




Material Issues/Major Measures/Key Management Indicators

Along with setting major measures to respond to the six material issues identified for the environment, society, and governance, the Group has set indicators to manage the progress of major measures. We are implementing steady measures to achieve the target values of these key management indicators by FY2030. Through achieving these targets, we aim to greatly increase our corporate value as a materials company that leads sustainability by high performance, along with developing superior competitiveness at the top level of industries.

Meanwhile, the responsible executive officer oversees the setting of related targets as well as the planning and implementation of measures for these critical challenges. Matters relating to the achievement of these targets and plans are reported to and deliberated by the Executive Committee, which is presided over by the Representative Director, President and CEO, and managed through reports to the Board of Directors as appropriate.

Material Issues		Major Measures		Key Management Indicators	FY2022 results	FY2023 results	Targets for FY2030
 Environment	Contributing to realize a decarbonized society	P.42	Expansion of deployment of renewable energy and promotion of energy saving	Reduction in CO ₂ emissions (compared to FY2015)	31% (Emissions:1,913 kt-CO ₂)	62% ^{*12} (Emissions:1,062 kt-CO ₂)	38% (Emissions:1,723 kt-CO ₂)
				Amount of renewable energy deployed	483 MWh/year	8,354 MWh/year	35,000 MWh/year
				Energy consumption rate Improvement rate (compared to FY2015 ^{*1})	20%	39%	14%
	Ubiquitization of resource- conserving, recyclable, and environmentally-friendly products	P.28	Expansion of environmentally-friendly products that contribute to decarbonation and reduction of energy use over the product lifecycle	Sales ratio of environmentally friendly priority products ^{*2}	22.4%	24.4%	30%
			Expanding the use of recycled raw materials	Waste landfill rate	10.1%	6.2%	8.5%
			Effective use of water resources	Improvement rate of water use (compared to FY2010)	33.8%	29.6%	38.5%
 Society	Safety and health are our overriding priority	P.50	Promotion of activities to disseminate basic rules (ironclad rules) to prevent accidents and make facilities intrinsically safe	Occupational accident frequency ^{*3}	0.45	0.33	0.15
	Making diverse individuals a driving force for change and growth	P.52	Reflection of employee survey results in management	Number of serious accidents ^{*4}	2	0	0
			Thorough implementation of diversity and inclusion	Ratio of positive evaluation of engagement indicators ^{*5}	71%	76%	TBU
				Diversity in recruitment ratio (women, foreign nationals, career hires) ^{*6}	66.3%	62.0%	50% or more
				Ratio of female manager's ^{*6}	2.2%	2.4%	5.0%
				Diversity ratios at the executive level positions (women, foreign nationals, career hires) ^{*6}	35.7%	40.0%	30% or more
 Governance	Make quality a strength	P.54	Data collection without human intervention	Percentage of automatic inspection and testing	28%	15%	100%
			Expansion of activities to minimize and control variation in the 4Ms (huMans, Machines/equipment, Materials, and Methods)	Major quality incident index ^{*7}	0.4	0.2	0
			Fostering of KAIZEN promoters ^{*8}	— ^{*9}	—	—	—
			Thorough implementation of actions with integrity at the core	Ratio of positive evaluation of compliance awareness, etc. ^{*10}	84%	—	90% or more
	Business model and process evolution anticipating changes in the external environment	P.43	Promotion of comprehensive risk assessment and countermeasures through risk management	— ^{*9}	—	—	—
		P.54	Diversification of procurement sources in response to changes in the procurement environment	Number of items required for source diversification	11	10	0
		P.34	Acceleration of R&D and realization of safe, high-quality production through DX	Manufacturing lead time (Compared to FY2022) ^{*11}	Base Year	—	50%
				New product ratio ^{*12}	23%	23%	30%

*1. Energy consumption unit: Energy consumption divided by sales

*2. Environmentally-friendly priority products: Selected products that are being expanded in terms of business strategy and contribute highly to solving environmental issues such as climate change and effective use of resources. To strengthen environmentally-friendly products, we are currently studying definitions of management indicators, target values, and strategies to achieve them.

*3. Frequency rate of occupational accidents: Number of fatalities and injuries due to occupational accidents divided by total number of actual working hours x 1,000,000 (number of accidents per 1 million working hours in a calendar year).

*4. Number of serious accidents: Serious accidents include fatalities, serious injuries equivalent to fatalities (disabling injuries of Severity 7 or higher), and accidents in which three or more persons are injured at the same time.

*5. Ratio of positive evaluation of engagement indicators: Positive response rate of employee survey sustainable engagement indicators. Changes to the survey framework and target questions for engagement indicators in FY2022. With plans to review survey methods, target values are not presented.

*6. Non-consolidated data.

*7. Major quality incident index: Index of accidents that caused serious damage to customers' bodies or property, or serious damage to society (including violations of laws and regulations), with FY2020 set as 1.

*8. KAIZEN: Activities aimed at improving productivity and quality through continuous streamlining of production sites or company operations

*9. Indicators that are not suitable and those with a non-disclosure policy are indicated with "—".

*10. Ratio of positive evaluation: Changes to the survey framework and engagement indicator target questions in FY2022.

*11. Manufacturing lead time: Percentage decrease in the time from the start of manufacture to the delivery of products for priority products. FY2022 figures are used as the benchmark.

*12. New product ratio: Ratio of sales of new products to consolidated sales revenue. New products are registered as those that open up new markets or new applications, or have significantly improved performance. A product that has been become generalized three years after registration as a new product is removed from the register.

*13. Effect of measures including portfolio revision decreased significantly.