

# MITSUBA Group CSR Report 2022

### **Table of Contents**

	Editorial Policy	1
$\bigcirc$	Message from Top Management	2
÷	Profile	3
Ø	Corporate Philosophy	6
	System	10
	Environment	18
iti	Society / Human Resources	32
	Governance	57
	Data Collection	72

### **Editorial Policy**

### About the editorial

This report is a summary of the MITSUBA Group's CSR activities. In addition to showing the MITSUBA Group's stance on CSR and its future direction, we also report on the initiatives for such. In order to help as many people as possible understand the MITSUBA Group's CSR activities, we have kept the use of technical terms to a minimum and tried to compose the sentences in an easy-tounderstand style. This report is also available on our website. https://www.mitsuba.co.jp/jp/sustainability/index.html

### Period covered for reporting

April 1, 2021 to March 31, 2022 However, some information other than those mentioned above are also included.

### Scope of the report

This report covers the entire MITSUBA Group (transportation equipment business domain), including MITSUBA Corporation and its group companies. Company names are listed individually in reports that do not cover the entire MITSUBA Group.

### **Reference guidelines**

- GRI Sustainability Reporting Standards
- SASB Sustainability Accounting Standards Board (Automotive Parts)
- Ministry of the Environment "Environmental Reporting Guidelines 2018"

# Message from Top Management

I would like to extend my greetings to all of you on the publication of the MITSUBA Group CSR Report 2022. Stakeholders today have higher expectations when it comes to sustainability, and we take our responsibility to meet and realize those expectations seriously. Based on our philosophy of "Providing pleasure and peace of mind to the people of the world," MITSUBA Group not only provides values such as safety, comfort, and convenience, we are also responding to environmental and social issues taking the global environment into consideration. We are proactively striving to create a work environment where diverse people can work comfortably.



Moreover, for the continuous development of the company, the MITSUBA Group's mission statement is that management based on the business concept of "Providing pleasure and peace of mind " to our customers will eventually meet the expectations of the society and our shareholders. With this mission statement as our basic policy for CSR activities, we have shifted to an activity system centered on ESG (Environment, Society, Governance) from FY2020. We recognize that environmental protection activities, including countermeasures for climate change, are also important management issues to be tackled by the Group, and we aim to "Realize a safe and productive environment for all."

We will continue to disclose information on our corporate activities and reflect your valuable opinions in the Group management, so we would appreciate your straightforward opinions and advice.

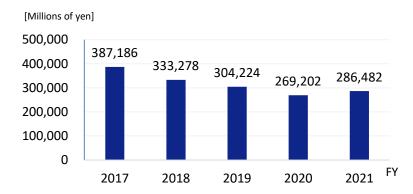
MITSUBA Corporation, Representative Director, Executive Vice President

Nobuyuki Take



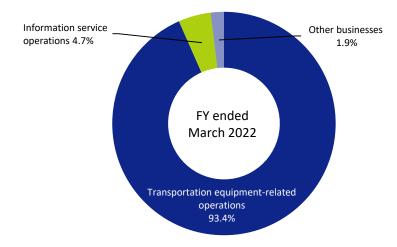




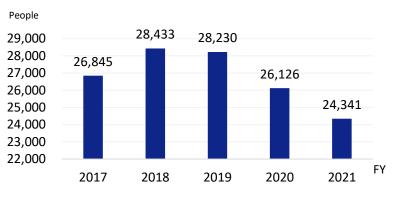


### **Consolidated Sales**

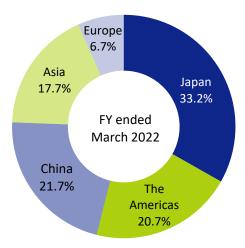
### Sales Breakdown by Division



### **Consolidated Number of Employees**



### Sales Breakdown by Geographic Region





Profile

# Global Network

ions	Japan	MITSUBA Corp.	Mfg.	ions	Philippines	MITSUBA Philippines Corp.	Mfg.
Transportation equipment-related operations		Tatsumi Corp.	Mfg.	operations		MITSUBA Philippines Technical Center Corp.	Dev.
ted o		Higashinihon Diecasting Industry Co., Ltd.	Mfg.		India	MITSUBA India Pvt. Ltd.	Mfg.
t-rela		Momimo Manufacturing Co., Ltd.	Mfg.		Vietnam	MITSUBA Vietnam Co., Ltd.	Mfg.
nemo		Toyo Electric Manufacturing Co., Ltd.	Mfg.	equipment-related		MITSUBA Vietnam Technical Center Co., Ltd.	Dev.
equip		Sun-You Corp.	Mfg.	equip	Indonesia	P.T. MITSUBA Indonesia	Mfg.
ation		MITSUBA Logistics Co., Ltd.	Mfg.	ation		P.T. MITSUBA Automotive Parts Indonesia	Mfg.
sport		Amco Corp. (Special subsidiary company)	Mfg.	Transportation		P.T. Tatsumi Indonesia	Mfg.
Tran	America	American MITSUBA Corp.	Mfg.	Tran	Thailand	Thai Summit MITSUBA Electric Manufacturing Co., Ltd.	Mfg.
	Mexico	Corporacion MITSUBA de Mexico, S. A. de C. V.	Mfg.			MITSUBA Asia R&D Co., Ltd.	Dev.
		Corporacion Tatsumi de Mexico, S.A. de C.V.	Mfg.		China	Guangzhou MITSUBA Electric Co., Ltd.	Mfg.
	Brazil	MITSUBA do Brasil Ltda.	Mfg.			Guangzhou MITSUBA Electric (Wuhan) Co., Ltd.	Mfg.
		MITSUBA Autoparts do Brasil Indústria Ltda.	Mfg.			MITSUBA Electric (Dalian) Co., Ltd.	Mfg.
	Italy	MITSUBA Italia S.p.A.	Mfg.			MITSUBA Shihlin Electric (Wuhan) Co., Ltd.	Mfg.
	Hungary	MITSUBA Automotive Systems of Europe Kft.	Mfg.			MITSUBA Automotive Technology (Shanghai) Co., Ltd.	Dev.
	France	MITSUBA Manufacturing France S.A.	Mfg.			MITSUBA China (Hong Kong) Ltd.	Sales
	Morocco	MITSUBA Manufacturing Morocco Sarl AU	Mfg.			Changzhou Shihlin MITSUBA Electric & Engineering Co., Ltd.	Mfg.
	Russia	MITSUBA Rus LLC	Mfg.	vice	Japan	Ryomo Systems Co., Ltd.	
	Turkey	MITSUBA Turkey Otomotiv A.S.	Mfg.	mation service		Ryomo Business Support Co., Ltd.	
	Germany	MITSUBA Germany GmbH	Dev.		Vietnam	Ryomo Vietnam Solutions Co., Ltd.	
	$\bigcirc$	$\sim$ $\sim$ $\sim$ $\sim$		Info	Philippines	Ryomo Philippines Information Corp.	
(1	Japan ncluding MITSUBA	The Europe / Asia China		tions	Japan	MITSUBA Sankowa Corp.	
	15 companies	5 companies 7 companies 7 companies 7 companies 7 companies	)	e opera		Sanko Engineering Co., Ltd.	
	$\smile$	IBA Group Consolidated number of employees		Creative service operations		Office Advan Inc.	
	MITSUB			eative		MITSUBA Ability Corp.	
	46 con	panies Approx. 24,341 employees		Ċ		MITSUBA Environmental Solution Co.,Ltd.	
		(excluding temporary employees)					

# Product Information

We meet the needs of customers for safety, convenience & comfort, as well as the environment in diversified mobility markets by globally providing products which integrate the technologies of motors, controllers, and mechanisms.

Focusing on products for automobiles (automotive products) and products for motorcycles (motorcycle products), we make use of these technologies to produce general use electrical products. Moreover, we are taking on the challenge of new business areas that make use of our core technologies, such as compact mobility, logistics, and robotics, in response to diversifying needs for electrified mobility.

### **Automotive Products**

#### Roof Motor LED Flasher Lamp System Rear Wiper Front Wiper System System Fuel Pump Starter Motor Power Sliding Door **Drive System** Mission Changing Motor Cooling Fan & Motor **CAC** Generator **O**Starting Generator **Micro Mobility Products** Starter Motor Electric Powe Electric Oil Pump Steering Motor Electric Servo Brake Motor Low-profile Driving System EV Ecorun Products Solar Car Products

**Motorcycle Products** 

# Corporate Philosophy

The corporate philosophy represents the basic concept of all corporate activities, and MITSUBA's strategies, plans, various systems, business activities, etc. are all built under the corporate philosophy. MITSUBA places the "Mission Statement" that constitutes this corporate philosophy as its philosophy on CSR (Corporate Social Responsibility).

MITSUBA Group aims to be a company that meets the expectations of the society and is trusted by putting its philosophy into practice.

### **Mission Statement (CSR Policy)**

Together with those who support it,

MITSUBA will provide pleasure and peace of mind to the people of the world by creating technology in harmony with society and the environment.

### **Management Policy**

\*We will make MITSUBA the brand of choice on a global scale.

\*We will use our technology as a driving force to take up the challenge of creating new markets.

\*MITSUBA will bring out the best in its associates, as its associates bring out the best in MITSUBA.

### **Guidelines for Action**

Vision Challenge Speed



# **Over Service** Codes of Practice

We express our stance as a code of practice so that we can be the most trusted by all of our stakeholders, including our customers, employees, suppliers, shareholders/investors, local communities, etc. who support the activities of MITSUBA Group. We believe that having each and every one of us understand the spirit of the Group Code and faithfully comply with it will lead to greater transparency as a company and the trust of our customers.

#### **MITSUBA WAY**

The MITSUBA WAY consists of codes of practice based on the understanding, thoughts, decision-making, and actions of each and every MITSUBA Group employee during his/her daily work activities. MITSUBA's DNA, which MITSUBA has held since its founding as a manufacturing company, consists of three core values: "Creating a Vision," "Challenging Spirit," and "Skill and Speed." These three core values are further divided into eight domains.

Creating a Vision	Challenging Spirit	Skill and Speed
1. Building Trust	3. Awareness of Our Roles in the Company	6. Improving Skills and Techniques
2. Proposing New Value	4. Self Motivated Growth	7. On-site Fact Finding
	5. Utilizing Teamwork	8. Continual Improvement



# **Over Service** Codes of Practice

### **How We Should Act**

The "How We Should Act" details the CSR activities that each MITSUBA Group employee should practice in his/her daily work in order for MITSUBA Group to respond to society's expectations and build a trustworthy business. To ensure we respond to society's expectations and are a trustworthy business, MITSUBA has established the items in "How We Should Act".

Corporate Ethics			
(1) Health and safety	I will strive to create a safe and healthy working environment for the peace of mind of each individual member of MITSUBA Group.	(6) Fair and wholesome transactions	To ensure that MITSUBA Group is a business that maintains fair and wholesome relationships with its customers and clients, I will ensure that transactions are fair and wholesome.
(2) Protecting human rights	To ensure that MITSUBA Group is a discrimination- free workplace, I will accept the differences of people and personalities of the world over, and act fairly toward each and every person.	(7) Eradicate connections with antisocial agents	I will not be involved with antisocial agents, affiliated persons or companies that affect the order and safety of society.
(3) Environmental protection	Because MITSUBA Group is actively involved in environmental protection, I will act in accordance with MITSUBA Environmental Declaration.	(8) Communication	Because MITSUBA Group is a company with a high level of transparency, I will strive to maintain appropriate communication.
(4) Traffic safety	Because MITSUBA Group is a leading business in promoting traffic safety, I will abide by traffic laws and drive safely.	(9) Social contribution	Because MITSUBA Group is a company that "Fulfills its role as a member of society," I will actively engage in activities that contribute to the society.
(5) Information protection	I will pay strict attention to careful management of internal and external information held by MITSUBA Group.		

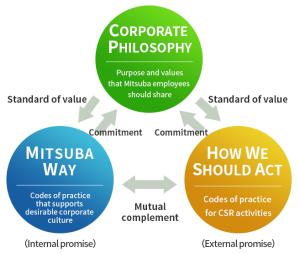




### **How We Should Act**

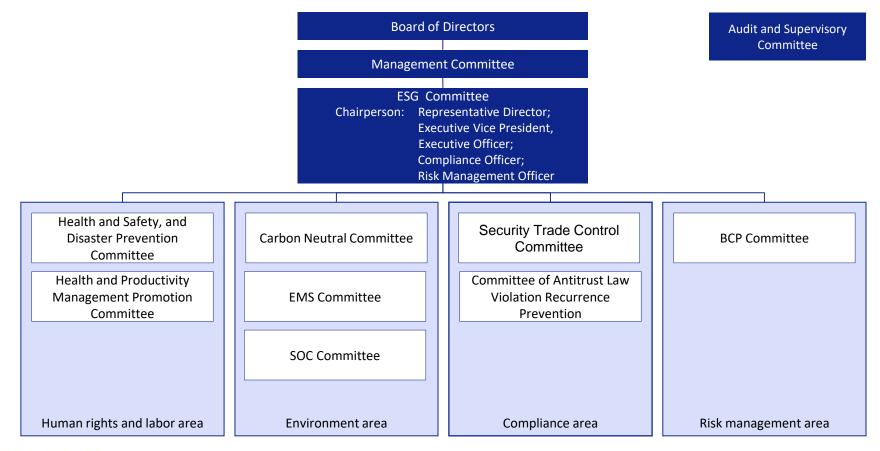
Compliance			
(1) Correct understanding of laws and regulations	Along with correctly understanding and abiding by the content and spirit of relevant laws and regulations, I will keep up with amendments and deal with them appropriately.	(3) Measures when laws, regulations, or in-house regulations have been violated.	If actions are discovered that violate or could violate laws, regulations, or in-house regulations, I will report to and confer with my superior and the head of the General Affairs Department, or MITSUBA Comprehensive Consultation Desk.
(2) Measures when laws, regulations, or in-house regulations are unclear.	When laws, regulations, or in-house regulations are unclear, I will consult with MITSUBA legal department, government agencies, or external experts in order to ensure correct understanding.	(4) Reporting to and notifying government agencies	I will make the appropriate reports and notifications to the government agencies as required by relevant laws and regulations.

Diagram showing the correlation among our Corporate Philosophy, the "MITSUBA WAY," and Actions MITSUBA takes



### **CSR** Promotion System

Through the ESG Committee, MITSUBA Group confirms priority issues related to CSR, and promotes and controls appropriate operations. We also confirm and improve the status of the MITSUBA Group's compliance with laws and social norms. Furthermore, we analyze and evaluate possible losses and crises in MITSUBA Group, and implement control for responses. We have set up committees for problem solving in each area, and has experts working in each field.



### **CSR** Promotion System

### **ESG Committee**

The ESG committee is a business operation committee in the MITSUBA Group's CSR area, and is chaired by MITSUBA's Representative Director and Executive Vice President, and is composed of MITSUBA's Directors and Executive Officers in charge of Finance, Executive Officers in charge of Production, and those in charge of each CSR-related department. Directors who are members of the Audit and Supervisory Committee and the General Manager of Internal Auditing Department also participate as observers.

At the ESG committee, social issues that MITSUBA Group should focus on solving are set as priority issues, goals are clarified, and the progress of such goals is monitored four times a year. Furthermore, matters for deliberation at the ESG committee are reported twice a year to the Management Committee and, if necessary, to the Board of Directors.

At the ESG committee, the following are discussed:

- Policy decision, progress confirmation, and improvement instructions regarding common issues of MITSUBA Group's CSR
- Policy decision, progress confirmation, and improvement instructions regarding priority issues of subcommittees or responsible departments in each area of MITSUBA Group's CSR

### • Activities in FY2021 (Main Agenda)

May 2021

- FY 2021: 1<sup>st</sup> ESG committee
- Review of specific phthalic acid switching policy
- External disclosure of business risks
- Responding to amendments to the Corporate Governance Code (CSR information disclosure), etc.

- November 2021 FY 2021: 2<sup>nd</sup> ESG committee
  - Ensuring diversity of core human resources
  - Standardization of CSR activity policies, information disclosure, etc.
- February 2022 FY 2021: 3<sup>rd</sup> ESG committee
  - Activity results of BCP Committee
  - ESG third-party evaluation audit, etc.

### MITSUBA Group CSR Report 2022 11

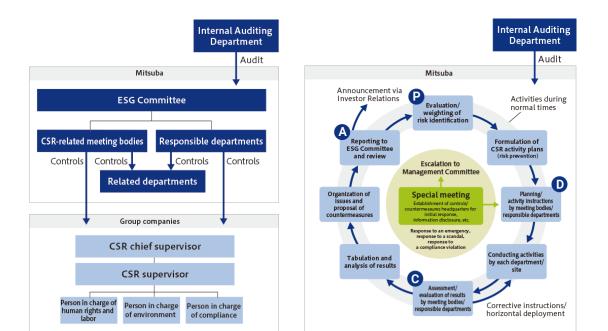
### **CSR** Promotion System

### **CSR Promotion Framework**

Each business site has an organizational structure for continuous operation of CSR. Business sites formulate action plans for achieving the decisions of the "ESG Committee", achieving the MITSUBA Group goals, and solving problems unique to each site. The sites also evaluate and provide feedback on the status of achievement.

#### **Effectiveness Evaluation of**

#### **CSR Management System**



In MITSUBA, a check sheet is used to periodically (once a year) evaluate the effectiveness of CSR activities. Moreover, evaluations of the CSR management system by a third-party organization are received periodically (once a year), and we are working on maintaining and improving the CSR activity framework further.

Furthermore, based on the Group standard "Group CSR Rules", the effectiveness of the CSR management system of each MITSUBA Group company is being evaluated (personal assessment). If the personal assessment results are found to be insufficient, we will conduct an audit of each company in MITSUBA Group to confirm the current situation and propose improvements. We will continue to work to further reduce risks through continuous monitoring and improvement proposal.



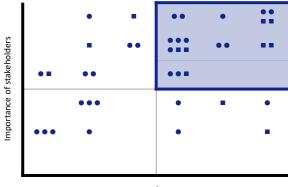
# Materiality (Important Issues)

In order to increase corporate value and grow sustainably, MITSUBA Group has examined the importance of various social issues from the perspective of both the MITSUBA Group's business and stakeholders, and has also identified materiality (important issues). Going forward, based on said materiality (important issues), we will set medium- to long-term targets, KPIs, etc., and steadily promote initiatives to achieve sustainable growth as a company, solve social issues, and fulfill our social responsibilities.

### **Materiality Identification Process**

Extract social issues related to MITSUBA Group and social issues that MITSUBA Group has been voluntarily addressing among the items emphasized by the GRI Standards, etc.

Identify materiality based on the importance of stakeholders and MITSUBA Group.



Importance of MITSUBA Group

Approval of identified materiality at the ESG Committee (management level) chaired by a director

	Materiality (Important Issues)	
ues ss	Creation of new value products for the next generation centered on electrification	
al iss Isine	Provision of safe and secure products	
Solving social issues through business	Contribution to the realization of a carbon- neutral society	
Solvi thre	Efficient use of resources	
•,	Reduction of use of hazardous substances	
Š	Strengthening of Group Management Governance	
civitie	Maximization of human capital	
is act	Increase of job satisfaction	
sines	Industrial safety and health	
f bus	Strengthening of information security	
Basics of business activities	Compliance	
Bas	Risk management	
	Sustainable purchasing	

# SCM: Supply Chain Management

### **Purchasing Policy**

In the purchasing of raw materials and parts, MITSUBA have established three purchasing policies: "Promotion of improvements in consolidated material costs and strengthening of governance of a purchasing function", "Building of a purchasing foundation that realizes optimal purchasing and integration of raw materials and parts", and "Co-creation with suppliers and strengthening of purchasing power."

Moreover, we have established the following sub-policies as measures to realize the second item above, "Building of a purchasing foundation that realizes optimal purchasing and integration of raw materials and parts", of which we are working on such on a daily basis.

In order to continuously improve "Competitiveness" and "Stable purchasing", we will promote the rebuilding of supply chains that can respond to changes.

- Promotion of restructuring centered on MITSUBA Group companies
   Purpose: Restructuring centered on MITSUBA Group companies to improve capacity utilization rate and investment efficiency
   Activity: Promote the restructuring of the plastic molding, die-casting, cutting and heading industries.
- Building of a supply chain database that traces back to materials
   Purpose: To quickly identify target suppliers in the event of purchasing risk
   Activity: Create a database of the production areas of purchased items and the status of BCP(\*).

(\*)BCP (Business Continuity Plan): A plan to quickly restore business and minimize business damage in the event of business interruption due to a large-scale disaster such as an earthquake.



# Supply Chain Management

### **MITSUBA Group CSR Purchasing Policy**

In 2019, MITSUBA Group established the "MITSUBA Group CSR Purchasing Policy" consisting of five areas: "Safety and quality," "Human rights and labor," "Environment," "Compliance," and "Risk management."

The "MITSUBA Group CSR Purchasing Policy" is developed with all suppliers in the "Purchasing Policy Meeting" held at the start of the fiscal year and request that not only MITSUBA, but also our suppliers and their partner companies to promote CSR activities.

### 1. Safety and quality

- Offer of product and service which satisfies needs from customer
- Offer of suitable information about product
- Safety ensuring of product
- Quality assurance of product

### 2. Human rights and labor

- Abolition of discrimination
- Respect of human rights
- Prohibition of child labor
- Prohibition of forced labor
- Wage
- Working hours (including overtime)
- Offer of safety and healthy working environment
- Conflict minerals

### 3. Environment

- Environmental management
- Environmental pollution prevention
- Resource saving and waste reduction
- Chemical material management

### 4. Compliance (Lawful management)

- Compliance with laws and regulations (\*)
- Prohibition of unjust giving and receiving of money
- Management and protection of classified information
- Management of export transactions
- Protection of intellectual property
- Creating of law-abiding spirit

### 5. Risk management (Crisis management system)

- Building of risk management system and reduction of risk
- Decision and improvement of business continuity plan

- (\*) Compliance with laws and regulations:
- Laws and regulations related to the environment (laws and regulations related to air, soil, etc.)
- Laws and regulations on human rights and labor standards (including laws and regulations on freedom of association)
- Compliance with related laws and regulations (including laws and regulations concerning conflicts of interest)

MITSUBA

### MITSUBA Group CSR Report 2022 15

# Supply Chain Management

### **Green Purchasing**

Based on our corporate philosophy, MITSUBA Group has established the "MITSUBA Group Green Purchasing Guideline" (\*) and strives to purchase parts and materials that have a low environmental impact. Moreover, we work with our suppliers to reduce environmental burdens based on life cycle which consists of purchasing, including production, use, and discharge. MITSUBA Group requires suppliers to take the following three measures.

- 1. Establishment of Environmental Management System
- 2. Investigation and management of substance of concern
- 3. Submission of declaration

In addition, MITSUBA will contribute to a carbon neutral society in "MITSUBA Vision 2030" and will work on carbon neutrality throughout the supply chain. In order to reduce  $CO_2$  emissions throughout the product lifecycle, we will globally promote the creation of carbon neutral technologies and the use of renewable energy together with the suppliers.

(\*) MITSUBA Group Green Purchasing Guideline

https://www.mitsuba.co.jp/jp/files/green\_guideline\_en.pdf



# Supply Chain Management

### **Promoting Responsible Purchasing**

Based on the "MITSUBA Group CSR Purchasing Policy," MITSUBA Group will request from the supplier to do "Initiatives not to use raw materials or products derived from conflict minerals (tin, tantalum, tungsten, gold)" in order to act responsibly for human rights issues.

MITSUBA Group has been conducting surveys on conflict minerals since 2013, and has received responses from all surveyed suppliers regarding their usage condition.

In recent years, there are growing concerns about human rights violations associated with the mining of cobalt and mica as a hotbed of child labor. In light of this situation, MITSUBA Group has added both substances to the survey from 2022. The survey uses the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template), which are global standard templates provided by the RMI (Responsible Minerals Initiative).

### **Promoting Fair Purchasing Activities**

In order to conduct fair purchasing activities, MITSUBA conducts education and training in the "Purchasing Basic Course" for personnel newly assigned to the Purchasing Department. Through this, the knowledge of "Ethics required of buyers" and "CSR related to purchasing activities" has been acquired.

Moreover, e-learning courses is provided for MITSUBA Group employees on "CSR and environmentally hazardous substances regulations," "Subcontracting law," "Competition law," and "Security trade" to deepen their understanding of CSR activities and legal compliance.

Furthermore, MITSUBA Group distributes a booklet of "How We Should Act" to all employees of MITSUBA Group, and the Purchasing Department is always conscious of fair and wholesome transactions.



# **Environmental Policy**

### **MITSUBA Environmental Declaration**

MITSUBA Group established and set forth "The MITSUBA Environmental Declaration" in May 1993 as the policy in its environment area, which is one aspect of CSR. MITSUBA is working on environmental activities globally in order to achieve the goals stated in the declaration.

We will work to achieve a continuous harmonization with our natural environment by means of technical developments harmonized with society and the environment. We will work to realize a safe and plentiful environment for us all.

- \* We strive to conserve resources and energy in all of our corporate activities including development, production, and sales.
- \* We strive to reduce waste and pollutants, and to dispose of these properly.
- \* We strive to keep a safe living environment in harmony with local environments.

### **MITSUBA Environment Action Guideline**

- 1. We will attempt to make sparing and effective use of limited resources.
- 2. We will strive to save on energy in our corporate activities, in order to fulfill our corporate responsibilities with regard to global warming.
- 3. We will strive to find substitutes for ozone destroying substances in order to protect the ozone layer.
- 4. We will manage chemical substances properly and use abolition of harmful chemical substances including not using it for our products.
- 5. We will establish an environmental management system and strive to observe in company regulations that are stricter than public laws.
- 6. We will positively participate in social activities relating to the environment.



# **Environmental Policy**

### **MITSUBA Environment Vision 2046**

MITSUBA Group established the MITSUBA Environmental Vision 2046 in May 2017 as a unified long-term goal for the entire Group. This vision is a long-term goal to "realize a plentiful and safe environment" as stated in the "Environmental Declaration." We have set 2046, which is the 100th anniversary of MITSUBA's founding, as the target year for "improving corporate value" through reduction of  $CO_2$  emissions and resource consumption, and for "protecting the natural environment" by seeking zero environmental pollution risk.

### **MITSUBA Group Carbon Neutral Policy**

MITSUBA Group has further developed the reduction of  $CO_2$  emissions in the "MITSUBA Environmental Vision 2046" and established the "MITSUBA Carbon Neutral Policy" in June 2022.

# In order to contribute to the realization of a carbon neutral society, MITSUBA Group aims to achieve carbon neutrality from a life cycle perspective.

2050	Long-term goal: Aiming to achieve carbon neutrality for the entire lifecycle by 2050
2030	Medium-term goal: Reduce Scope 1 and 2 by 50% by 2030
2024	12th Midterm environmental management function goal: Reduce Scope 1 and 2 by 9% through self-help initiatives in 2024



#### **Promotion System**

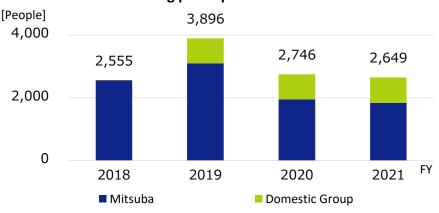
At MITSUBA, we operate an environmental management system centered on the EMS Committee and work on environmental conservation activities. Once a year, a review is conducted by the executive vice president, who is the Chief Environmental Officer, to confirm the effectiveness and appropriateness of our initiatives. Decisions on matters that have a significant impact on management are made at the "ESG Committee."

MITSUBA Group has established an environmental management system for the entire group based on the "MITSUBA Group Environmental Manual," and as of the end of March 2022, 8 companies including MITSUBA and 18 companies overseas, in total of 26 companies (98% of total sales) have acquired ISO14001 certification, the international standard for environmental management systems. Twice a year, we receive environmental management activity actual results report from each group companies, and MITSUBA conducts group environmental audits.

In addition, we have issued the "MITSUBA Group Green Purchasing Guideline" and encourage our suppliers to acquire ISO 14001 and other certifications as we work to protect the environment throughout the supply chain.

### **Environmental Education**

Restoring a polluted natural environment to a healthy condition takes a lot of time and money. For this reason, we are conducting basic education through e-learning for MITSUBA Group employees in Japan so that they can develop a sense of ownership in environmental conservation. In addition, we are working to comply with laws and regulations and prevent risks through stratified education and site / workplace-specific environmental education.



#### **Environmental e-learning participants**

### MITSUBA Group CSR Report 2022 20



### **Environmental Target and Result**

MITSUBA Group has incorporated the identified materiality into the "12th Midterm Environmental Management Policy" as priority measures, and is working to reduce  $CO_2$  emissions and strengthen the environmental management system. In FY2021, we were unable to achieve our  $CO_2$  emissions reduction target due to the spread of the new coronavirus, but we steadily promoted reduction measures.

#### 12th Midterm Environmental Management Function Policy: "Promotion of ESG that Meets the Expectations of Stakeholders"

Kovinitiativos		FY2022		
Key initiatives	Goal	Actual	Evaluation	Goal
To reduce CO <sub>2</sub> emissions	Group-wide CO <sub>2</sub> emissions: Per sales base unit compared to FY2010		$\wedge$	
	20.5% reduction	19.1% reduction		21% reduction
To strengthen SOC (substance of concern) management system	Evaluation of management system according to industry standards: 3.5 points or higher	No industry evaluation standard has been issued and evaluation has not been conducted; however, all improvement measures have been completely implemented	0	3.5 points or higher
To reduce risk by operating EMS	Zero serious violations	No serious environmental pollution, accidents, or violation of laws	Ο	Zero serious violations
	Waste recycling rate:		$\bigcirc$	
To save sustainable	90% or higher	94.6%	$\bigcirc$	90% or higher
resource	Group-wide water consumption:		$\bigcirc$	
	Maintain Can be maintained			Maintain
To contribute to	Implementation rate of environme	ntal volunteer activities:	$\bigcirc$	
biodiversity	100%	100%		100%

Evaluation criteria ( $\bigcirc$ : 100%,  $\triangle$ : 80% or higher, lower than 100%)



### **Environmental Audit**

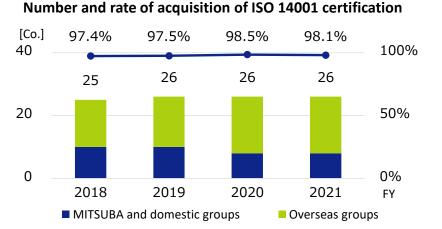
MITSUBA conducts an internal environmental audit every year to confirm that the PDCA cycle of the environmental management system is functioning properly and effectively. From FY 2018, we emphasized the rigor of our internal environmental audits, and changed our auditing methods so that corrective actions are taken in accordance with the recurrence prevention process even for minor issues. For audits, we set priority audit items in consideration of past audit results, environmental needs, and changes in issues.

Moreover, we conduct "environmental visit audits" at each group company to confirm the effectiveness and appropriateness of our environmental management system. Furthermore, we have undergone an external audit by a certification body to confirm that our environmental management system is properly constructed and operated based on ISO14001.

### **Response to Emergencies and Complaints**

In FY2021, there have been no emergencies or external complaints against MITSUBA Group that have adversely affected the environment.

In the event of an emergency or complaint, we will respond in accordance with the procedures for recurrence prevention measures. In the event of an accident or emergency that could cause environmental pollution, we anticipate the environmental impact of the emergency, establish procedures to mitigate the impact, and regularly conduct on-site training and procedure evaluations.





### **Risks and Opportunities Related to Environmental Issues**

MITSUBA Group periodically (once a year) identifies "risks in the business, etc." related to changing social and environmental issues, and evaluates them based on their frequency of occurrence and various degree of effects. We are striving to reduce the "risks" related to environmental issues through our environmental management system, which is integrated with our management activities. On the other hand, as contributing to a carbon neutral society is an important "opportunity" to contribute to the management activities of MITSUBA Group, we are promoting the design and development of compact and lightweight products to be installed in vehicles and the development of energy-saving production technology. Moreover, Sanko Engineering Co., Ltd. installs solar power generation systems, manufactures and sells LED lighting equipment and high-efficiency air equipment, etc., and develops businesses that make use of the strengths of each company.

Environmental issue	Risk	Opportunity
Climate change	As the energy shift from petroleum progresses, the	We aim to become the environmental top runner by
	current business model will be transformed, and business	reducing product costs through the evolution of product
	will not be established unless it meets the market needs	design and production technology, as well as production
	for energy-saving products.	innovation, and stably providing products with nearly zero
		environmental impact.
Resource depletion	Due to the depletion of resources, the price of raw	
	materials soared, making conventional manufacturing	
	impossible.	
Nature destruction	There is a risk that the use of hazardous substances will	Through voluntary reduction and thorough management,
	burden the natural environment and lead to violation of	we can secure the trust of society and our customers and
	laws in the future.	develop our business.





# **Environmental Compliance**

#### **Environmental Governance**

From FY2018 to 2019, MITSUBA visited 18 Group sites in Japan, confirmed contract documents and notification documents, investigated potential risks at manufacturing sites, and completed preventive activities to correct them.

From FY2021, we are conducting activities to verify and support the effectiveness of the environmental management systems of domestic group companies in order to further ensure risk reduction through the operation of the environmental management system. MITSUBA also systematically confirms the status of compliance with environmental laws and regulations at overseas group companies through on-site inspections. Local environmental laws and regulations also require labeling and keeping of waste storage areas, as well as the management of records. However, by visiting and directly checking the site, we can understand the daily operation status and provide guidance.

Moreover, in order to prevent all kinds of environmental risks, such as the outflow and leakage of hazardous chemical substances and fires and explosions of hazardous materials, we directly check equipment and facilities and provide guidance.

### **Recurrence Prevention in the Event of Environmental Non-compliance**

Based on the "MITSUBA Group Environmental Manual", MITSUBA Group promptly reports to the Chief Environmental Officer (MITSUBA Headquarters) in the event of an environmental non-compliance, and after taking emergency measures at the site where it occurred, the cause is investigated and corrective measures are implemented.

The Chief Environmental Officer evaluates the effectiveness of the implemented corrective measures and instructs other group companies to horizontally implement corrective measures for all similar risks.



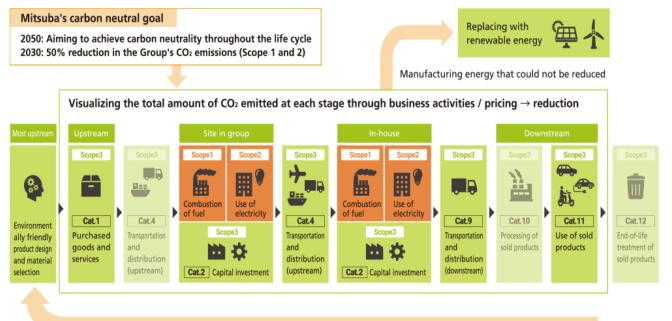


# Response to Climate Change

### **Contributing to the Realization of Carbon Neutrality**

MITSUBA Group has steadily reduced  $CO_2$  emissions within the Group until today. However, in order to contribute to the realization of carbon neutrality, it is necessary to work on assessing and reducing  $CO_2$  emissions that are directly and indirectly emitted through business activities. The reduction must be made from the perspective of the product life cycle and implemented throughout the entire supply chain. In FY 2021, we established the Carbon Neutral Committee with our president serving as the chairperson. The committee is taking on the challenge of expanding from conventional  $CO_2$  reduction within our Group to realizing reduction throughout the entire supply chain. This includes all stages from materials purchasing to the usage of products as well as shipping of products and parts.

### Understanding and Reducing CO<sub>2</sub> Emissions from a Lifecycle Perspective

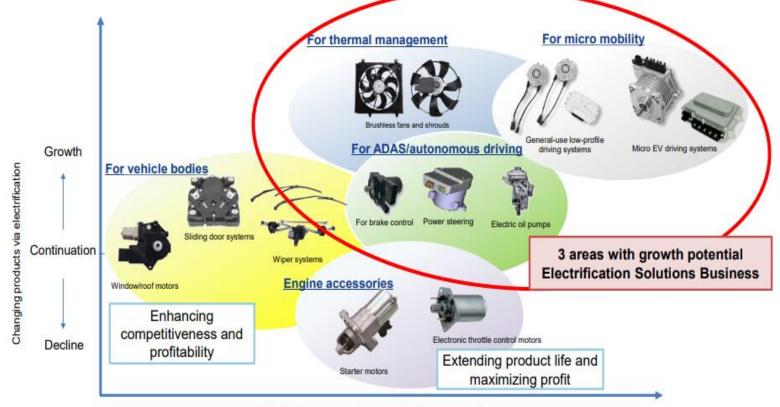




# Response to Climate Change

### **Establishment of the Electrification Solutions Business Management**

From the perspective of the product life cycle, CO<sub>2</sub> is emitted most during the usage stage compared to the manufacturing and transportation of MITSUBA products. MITSUBA has newly established the Electrification Solutions Business Management Department to expand its high-value-added and eco-friendly products in response to the rapid progress of electric and eco-friendly vehicles toward the transition to a carbon neutral society, and is accelerating the strengthening of its product and technology strategies for electrification.



Added value of products (controllers/mechanisms)



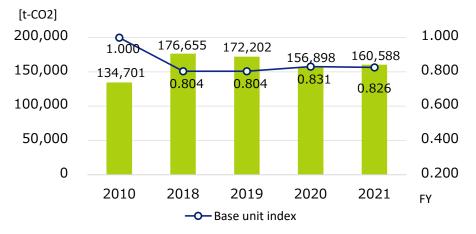


# **Besponse to Climate Change**

### Initiatives to Reduce Greenhouse Gas (CO<sub>2</sub>) Emissions

In order to realize the "MITSUBA Environment Vision 2046", MITSUBA Group has formulated a three-year plan to gradually reduce group CO<sub>2</sub> emissions (per net sales) by 21% compared to FY 2010, and has been promoting activities. In FY 2021, we will promote a systematic renewal of energy-saving equipment and the completion of effective measures implemented thus far. Moreover, we will promote improvement activities, which target the source by reducing environmental load emitted from the stage of manufacturing and process design for production equipment used at each site.

MITSUBA Group is also actively promoting the use of renewable energy. In FY 2021, our solar power generation system generated a total of 2,708 MWh. We will continue to promote the use of renewable energy suitable for each region.



### MITSUBA Group CO<sub>2</sub> emission

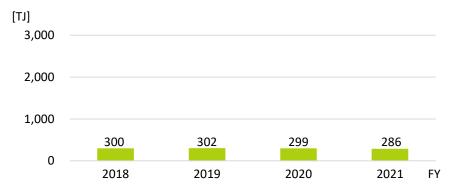
- The base unit index is the index when  $CO_2$  emissions per net sales are 1.
- The CO<sub>2</sub> conversion coefficient for electric power uses the country-specific coefficient of the International Energy Agency (IEA).



Solar Power Generation System (MITSUBA R&D Center)

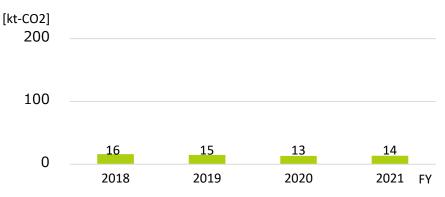


#### **MITSUBA Group direct energy consumption**



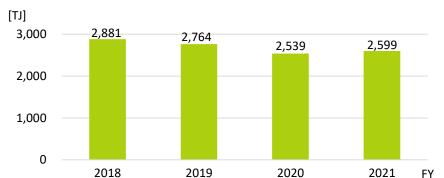
- Direct: Direct emission source of greenhouse gases (use of fuel/gas)

#### MITSUBA Group greenhouse gas emission (Scope 1)



- Scope 1: Direct emissions of greenhouse gases (combustion of fuel) by MITSUBA Group itself

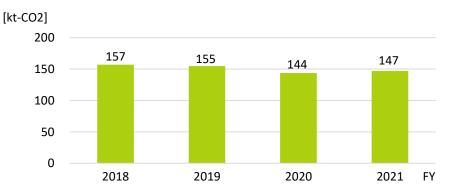
ITSUR



#### MITSUBA Group indirect energy consumption

- Indirect: Indirect emission source of greenhouse gases (use of purchased electricity)

#### MITSUBA Group greenhouse gas emission (Scope 2)



- Scope 2: Indirect emissions due to the use of electricity supplied by other companies

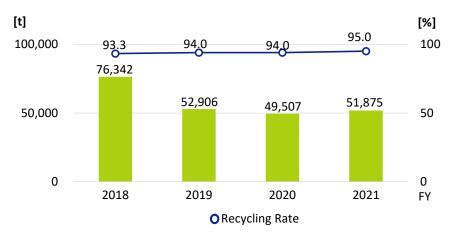




#### **Initiatives to Conserve Resources and Reduce Waste**

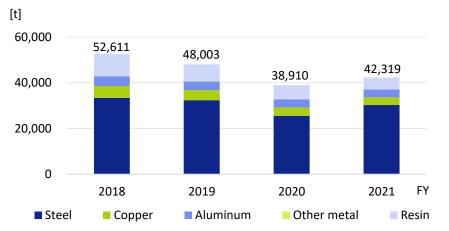
In order to promote the formation of a recycling-oriented society and the effective use of limited resources, MITSUBA Group will improve the yield of raw materials and indirect materials. We are also promoting technological development such as recycling runners discarded from the resin molding process and downsizing production equipment. Furthermore, by actively promoting the use of recycled oil that has been purified from the waste oil used in the production process, we are suppressing waste generation and recycling resources.

MITSUBA will promote activities aimed at forming a "recycling-oriented society" by pursuing the efficient use and recycling of resources from the perspective of the life cycle.



#### **MITSUBA Group Total Emission Amount and Recycling Rate**

#### MITSUBA Resource Consumption







# Resource Recycling

### **Initiatives to Reduce Water Consumption**

MITSUBA Group periodically monitors the pollution status of water discharged from our business activities. The water which we use in our production processes is purified in an advanced wastewater treatment facility and then discharged into rivers. For wastewater that cannot be purified at wastewater treatment facilities, we strive to protect the marine environment by properly disposing of that wastewater as industrial waste.

Moreover, at our sites in Asia, which have a large water-related impact, we are actively working to effectively utilize water resources and reduce consumption by collecting rainwater. MITSUBA India Pvt. Ltd. has introduced a recycling-oriented wastewater treatment system to reuse wastewater from the surface treatment process, making effective use of limited water resources.



#### MITSUBA Group Water Resource Usage Amount

- The base unit index is the index when the amount of water resources used per net sales are 1.

- The CO<sub>2</sub> conversion coefficient of electric power uses the country-specific coefficient of the International Energy Agency (IEA).





# **Biodiversity**

The "MITSUBA Environment Vision 2046", states that MITSUBA Group will actively contribute to the conservation of the natural environment in order to protect abundant nature.

Growing lush forests preserves flora and fauna, the natural environment, and the living environment. It also contributes to the conservation of ecosystems and biodiversity. Each of our group companies checks the surrounding natural environment and actively carries out forest maintenance, tree planting, and environmental beautification activities. MITSUBA recognizes the impact of our business activities on biodiversity, and we will continue to monitor and evaluate the wastewater from our sites so that it does not affect the ecosystem.

As part of forest maintenance activities that are continually held through agreements with local governments and landowners, we have been reduced in scale to prevent the spread of the new coronavirus, but we are still continuing such activities/ Moreover, we have confirmed the growth of the golden orchid, the endangered category II (Vulnerable).



Growing golden orchid, the endangered II through forest maintenance

# Sengagement with Stakeholders

MITSUBA Group's business has relationships with stakeholders such as customers, employees, suppliers, shareholders/investors, and local communities. Based on our mission statement, we respect two-way dialogue with all stakeholders involved in our business and carry out various activities to "provide pleasure and peace of mind."

Target	Contents	Frequency
Customore	Collaboration to realize customer policy	
Customers	Cooperation in surveys, etc. related to CSR	Daily
	Co-creation with suppliers (productivity improvement activities)	Daily
Suppliers	MITSUBA Group CSR Purchasing Policy Explanation (Purchasing Policy Meeting)	About once a year
	Explanation of business results, policies and strategies (financial result meetings, etc.)	Twice a year
Shareholders	Explanation of performance and policies/strategies (individual visits)	4 times a year
Investors	Plant visits, business explanations, etc. (plant visits)	About once a year
	Providing information through CSR reports and corporate websites	Daily
<b>Employeee</b>	Explanation of performance, policies, and strategies by the president and vice president (Management Policy Meeting)	Twice a year
Employees	Internal communication through employee-only sites, etc.	Daily
	Environmental volunteers such as forest maintenance and beautification activities	Daily
Local community	Participation in collaborative activities and communication with NGOs, NPOs, and local organizations	Daily



# Engagement with Stakeholders

### Labor-management Relationship

MITSUBA has adopted a union shop system, and all non-managerial regular employees, with the exception of some managementrelated employees, are members of the labor union. (Participation rate of all regular employees: 87%)

Every month, we hold a central management meeting for the entire company and a departmental management meeting for each department. Furthermore, in addition to labor-management consultations, the labor union and the human resources department holds labor committee meetings weekly. To create a better working environment, they actively exchange opinions and information between labor and management on a daily basis to solve and discuss issues between labor and management.

Moreover, MITSUBA has established a fair and stable labor-management relationship and has concluded a comprehensive labor agreement with the aim of developing MITSUBA and improving the lives of union members, which is posted on the intranet so that all employees can view it at any time.

Furthermore, in order to promote communication between the company and employees, we are actively implementing "Kurumaza," which is a dialogue and information exchange between management and employees in each department. This serves as an opportunity to convey management policies and ideas to employees and to directly confirm the opinions of employees to such policies and ideas.



# B MITSUBA Group Human Rights and Labor Policy

MITSUBA Group accepts diversity and respects the basic human rights of each individual based on the mission statement of "providing pleasure and peace of mind to the people of the world."

### 1. Respect for basic labor rights

MITSUBA Group respects the rights of workers and strives to resolve various work-related issues through dialogues between labor and management.

### 2. Prevention of discrimination and harassment

MITSUBA Group does not tolerate any discrimination based on birth, nationality, creed, religion, gender, race, ethnicity, age, mental/physical disability, medical history, hobbies, educational background, social status, etc. Moreover, we will not engage in inhumane treatment such as harassment.

### 3. Prohibition of child labor and forced labor

MITSUBA Group employs people in compliance with the laws and regulations of each country and region, and does not allow child labor or forced labor.

### 4. Provision of a comfortable working environment

MITSUBA Group complies with labor standards such as working hours and wages, and strives to comply with the laws and regulations of each country and region. Moreover, we aim to create an efficient work environment and support the realization of work-life balance.

### 5. Safety and health

MITSUBA Group strives to create safe and healthy workplaces so that all people can work with peace of mind.

### 6. Promotion of diversity

MITSUBA Group has been actively promoting the recruitment and diverse human resources, including women, foreigners, and people with disabilities, and improving the environment. In the future, in addition to the initiatives we have taken so far, we will promote further career support and work style reforms, and implement personnel measures to utilize employee diversity in our business activities and reform our corporate culture.

### 7. Health Promotion

MITSUBA Group believes it is important to create a workplace where employees can work energetically for a long time so that each employee can lead a rich and fulfilling life. To this end, we will not only maintain and improve physical and mental health, but also promote the creation of a workplace environment and system that provide peace of mind in the event of life events (injury or illness).

### 8. Engagement

MITSUBA Group strives to maximize the overlap between individual values and corporate values by instilling the management policy of "MITSUBA will bring out the best in its associates, as its associates bring out the best in MITSUBA." Regarding the direction the company is aiming for, we will create a system and environment where employees understand and accept each other.



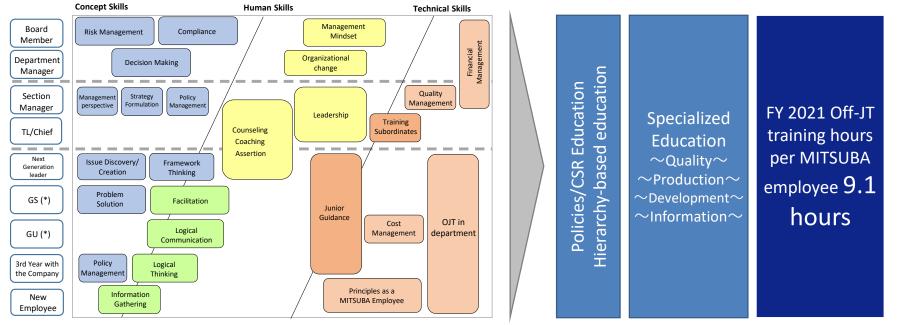
# Initiatives for Human Resource Development

One aspect of our Management Policy is "MITSUBA will bring out the best in its associates, as its associates bring out the best in MITSUBA." This concept expresses how an organization is composed of people and how organization growth is only possible through personal growth.

Through their work, individuals can grow by challenging high goals while researching and asking others what they do not understand. In the MITSUBA Group's human resource development, the Human Resources Department plays a central role in promoting employee development, centered on "education" consisting of OJT and Off-JT, and "personal development" in which employees develop skills through their own initiative.

### **Education Curriculum and Training System**

At MITSUBA, we provide policies/CSR education, rank-specific education, specialized education, etc., based on the "Human Resources Requirements Definition" stipulated for each level and based on the outline diagram of the educational areas shown below.



(\*) GS and GU are MITSUBA grade names.



# Initiatives for Human Resource Development

### **Utilization of the MITSUBA Training Center**

MITSUBA Group has established the "MITSUBA Training Center" as a place where diverse human resources with different values gather together from within MITSUBA Group, create awareness and foster new ways of thinking, and work hard for mutual self-improvement. We will respond to the diverse needs of customers around the world by facilitating exchanges among human resources with various knowledge and experience, and by creating new value.

### **Passing on Technologies and Skills**

Passing down technologies and skills, learned through long years of experience, is not easy. Therefore, we consider it as an important job.

### • MITSUBA's Certified Advanced Professional Training School

MITSUBA founded the corporate training school in 1977 for the purpose of training employees in a broad range of advanced knowledge and skills to become competent personnel with the personality and culture to lead corporate development. A vocational training school certified by Gunma Prefecture is a facility where you can learn the basics of manufacturing. Up to six people who have received recommendations in the workplace after working for the company at least one year acquire skills and knowledge for their respective workplaces in each division including machining, precision processing, plastic processing, and electronics. They attend classes in the morning, and in the afternoon, they receive training by actually handling work at training sites.



**MITSUBA Training Center** 



# Initiatives for Human Resource Development

## **National Skills Competition**

The National Skills Competition are held annually for the purpose of "nurturing young skilled workers who will assume productive roles in the future." The contestants, all under the age of 23, compete in about 40 events in areas such as electronic engineering, machines, metal working, construction and building, and service and fashion. In MITSUBA, we see this as part of our training, and during the three-year activity period, we aim for even higher goals as competitors in the National Skills Competition, that is why we practice every day. MITSUBA employees have achieved excellent results at national competitions winning silver, bronze, and fighting-spirit prizes at events for machine assembly, electronics assembly, and mechatronics.



The technical skills honed over the three years will serve as the foundation for subsequent career development.

### **Personnel Evaluation System**

MITSUBA utilizes the personnel evaluation system as one of the "human resource development tools" to broaden one's perspective, develop the skills and techniques necessary for work, and share work tips and tricks through communication with superiors. Under MITSUBA's personnel evaluation system, each employee creates performance targets and goals describing expected outcomes and processes every six months. At the start of each semester, employees have interviews with their superiors to clarify their roles and gain an understanding of the organizational goals. At the end of the semester, employees self-evaluate their level of goal achievement and receive evaluation and feedback from their superiors in order to improve their future growth.

Moreover, in personnel evaluations, in addition to "performance evaluations" for the above goals, we also conduct "behavior evaluations" to evaluate the behavior expected of each employee based on the code of practice "MITSUBA WAY." The results of such are designed to be reflected in the bonuses.

Society / Human Resources

## Health and Productivity Management

MITSUBA Group believes in the importance of creating a workplace where employees can work energetically for a long time so that each employee can lead a rich and fulfilling life. With this, physical and mental health is not the only thing that can be maintained, but the creation of a workplace environment and systems that provide peace of mind in life events (injury or illness) are also promoted.

MITSUBA believes that the physical and mental health of our employees is an indispensable and valuable asset for the survival of our business.

Accordingly, in addition to analyzing the results of statutory health examinations and stress checks, we cooperate with the health insurance society to hold event such as optional seminars on topics that include ensuring sufficient exercise, maintaining and improving mental health, and preventing various illnesses.



Regarding health checkups, employees are given opportunities to undergo health checkups based on the Rules of Safety and Health and Productivity Management

### **MITSUBA Group Health and Productivity Management Policy**

MITSUBA Group believes in the importance of creating a workplace where employees can work energetically for a long time so that each employee can lead a rich and fulfilling life. With this, physical and mental health is not the only thing that can be maintained, but the creation of a workplace environment and systems that provide peace of mind in life events (injury or illness) are also promoted.



## Health and Productivity Management

## **Promotion System**

With the aim of enabling MITSUBA Group employees to lead healthy and fulfilling lives both physically and mentally, MITSUBA actively supports activities to maintain and improve health and raise health awareness. With that, we hold monthly meetings with the Health and Productivity Management Promotion Committee, which includes industrial physicians, industrial health staff, the labor union, and the health insurance union as participating members, and there we discuss how to encourage employees and such measures to be taken. Moreover, regular reports are made at management-level meetings, and the resolution of issues is speeded up by incorporating the intentions of top management.





Society / Human Resources

## 🐶 Health and Productivity Management

## **Health and Productivity Management Index**

Regular health checkup rate *Supplementary checkup included	99.9% (FY 2021 results) *Excluding employees on leave	100% (Target) *Excluding employees on leave	Rate of people with findings in regular health checkup *Supplementary checkup included	<b>75.0%</b> (FY 2021 results)	<b>70%</b> (Target)
Body Mass Index (BMI)	61.9% (FY 2021 results)	<b>65%</b> (Target)	Stress check participation rate	97.9% (FY 2021 results) *Excluding employees on leave	95% min. (Target) *Excluding employees on leave
High stress rate	15.8% (FY 2021 results)	<b>14%</b> (Target)	High stress person Follow-up rate	<b>100%</b> (FY 2021 results)	<b>100%</b> (Target)
Smoking rate	<b>32.0%</b> (FY 2021 results) *35 years old or older	25% (Target)	Regular exercise rate	<b>21.4%</b> (FY 2021 results)	25% (Target)
Specific health guidance implementation rate	26.9% (FY 2021 results)	30% (Target)	Average days of paid leaves taken	8.1 days (FY 2021 results)	12 days (Target)

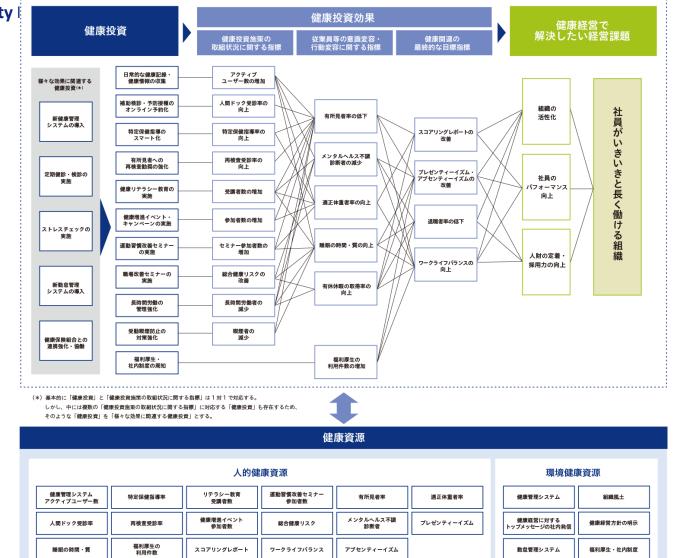
### **Expected Effects of Health and Productivity Management and Connections between Management Issues**

MITSUBA believes that organizational revitalization and employee performance improvement are among the management issues. With that, MITSUBA believes that it is necessary to create a workplace where employees can work energetically for a long time. We will strengthen our support system so that people can feel at ease even when life events such as injuries or illnesses occur, and encourage them to balance treatment and work, and to formulate career and life plans in anticipation of retirement.

Specific measures include encouraging those with findings to undergo checkups, literacy education including e-learning, seminars to support exercise habits, workplace improvement seminars, promotion of specific health guidance by health insurance associations, and internal systems (benefits). Implementation of multilateral measures to raise the knowledge and awareness of employees, such as raising awareness of the importance of health care, and maintaining and improving the physical and mental health of employees, thereby increasing employee satisfaction and solving management issues.

## We Health and Productivity Management

## Health and Productivity Strategy Map





## • MITSUBA Health and Productivity Management Measures

	Measure	Desired Effect	КРІ
	(1) Integration and cooperation of systems	Improvement of employees' convenience	Number of PepUp active users (*1)
	(2) Daily health record tool compatible with smartphones	Self-maintenance of health becomes a habit	Number of PepUp active users
Daily health	(3) Online reservation for supplementary examinations and vaccinations	Early detection and prevention of diseases	Comprehensive checkup rate
support	(4) Use of tools for collecting and providing daily information	Increased health awareness	Number of PepUp active users
	(5) Pep point system (*2)	Maintenance and improvement of motivation for health	Number of PepUp active users
	(6) Smart specific health guidance	Prevention of lifestyle-related diseases	Specific health guidance rate
	(1) Implementation of exercise habit improvement seminars	Exercise will become a habit and a daily routine.	Number of seminar participants
	(2) Implementation of health literacy education	Acquisition of knowledge about health	Number of seminar attendees
Life improvement support	(3) Awareness and cooperation to health promotion events and campaigns	Exercise will become a habit and a daily routine.	Number of event participants
	(4) Fixed-point observation of Health and Productivity Management indicators (work engagement, etc.) through regular awareness surveys	Measurement and verification of the effectiveness of measures	Presenteeism
	(5) Promotion of awareness and utilization of welfare programs (systems)	Utilization of welfare programs (systems)	Utilization rate
Gunnartfor	(1) Reinforcement of recommendation for re-examination to group of persons with findings	Prevention of aggravation	Number of reexaminations
Support for patients requiring treatment	(2) Implementation of workplace improvement seminars	Prevention of occurrence of mental disorders	Overall health risk
treatment	(3) Health support system by providing information from the workplace	Early detection of people with poor health	Number of consultations from workplace

(\*1) PepUp: Healthcare services

(\*2) Pep point system: A system in which points are awarded by participating in health events. Points can be exchanged for various products in PepUp.



## **M** Creating Rewarding Workplaces - Toward the Realization of Diversity

In order to create the new value and pleasure which are the goals of "MITSUBA VISION 2030", it is essential to accept diversity, respect ideas and values, and realize diversity that includes open exchanges regardless of position or organization. MITSUBA has been actively hiring and promoting diverse human resources such as foreigners, and people with disabilities, and actively improving our workplace environment. Moving forward, in addition to our initiatives thus far, we will promote further career support and work style reforms, and implement personnel measures that utilize the diversity of our employees in our business activities and internal culture reforms.

## **Creating a Comfortable Workplace for Women**

MITSUBA has been actively implementing measures such as increasing the hiring of women in order to increase the ratio of female employees. Moreover, in order to increase the retention of female employees, we are increasing the rate of employees who take childcare leave and have established an in-house daycare center for children (Ohisama Garden).

Many female employees return to work after taking the maternity leave and childcare leave system. MITSUBA is promoting the social advancement of women throughout our company.

Moreover, we launched a company-wide project to further promote the active participation of women and started activities.

## • Establishment of In-house Daycare Center for Children (Ohisama Garden)

In April 2007, MITSUBA Group established Ohisama Garden, an in-house daycare center for Group employees, as part of initiatives to create an environment in which makes work easier for employees who are raising children. MITSUBA believes that an environment where children can be raised with care leads to a sense of security, which in turn leads to the peace of mind we provide to people around the world. Many female employees return to work after taking the maternity leave and childcare leave system. MITSUBA is promoting the social advancement of women throughout our company.



In-house childcare facility - "Ohisama Garden"

## **Prior** Creating Rewarding Workplaces - Toward the Realization of Diversity

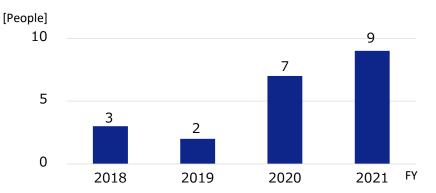
## **Creating a Comfortable Workplace for Women**

- Various Leave Systems

In order to support employees who are raising children, we have established a shortened working hours system for childcare. This system can be taken until the child reaches the beginning of third grade at elementary school.

In addition to annual paid leave, MITSUBA has also established a "life support leave system" that can be taken for situations such as caring for a family member or commuting to a hospital.

Similar to childcare, for employees who are caring for a family member, we have established a "shortened working hours system", "long-term care leave system", and "long-term care absence system." These systems support a balance between work and family.



### Number of (male) employees taking childcare leave



### Number of (female) employees taking childcare leave

## **M** Creating Rewarding Workplaces - Toward the Realization of Diversity

## Promoting the Utilization of Non-Japanese Human Resources

MITSUBA group is expanding our business globally, so we have many opportunities to interact with non-Japanese human resources. Nevertheless, until now, we had focused on human resources exchange centered on Japan. Going forward, we will actively transfer human resources between domestic and overseas affiliated companies. We will also promote the active utilization and success of non-Japanese human resources. Furthermore, for the purpose of sharing values and encouraging the standardization of management skills, MITSUBA will expand opportunities for non-Japanese human resources to interact in various situations such as "Global Leader Development Training" and human resource development through practical training in Japan.

#### Participation in the Global Leader Development Training

October 2016	July 2017	October 2017	July 2018	October 2018	Total
18 trainees	15 trainees	27 trainees	13 trainees	14 trainees	87 trainees

\*The implementation is now on hold in order to avoid the spread of the new coronavirus.

## **Promoting Employment of People with Disabilities**

MITSUBA has established the special subsidiary, Amco Corporation and MITSUBA Group is promoting the employment of people with disabilities. As working styles become increasingly diversified, we will expand the types of jobs and hiring areas in the future to create comfortable workplaces for people with disabilities.

Actual employment of people with disabilities Scope: MITSUBA Group	As of the end of March 2022 2.42%
--------------------------------------------------------------------------	--------------------------------------

## **Creating Rewarding Workplaces - Toward the Realization of Diversity**

## **Post-retirement Re-employment**

MITSUBA has set our retirement age at 60 years old. However, we have a post-retirement re-employment system that allows employees to continue working if they wish to do so. Every year, by utilizing skills and knowledge cultivated over many years, many employees continue to fill active roles in various workplaces even after their retirement. The widespread operation of the postretirement re-employment system is a key element in our slogan of "MITSUBA will bring out the best in its associates, as its associates bring out the best in MITSUBA."

#### Rate of post-retirement re-employment



## New Method of Operation (Remote Work)

MITSUBA introduced a work-from-home system in FY 2020 as part of its new work style. We hope to increase operational efficiency through individual work styles in conjunction with the implementation of the rules for limiting the spread of new coronavirus infection.

Working from home rate results	Average from March to August 2022
Scope: MITSUBA Group	5%

## **Quality Policy**

## - We will make MITSUBA the brand of choice on a global scale -

By supplying products which meet the needs of customers, MITSUBA aims to become a trusted corporate whose products are preferred and highly valued by our customers.

Additionally, we aim to make the name of MITSUBA synonymous with the values of "technology in harmony with society and the environment" and "pleasure and peace of mind." We will expand the MITSUBA brand not only in Japan but also throughout the world.

## **Quality Management System**

MITSUBA has built and operates a quality management system that complies with the international standard IATF 16949 for the automobile industry. We are working to continuously provide products that meet the needs of our customers and comply with laws and regulations in each country. We have acquired and maintained IATF 16949 certification at our production sites, including overseas and domestic Group sites, and we are promoting continuous improvement of our quality management system.

Additionally, as part of our internal quality control, we conduct yearly quality management system and manufacturing process audits to ensure that the processes are operating effectively. Management evaluations lead to system improvements. Furthermore, we have begun quality compliance checks and are attempting to determine if on-site inspections are being carried out properly and in accordance with the regulations, as well as whether fraud, such as data fabrication, has occurred.

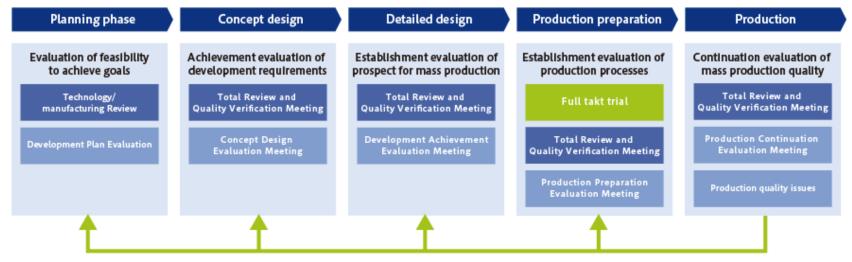


## **Quality Assurance Activities**

MITSUBA evaluates the appropriateness, adequacy, and effectiveness of its quality management system, monitors progress on quality concerns, and offers improvement instructions at quality meetings led by the President and Representative Director. Moreover, we have formed quality committees for each function, such as production technology and production departments, to design systematic quality improvement strategies and try to increase the quality level.

Furthermore, based on our product development flow, MITSUBA holds quality verification meetings at each stage from development planning to design and production. At these meetings, we evaluate product safety and conformity with quality regulations. In quality assurance activities prior to mass production, we hold production trials (full takt trials) equivalent to mass production in order to evaluate fluctuations in quality and to prevent the recurrence of the quality issues.

### Management during new product development



Feedback to next-generation development products



## **Quality Education**

MITSUBA's quality education systematically develops human resources through stratified education and specialized education.

For stratified education, we have started education for managers that fosters a culture of quality. We are also working to build management that places utmost priority on quality.

We also hold education for "learning lessons from problems in the past." In this education, we strive to ensure the safety of new products by having employees actually handle defective parts, thereby deepening their awareness.

For specialized education, in order to establish highly durable design (including changes over time and changes in strength) and processes which make manufacturing easier, we are conducting quality engineering education and working on concurrent development (\*) that combines simulation and quality engineering.

(\*) Concurrent development: A method that shortens the development process by simultaneously promoting upstream processes such as planning and design and downstream processes such as manufacturing and testing, and by optimizing designs and processes at the initial stage of development. Since related departments gather together and communicate among them, mutual losses due to miscommunication can be avoided.

Category	Training Name	No. of Participants (Accumulation)	Implementation rate (Compared to plan)
Stratified education	Quality Culture Training	296 participants	100%
Specialized education Quality Engineering Training		503 participants	100%

## **MEE Activity (QC Circle)**

At MITSUBA, we call QC circle activities "MEE Activities" and have a history of more than 50 years since the introduction.

These activities have a broad scope that includes domestic and overseas MITSUBA Group sites. Improvement cases selected from the sites are reported by them at the global competition (MEE Competition).

To date, 170 groups from the overseas MITSUBA Group sites have participated through sharing of improvement cases and crosscultural communication. MITSUBA is striving to raise our employees' awareness and revitalize the workplace by having Group employees getting to know their colleagues.





## Occupational Health and Safety

Safety measures are an essential theme in the manufacturing industry. MITSUBA group thoroughly implements the principle of "safety first" and works to cultivate "culture of safety" remembering that "ensuring safety is the responsibility of the company and compliance with rules is the responsibility of employees," and strives to create a system that autonomously promotes occupational safety and health measures through labor-management cooperation. We aim to create a safe, healthy, and comfortable working environment by ensuring that each employee considers occupational accidents and mental health as their own concerns, as well as by providing a safe working environment and psychological safety.

### **Company-wide Health and Safety, and Disaster Prevention Committee**

<Policy>

 Health and Safety
 "Raise each employee's awareness of potential hazards and collaborate with company activities to establish a safe workplace free of occupational accidents."

 Diamondary
 "To an analysis"

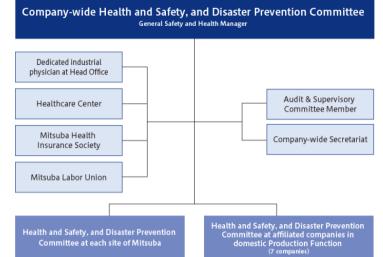
Disaster Prevention "To create a workplace where each employee understands their behavior for responding to disasters (including influenza) and does not suffer any damage."

#### <Operating System>

We established the "Company-wide Health and Safety, and Disaster Prevention Committee" under the supervision of executives to strengthen information sharing and the implementation of measures throughout company sites. Furthermore, at each business location, we have established a Health and Safety, and Disaster Prevention Committee and hold monthly committee meetings to create a comfortable workplace while referring to employee opinions and requests, thereby working as a whole to ensure and improve employee occupational safety and health.

#### <Activity Target>

- There were zero lost-time injuries and 10 or less non-lost-time injuries.
- In the case of a disaster, there will be zero injuries or zero delays in delivery.



## Occupational Health and Safety

## **Initiatives for Occupational Health and Safety**

## • Prevention of Occupational Accidents

MITSUBA Group conducts workplace safety patrols and mutual safety patrols between business sites to prevent occupational accidents. Furthermore, we are making improvements to reduce risks through risk assessments. In the unlikely event that an occupational accident occurs, we will use the Occupational Accident Analysis Sheet to identify the true cause and take measures to prevent recurrence.

Moreover, the company-wide secretariat conducts on-site reviews to conduct analysis from different view points and verify the effectiveness of measures. Furthermore, regarding occupational accidents, the Company-wide Health and Safety, and Disaster Prevention Committee is working to prevent similar accidents from occurring by laterally spreading information to each business site.

## Safety and Health Training

At MITSUBA, as an educational curriculum that matches the employee's rank and role, newly promoted employees increase their knowledge of health and safety through stratified education. Moreover, we apply practical techniques such as KYT (Risk prediction training), and TWI-JS (Safe work methods) for managers and supervisors to acquire skills to lead the workplace. Furthermore, when dispatched employees are hired, we provide trainings for new hires, as well as educational curriculums and support at the request of partner companies.

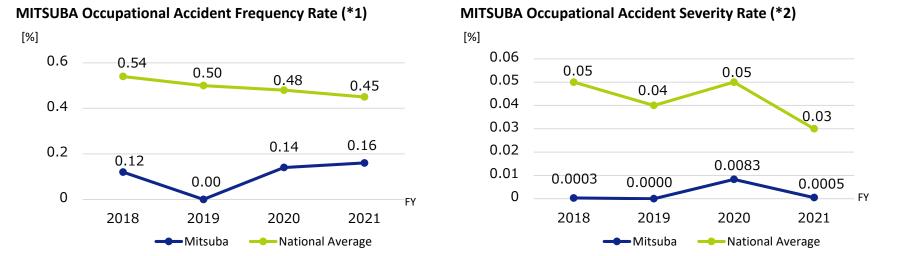
## Response to Trainees in Technical Internship

At MITSUBA, in order to ensure that the technical intern trainees (China and Vietnam) can correctly understand the work instruction sheets, notices, etc., we translate them into their native languages so that they can work and act safely.



## Occupational Health and Safety

## **Occurrence of Occupational Accidents, etc.**



(\*1) An index that expresses the frequency of accidents is the number of casualties due to occupational accidents per 1 million actual working hours.

Frequency rate = Number of casualties due to occupational accidents / Total working hours x 1,000,000

(\*2) An index that expresses the severity of an accident is the total number of working days lost per 1,000 actual working hours. Severity rate = Total working days lost / Total working hours x 1,000



# Respect for Human Rights

MITSUBA Group upholds respect for human rights in its code of practice, "How We Should Act." Moreover, to continue to be a company that is trusted by the international community by communicating not only with our employees, but also with our suppliers and local communities, and by respecting the basic human rights of society as a whole.

We have built a mechanism for escalation in the event of issues involving human rights based on the Group standard "Group Compliance and Risk Management Regulations," and we have set up internal reports and consultation desks inside and outside of the company to deal promptly and appropriately and strive to reduce human rights risks.

## **Abolition of Discrimination**

MITSUBA Group advocates the abolition of discrimination in its code of practice "How We Should Act" and in the hiring and employment, we do not discriminate based on birth, nationality, creed, religion, gender, race, ethnicity, age, mental/physical disability, medical history, social status, etc.

### **Freedom of Association and Collective Bargaining**

MITSUBA considers collective bargaining to be an element of basic human rights that should be respected as a company, and recognizes the right of employees to bargain collectively regarding wages, working conditions, etc., in collective bargaining agreements.

## **Child Labor and Forced Labor**

In order to prevent child labor, MITSUBA confirms the age in the documents submitted when joining the company. Moreover, in order to prevent forced labor, we employ voluntary applicants based on their own will, and we notify employees of the working conditions by the document in advance.



# Respect for Human Rights

## **Human Rights Education**

MITSUBA is working to raise awareness of human rights by conducting CSR education for employees using e-learning and by providing education on harassment at the "Personnel Labor Management Meeting" for managers once a year.

### **Human Rights Assessment**

In MITSUBA, a check sheet is used to periodically (once a year) evaluate the effectiveness of CSR activities, including human rights. Moreover, evaluations of the CSR management system by a third-party organization are received periodically (once a year), and we are working on maintaining and improving the CSR activity framework further.

Furthermore, based on the Group standard "Group CSR Rules", the effectiveness of the CSR management system of each MITSUBA Group company is being evaluated (personal assessment). We have established items related to human rights, such as child labor prevention (age verification at the time of employment) and measures to prevent harassment. If the personal assessment results are found to be insufficient, we will conduct an audit of each company in MITSUBA Group to confirm the current situation and propose improvements. We will continue to work to further reduce risks through continuous monitoring and improvement proposal.



## Social Contribution

MITSUBA Group values our founding spirit of "contributing to the local community." Our group companies throughout the world engage in various social contribution activities.

• Forest Maintenance Volunteers

MITSUBA Corporation has signed an "Forest Maintenance Activity Agreement" with Gunma Prefecture. Twice a year, volunteers from MITSUBA perform forest maintenance at Gunma Insect World. While maintaining good relationships with local communities, MITSUBA contributes to conservation of satoyama (woodland close to villages) and prevention of global warming.

- Supporting Repair of Local Elementary Schools MITSUBA Philippines Corp. repaired a school building at the request of a local elementary school (Lipa City, Batangas, Philippines). Employees also cooperated in restoration work, including the donation of materials, cleaning tools, and equipment necessary for restoration.
- Giving Christmas Presents to Children
   Every Christmas, MITSUBA Automotive Systems of Europe Kft.
   (Hungary) gives "shoebox gifts" to children in poor families.
   Through the Hungarian Baptist Aid (a humanitarian aid organization), we provide items collected from employees as gifts.
- Providing School Supplies to Children in Orphanage MITSUBA Vietnam Co., Ltd. provides school supplies to orphanages in Kon Tum Province, Vietnam. In order to convey the importance and enjoyment of learning, the company gives children stationery and notebooks collected by volunteer employees.

 Provision of Scholarship Funds In 2009, American MITSUBA Corp. started a scholarship fund for the Central Michigan University. We accumulated a total of \$25,000

and then spent that money to provide scholarships to two students every year.

 Joint Environmental Education to Children MITSUBA do Brazil Ltda. provides joint environmental education to children in cooperation with the environmental committee of the industrial zone where the company is located.





Forest maintenance volunteers

Supporting repair of local elementary schools



Joint environmental education to children



Providing school supplies to children in orphanage



## **State Corporate Governance**

In order to meet the expectations of our stakeholders and win their trust, MITSUBA will continue to improve corporate value and implement fair, wholesome, and highly transparent management corporate value based on our corporate philosophy "providing pleasure and peace of mind to people of the world."

### **Basic Policy on Corporate Governance**

#### (1) Ensuring shareholder rights and equality

The Company shall treat all shareholders equally in accordance with their holdings, and shall secure the substantial rights of shareholders, based on the "Principle of shareholder equality" stipulated in the Companies act, and disclose information in a timely and appropriate manner so that such rights understanding of our stakeholders. Moreover, when disclosing can be appropriately exercised. Moreover, at the general meeting of shareholders of the Company, the Company will strive to create an environment in which more shareholders can exercise their voting rights, taking into consideration the composition of the Company's shareholders.

#### (2) Consideration of stakeholder interests

We consider the interests of our stakeholders, including customers/consumers, employees, shareholders/investors, business partners/creditors, and society, and cooperate appropriately in order to sustainably improve our corporate value. Moreover, in order to ensure that the Board of Directors by appointing outside directors to ensure fair and the interests of stakeholders are not harmed, the company shall establish a highly transparent management. code of practice and internal regulations based on its corporate philosophy, and each officer and employee shall practice these and monitor the implementation status. Furthermore, the company has developed a reporting system internally and externally to ensure that the Board of Directors is informed of concerns about illegal activities and unethical practices at the company, and that the whistleblower is not adversely affected.

#### (3) Ensuring appropriate information disclosure and transparency

Based on the Companies Act and other applicable laws and regulations, we will determine our policy on information disclosure, disclose information deemed important in a timely and appropriate manner, and obtain the information, try to provide specific and easy-to-understand descriptions.

#### (4) Responsibilities of the Board of Directors, etc.

The Company's Board of Directors, entrusted by shareholders, is responsible for the sustainable corporate value improvement through the realization of efficient and effective corporate governance. For this reason, the Company will separate the management decision-making and supervisory functions from the business operations functions to ensure efficient business operations, and strengthen the supervisory function of

#### (5) Dialogue with shareholders

In order to sustainably improve corporate value, we will actively engage in dialogue with shareholders and investors through opportunities such as the General Meeting of Shareholders and Investor Relations, etc., and strive to ensure that they understand our management strategies and plans, as well as reflect the opinions of shareholders and investors in our management.

## **Section 2** Corporate Governance

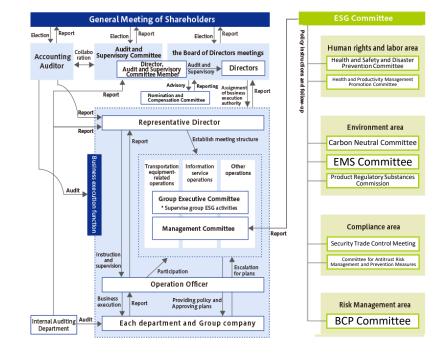
### **Corporate Governance System**

MITSUBA has adopted a company with an Audit and Supervisory Committee as an organizational design under the Companies Act. Moreover, the operating officer system is introduced and appointed four outside directors to promote stronger governance and more efficient management.

Furthermore, we have established the Nomination and Compensation Committee, an advisory body to the Board of Directors, and are working to strengthen governance by increasing the objectivity and transparency of the procedures for determining the nomination and compensation of directors.

### **Business Operations System**

In order to make management decisions quickly and appropriately, MITSUBA delegates business operation authority to meetings such as management meetings, and has a matrix structure with functional organizations (departments, sections, projects) that execute business. Important matters related to ESG are deliberated at the ESG committee, which was established as a company-wide meeting body related to ESG, and reported to the management meeting. Various committees have been set up as subordinate bodies of the committee to formulate action policies and monitor important company-wide themes in each area, and respond to various management issues raised by each committee under the direction and orders of the compliance officer and the risk management officer. Related policies, etc.:



Corporate Governance Report

Basic Policy for the Internal Control System

## MITSUBA

Governand

As stated in the mission statement of our CSR policy, MITSUBA Group is a company that meets the expectations of the society and is trustworthy, so in our code of practice, "How We Should Act," we stipulate that "We will correctly understand and comply with the content and spirit of the laws and regulations, as well as understand the trends in amendments and respond appropriately." In order to promote the creation of an organization and culture that emphasizes compliance, we have established the Group standard "Rules for Compliance and Risk Management in MITSUBA Group" related to compliance, and we are promoting initiatives related to compliance throughout the company.

### **Promotion System**

At MITSUBA, in order to strengthen our compliance system, we have established the so-called "three defense lines" (fostering on-site awareness, management by the Legal Department, and internal audits by the Internal Auditing Department), and have constructed a system that enables thorough legal compliance. Moreover, decisions on important matters concerning compliance and risk management initiatives in MITSUBA Group are made in the ESG committee. Details of discussions, resolutions, and progress made in the ESG committee are reported to the MITSUBA Board of Directors through the MITSUBA management meeting.





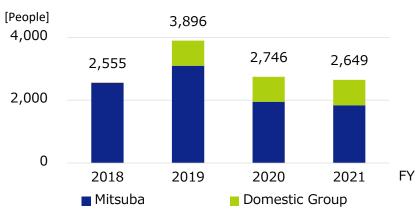
### **Initiatives to Strengthen Compliance**

## Fostering Compliance Awareness

At MITSUBA group, we are working to foster compliance awareness throughout the Group by distributing portable cards with the Group codes of practice, "How We Should Act," which specifically define the act that each employee should practice on a daily basis.

### • Compliance Education

MITSUBA Group conducts compliance education by theme, such as the Antitrust Law, as part of stratified education, as well as offering global e-learning courses. Moreover, once a year, at the "Personnel Labor Management Meeting" for managers, we provide various education according to roles and duties, such as education on the Labor Standards Act, daily labor management, and harassment.



#### **Compliance e-learning participants**



### **Initiatives to Strengthen Compliance**

## Whistle-blowing System

MITSUBA Group has set up the "MITSUBA Comprehensive Consultation Desk", both internally and externally (at law firms), where employees can report and consult about "corporate ethics" and "compliance". We will investigate all reported and consulted matters, take appropriate measures, and report to the ESG committee. When operating the "MITSUBA Comprehensive Consultation Desk", we give thorough consideration to human rights, such as protecting the privacy of whistleblowers and consulters and preventing any disadvantage. Moreover, our internal regulations clearly state the penalties for unfavorable treatment of whistleblowers and consulters.

### • Initiatives to Prevent Corruption

MITSUBA Group issues and operates the "Anti-Bribery Guidelines" to prevent corruption. These guidelines clarify the behavior required of MITSUBA Group employees, mainly by indicating prohibited acts when interacting with public officials. In addition to bribery of public officials, it also calls for thorough implementation of fair transactions with private business partners. In addition, the internal regulations clearly state the penalties for violations of the law.

In FY 2021, there were no cases of fines, terminations or other incidents related to corruption.



## **Initiatives to Strengthen Compliance**

## • Prevention of Anti-competitive Behavior

Regarding the Antitrust Law and the Subcontract Law, we have established an "Antitrust Law Compliance Manual" and provide regular education to prevent anti-competitive behavior. When MITSUBA employees come into contact with competitors, prior application and post-event reporting are carried out, and thorough measures are taken to prevent acts that could be suspected of violating the Antitrust Law. Moreover, the internal regulations clearly state the penalties for violations of the law. In the FY 2021, there were no cases of fines, terminations or other incidents related to anti-competitive behavior.

## Inspection and Improvement of Activities

In MITSUBA, evaluations of the CSR management system by a third-party organization are received periodically (once a year), and we are working on maintaining and improving the CSR activity framework further.

Moreover, based on the Group standard "Group CSR Rules", the effectiveness of the CSR management system of each MITSUBA Group company, including compliance, is being evaluated (personal assessment). If the personal assessment results are found to be insufficient, we will conduct an audit of each company in MITSUBA Group to confirm the current situation and propose improvements. Furthermore, if there is a problem, it will be reported to the top management, etc. as necessary, and improvement measures such as implementing measures to prevent recurrence will be taken.

We will continue to work to further reduce risks through continuous monitoring and improvement proposal.



# **Risk management**

### **Risk Management System**

In order to minimize diversifying risks such as large-scale earthquakes and other natural disasters, new coronavirus infections, and geopolitical risks such as Russia and Ukraine problems, MITSUBA Group will enhance and strengthen comprehensive risk management. We position risk management as an important management issue in achieving the mission statement of our CSR policy and aiming for sustainable growth and stability. We have established the "Rules for Compliance and Risk Management in MITSUBA Group" as a Group standard for risk management, and are promoting initiatives to respond to loss crises that can occur in normal times and emergencies.

### **Business Risks**

MITSUBA Group regularly (once a year) identifies "business risks" related to changing social and environmental issues at ESG committee, and evaluates them based on their frequency of occurrence and degree of impact. In addition, we clarify the departments and committees responsible for these risks, formulate mitigation measures and give instructions to implement them, identify important risks, and disclose them to the outside through <u>Asset Securities Reports</u> and other means.

## **BCM (Business Continuity Management)**

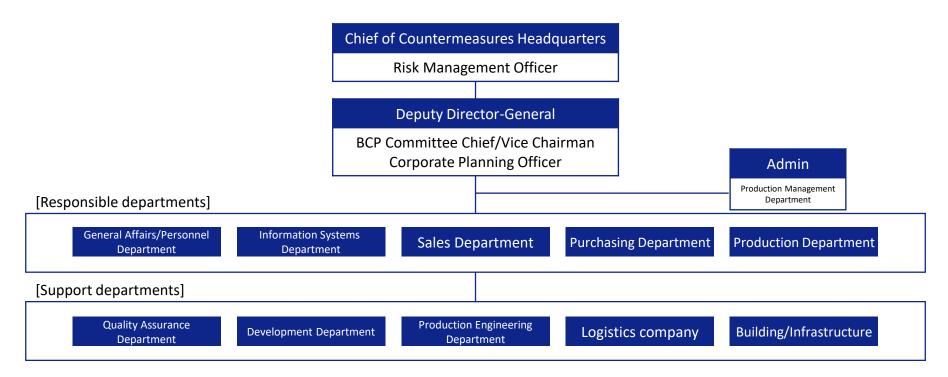
MITSUBA Group regards the formulation of a BCP (Business Continuity Plan) to fulfill its product supply obligations as a company as a priority theme. Regarding BCP as a group, we will establish a "BCP Committee" under the "ESG Committee", which is a company-wide committee, and develop an appropriate management system. Moreover, we have set up a "production and sales meeting" as an organization to handle risks from product production to sales, and will identify risks and implement necessary measures from the perspective of stable product supply and disaster prevention.



# Risk management

### **Disaster Countermeasures Headquarters**

MITSUBA has established the "Group BCM Regulations" and is proceeding with the construction of a BCM (Business Continuity Management) system. In the event of a risk, a countermeasures headquarters is convened, and under the direction of the Chief of the Countermeasures Headquarters, the departments in charge and related departments work together to ensure a swift response. Moreover, by engaging in BCP trainings that simulate earthquakes, we are working to confirm the effectiveness of the current system and strengthen our business continuity capabilities. Furthermore, based on lessons learned from the trainings, we are revising various procedures and aiming to step up our crisis management system.



With rapid digitalization, there is a demand for the utilization of digital data to strengthen competitiveness. Damage caused by cyberattacks is increasing year by year all over the world, and attack methods are becoming more sophisticated. In such an environment, MITSUBA has established a "Basic Policy on Information Security" and is working to improve information security by implementing information security measures that consider the cybersecurity risks unique to the automobile industry.

## **Basic Policy on Information Security**

In order to contribute to the creation of a prosperous automobile society, through management activities centered on transportation equipment related business (\*1), MITSUBA believes that protecting the information assets (information entrusted to us by customers, development information including intellectual property, etc.) it handles from intentional or accidental threats is an extremely important responsibility.

MITSUBA aims to meet the expectations of society and become a trusted company by protecting information assets in order to achieve "provide pleasure and peace of mind to the people of the world" as stated our mission statement (\*2), and to establish a Basic Policy on Information Security that we will comply with.

(\*1) Transportation equipment related business: Business centered on electrical components for automobiles and motorcycles and other vehicles that apply such technologies.

(\*2) MITSUBA mission statement: Together with those who support it, MITSUBA will provide pleasure and peace of mind to the people of the world by creating technology in harmony with society and the environment.



## **Basic Policy on Information Security**

1. <u>Scope</u>

The following applies to information and personnel (\*1) related to business activities.

- Applies to information assets handled by MITSUBA and information assets entrusted to us by customers.
- Applies to MITSUBA employees (\*2).
- Even if a third party company handles information handled by MITSUBA, it will be handled in accordance with this policy.

### 2. Promotion organization and system

MITSUBA will clarify the organization and responsible person for the promotion and operation of information security management, and implement appropriate management of information assets.

### 3. Compliance with laws and norms

MITSUBA will establish and comply with internal

regulations based on laws and various norms related to promoting information security and management.

### 4. Education and training

MITSUBA will regularly conduct security education according to duties and operations for personnel (\*1) who handle information, will make them aware of the importance of information assets, and will ensure that such assets are properly used.

### 5. <u>Risk management measures</u>

MITSUBA will take appropriate human, physical, and technical measures against various risks caused by threats such as loss, destruction, falsification, leakage of confidential information, and unexpected service interruption.

### 6. Continuous improvement

MITSUBA will continuously improve this basic policy and related internal regulations.

(\*1) MITSUBA Group executives, employees, temporary employees

(\*2) MITSUBA executives, employees, temporary employees



## **Promotion System**

MITSUBA manages and operates the information systems of the entire group, including the security of MITSUBA and its domestic and overseas affiliates with the supervision of the person in charge of information security (Information Systems Executive Officer) under the organizational structure of the Group Information System Management Regulations as shown in the figure below.

Moreover, the Security Operation Center (SOC) has been operated to monitor the information equipment and networks of the entire Group, including domestic and international affiliates, and to promptly analyze and respond to cyberattacks or abnormalities such as malware or unauthorized access and malfunctions.

SOC is working to improve the level of information security by using sites with computer security information such as IPA and JPCERT/CC, as well as the Vulnerability Countermeasure Information Database (JVN) and investigating new information security risks, as well as risk improvement and the introduction of security tools as necessary.

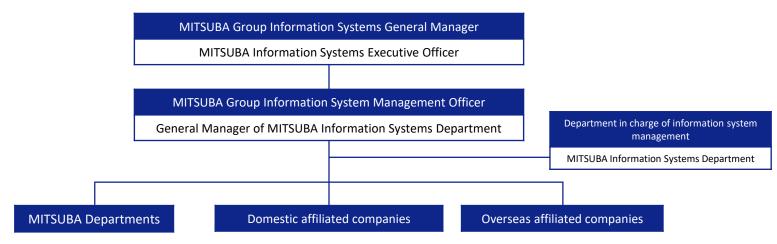


Figure: MITSUBA Group Information System Management Organizational Chart (Excerpt from MITSUBA Group Information System Management Regulations)



## **Initiatives to Strengthen Information Security**

### Development of Guidelines

MITSUBA has established the "Group Information Infrastructure Utilization Guidelines" to prevent significant impacts on information assets (especially data), information networks, and information security, and to ensure the appropriate and smooth use of information infrastructure for personnel who handle information of the entire Group, including domestic and overseas affiliates.

## • Information Security Education

MITSUBA regularly conducts information security education through e-learning for personnel who handle information of the entire Group, including domestic and overseas affiliates, in an effort to raise awareness of information security.

Information Security Education	
Participation Rate	Actual Values (FY2021)
Scope: MITSUBA Group	100% (5,015 people)
Target value (FY2021): 100%	

### Information Security Risk Assessment

MITSUBA conducts regular information system audits of each department and domestic and overseas affiliates in accordance with regulations to assess and correct risks related to information security, and is working to improve the level of information security throughout the Group.





### **Initiatives to Strengthen Information Security**

### • Response to Emergencies

In the event of a serious information security incident, such as the suspension of production due to a cyberattack, a Disaster Countermeasures Headquarters based on MITSUBA's Business Continuity Plan (BCP) regulations was established so that management decisions can be made in the event of an emergency, as in the case of a natural disaster such as an earthquake directly under the Tokyo metropolitan area.

In addition, the Information System Business Continuity Plan (IT BCP) and "Information Security Incident Management Regulations" were established based on the plans and procedures to minimize the damage in the event of an emergency, and in order to maintain and improve their feasibility, so targeted attack e-mail trainings and other activities are conducted according to the plan.





# Initiatives related to Taxation

International tax rules triggered by the Base Erosion and Profit Shifting (BEPS) project by the Organization for Economic Co-operation and Development (OECD) are becoming more complex year by year, and the importance of corporate governance related to taxation is increasing in Japan. MITSUBA Group has established the "Group Tax Management Regulations" and is working to strengthen appropriate tax payment and tax governance on a global basis, and to maintain and improve tax compliance.

## **MITSUBA Group Basic Tax Policy**

Based on the mission statement of "providing pleasure and peace of mind to the people of the world", MITSUBA Group strives to comply with the tax-related laws and regulations of each country and region as well as international rules in order to realize fair business activities, believes that paying taxes is a corporate obligation, and strives to contribute to society through appropriate tax payments.

### **Promotion System**

Under the responsibility of the Chief Financial Officer of MITSUBA, the MITSUBA Accounting Department has established a global tax governance system to address tax-related matters. At each Group company, a tax manager appointed by the president of each company is responsible for managing and supervising tax operations and reporting to the MITSUBA Accounting Department.

### **Response to Tax Risks**

MITSUBA has established reporting lines from each MITSUBA Group company to collect information on tax risks. Highly important matters are reported to the Management meeting based on the judgment of the Chief Financial Officer of MITSUBA. Moreover, MITSUBA is working to reduce tax risks by providing advice from experts and confirming with tax authorities.





## Initiatives related to Taxation

## **Education and Awareness Building Activities for Employees**

MITSUBA Group provides education to ensure that each and every employee recognizes that compliance with tax laws and rules is the best way to minimize tax risks and increase corporate value, and to ensure tax compliance.

## **Realization of Appropriate Tax Burden**

MITSUBA Group strives to optimize its tax burden by appropriately and effectively using measures to reduce its tax burden, but it does not save taxes by interpreting or applying laws and regulations that deviate from the intent of the law. Moreover, we will not avoid tax by utilizing tax havens, etc.

### **Relationship with Tax Authorities**

MITSUBA Group strives to ensure proper tax filing and reduce tax risks by building and maintaining good relationships with the tax authorities of each country and checking with the tax authorities in advance if necessary.



## **Environment related Data**

Unless otherwise specified, the figures and information are as of the end of each fiscal year (March 31st) or for the full year (April 1st to March 31st of the following year). In addition, consolidated in environment-related data refers to MITSUBA and production site group companies.

			Range	Unit	2018	2019	2020	2021
Reduction of	Greenhouse gas	Scope1 *1	Consolidated	t-CO <sub>2</sub>	15,158	14,163	13,267	13,597
greenhouse gas	emissions	Scope2 *2	Consolidated	t-CO <sub>2</sub>	161,497	158,039	143,631	146,991
emissions		CO <sub>2</sub> emissions (Scope1 + Scope2)	Consolidated	t-CO <sub>2</sub>	176,655	172,202	156,898	160,588
		Scope3 *3	Consolidated	t-CO <sub>2</sub>	-	-	-	412,055
		CO <sub>2</sub> emissions (Scope1 + Scope2 + Scope3)	Consolidated	t-CO <sub>2</sub>	-	-	-	572,643
		Emissions of Ozone-Depleting Substances (ODS) *4	Consolidated	-	-	-	-	-
Energy	Total energy input	Electric power	Consolidated	TJ	2,912	2,806	2,539	2,599
efficiency	amount	Kerosene	Consolidated	TJ	24	18	16	14
		LPG	Consolidated	TJ	32	24	14	13
		City gas	Consolidated	TJ	56	50	51	53
		Natural gas	Consolidated	TJ	142	153	165	177
		Diesel	Consolidated	TJ	15	14	53	29
		Solar power generation	Consolidated	MWh	1,465	2,415	2,742	2,708
Resource	Water resources	Water intake	Consolidated	Me	1,395	1,346	1,158	1,376
recycling		Base unit index	Consolidated	-	1.000	0.990	0.966	1.115
		Wastewater	Consolidated	Мf	837	808	695	826
		Water consumption	Consolidated	Me	558	538	463	550
	Natural resources	Iron	Individual	t	33,380	32,381	25,568	30240
		Copper	Individual	t	5,224	4,372	3,603	3391
		Aluminum	Individual	t	4,267	3,833	3,511	3414
		Other metal	Individual	t	48	212	39	42
		Resin	Individual	t	9,694	7,206	6,188	5232
	Emissions	Amount of waste generated	Consolidated	t	76,485	53,018	49,507	51,875
		Amount of hazardous waste generated	Consolidated	t	5,098.33	3,157.93	2,971.11	2821.05
		Amount of non-hazardous waste generated	Consolidated	t	71,387	49,860	46,536	49,054
		Amount of waste recycled	Consolidated	t	71,387	49,860	46,536	49,054
		Waste recycling rate	Consolidated	%	93	94	94	95

\*1 Scope1 : Direct emissions of greenhouse gases from the combustion of fuel, which are calculated based on the GHG protocol coefficient.

\*2 Scope2 : Indirect emissions of greenhouse gases due to the use of electricity, which are calculated based on the country-specific coefficient of the IEA (International Energy Agency).

\*3 Scope3 : Other indirect emissions covering the company's upstream processes, excluding scopes 1 and 2

\*4 As a result of measurement, it was confirmed that only a miniscule amount was discharged, so it is not tabulated.

Unless otherwise specified, the figures and information are as of the end of each fiscal year (March 31st) or for the full year (April 1st to March 31st of the following year).

				Range	Unit	2018	2019	2020	2021
Employee data	No. of employees		Male	Individual	Person	3,074	3,019	2,661	2,487
			Female	Individual	Person	1,031	1,062	965	813
			Total	Individual	Person	4,105	4,081	3,626	3,300
	Gender ratio		Male	Individual	%	75%	74%	73%	75%
			Female	Individual	%	25%	26%	27%	25%
	Consolidated No. of employees		Total	Consolidated	Person	28,433	28,230	26,126	24,341
	No. of employees	Below 30 years old	Male	Individual	Person	711	725	666	576
	by generation		Female	Individual	Person	279	303	313	275
		30 to 39 years old	Male	Individual	Person	787	796	751	681
			Female	Individual	Person	74	85	82	93
		40 to 49 years old	Male	Individual	Person	936	898	874	767
			Female	Individual	Person	278	254	230	185
		50 to 59 years old	Male	Individual	Person	920	899	913	729
			Female	Individual	Person	209	214	231	200
		60 years old and over	Male	Individual	Person	198	160	143	116
			Female	Individual	Person	15	17	20	11
	Average age		Male	Individual	Age	41.4	41.6	41.0	41.7
			Female	Individual	Age	36.5	36.1	35.4	37.1
	Average length of service		Male	Individual	Year	17.8	18.0	17.6	18.3
			Female	Individual	Year	14.3	13.9	13.5	15.4
	No. of temporary employees			Individual	Person	406	307	156	155
	No. of foreign employees *1		Male	Individual	Person	8	8	9	7
			Female	Individual	Person	6	6	6	6
	No. of employees with disabilities	No. of employees with disabilities		Consolidated	Person	33	32	33	33 11
			Female	Consolidated	Person	12	11	12	
	Employment rate of PWDs			Consolidated	%	2.48	2.54	2.37	2.42

\*1 Excluding trainees in technical internship



Unless otherwise specified, the figures and information are as of the end of each fiscal year (March 31st) or for the full year (April 1st to March 31st of the following year).

				Range	Unit	2018	2019	2020	2021
Employee data	Management level ratio	Managers	Male	Individual	%	7.0%	7.2%	7.8%	8.8%
			Female	Individual	%	0.1%	0.1%	0.1%	0.1%
		Among managers, department manager or higher	Male	Individual	%	0.7%	0.7%	0.9%	1.0%
			Female	Individual	%	0.0%	0.0%	0.0%	0.0%
		Officers (including Executive Officers)	Male	Individual	%	0.9%	0.9%	0.8%	0.9%
			Female	Individual	%	0.0%	0.0%	0.0%	0.0%
		Among executives, managing officers	Male	Individual	%	0.7%	0.7%	0.6%	0.7%
			Female	Individual	%	0.0%	0.0%	0.0%	0.0%
	New graduates	University graduate/master's	Male	Individual	Person	41	48	27	11
		degree or higher	Female	Individual	Person	11	7	5	4
			Total	Individual	Person	52	55	32	15
		Junior college/Specialized	Male	Individual	Person	0	0	0	0
			Female	Individual	Person	0	0	0	0
			Total	Individual	Person	0	0	0	0
		High school graduate/others	Male	Individual	Person	67	65	41	<u>14</u> 7
			Female	Individual	Person	29	42	25	7
			Total	Individual	Person	96	107	66	21
		Retention rate after 3 years *2	Male	Individual	Person	91	92	-	-
			Female	Individual	Person	31	37	-	-
			Total	Individual	Person	122	129	-	-
			Total	Individual	%	83.0%	79.6%	-	-
	Mid-career hires	University graduate/master's	Male	Individual	Person	25	12	9	4
		degree or higher	Female	Individual	Person	3	5	1	0
			Total	Individual	Person	28	17	10	4
		Non-college graduate	Male	Individual	Person	15	14	17	5
			Female	Individual	Person	8	5	1	0
			Total	Individual	Person	23	19	18	5

\*2 Regular employees who entered the company at the beginning of each term (April 1) and are still employed at the beginning of the term (April 1) after three years



Unless otherwise specified, the figures and information are as of the end of each fiscal year (March 31st) or for the full year (April 1st to March 31st of the following year).

				Range	Unit	2018	2019	2020	2021
Work-life	No. of employees takin	g maternity leave		Individual	Person	15	16	34	28
balance	No. of employees takin	g childcare leave *3 *4	Male	Individual	Person	3	2	7	9
	Acquisition period is	within one week	Male	Individual	Person	0	0	1	2
			Female	Individual	Person	35	27	44	37
			Total	Individual	Person	38	29	51	46
	Childcare leave acquisi	tion rate *5	Male	Individual	%	0.03	0.02	0.09	0.12
	Acquisition period is	within one week	Male	Individual	%	0.0	0.0	14.3	22.2
			Female	Individual	%	100	100	100	100
	Childcare leave returni	ng rate *6		Individual	%	100	100	100	97.8
	No. of employees taking daycare leave			Individual	Person	0	0	1	1
	Annual paid leave N	No. of days granted *7		Individual	Day	20	20	20	20
		No. of days taken		Individual	Day	8.1	10.4	10.4	10.1
		Acquisition rate *8		Individual	%	100	100	100	100
	Total annual working h	Total annual working hours per employee		Individual	Hours	1,952	1,952	1,952	1,952
	Monthly average overt	ime hours per employee		Individual	Hours	14.8	19.8	15.5	5.1
	Work from home rate <sup>3</sup>	*9		Individual	%	-	-	-	5.0
Health and safety/	Rate of regular health o	checkup *10		Individual	%	94.9	97.9	98.8	99.5
occupational health	Rate of positive findings in regular health checkup			Individual	%	83.6	85.1	73.3	75.0
and safety	Rate of undergoing stre	ess check		Individual	%	97.5	96.5	97.6	97.9
	Occurrence status of	Work-related injury or death: Frequency rate	Work-related injury or death: Frequency rate		%	2.7192	1.8657	1.2288	0.9317
	occupational accidents	Work-related injury or death: Intensity rate		Individual	%	0.0003	0	0.0083	0.0005
	No. of employees on	Mental health disorder *11		Individual	Person	81	73	51	52
	leave/long-term leave	Illnesses other than mental health *11		Individual	Person	140	132	151	59

\*3 If there is even one day of childcare leave in that term, the number is counted as one person.

\*4 If there is even one day of childcare leave in that term, the number is counted as one person, excluding the number of people on maternity leave.

\*5 The denominator is the No. of employees with children

\*6 Number of employees who returned to work after childcare leave / Number of employees who were scheduled to return to work after childcare leave x 100 \*7 Employees with more than 7 years of service

\*8 If it is obtained even for one day, it is counted as 1

\*9 No. of people who took leave for one day or more / No. of employees x 100

\*10 Excluding employees on leave

\*11 Long-term absentees of one month or more (counted as one person)



Unless otherwise specified, the figures and information are as of the end of each fiscal year (March 31st) or for the full year (April 1st to March 31st of the following year).

			Range	Unit	2018	2019	2020	2021
Human resources	Training hours per employee		Individual	Hours	17.6	17.2	7.5	9.1
development	Training costs per emplo	yee *12	Individual	x10,000 JPY	2.1	1.7	0.8	0.6
Status of participation in various training programs		Career or skills training *13	Individual	%	100	100	100	100
	•	Environment-related training (e-learning)	Consolidated *14	%	-	100	99.5	98.8
	Training on compliance (e-learning)	Consolidated *14	%	-	100	99.5	98.8	
		Training on information security including protection of personal information (e-learning)	Consolidated *14	%	100	100	100	100

\*12 Training fee per person (annual)

\*13 Participation rate of those target persons for career or skills training based on education and training plans

\*14 Scope: MITSUBA and domestic group companies

## Governance-related Data

		Range	Unit	2018	2019	2020	2021
Compliance	Existence or non-existence of a whistleblowing system	-	-	Establishment of Consultation Des		mprehensive	
	Establishment of external consultation desks	-	-	Establishment of an external consultation (law firm) as one of the "MITSUBA Comprehensive Consultation Desk"			
	No. of uses of MITSUBA Comprehensive Consultation Desk	Consolidated	Items	6	7	2	6





## **MITSUBA Corporation**

376-8555 1-2681 Hirosawa-cho, Kiryu-shi, Gunma TEL: +81-277-52-0111 (Main) https://www.mitsuba.co.jp