

K I Z U N A Index

The Five K I Z U N A	Priority issues(Materiality)	K I Z U N A Index	Goals*8		Points	Total
			FY2026	FY2031		
[Society] Protection and compliance	Organization-wide safety culture	Maintain zero-work-related-accident records (death accidents, accidents accompanied by lost worktime, etc.) Evaluation of security capabilities by a third-party organization Continuous improvement of safety level	Maintain zero-work-related-accident records (death accidents, accidents accompanied by lost worktime, etc.) Continuous improvement of safety level (evaluation 4)		25	65
	Environmental conservation	CO ₂ emissions reduction	30% reduction compared to FY2016	50% reduction compared to FY2016	20	
	Healthy Corporate governance	Tree-planting activities for "Forest of Matsutaro" and evaluation of CO ₂ absorption	More than 10 tons of CO ₂ absorption per year		5	
		Establishment and operation of the Sustainability Committee	Implementation of initiatives for sustainable management and improvement of corporate value (Achievement of KIZUNA index)		10	
[People] Get involved	Globalized business scheme	Maintain zero-fraud and zero-compliance-violation records	Maintain zero records		5	
		Index of Japanese expatriate employees*1	Down 15% compared to FY 2020	Down 30% compared to FY 2020	10	
		Overseas sales growth rate	Up 50% compared to FY 2020	Up 85% compared to FY 2020	15	
[Oneself] Take the lead	Diversity & Inclusion	Index of sales volume converted to biomass degree*2	Up 7% compared to FY 2020	Up 15% compared to FY 2020	15	70
		Value-added labor productivity*3	Up 25% compared to FY 2020	Up 35% compared to FY 2020	15	
		Employee Satisfaction Survey (Career Satisfaction Questionnaire)	Employees with high motivation for more challenging work and with a sense of accomplishment : 50% or more	Employees with high motivation for more challenging work and with a sense of accomplishment: 60% or more	10	
	Career satisfaction	Percentage of employees returning to work after medical leave related to mental health over the past three years	80% or more	100%	10	
		Social contribution activities*4	Continuation of cleanup activities in communities, blood donation, etc., and implementation of new contribution activities		5	
		Utilization rate of childcare leave	Utilization rate of paternity leave 30% or more	Rescheduled in FY2026	10	
		Number of female managers	Increase by 7 persons from FY2022 to FY2026	Rescheduled in FY2026	10	
[Technology] Tradition and revolution of technology	Progress in new business domain	Number of missions advanced	8 or more cases for 5 years	10 or more cases for 5 years	10	
		Number of themes advanced to "RAISE" mission	5 cases for 5 years	5 cases for 5 years Commercialization of one product/project*7	20	
	Powerful marketing and R&D	Index of sustainable products in consolidated sales*5	Up 25% or more compared to FY 2020		20	
Production and operations restructuring	Implementation of various measures for products, employees, equipments, etc.	Implementation of various measures such as product integration, OEM, and introduction of IoT		15		
[Customer] Mutual progress	Solid financial base	Operating profit ratio	7% or more	10% or more	10	
		ROE	7% or more	8% or more	10	
	Sustainable procurement and supply	Sustainable procurement rate(in terms of monetary amount)*6	70%	Maintain 70% or more	10	
		Number of supplier audits	50 cases	Maintain 50 cases or more	10	
	Quality management	Reduction rate of quality related complaints	50% reduction compared to FY 2020	Promotion of strengthening measures to minimize incidence	10	

*1 Index calculated by setting the average number of Japanese employees per overseas affiliate in FY 2020 as 100

*2 Biomass degree multiplied by sales volume of major products in the Adhesive and Biomass business, indexed according to our standards

*3 Calculated by setting our standard value-added amount

*4 Five points will be added for each year when a new initiative is implemented.

*5 Calculated by setting the FY 2020 consolidated sales of products that we consider as contributing to sustainability as 100, with the revised scope and criteria for the sales of environmentally friendly products.

*6 Calculated based on our standards for non-rosin raw materials (petroleum-based raw materials), considering the sustainable procurement of raw materials.

*7 New businesses that are changed to "RAISE" mission during the fifth medium-term management plan and achieve 1 billion yen or more in sales, or 100 million yen or more in business profit

*8 Targets may be revised.

※Cells outlined in blue were added on December 23, 2021, and cells outlined in red indicate the targets for Sustainability Linked Bond initiatives (SPTs: Sustainability Performance Targets).