

# Long-term Management Vision “Kyokuto Kaihatsu 2030”

## Financial Performance Vision

Net sales: 200 billion JPY    Operating income margin: 10% or more    ROE: 10%

## Sustainability Vision

### [Environment] Manufacturing Vision



De-carbonization

#### CO2 Emission Reduction Rate: 38% \*1 (Compared to FY 2013)

It has been predicted that global warming will raise the temperature of the earth by up to 4 degrees Celsius over the next 100 years. In the company's efforts toward the realization of carbon neutrality in 2050\*, the Group will continue to promote initiatives toward de-carbonization in its products, services, and manufacturing, centered on factories that consume large amounts of energy.

\*Carbon Neutral: A total zero rating calculated from CO2 emissions minus absorption and removal mechanisms



Resource Saving

#### Recycling Rate: Maintained at 99.0% or higher (Zero landfill waste)

Effective use of existing resources will lead to greater suppression of environmental destruction such as new resource mining and deforestation. The Group will reduce the amount of waste generated in its business activities, as well as further promoting recycling and the achievement of zero emissions across the entire Group.



Ecosystem Conservation

#### Banning toxic chemicals, and greater suppression on plastic use

Chemical substances that are difficult or cannot be returned to the environment have a great impact not only on we human beings but also on a variety of ecosystems. The Group is working to prohibit the use of hazardous chemical substances in products and at the same time is promoting the use of less plastics in its manufacturing.

### [People] Society Creation Vision



Human Rights

#### Management of risks in human rights violations

Corporate supply chains\* are expanding all over the world as globalization progresses. As a result, there are risks of increased human rights compliance violations such as unfair working conditions, dangerous working environments, harassment, and discrimination. The Group continually works to manage and combat the risks against human rights at all stages of its business.

\*Supply chains: A series made up of product flows such as procurement, manufacturing, inventory management, transportation, and sales



Work Life Balance

#### Work-life balance satisfaction 70% \*2

Over time, the positioning of work against life has changed significantly. A better balance between work and life creates a win-win-win relationship between individuals, companies and society. The Group will work to further develop systems and provide in-house training to realize more flexible working styles in order to achieve a more balanced work and life relationship of all its employees including greater take-up of annual paid leave.



Health and Safety

#### Obtained ISO 45001 Certification

The health and safety of working persons are essential factors for business progress. Due to the diversification of working persons and changes in employment patterns, the risk of injuries and other disasters is also increasing. The Group will continue to work on improving the safety and health of the workplace and the health of its employees through the PDCA cycle, and further promote the creation of a workplace where everyone can continue to work in a safe and sound environment.



Diversity

#### Female ratio within the number of hires (domestic) 20% \*3

With the progress of globalization, along with the declining birthrate and aging population, companies are further required to take advantage of the abilities and individualities of diverse people such as women, the elderly, foreigners and people with disabilities in order to innovate. The Group will continue to create an environment where various people can work in a rewarding and lively manner and will further promote the creation of a workplace where growth can be achieved on an individual level.

### [Governance] Organizational Vision



Risk Response

#### Strengthening risk management systems and building systems in Business Continuity Management (BCM\*)

There is a requirement for companies to work at managing risks in various aspects such as quality, environment, and occupational safety, as well as being able to deal with sudden risks that may lead to business suspensions such as natural disasters, infectious diseases, and conflicts. The Group works to identify risks related to business continuity and strives to strengthen the risk control system and improve organizational strength through its management systems (PDCA cycle).

\*BCM: A management method for companies to continue their business and continue to provide products and services when risks occur.



Sustainable Procurement

#### Sustainable Procurement Promotion

In order to realize a sustainable society, it is essential to consider not only the activities within the business establishment, but also the entire value chain from the procurement of materials and energy, to the use and disposal of its products and services. When selecting materials and energy to be used for products and services, the Group will work to consider, not only costs but also the impact on the environment and the people concerned.

\*1: Basic unit compared to 2013 in Kyokuto Kaihatsu Kogyo Co. Ltd, Nippon Trex Co., Ltd., Kyokutokaihatsu Parking (CO2 emissions (t) / sales (million JPY))

\*2: FY 2021 results: Kyokuto Kaihatsu Kogyo Co. Ltd 58.1% (Evaluation based on results from an employee awareness survey)

\*3: Average results for the last 3 years: Kyokuto Kaihatsu Kogyo Co. Ltd 11.8%