

Top Message

Accelerating Innovation to Create “Essential” Value

Our ongoing mid-term management plan, Nitto for Everyone 2025, takes a dual approach of exploring our Niche Top Strategy and ESG Strategy in an integrated manner, and I feel confident that this novel approach has become ingrained in the Nitto Group as early as in its first year of fiscal 2023. In fiscal 2024, we will lose no time in further polishing this approach. That means we will accelerate innovation in a bid to create “essential” value as we anticipate what the future holds for us.



Hideo Takasaki

Representative Director, President
CEO, COO



Moving on to the Next Phase in Implementing Our Niche Top Strategy and ESG Strategy

The Nitto Group is aiming to be an “essential top ESG company that continually brings amazement and inspiration as a Niche Top creator” by 2030. In other words, we aspire to contribute to the realization of a sustainable global environment and enriched human society by simultaneously solving social issues and creating economic value to secure an eternally “essential” position in the world.

Kicking off in fiscal 2023, Nitto for Everyone 2025 is centered around the dual approach of simultaneously pursuing our Niche Top Strategy and Nitto-Style ESG Strategy.

The Niche Top Strategy is Nitto’s unique differentiation strategy, under

The 2030 Ideal State



which we assess the growth potential of each market and then locate niche areas thereof, where we can continue developing “essential” products, functionality, and business models, through the convergence of the Nitto Group’s proprietary technology and knowledge and co-creation with stakeholders. By pursuing the Niche Top Strategy, we aim to achieve high growth and profitability while remaining immune to the external environment.

Promoted simultaneously with it, the Nitto-style ESG Strategy places ESG at the core of our management. To further drive sustainable growth, we revisited our material issues for sustainability (materiality). If each and every employee remains conscious of and practices a new set of ten material issues in the three areas of “E (Environment),” “S (Society),” and “G (Governance),” we believe we can eventually solve social issues and create economic value all at once.

We are also keen on developing PlanetFlags/HumanFlags (products contributing to the environment and/or human life) as a way to give concrete shape to business activities with solutions to the challenges facing the global environment and human society in mind. We have already made it clear that we will not initiate any new R&D project if it is not aligned with this principle. For existing products, on the other hand, we are working with our customers and external partners to shed new light on materials and production processes. Driving these transformations involves a significant cost, particularly at the early stage, but we perceive them as an investment for the future and will recoup them in the form of added value to our products.

Some of our employees may have wondered, “Why should we change what we are doing when we have enough orders for what we offer now?” Many members of our R&D team might have been similarly baffled by our

new direction and found it hard to change their mindset. As we continued convincing them that they would regret not restructuring now in a few years, our new policy has permeated every corner of the company over the past year. Now, I can say that we have the right mindset among our employees and the appropriate programs in place. I liken our situation to being on an airplane. I can confidently say that we are speeding down the runway, soon to take off to attain the 2030 Ideal State, i.e., an “essential top ESG company.”

Against this backdrop, in fiscal 2023, we posted similar levels of revenue and profit as those in fiscal 2022, as we witnessed the progress in proactive allocation of management resources to growth markets and cost reduction through structural reform, despite delayed plans on account of significant changes in the external environment. In fiscal 2024, we will gather speed to outperform ourselves, with the whole staff uniting to shoot for both financial and future-financial targets laid out in the mid-term management plan.

Foreseeing Future Trends to Advance Innovation

To implement our Niche Top Strategy and ESG Strategy, the entire Group is working on Nitto's proprietary innovation model. In more concrete terms, inspired by the concept of PlanetFlags/HumanFlags, we will create ideas for products and services that tap into Nitto's technological prowess and convergence approach in the focus domains of “Power & Mobility,” “Digital Interface,” and “Human Life” and in spaces where these three intersect before we start projects. Then, by leveraging the Niche Top Strategy and *Sanshin* Activities, we bring the products and services thus conceived to market in a timely manner until we create “essential Niche Top solutions.”

From among candidate products recommended annually by a deliberative body chaired by the Chief Technology Officer (CTO), PlanetFlags/HumanFlags are certified with a resolution of the Corporate

Strategy Meeting, which comprises senior executives. In fiscal 2023, the PlanetFlags & HumanFlags category sales ratio^{*1} was 36%, and the goal is for this to be at least 50% by 2030. We also meet annually to review the list of Niche Top products to discuss which to include and which to exclude. In fiscal 2023, the Niche Top sales ratio^{*2} was 44%, and the aim is to also increase this ratio to at least 50% by 2030.

Our ideal scenario is to see products certified as PlanetFlags/HumanFlags also recognized as Niche Top products. That way, our dual approach of exploring the Niche Top Strategy and ESG Strategy becomes more substantial. And this is exactly what it means to “convert ‘future-financial’ activities into financial value” by Nitto, placing ESG at the core of its management.

A simple example of Nitto-style Innovation Models is a PlanetFlags-certified polarizer with OCA (optically clear adhesive), which can be found in smartphones and tablet computers. We combine clear adhesive sheets and polarizers into one, which we offer with quality assurance. This solution benefits customers in many ways: Not only can they shorten their manufacturing and quality inspection processes, but they can increase their environmental value (reduced industrial waste) and economic value (increased efficiency in production equipment, fewer processes) as they waste fewer release liners.

In fact, we kept pitching this innovative product, which offers considerable merits to customers in terms of both finance and eco-friendliness. As ESG becomes increasingly prominent, customer companies are revising their values and criteria, leading them to adopt our solution. Nitto is the leading supplier of polarizers with OCA, and our enthusiasm for this product is being reflected in a higher recognition of this product in the entire industry, which I'm sure will spread even further. This represents an innovative attempt where the novel idea of integrating separate products into one met customer needs well.

For a case of innovation driven by technology, we have adhesive sheets utilizing our diverse peeling technologies. Just like ordinary adhesive sheets, they adhere securely but can be peeled off neatly when heat, ultraviolet rays (UV), water, electricity, alcohol, and other stimuli are applied. This peeling technology has enjoyed high demand as an auxiliary material for customers' production processes because of its ability to reduce waste.

Nowadays, in Europe, consumers are increasingly calling for the “right to repair” as they transition to a circular society, and we believe that demand for this peeling technology will only grow. For example, if consumers want to fix their mobile devices or service companies take them apart for recycling, they have to peel adhesive sheets forcibly. Consequently, general consumers are unable to repair their devices, or many components are simply thrown away without being recycled. If, with the help of this peeling technology, they can neatly disassemble components secured by adhesives without damaging those parts, it will enable consumers to fix their mobile devices themselves. Also, after their devices are collected for recycling, many more components can be reused, generating less waste.

We imagine that this trend will go beyond mobile devices and spread to every consumer good imaginable, such as automobiles and electronic products. As we fast approach a circular society, we will leverage our unique technologies to address the emerging needs for rework, repair, and recycling/reuse to create all sorts of demand.

In today's ESG-oriented world, as we pursue the Niche Top Strategy, I believe it is crucial for us to anticipate which way society is heading and stay ahead of the curve in the industry, as we consider how we can contribute to the end consumers.

*1 The percentage of PlanetFlags & HumanFlags category sales to revenue

*2 The percentage of the Global Niche Top™ and Area Niche Top™ product sales to revenue

Aiming to be an Essential Top ESG Company – Steadily Advancing Initiatives for Four Focus Items of Nitto for Everyone 2025

We have established four focus items that we will work on in the mid-term management plan, Nitto for Everyone 2025, and embarked on various initiatives from fiscal 2023.

The first initiative is “Transformation of Business Portfolio to Contribute to the Environment and Humanity.” We have allocated resources to “things that will grow,” aiming to create both economic and social value through prioritized growth investment and structural reform. In the Human Life domain, for example, we expect demand for the contract manufacturing business to increase in the oligonucleotide therapeutics market, where the move toward commercialization is underway for a variety of indications, from rare diseases to diseases with a greater patient population. With this in mind, we have spent a total of over 30.0 billion yen in capital expenditures in the U.S. and Japan to start up a new plant capable of satisfying commercial market demand. To prepare for the advent of a full-fledged commercial market, we are strengthening the entire value chain from the supply of raw materials to contract manufacturing arrangements.

In the Power & Mobility domain, we are putting our resources into the development of products for batteries. Automobiles use various batteries, including lithium batteries and fuel cells, all of which must be compact, assure a long range, ensure safety, and achieve fast charging. We have directed our focus to the functionality of “heat” and are engaged in the development of such products with emphasis on heat management functions, namely, “heat resistance,” “heat radiation,” and “heat insulation.”

Meanwhile, we have embarked on the exploration of newer domains. We are taking on the challenge of the environmental business by announcing the Negative Emission Factory initiative in July 2023, which is designed to contribute to decarbonization. We are addressing the significant CO₂ emissions from production processes by capturing, absorbing, storing, and fixing CO₂ to remove it from the atmosphere. To implement this, we have introduced a demonstration unit at the Shiga Plant that captures boiler exhaust gas, and we have begun trial operations. We will expedite technological development so that we can offer a total solution that reduces CO₂ emissions.

Let me now talk about “Advancement of Innovation Model to Produce New Niche Top Products/Services” by giving you some examples.

Through the focus on social issues, enhancement of business development capabilities, and co-creation with stakeholders, we aim to create “essential” Niche Top solutions. So far, we have stuck to our own resources to successfully promote the Niche Top Strategy. Going forward, however, we believe that we need to make greater use of external resources. To give you a better idea of what we are doing here, for flexible sensors, we acquired Bend Labs, Inc. of the U.S. in 2022, while at the same time partnering with research institutions for joint research. In the Life Science domain, we are developing a heart disease (arrhythmia) detection device and testing service, which uses sensors to detect a plethora of movements of the human body for early discovery and proper treatment of diseases. Our rationale here is to build a brand new business model that finds value in and monetizes the data from sensors.

In the Digital Interface domain, we have launched advanced, clean optical films that help to enhance the immersive experience in the increasingly promising metaverse. In anticipation of demand growth over the medium to long term, we will continue to advance its functionality further and make it thinner and lighter. In April 2024, we decided on a partial acquisition of the stake in TruLife Optics of the U.K., to jointly develop new materials for holographic optics and study the feasibility of their mass production to contribute to the spread of AR glasses. As in this instance, Nitto remains committed to creating new products in new markets, including AR, by combining our proven core technologies with external technologies.

We are also keen on the development of technology for recovering CO₂. In December 2023, we launched a new project with Air Water Inc. to produce formic acid (used to preserve pasture) from CO₂ derived from livestock manure biomass by utilizing our chemical conversion technology. As formic acid is used as an additive in the livestock market, what we are doing here is tantamount to recycling resources by putting recovered CO₂ into efficient use.

To attain the 2030 Ideal State, i.e., an “essential top ESG company” Implementing Our Niche Top Strategy and ESG Strategy



As shown in these examples, we will further accelerate innovation by co-creating with our external partners.

For the third focus item, “Reformation of Organizational Culture to Accelerate Challenges,” we are developing a variety of measures by setting “personnel and teams that enjoy taking on challenges” as a 2030 goal for human capital management.

So far, the Nitto Group has spared no effort to support its employees in their attempts. Going forward, however, we will develop an organizational culture where each employee enjoys taking on challenges without being afraid of making mistakes. What counts most here is the will of each individual to create new value themselves. To assign a quantitative value to this intangible factor, we have come up with the “challenge ratio,” and we aim to reach 85% by 2030. This unique metric indicates the percentage of employees who actively create value, either spontaneously, at the company's prompting, or in ways unique to their region. In fiscal 2023, the challenge ratio was 37%. Sometimes, I’m asked what activities qualify as “challenges” by persons outside the Group. There are many activities that are “challenging.” The Nitto Innovation Challenge (NIC) is a case in point. Every year, we invite innovative ideas on new businesses and products, receiving over 1,000 entries from around the world. Those with ideas on a short list are then offered help from interested business divisions and R&D departments to jointly work on their commercialization. Another example is “Group Activity Toward Excellence (GATE),” a small group activity designed for every employee to revitalize workplaces and improve products quality. We also have an overseas trainee program and a job posting system, to name but a few such opportunities. We will monitor the growth and achievements of employees who have taken advantage of these opportunities.

At the same time, we are aiming to increase the engagement score, an indicator showing how rewarding employees find their work, to 85 by 2030. In fiscal 2023, the engagement score increased by 7 to 81. We attribute this positive showing to the activities of each company and site.

In recognition of the promotion of colorful initiatives, including those mentioned above and the most aggressive dissemination of information, we were selected for Human Capital Leaders 2023 and Human Capital Management Gold Quality in the Human Capital Survey 2023 and certified as a Best Workplace, the highest rank awarded by the D&I Award 2023.

For the Nitto Group, human resources are the single most important asset. As such, we will continue to pursue human capital management in a unique way to keep creating innovations that customers appreciate.

The last of the four focus items is “Transformation of Management Infrastructure to Anticipate Change.”

For the Nitto Group to achieve renewed growth, it is important to reinforce our management infrastructure. For our management to continue to win customer trust and meet their expectations, we will be expediting transformation into a robust business foundation immune to the external environment by anticipating changes in our surroundings. Let me put it this way. Our Niche Top products win high market shares. To keep fulfilling our responsibility to supply customers, it is vital that we strengthen our supply chains. Hence, we have established a Group-wide Supply Chain Committee to proactively deal with geopolitical risks, regulatory risks associated with chemical substances, climate change, and other latent risks.



Likewise, we consider the efficient application of data and digital technology to be one of the overriding topics as we go about strengthening our management foundation. Here, we have implemented several initiatives, including upgrading of the mission-critical systems, and reinforcing cyber security. Yet, AI and other digital technologies evolve so fast that our efforts may not be sufficient. While increasing the speed and quality of our management by basing our decisions on data, we are striving to realize business reform and business model transformation, along with recruiting and developing human resources and collaborating with external partners, which we hope will push these projects forward.

For safety at workplaces, one of the priority agenda items for the Nitto Group, under the policy of “placing safety before everything else,” we identify risks at each site and take action depending on their severity toward our ultimate goal of reducing all occupational accidents and injuries to zero. Following a fire incident at a Group company in fiscal 2022, we designated October 4 as Fire Prevention Day in 2023. Learning from past lessons to take enhanced measures, we will foster a self-reliant safety culture, where every employee maintains their physical and mental health and behaves safely out of their own judgment and responsibility to reduce occupational accidents and injuries to zero.

Misconduct Regarding the Municipal Water Supply Membrane Module Certification System

I would like to take this opportunity to once again express our deepest apologies for the considerable anxieties and inconvenience that our “misconduct regarding the certification system of municipal water supply membrane modules” (announced in January 2024) have caused to our business partners, water utilities, water users, the Association of Membrane Separation Technology, Japan (AMST), and others concerned. In March, we established an Investigation Committee consisting of external experts, and we received the investigation report in June.

I have time and again repeated how important “safety of management” is. I take this incident with utmost seriousness and it has sharply highlighted the need to further strengthen our governance. Governance serves as a foundation that supports business. As

such, I will dedicate myself to integrating good governance into our corporate culture and establishing “safety of management.” In order to prevent anything like this from recurring and regain the trust of our stakeholders as soon as possible, based on the report by the Investigation Committee, we will plan more revisions and new preventive measures and implement them once they are ready.

In Pursuit of “Essential” Value for the World

When you start something new, it takes a great deal of energy. Once the ball is rolling, it gathers speed of itself. For the Nitto Group, fiscal 2024 is the year when we need to focus on outperforming ourselves. The Nitto Group defines activities that have yet to produce any financial contributions but are expected to start doing so to boost our profit, if driven further, as “future-financial” activities. By facilitating progress in each of the future-financial targets for products, the environment, and human resources without leaving behind any through mutual collaboration, we believe we can convert them into financial targets to further enhance corporate value. For us to be an “essential ESG top company” by 2030, we will relentlessly pursue whatever is “essential” the world over to make our presence felt more.

But discovering what is “essential” in this world is challenging, and you cannot easily discover such things. When asked how to go about this, I usually tell our employees to take one step back if they have reached a dead end and think, “Why does it have to be Nitto?” This is because if they think hard about it, Nitto can secure an “essential” place in the world. We will be increasingly required to create value for the environmental merits, as well as functionality, of our products.



My dream is to see all of our products fluttering in each field as PlanetFlags/HumanFlags products and develop into Global Niche Top™ or Area Niche Top™ products.

We sincerely appreciate our stakeholders' continued support and generous understanding in this regard.

Nitto Group's Management Strategy

Nitto Group's Mission

Corporate Philosophy (Mission)

Contribute to customers' value creation with innovative ideas

Basic Approach to ESG Management

Basic Policy on Sustainability

Simultaneously solving social issues and creating economic value
The Nitto Group keeps challenging itself to realize a sustainable future and support well-being for everyone by serving the global environment, humankind, and society as our customers.

Nitto Group's Long-Term Targets

The 2030 Ideal State

An **"essential top ESG company"** that continually brings amazement and inspiration as a Niche Top creator

Material Issues for Sustainability

Ten material issues identified to solve social issues

Issues with ESG management

Products Contributing to the Environment and/or Human Life

Innovation Model

Niche Top Strategy

A strategy for capturing the leading share based on a thorough analysis of evolving and growing markets

Three-year Action Plan

Mid-term Management Plan, "Nitto for Everyone 2025"

Implementing Our Niche Top Strategy and ESG Strategy
(Financial and future-financial targets are set as management targets)



In accordance with its Mission, "Contribute to customers' value creation with innovative ideas, and with the strong determination to place ESG at the core of its management, the Nitto Group has clearly stated in its Basic Policy on Sustainability that it will "simultaneously solve social issues and create economic value" through business activities.

To this end, we aim to be an "essential top ESG company that continually brings amazement and inspiration as a Niche Top creator" by 2030. To achieve this long-term target, we need to bridge the gap with our current position. To facilitate the process of determining risks and opportunities as we promote ESG management, we have identified high-priority issues for the Nitto Group, the environment, and society in the form of "material issues for sustainability (materiality)."

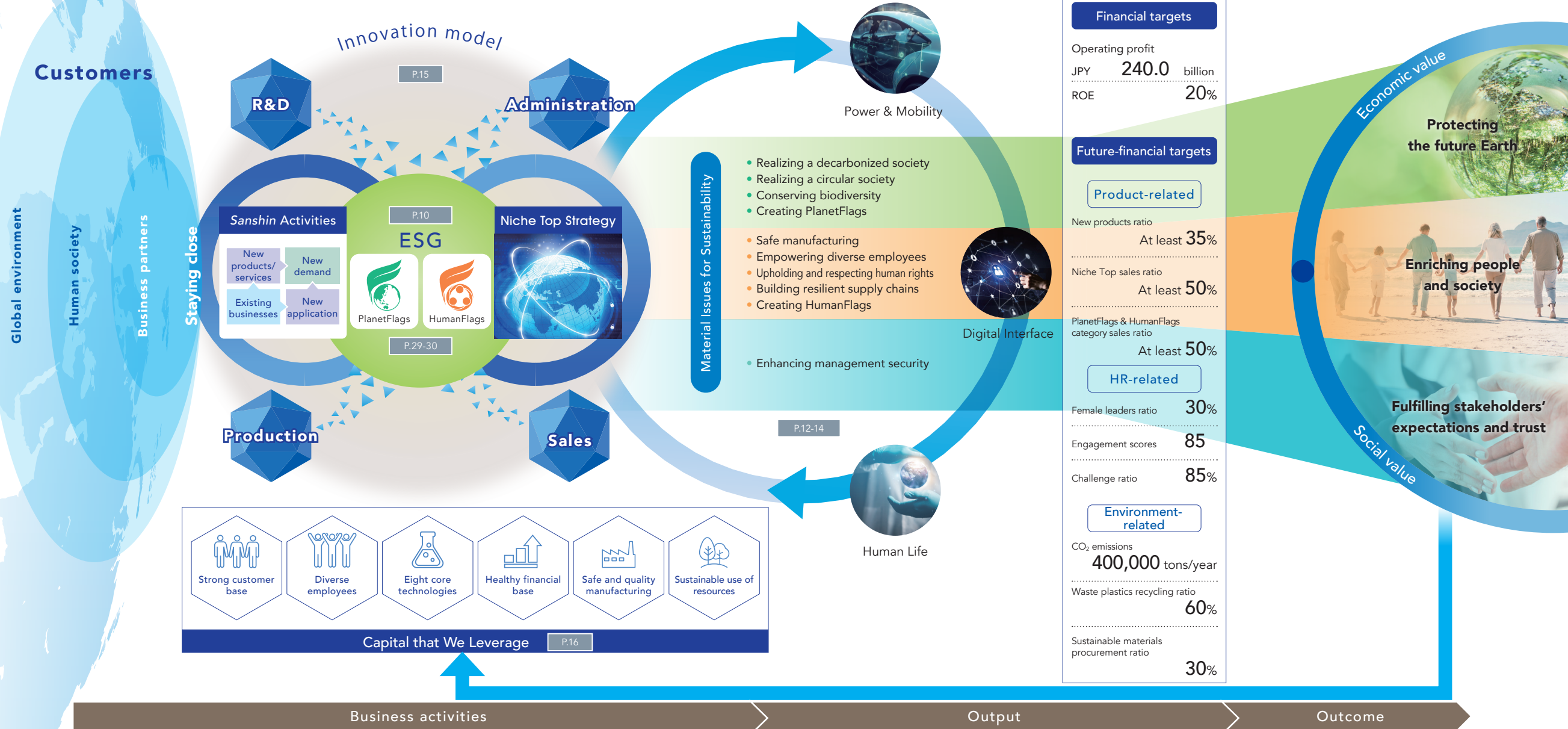
One of the key approaches to solving these issues is the Nitto-style Innovation Model. In the three focus domains of "Power & Mobility," "Digital Interface," and "Human Life," we create PlanetFlags/HumanFlags products (products contributing to the environment and/or human life) out of our wish to deliver products that are essential for the global environment and human society, as well as customers and industries. With *Sanshin* Activities and the Niche Top Strategy, we then make a positive differentiation to achieve sustainable growth and high revenue.

As an action plan to realize the 2030 Ideal State, in fiscal 2023, we kicked off a mid-term management plan, Nitto for Everyone 2025. As we set financial targets to prioritize profitability and future-financial targets to promote ESG management, we are working on the four focus items driven by a strong desire to convert future-financial into financial and corporate value.

The Nitto Group will aim to realize a sustainable global environment and enriched human society by creating "essential" value for the world.

Value Creation Process

Intending to be a Niche Top creator, the Nitto Group seeks to become an “essential top ESG company” that continually brings amazement and inspiration. With R&D, Production, Sales, and Administration working as one, we never cease to create innovative and broad values through customer-oriented approaches and unique business models.

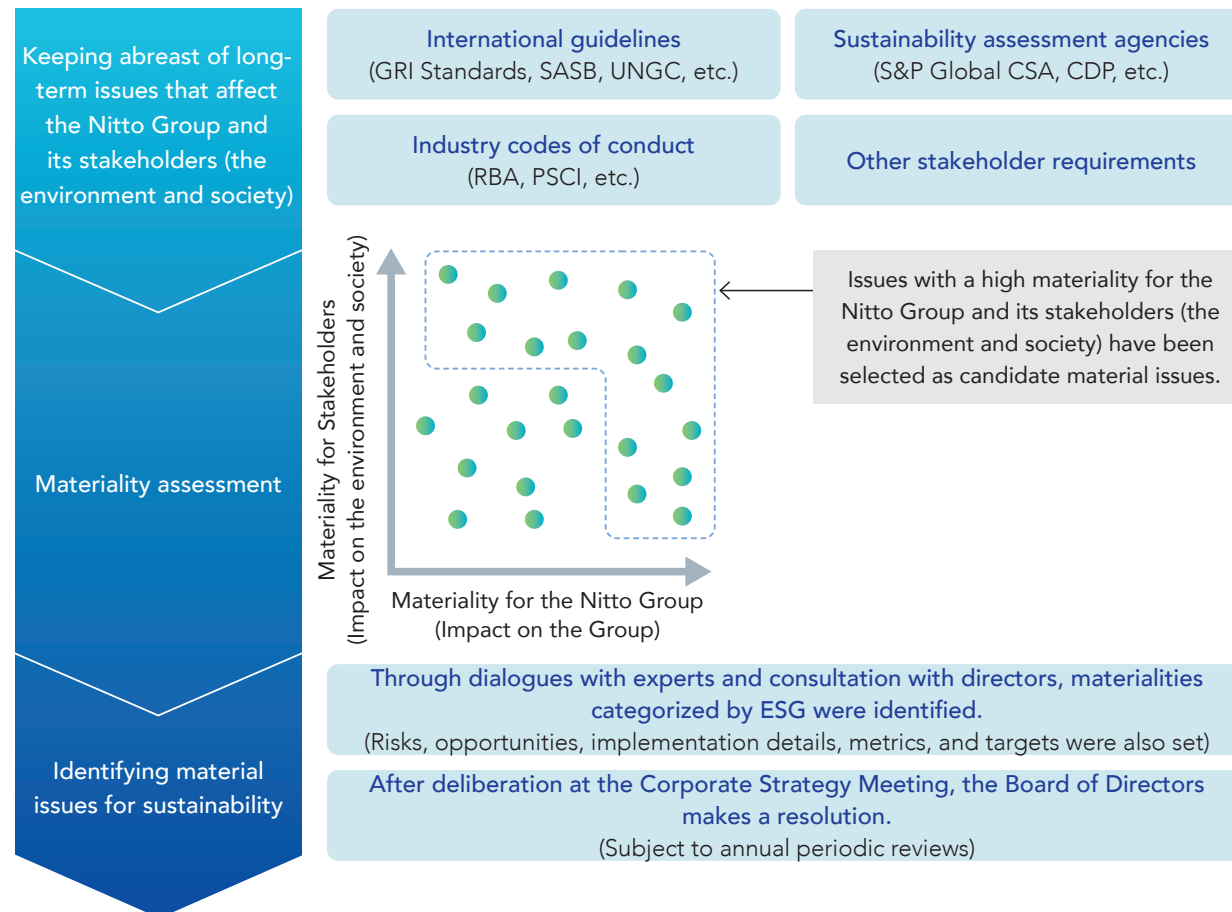


Material Issues for Sustainability

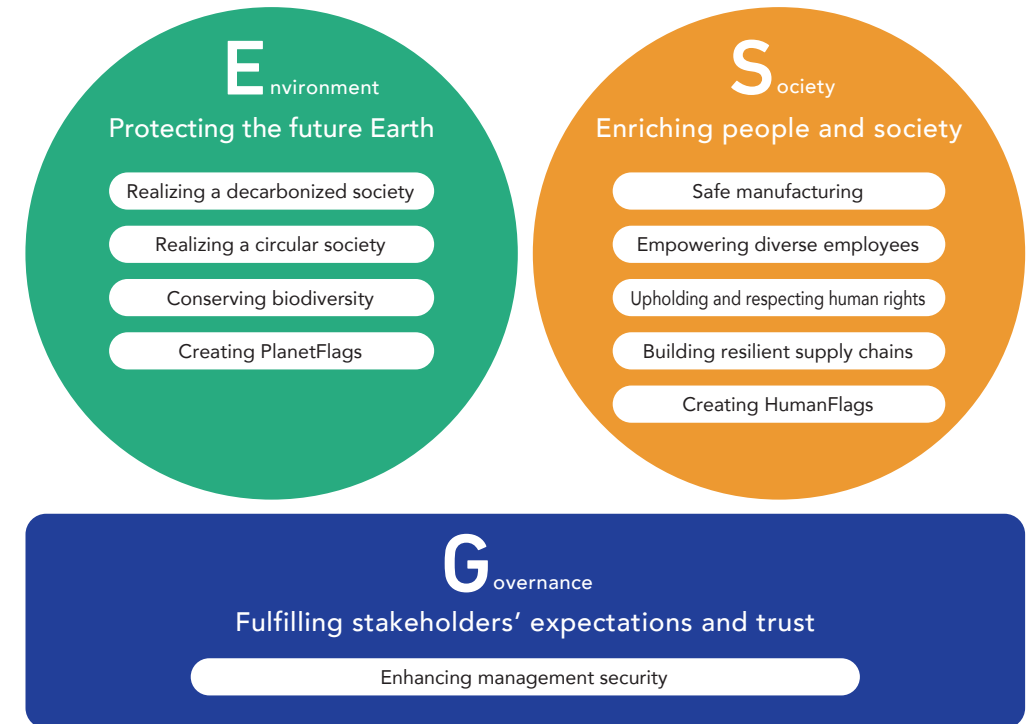
In 2019, the Nitto Group identified its material issues for sustainability (materiality) in a bid to simultaneously solving social issues and creating economic value. Amid the changing external environment with sustainability and ESG (Environment, Society, and Governance) assuming growing importance worldwide, the Nitto Group announced that it would place ESG at the core of its management. Accordingly, the Group revisited its material issues for sustainability in order to become an “essential” entity for the global environment, humankind, and society, as well as the general public, further driving sustainable growth.

These material issues have been selected and identified as such from issues deemed important as they might affect the company and its stakeholders (the environment and society) over the long term. In implementing them, we identify risks and opportunities associated with each issue and reflect them in our business plans.

Identification Process























Material Issues for Sustainability



Criteria of Sustainability

Category	Criteria
E Environment	Here, while strengthening our business foundation, we will address material issues of “decarbonization,” “circular economy,” and “biodiversity” through our products and services (PlanetFlags), in an effort to protect the future Earth as we work to conserve/improve the environment.
S Society	While strengthening our business foundation, here we will address material issues of “safety (occupational, quality),” “human resources,” “human rights,” and “supply chains” through our products and services (HumanFlags), in an effort to enrich people and society by offering value to humankind and society in the three focus domains.
G Governance	“Management security” is a material issue here. By ensuring transparency and fairness in management and adequacy in governance, we will fulfill the trust and expectations of stakeholders as we strengthen our business foundation.

Ideal State	Material Issues for Sustainability	Risks	Opportunities
 <p>Protecting the future Earth</p>	Realizing a decarbonized society	<ul style="list-style-type: none"> • Difficulty in continuing business activities due to delay in responding to the decarbonized society • Increase in difficulty in sales of existing products as environmental regulations are tightened 	<ul style="list-style-type: none"> • Increase in productivity due to a shift to eco-friendly production lines that meet the demand for GHG reduction • Increase in business opportunities by providing products with a low carbon footprint
	Realizing a circular society	<ul style="list-style-type: none"> • Shut-downs due to increased cost and difficulty in procurement • Decrease in competitive edge due to delay in innovating waste disposal and developing new technologies 	<ul style="list-style-type: none"> • Increase in demand for technologies/products for cyclic use of various resources/materials • Cost reduction and efficient use of resources by waste reduction and recycling
	Conserving biodiversity	<ul style="list-style-type: none"> • Health hazards to stakeholders due to air, water, or soil pollution • Increase in the cost for compliance and difficulty in obtaining operational licenses 	<ul style="list-style-type: none"> • Acquisition of trust from local communities and customers by properly managing pollutants and hazardous substances • Increase in demand for technologies/products that contribute to separation, removal, purification or otherwise, of hazardous substances
	Creating PlanetFlags	<ul style="list-style-type: none"> • Decrease in order volume in case of falling behind in addressing environmental need • Inadequate response to social demand for environmental conservation 	<ul style="list-style-type: none"> • Increase in business opportunities by providing low-carbon-footprint or carbon-negative products • Creation of new markets and business models by accumulating biodiversity-friendly technologies and knowhow
 <p>Enriching people and society</p>	Safe manufacturing	<ul style="list-style-type: none"> • Personal damage and shut-downs due to work-related accidents • Occurrence of recalls, lawsuits, etc. due to quality problems 	<ul style="list-style-type: none"> • Increase in productivity and acquisition of trust from customers by providing a safe and secure workplace environment • Acquisition of customer trust and support by providing them with safe and quality products
	Empowering diverse employees	<ul style="list-style-type: none"> • Increase in difficulty in maintaining stable business operations due to shortages of human resources • Stagnation of novel ideas and innovations due to lack of diversity in human resources 	<ul style="list-style-type: none"> • Increase in productivity by way of workstyle reform and human resource development • Enhancement of employee motivation by providing opportunities that empower diverse human resources
	Upholding and respecting human rights	<ul style="list-style-type: none"> • Shut-downs and damage to corporate value due to violation of laws concerning respect for human rights • Employee health hazards due to human rights violations and outflow of human resources due to poor working conditions 	<ul style="list-style-type: none"> • Improvement of corporate image and brand value through socially responsible and fair practices • Improvement of public credibility by complying with and proactively advancing beyond laws/regulations concerning human rights
	Building resilient supply chains	<ul style="list-style-type: none"> • Disruption in production and distribution due to damage to factories and infrastructures in the supply chain • Damage to the image of the Nitto brand as affiliates and business partners engage in misconduct or unlawful practices 	<ul style="list-style-type: none"> • Increase in product supply efficiency and reduction in costs by optimizing supply chains • Acquisition of trust from business partners and society through management of supply chains
 <p>Fulfilling stakeholders' expectations and trust</p>	Enhancing management security	<ul style="list-style-type: none"> • Lowering of operational efficiency and quality due to inadequate internal control and workflow • System shut-downs due to cyberattacks or leakage of confidential information 	<ul style="list-style-type: none"> • Reduction in cost and increase in profit due to improvement of management efficiency • Creation of new markets and business models by comprehending the value and utilization of information assets

Ideal State	Material Issues for Sustainability	Implementation Details	KPIs / Targets for 2030	Related SDGs	Details
 <p>Protecting the future Earth</p>	Realizing a decarbonized society	<ul style="list-style-type: none"> Reduction in GHG emissions 	CO ₂ emissions: 400 ktons/year		P.39–P.40
	Realizing a circular society	<ul style="list-style-type: none"> Promotion of cyclic use of raw materials, energy, and waste 	Waste plastics recycling ratio: 60% Sustainable materials procurement ratio: 30%		P.41
	Conserving biodiversity	<ul style="list-style-type: none"> Prevention of air, water, and soil pollution 	(Managing by internal KPIs)	  	P.41
	Creating PlanetFlags	<ul style="list-style-type: none"> Providing solutions for decarbonization and material-circulation solutions Providing nature-positive products 	PlanetFlags & HumanFlags category sales ratio: At least 50%		P.23–P.38
 <p>Enriching people and society</p>	Safe manufacturing	<ul style="list-style-type: none"> Improvement of workplace environment Enhancement of safety and quality of products 	(Managing by internal KPIs)		P.43–P.44
	Empowering diverse employees	<ul style="list-style-type: none"> Hiring and development of personnel daring to take on challenges Promotion of DE&I 	Female leaders ratio: 30% Engagement scores: 85 Challenge ratio: 85%	 	P.45–P.52
	Upholding and respecting human rights	<ul style="list-style-type: none"> Promotion of human rights due diligence 	(Managing by internal KPIs)		P.53
	Building resilient supply chains	<ul style="list-style-type: none"> Sustainable procurement practices 	(Managing by internal KPIs)		P.54–P.55
	Creating HumanFlags	<ul style="list-style-type: none"> Providing products that promote digital society Providing products that ensure comfort and security of life Providing products that support sound and healthy life 	PlanetFlags & HumanFlags category sales ratio: At least 50%	  	P.23–P.38
	 <p>Fulfilling stakeholders' expectations and trust</p>	Enhancing management security	<ul style="list-style-type: none"> Ensuring compliance Creation of a safety/quality-oriented culture Promotion of information security management 	(Managing by internal KPIs)	