and the economy. Environmental consciousness is increasing.
- As demand for energy increases, especially in developing countries, the shift to clean energy is accelerating.
- As a result of such changes in the external environment, the market for environmentally-friendly products and services will expand. There will be a growth of clean mobility and an emphasis on waste reduction and recycling.



Increasing demand for high-quality materials

- There are growing needs from customers for the application and development of new materials due to the electrification of automobiles, development of medical technologies, etc.
- Providing products and services that meet these changes in the business environment and needs is attracting increased emphasis.



AI technology development

- The spread of robotics, AI, and machine learning will enable labor saving.
- Expansion of 3D printers will revolutionize production and manufacturing methods.
- Efficiency in production and manufacturing will increase through greater productivity due to the use of these technologies.



Insufficient human resources and competition for personnel

- Risks including insufficient human resources and intensified competition for personnel are growing due to a shrinking working age population.
- Improving efficiency through labor savings and acquiring human resources by increasing corporate value will become critical.



Increasing geopolitical and procurement risks

- In recent years, risks in procurement have been growing due to geopolitical risks and competition for rare metals.
- Measures such as control of difficult-to-obtain raw material will become necessary.



Public demand for stronger governance

- Corporate transparency is growing in importance, and how it is handled affects reputational risk.
- Promotion of transparency of corporate activities will be important.