

Risk Management

Defining risk as matters that could significantly impact company operations, performance, stock price, or other such areas, we identify important risks and consider countermeasures. Here we highlight two representative risks.

Mitigating the risk of natural disasters

To prepare for large-scale disasters such as a Nankai Trough earthquake, we conduct evacuation drills for all employees during both day and night shifts.

We also conduct drills for emergency task force personnel that simulate the immediate aftermath of an earthquake in order to

cultivate personnel with crisis management capabilities who can take the initiative and act decisively. In FY 2023, we clarified the roles of each division in the transition from disaster response to production recovery, and we are conducting drills for this transition to strengthen our preparedness.



Emergency task force / indoor sheltering



Outdoor first-aid station



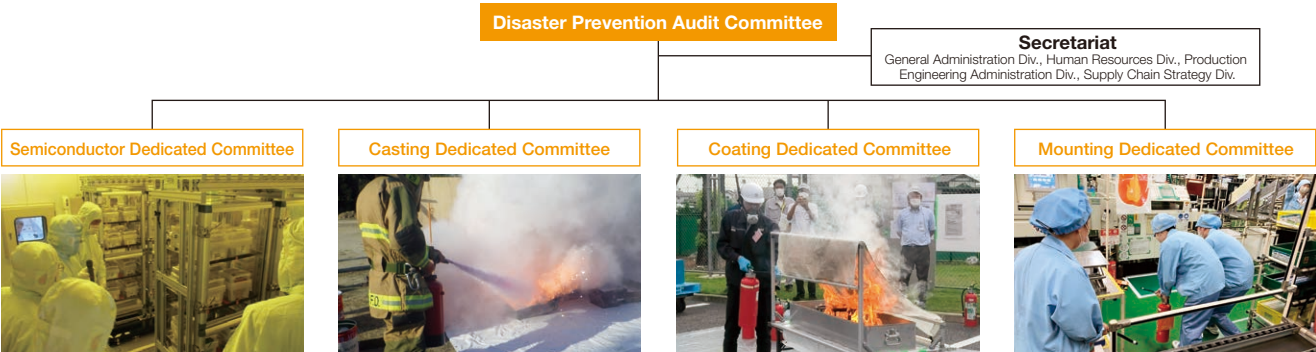
Training for PHV power supply & on-site power generation

Mitigating the risk of fire

In workplaces with special processes that pose a fire hazard, we have set up dedicated committees for four key areas—semiconductor manufacturing, as well as the casting, coating, and mounting processes—to promote initiatives to mitigate disaster risk based on annual plans. Regular audits of dedicated committee activities are conducted by executives and auditors so that we can proactively

develop human resources and create a workplace environment that prevents disasters.

For the past two years, we have been visiting Toyota Motor Corporation's disaster prevention training facility, Kodokan, and using it to cultivate disaster-prepared personnel in order to achieve a zero-fire workplace.



Production recovery drills

Based on our code of conduct, we undertake annual, planned drills at all of our plants in Japan. These drills simulate natural disasters and other emergencies, and train personnel who would respond in such events. Personnel are trained to restore production power, repair damaged production equipment, and engage in back-up procedures involving cooperation with our business partners.

These drills will continue to heighten crisis awareness throughout the company, starting with executives.

Code of conduct during a major earthquake

1 Humanitarian aid (prioritize human life, rescue operations)

2 Early recovery of disaster-affected areas

3 Restore our own operations and production

Preventive measures

To protect the lives of our employees, we are promoting measures to mitigate the effect of disasters, starting with the safety of evacuation routes. We are also working to create a workplace that protects people, such as by anchoring production equipment along evacuation routes to prevent them from tipping over, and implementing measures to ensure that employees do not slip and fall around everyday office equipment such as monitors, copiers, and cabinets. To ensure that our business can continue uninterrupted during any emergency (i.e., to not inconvenience our customers), we are currently installing new emergency power sources and implementing measures to mitigate the effect of disasters for production equipment.



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.

Information security CIA diagram



Establishment of information security policy

We are working on the following education and awareness activities, and will continue to do so in the future. We have been making efforts to ensure that activities appropriate for the workplace can be implemented continuously through the appointment of managers.

- 1 Training by job grade at the time of joining the company or at the time of promotion
- 2 Security training for managers
- 3 Training on responding to suspicious emails for all employees
- 4 Awareness-raising activities through Confidentiality Management Reinforcement Month and the internal bulletin board
- 5 Activities to raise the level of security incident countermeasures by suppliers

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, formulat-

ing 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.

