

Safety and health are our overriding priority

Having adopted Prioritizing the protection of safety and health above all else as one of our guiding principles, Proterial actively promotes activities to create safe, comfortable, and rewarding workplaces while nurturing healthy and energetic human resources in both mind and body. We have positioned prioritizing safety in an uncompromising manner to realize the safest possible workplaces as one of the core issues for management, where creating safe conditions will connect to People, Operational Excellence, and Growth as the three pillars of management.

Currently, we are engaged in eliminating major disasters, building a culture of safety, and creating healthy workplaces through health management as key health and safety measures. Similarly, we are working to create safe workplaces at manufacturing sites in Japan and abroad.

Building a Culture of Safety

As part of the Group's efforts to instill a culture of safety, we have held town hall-style meetings continuously since December 2018, where policies and views on safety are communicated by the President and feedback is received from the Group workplaces. These meetings, which our executives started participating in from fiscal 2020 onwards, are held to obtain a wide range of opinions to reflect in our management policies. Meanwhile, at our manufacturing sites, we have been expanding the scope of our 2S-3F (Sort Out, Set in Order, Fixed Item, Fixed Quantity, and Fixed Location) activities as part of safety activities, and working to instill a culture of safety at the sites. In addition, from November 2020 onwards we started specialized level-based safety training for key employees differentiated by level (directors, business/plant managers, Group company presidents, production line managers, and staff in charge of safety) in order to cultivate human resources able to operate and manage

health and safety activities in an organization-wide and systematic manner. As of the end of 2023, 43 specialized safety training sessions have been held, with 718 employees completing their training. Key employees involved in the training have got proactively involved in health and safety activities in their respective departments and have expanded on what they have learned during their specialized safety training. Through these efforts, we are carrying out continuous operation of our occupational health and safety management system that serves as our mechanism for instilling and re-establishing a culture of safety, and for operating and managing health and safety in an organization-wide and systematic manner. In addition, we audit health and safety, confirm activities regarding the Proterial Group's key health and safety measures, verify compliance with the Company's rules and related laws and regulations, and provide health and safety training to supervisors.

Creating Healthy Workplaces through Health Management

The Proterial Group is working to build better physical and mental health among its employees. For example, we conduct stress checks on all employees and take measures based on the results. We are also focused on creating a more dynamic working environment by eliminating overwork through workstyle reform.

In June 2019, we released our first Health Management Declaration, and made a further Health Management

Declaration in conjunction with our company name change in January 2023. We will continue to steadily implement measures that enable employees to protect the safety of themselves and their coworkers, and to become involved in improving their own health of their own initiative. Several of these efforts include measures to prevent the spread of infections, initiatives to reduce smoking rates, stress checks, and health promotion activities at each works.

Health Management Declaration

Based on our corporate philosophy, we regard health and safety as an important management principle for the company's sustainable development and the happiness of each and every one of our employees, and we will actively promote activities to create safe, comfortable, and rewarding workplaces while nurturing healthy and energetic human resources in both mind and body. We will actively promote activities to create safe, comfortable, and rewarding workplaces while nurturing healthy and energetic human resources in both mind and body.

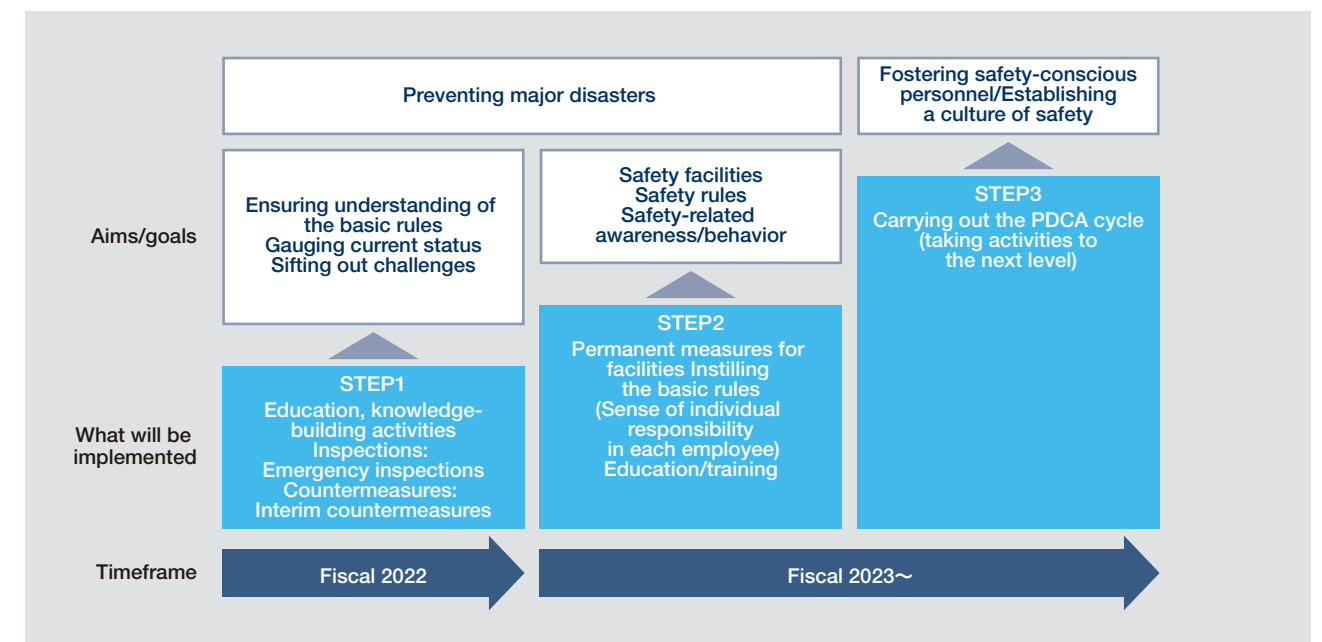
I hereby reiterate my commitment to further work to ensure the safety of myself and my fellow workers and to encourage each of us to take the initiative in promoting our own health.

January 4, 2023
Proterial, Ltd.

Eliminating Major Disasters

Proterial's activities for instilling our basic rules (the Ironclad Rules), based on analysis of disasters, began in fiscal 2022. In fiscal 2022, as Step 1, we carried out training and knowledge-building activities to ensure employees understand the basic rules. We also carried out inspections and put in place countermeasures, and gauged the current status and sifted out challenges. From fiscal 2023, while continuing to carry out the Step 1 initiatives, we will also put in place permanent measures for safety at facilities and work to instill the basic rules among employees, as Step 2. Finally, as Step 3, we will carry out the PDCA cycle for the abovementioned initiatives with the aim of fostering

personnel who can behave safely at all times and establishing a culture of safety in which all employees encourage each other to be aware about safety. We are also pushing forward the improvement of facilities to ensure fundamental safety (permanent safety measures). We have thus far given top priority across the Group to safety measures to prevent employees being caught in spinning machinery or crushed by machinery. In fiscal 2023, at the same time as continuing to prioritize safety measures to prevent employees being caught in/crushed by machinery, we have implemented safety measures based on risk assessments, starting with high-risk operations.



Certified as a Health and Productivity Management Organization

The Certified Health & Productivity Management Outstanding Organizations Recognition Program honors small, medium, and large enterprises, as well as other organizations, that engage in outstanding health and productivity management practices based on initiatives that align with the health issues of local communities and on initiatives for improving health that are promoted by the Nippon Kenko Kaigi. Proterial was certified under the Large Enterprise Category as part of the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program.

In addition, six Proterial Group companies were certified in the Large Enterprise Category and 13 were certified in the SME Category.



Proterial and Group Companies Certified under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program

| Large Enterprise Category | | SME Category |
|---------------------------------|----------------------------|-------------------------------------|
| NEOMAX Engineering Co., Ltd. | Tohoku Rubber Co., Ltd. | Proterial FineTech, Ltd. |
| Proterial Specialty Steel, Ltd. | Tonichi Kyosan Cable, Ltd. | Santoku Corporation |
| Proterial, Ltd. | Proterial Machinery, Ltd. | NEOMAX KINKI Co., Ltd. |
| Proterial Trading, Ltd. | Alcast, Ltd. | Proterial Ferrite Electronics, Ltd. |
| Proterial Metals, Ltd. | Proterial Solutions, Ltd. | Kyushu Techno Metal, Ltd. |
| Proterial Precision, Ltd. | Proterial Hallow, Ltd. | NEOMAX KYUSHU Co., Ltd. |
| Proterial Wakamatsu, Ltd. | HCP Product, Ltd. | |