FOUNDATION OF VALUE CREATION | GOVERNANCE

Risk Management

Risk management

We have organized dedicated committees for each of the five priority areas with high disaster risk: semiconductor manufacturing, power receiving/transforming equipment, casting process, painting process, and mounting process; the committees are promoting disaster risk reduction activities based on annual action plans. In addition, regular audits of dedicated committee activities are conducted by officers and Audit & Supervisory Board Members, and we are actively working to "improve the workplace environment and develop human resources to prevent accidents."

Disaster Prevention Audit Committee	Secretariat

Secretariat: General Administration Div. and Human Resources Div. Production Engineering Administration Div. Purchasing Div.

| Semiconductor Dedicated Committee | Power Receiving/Transforming Dedicated Committee | Casting Dedicated Committee | Painting Dedicated Committee | Mounting Dedicated Committee |

Semiconductor Dedicated Committee

Power Receiving/Transforming Dedicated Committee

Casting Dedicated Committee

Painting Dedicated Committee

Mounting Dedicated Committee

Conducting preventive activities against risks (including natural disasters), and initial action drills

In preparation for large-scale disasters such as Nankai megathrust earthquakes, we conduct evacuation drills for all employees, both daytime and nighttime workers. Additionally, we are conducting training for emergency countermeasures headquarters personnel, simulating what would happen immediately after an earthquake occurs. Through this, we are developing headquarters personnel with crisis management skills who can take the initiative.

At workplaces that have special processes that may cause a fire, fire extinguishing training is conducted to strengthen initial fire extinguishing response. This training is conducted under the guidance of the local fire department.

Firefighters selected from each workplace are regularly trained on fire extinguishing equipment. Two years ago, we concluded a disaster prevention agreement with the local government where our Head Office is located, and made arrangements in advance to accept local residents at our company and provide support such as disaster supplies and food. In the event of a disaster, we will provide smooth and reliable support to the community to contribute to the quick reconstruction of the region.

Initial fire extinguishing training   Power supply training from PHV   Evacuation drills

Initial action drills   Outdoor shelter   Building inspection
Temporary toilet installation

Business Continuity Plan (BCP)

Regarding our business continuity plan, ever since our Nishibiwajima Plant (assembling automotive switches etc. at the time) experienced large-scale flooding due to heavy rains in the Tokai region in September 2000, we have been working on establishing rules and training recovery personnel.

As the rules were designed for any emergency other than earthquakes, we were able to prevent the spread of COVID-19, which was triggered by an emergency call from our Chinese affiliate in January 2020. Thanks to these rules, we were able to continue our business activities without causing any inconvenience to our customers, along with our overseas bases around the world, including Asia, Europe, North America, and South America.

We have been able to confirm that the risk management activities in our group-wide business continuity plan are functioning effectively even during the pandemic. In other words, our business continuity plan is comprehensively promoted by our company and entire supply chain as "All Hazard BCP."

In FY 2023, we will take on the challenge of first response training in the event of a major earthquake, targeting people who will actually be responsible for important duties in the event of an emergency. During this training, officers will also experience recovery activities in the event of a major earthquake. In this way, we will increase crisis awareness throughout the company.

When an emergency occurs, we work together to carry out recovery efforts, led by employees who have improved their skills through training, and take measures to resume production at our plants as quickly as possible. We are also working with our suppliers to prepare for wind and flood damage, such as torrential rains that are a concern due to the effects of global warming, and typhoons that have hit Aichi Prefecture multiple times in the past.

In activities based on our business continuity plan, we are working as a group not only to prepare for major earthquakes, but also to prevent natural disasters such as snow damage, wind and flood damage, infectious diseases such as the COVID-19, and threats to communications and networks.

We understand that "disasters happen" and continue to promote risk management activities while evaluating activities such as production recovery drills, in order to develop human resources who have the ability to adapt to disasters and improve the level of our overall Business Continuity Plan (BCP).
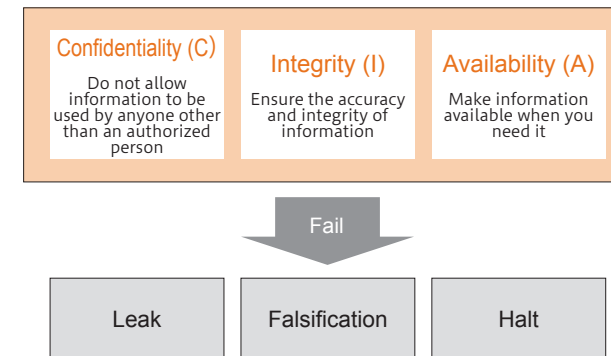
Information Security

We are working to strengthen security and protect "company information" and "client/customer information" from threats such as information leaks and cyberattacks. Based on the premise that incidents and accidents are unavoidable, we are working to build an information management system and improve its operation.

Establishment of information security policy

We are working on the following education and awareness activities, and will continue to do so in the future:
(1) Training by job grade at the time of joining the company or at the time of promotion
(2) Suspicious email countermeasures training for all employees (once a year)
(3) Awareness-raising activities through Information Security Reinforcement Month (once a year) and internal bulletin board (once a month)

[Information security CIA diagram]

Confidentiality (C)	Integrity (I)	Availability (A)
Do not allow information to be used by anyone other than an authorized person	Ensure the accuracy and integrity of information	Make information available when you need it

↓ Fail

Leak	Falsification	Halt

[SIRT* organization diagram] *Security incident response team

Information security policy

1. We regard information security as an important management issue, and after establishing an information security management system, we will continue to engage in information security activities.
2. We evaluate and analyze information security risks and implement appropriate human, organizational, technical, and physical security measures.
3. We will continue to provide education and training on information security to further improve the information security level of all employees.
4. When an information security incident occurs, we will promptly report it to all concerned parties, take initial measures to prevent further spread of damage, investigate the cause, and take appropriate recurrence prevention measures.
5. We regularly inspect all information security initiatives, such as the management system, compliance with rules, and the effectiveness of measures, and carry out continuous correction and improvement activities.

Establishment of vulnerability monitoring and incident response guidelines

As one of our corporate social responsibilities, we will thoroughly implement information security measures and protect our information assets. We will strengthen governance by assuming risks, formulating rules, and building systems for their management and operation. By doing so, we strive to ensure that the use of information does not impair the rights and interests of the information providers.