

The TATSUTA logo is rendered in a bold, blue, sans-serif font. The letters 'A' and 'U' feature a distinctive slanted design. The background of the cover is a large, abstract graphic consisting of concentric, curved bands in various shades of blue, overlaid with a network of thin white lines and small blue dots, suggesting a digital or technical theme.

TATSUTA

TATSUTA Electric Wire & Cable Co., Ltd.

Sustainability Report 2022

“Connect-Transfer” technologies for a bright future

TATSUTA, an organization characterized by its highly unique research and development efforts, will explore the frontiers of electric wires and electronic materials. We will continue to contribute to the sustainable growth and development of society.

Management Principles

Based on our core businesses of electric wire/cable and electronic materials and with overwhelming vitality and speed, TATSUTA will continuously and proactively take up the development of businesses that will lead the next generation. At the same time, we will also promote a consolidated management that is both highly conscientious and transparent, so that we may create sustainable growth and improve long-term corporate value, as well as consider global environmental problems while providing products and services with characteristics that will meet customer needs and thus also contribute to the sustainable growth and development of society.

Corporate Code of Conduct

1. By devoting ourselves to creative and novel ideas and with an indomitable spirit, we shall develop technology and products demanded by society and our customers providing useful, safe, and superior products and services.
2. In every aspect of our business activities, we shall seek to bring harmony between the environment and human life, recognizing that conserving the global environment is one of the most important issues faced by all peoples of the world and thus, must be a basic element of our management approach.
3. We shall respect the character and individuality of our employees, ensuring a safe and comfortable work environment rich in diversity.
4. We shall establish good and sound relations with interested parties outside the company, including stockholders, clients and local communities.
5. We shall observe domestic and international laws, as well as in-house rules, in conducting fair corporate activities according to social norms and morals.
6. We shall appropriately and fairly disclose information related to our corporate activities so as to enhance management transparency.

Sustainability Report 2022

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Editor's Note

Editorial Policy

The TATSUTA Electric Wire & Cable Group promotes sustainability management to contribute to the sustainable development of society through its business activities. The Sustainability Report is published annually to ensure the appropriate disclosure of information to the Group's broad range of stakeholders, including customers, suppliers, shareholders and investors, employees and their families, local communities, and others, and to promote an understanding of the Group's initiatives.

Scope of the Report

[Period covered]

Covers activities during the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022). Also includes some activities in the fiscal year ending March 31, 2023.

[Organizations covered]

TATSUTA Electric Wire & Cable Co., Ltd. and its main Group companies.

Publication: September 2022

At a glance

Our businesses

TATSUTA applies the advanced technologies and knowhow acquired from its electric wire and cable manufacturing technologies to provide a diverse range of products such as electronic materials and photo-electronic products. TATSUTA has also expanded into automotive, medical, and other fields.



Infrastructure Wire Business

TATSUTA provides customers with high-quality electric wires and cables through the electric wire manufacturing technology acquired since its founding. TATSUTA contributes to the stable supply of electricity to support social infrastructure.

Industrial Equipment Wire Business

TATSUTA develops high-performance electric wires and cables for use in diverse applications such as construction and FA. TATSUTA utilizes the collective strength of the TATSUTA Group to respond to customer needs.

Functional Films Business

Functional films developed using TATSUTA's unique plastics, metallic filler, compounding, and film-manufacturing technologies. TATSUTA has attained overwhelming support for our products underpinning the development of mobile devices.

Metal working technology
Insulation and sheathing technology

Special alloying technology

Making thin films from functional materials



Low-friction cable

Low friction performance for improved ease of installation



Broadcasting cable

Delivering crisp video and clear audio



Functional films

Protecting electronic devices from malfunction due to electromagnetic noise



Functional Paste Business

TATSUTA develops functional pastes that conduct electricity and heat three-dimensionally, utilizing TATSUTA's metal and plastic compounding technologies. These are used in diverse applications such as mobile devices and automobiles.

Fine Wire Business

TATSUTA offers all types of wire, utilizing our wire drawing technology. These play a vital part in the electronic materials field as semiconductor package components.

Sensor & Medical Products Business

TATSUTA provides sensing technology and medical equipment materials products utilizing its unique fundamental technologies. TATSUTA will further evolve these proprietary technologies to provide broad support for social development.

Environmental Analysis Business

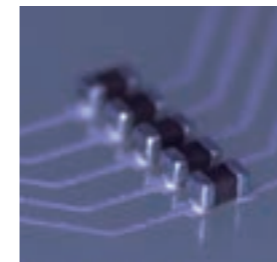
TATSUTA provides a wide range of analysis services based on many years of experience and achievements to flexibly support customers' business activities.

Fine particle dispersion/
compounding technologies

Ultrafine wire technology

Liquid detection sensor technology
Fiber optics application technology

Environmental analysis technology



SMT paste

Functional paste as a solder substitute, enabling three-dimensional components



Palladium-copper wire

Bonding wire that combines the merits of gold and copper



Water leakage detection system

Protects important equipment from damage due to water leakage



Soil contamination surveys and analysis

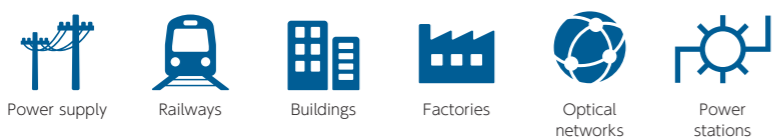
From soil contamination surveys to purification

TATSUTA in everyday life

For electric appliances and automobiles



For social infrastructure



For medical facilities and research institutions

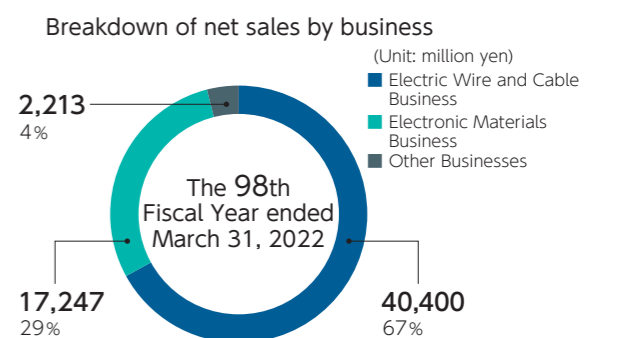


Summary of the fiscal year ended March 31, 2022

Net sales
59.8
billion yen

Operating income
2.8
billion yen

Number of employees
1,011
employees



History of Value Creation

The TATSUTA Electric Wire & Cable Group has resolved a broad range of social issues by providing products such as electric wires and cables to support infrastructure and functional films for use in mobile devices. The Group will continue to provide products to meet customer needs in the future.

1947	1953	1973	1977	1980s	1990s	2000s	2010s
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History of TATSUTA Electric Wire & Cable

Established an integrated production system for electric wires

TATSUTA Electric Wire & Cable Co., Ltd. was established in 1945 by Usaburo Tatsumi and Ryoza Taya. Two years later, it completed an integrated production system from copper melting to wire drawing.



Electric wire manufacturing in its first years

Constructed the Wakae Works (current Osaka Works)

TATSUTA constructed the Wakae Works (current Osaka Works) to strengthen electric wire production base. Initially, the Works manufactured products such as vinyl-coated wires, cotton and rubber-coated wires, and telecommunications cables to meet the soaring demand in the period of Japan's high economic growth.



Construction commences on Wakae Works

Constructed the Fukuchiyama Works (current Kyoto Works)

TATSUTA constructed the Fukuchiyama Works (current Kyoto Works) as a specialized telecommunications cable plant. From the 1990s, the plant also began manufacturing optical fiber cables.



Fukuchiyama Works under construction

Launched the environmental analysis business

With environmental pollution emerging as a social issue, TATSUTA launched its environmental analysis business, undertaking the concentration measurement of air, water and soil pollution. This business was subsequently taken over by Tatsuta Environmental Analysis Center.



Environmental analysis in its early years

Expanded into non-electric wire fields

TATSUTA expanded into electronics-related fields, developing products such as water leakage detection devices, bonding wires, and conductive copper paste.

Water leakage detection device in 1980s



Bonding wire in 1980s



Conductive copper paste in 1980s

Enhanced the efficiency of electric wire production systems

In the 1990s, TATSUTA installed what was then state-of-the-art electric wire manufacturing equipment. Productivity increased with advances in machine automation.



The new electric wire manufacturing equipment

Commenced sales of electromagnetic interference (EMI) shielding film

Demand emerged for countermeasures against electromagnetic interference in the circuits of electronic devices. TATSUTA developed EMI shielding film, utilizing the outstanding properties of conductive copper paste to counter electromagnetic waves.



EMI shielding film in 2000s

Strengthened production and development systems

TATSUTA established the TATSUTA Technical Center and Sendai Works to strengthen production capacity. In addition, it acquired the specialist electronics wire manufacturer Tachii Electric Wire Co., Ltd. (current Tatsuta Tachii Electric Cable Co., Ltd.) as a subsidiary.



TATSUTA Technical Center
Sendai Works Tachii Electric Wire Co., Ltd.

Products and services to address social issues

Increase in demand for electric power



Electric wire and cable for power distribution

Development of network infrastructure



Telecommunications cable

Problems from pollution



Environmental analysis

Development of high-technology industry



Water leakage detection device

Bonding wire

Conductive paste

Smaller and lighter mobile devices



Electromagnetic interference (EMI) shielding film

Evolution and sophistication of industrial devices



FA robot cable



We will continue to take on challenges, earnestly addressing changing customer needs and social issues to bring them to resolution.

TATSUTA Electric Wire & Cable Co., Ltd.
Representative Director, President and Executive Officer

Hiroya Yamada

I was appointed Representative Director, President and Executive Officer in June 2022. As the manager of this historic company, I will uphold our corporate culture of taking on new challenges throughout each era and remaining sustainable, and ensure the Group strives in unity to be a 100-year company.

Capturing change and taking on challenges unitedly

Under recent years' unstable conditions, the TATSUTA Group continued to experience disruption in its supply chains. The impacts of soaring energy prices and raw materials costs are increasing in the wake of the Ukraine crisis, and a prolonged shortage in the supply of semiconductors.

Even in this unpredictable situation, however, we regard it as TATSUTA's social mission and responsibility as a company to develop technologies and products to meet the needs of society and its customers, and to ensure the stable supply of products and services to support economic growth. We will carry on the corporate activities that TATSUTA has developed throughout its history, and sustainable business management. To give a specific example, in functional films and functional pastes, we are pursuing higher performance and functionality for next-generation 5G communications technology (Beyond 5G) and automotive applications in the context of a progressive shift to electric vehicles (EV),

with our sights set on the next business opportunity. We believe that society is currently undergoing irreversible changes. With social conditions facing imminent transformation, we must accurately grasp these changes and continue to take on challenges. I have had the honor to be appointed TATSUTA's President under these conditions, and I consider it my crucial role to bring us all together to face these challenges and raise the value of the Group.

Swiftly achieving carbon neutrality

TATSUTA identified materiality items (key sustainability issues) in the fiscal year ended March 31, 2021, and has established specific initiatives and KPIs. We earnestly engage in all issues, but we are especially focused on environmental issues, which could be perceived as particularly familiar to everybody given the recent weather phenomena.

In March 2022, we declared our support for the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In June, we began information disclosure in line with the disclosure

framework recommended by the TCFD. This is partly in response to the Prime Market listing requirements, but is also an initiative that reflects TATSUTA's strong commitment, embodied in its efforts to address the issue of global warming over many years. Going forward, we will implement initiatives that incorporate into our management strategy the risks and opportunities to our business activities, identified based on the TCFD approach.

We now expect to be able to achieve carbon neutrality (Scope 1 and 2) by 2025, significantly ahead of the original target of 2040. With a willingness to "do what we can, now," we have pushed ahead with specific initiatives such as the use of CO₂ credits, energy-saving activities, and energy generation through the installation and expansion of solar power generation systems, in addition to shifting to CO₂-free electrical power and carbon-neutral LNG. Through swift actions such as these, we have been able to quickly establish relationships of trust with the electrical power companies that supply us with energy, facilitating even greater cooperation. In addition, we are also endeavoring to contribute to the establishment of a circular economy through research and development into products, manufacturing processes, and other areas, to achieve reductions in environmental impact.



The electric vehicles at our Sendai Works are powered by CO₂-free electricity

Towards the creation of fulfilling workplace environments

People represent valuable assets for a company. It is the company's responsibility to create workplace environments where employees can be hopeful of the future and enjoy a sense of fulfillment in their work. As the first step in creating such workplaces, we promote diversity and engage in initiatives such as the establishment of various programs and the cultivation of organizational culture. We believe that a broad diversity of human resources make our organization stronger, and can create new value by working together. We do our utmost in terms of employee education in particular, hoping to bring out the various talents of each individual employee. We introduced a new personnel system in April 2022. Going forward, it will no doubt be necessary to revise this system flexibly to meet the needs of each era. We live in an era of dramatic change, but this fact motivates us to actively take on challenges, foster personnel who can contribute to society, and aim to grow TATSUTA sustainably.

We are engaged in co-creation in partnership with seven startups in Japan and overseas, in fields such as electronic materials and medicine, to create new businesses that will contribute to resolving

social issues. At the same time, these investments encourage employees through the involvement in the state-of-the-art technological development, providing opportunities to enhance their sense of work satisfaction. I think that this also corresponds to our 2025 Long-Term Vision.

We will continue to promote stronger corporate governance, engaging in fair corporate activities and the appropriate and fair disclosure of information, etc., to achieve sustainable growth and enhance corporate value in the rapidly changing business environment.



Diverse human resources play an active part in our business (left: female employees; right: employees with disabilities)

Valuable information from our stakeholders

At TATSUTA Electric Wire & Cable, we aspire to be the chosen supplier for our customers: we want them to think "it's TATSUTA, so let's go ahead and order it." The TATSUTA Group's strengths include comprehensive technology development, production technologies, and quality control. We also specialize in low-volume, high-mix production, with a firmly-embedded culture of developing products in tandem with our customers.

To continue to work closely with our customers, I hope to create environments where our employees can engage in lively discussion with senior management, without a feeling of distance. Just as I want to get to know our employees, I also hope to be a manager who is easily understood by all. Such workplace environments will enable the creation of products unique to TATSUTA Electric Wire & Cable. In this way, we aim to be a global niche top supplier.

The feedback we receive from our stakeholders is vital and important information for our corporate activities. We will take full heed of the valuable opinions and suggestions provided by stakeholders, engage in resolving social issues as we achieve corporate growth, and contribute to a sustainable society. We look forwards to your strict yet warm attention and your unwavering support.



TATSUTA's basketball club is also taking on challenges, with its sights set on the top of the amateur league

2025 Long-Term Vision

The TATSUTA Group established the 2025 Long-Term Vision in 2017, with the aim of achieving sustainable development and enhancing corporate value. FY2022 is just past the mid-point of the 2025 Long-Term Vision, and the Group is steadily progressing towards "TATSUTA's Vision," which is its qualitative goal. However, we believe that progress against quantitative targets is falling behind the plan, in the context of social and economic disruptions. We plan to reconsider and revise the 2025 Long-Term Vision in line with the formulation of TATSUTA's next Medium-term Management Plan, while closely monitoring performance in this fiscal year. TATSUTA will continue to explore the frontiers of electric wire and electronic materials with the aim of becoming a niche top supplier.

Overview of the 2025 Long-Term Vision

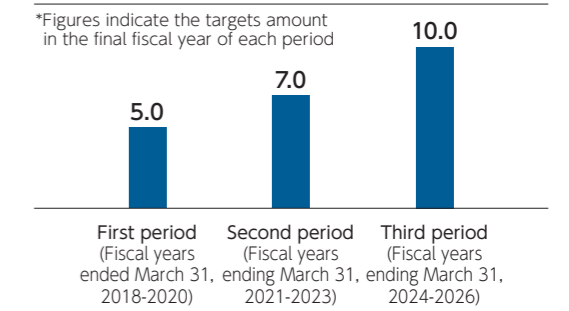
Qualitative objective

TATSUTA will explore the frontiers of electric wire and electronic materials with the aim of becoming a niche top supplier that provides unique cutting-edge parts and materials.

Quantitative objective

While maintaining high profitability, we will grow the scale of the corporate group by another digit (net sales of 100.0 billion yen and operating income of 10.0 billion yen in the fiscal year ending March 31, 2026).

Target operating income (Unit: billion yen)



Business Development			
For-profit businesses	Electric wire and cable business	Electric wire and cable business, domestic equipment wire business	Promote investment to help enhance efficiency and enhance product groups that meet customer needs to pursue the optimization of profit earning.
	Electronic materials business	Functional films business, fine wire business	
	Other businesses	Sensor business, environmental analysis business	
For-growth businesses	Electronic materials business	Functional paste business	Actively implement investment in business development, production increases, etc. to pursue greater scale and expand revenue.
	Other businesses	Medical equipment materials business	
Medium-to long-term development businesses	Electric wire and cable business	Overseas equipment wire business	Focus on establishing the business foundation at present and pursue greater scale and expanded revenue in the future.

Qualitative objective	Quantitative objective						
Expand our businesses globally in the fields of electric wire, electronic materials, and related parts and materials. In particular, explore the frontiers of products for the IoT and robotics, in-vehicle equipment, medical equipment, etc., for which needs are expanding and becoming more segmented and sophisticated. Become the top share supplier in multiple advanced, niche fields as a corporate group that customers trust.	While maintaining high profitability, we will grow the scale of the corporate group by another digit.						
	<table border="1"> <thead> <tr> <th colspan="2">2025 Targets</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td>100.0 billion yen or greater</td> </tr> <tr> <td>Operating income</td> <td>10.0 billion yen or greater</td> </tr> </tbody> </table>	2025 Targets		Net sales	100.0 billion yen or greater	Operating income	10.0 billion yen or greater
2025 Targets							
Net sales	100.0 billion yen or greater						
Operating income	10.0 billion yen or greater						

Period	First period (Fiscal years ended March 31, 2018-2020)	Second period (Fiscal years ending March 31, 2021-2023)	Third period (Fiscal years ending March 31, 2024-2026)
Challenge	Establish the business foundation	Shift to mass production of new products	Increase production of new products and contribute to revenue
Investment and lending	21,000 million yen over 3 years (of which 12,000 million yen held in reserve)	24,000 million yen over 3 years (of which 12,000 million yen held in reserve)	28,000 million yen over 3 years (of which 12,000 million yen held in reserve)
Target operating income	Fiscal year ended March 31, 2020: 5,000 million yen	Fiscal year ending March 31, 2023: 7,000 million yen	Fiscal year ending March 31, 2026: 10,000 million yen

(Note) "Held in reserve" refers to allowances for strategic investment, including M&A investment designated under the Long-Term Vision. These amounts are set for the nine-year period from April 1, 2017 to March 31, 2026, within a range that does not compromise balance sheet soundness.

Report on the Second Period Medium-term Management Plan	Report on the Second Period Medium-term Management Plan
In FY2021, which was the middle year of the second period Medium-term Management Plan (Fiscal 2020-22) and the Long-Term Vision, the functional films business posted a significant decline in sales and profit due to inventory adjustments by customers and semiconductor shortfall. The electric wire and cable business also saw a decrease in sales and profit due to lower sales of electric wires for infrastructure and soaring materials prices.	of semiconductor shortfall and recovery of economic activity impacted by COVID-19. However, we will lag far behind the targets set under the second period Medium-term Management Plan, mainly because revenue contribution from for-growth business is delayed and energy and raw material prices are rising. Under the third period Medium-term Management Plan to be formulated in FY2022, we will validate and update the targets of the 2025 Long-Term Vision and the timing to deliver them.
In FY2022, we expect to post higher sales and income due to a phased easing	

TATSUTA's Sustainability

To realize its Management Principles, TATSUTA continues to promote sustainability management under its Corporate Code of Conduct and Quality and Environment Policy, contributing to the sustainable and stable development of society.

Management Principles

Based on our core businesses of electric wire/cable and electronic materials and with overwhelming vitality and speed, TATSUTA will continuously and proactively take up the development of businesses that will lead the next generation. At the same time, we will also promote a consolidated management that is both highly conscientious and transparent, so that we may create sustainable growth and improve long-term corporate value, as well as consider global environmental problems while providing products and services with characteristics that will meet customer needs and thus also contribute to the sustainable growth and development of society.

Corporate Code of Conduct

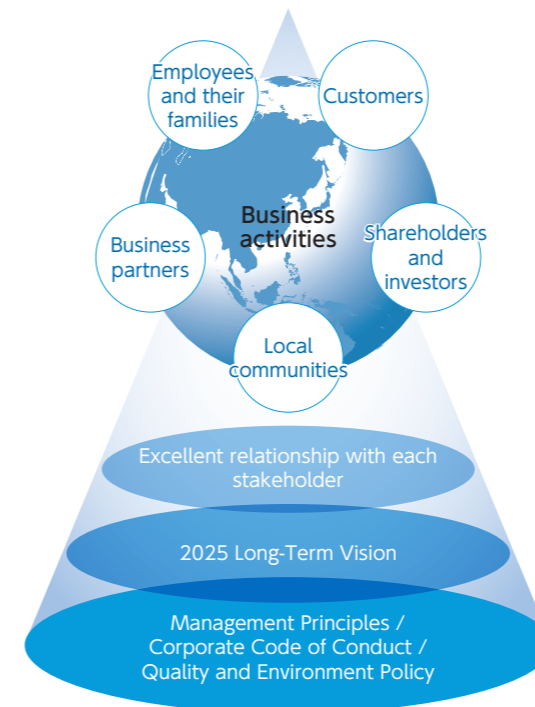
1. By devoting ourselves to creative and novel ideas and with an indomitable spirit, we shall develop technology and products demanded by society and our customers providing useful, safe, and superior products and services.
2. In every aspect of our business activities, we shall seek to bring harmony between the environment and human life, recognizing that conserving the global environment is one of the most important issues faced by all peoples of the world and thus, must be a basic element of our management approach.
3. We shall respect the character and individuality of our employees, ensuring a safe and comfortable work environment rich in diversity.
4. We shall establish good and sound relations with interested parties outside the company, including stockholders, clients and local communities.
5. We shall observe domestic and international laws, as well as in-house rules, in conducting fair corporate activities according to social norms and morals.
6. We shall appropriately and fairly disclose information related to our corporate activities so as to enhance management transparency.

Quality and Environment Policy

1. In order to ensure that the Corporate Principles are upheld and in line with our Corporate Code of Conduct, we will implement initiatives that continuously and appropriately improve the business process, improve products and services, and promote environmental preservation.
2. Based on the requirements for the ISO standards, we will build quality and environment management systems and by implementing these systems, comply with applicable laws and customer requirements.
3. TATSUTA will identify risks which must be addressed and by responding to them, take up initiatives that will improve quality, prevent pollution, and preserve the environment.
4. TATSUTA will maintain its quality and environment management systems and continuously work to improve performance through the PDCA (Plan-Do-Check-Action) cycle.

Sustainability Concept

Contribute to the sustainable and stable development of society



SUSTAINABLE DEVELOPMENT GOALS



Sustainable Development Goals (SDGs)

The SDGs are 17 international goals for 2030 to realize sustainable, diverse and inclusive societies where "no one will be left behind," adopted unanimously at the UN summit held in September 2015.

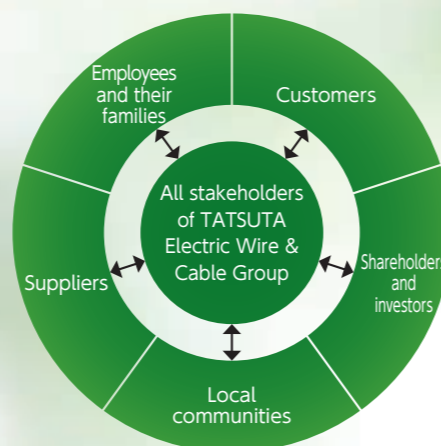
The TATSUTA Group is engaged in addressing the SDGs through its business activities in order to contribute to the sustainable and stable development of society.

Stakeholder Engagement*

The TATSUTA Electric Wire & Cable Group actively engages in dialogue with its stakeholders. By understanding and responding to their expectations and demands, we endeavor to build sound and good relationships. We also provide comfortable workplace environments and stable livelihoods for our employees and their families.

Through dialogue with stakeholders, we aim to enhance corporate value and contribute to the sustainable development of society.

*The process of actively engaging with stakeholders through dialogue and other means to achieve results that are mutually acceptable, as part of companies' efforts to fulfill their social responsibility (quoted from the Keidanren Charter of Corporate Behavior)



	Policies	Major initiatives
Employees and their families	We will provide environments where diverse personnel can attain work satisfaction and actively work. Moreover, we will maintain good labor relations and support the lives of employees.	<ul style="list-style-type: none"> Exchanges of opinions through various labor-management meetings Management information presentations Employee questionnaires Personnel evaluation interviews
Customers	We will fulfill our responsibility as a member of supply chains by providing a stable supply of high-quality, high-performance products to meet customer needs.	<ul style="list-style-type: none"> Regular sales activities Joint technical development Quality response
Suppliers	We will recognize suppliers as important partners of the Group, strive to ensure fair trading, and work together to fulfill our social responsibility.	<ul style="list-style-type: none"> Regular purchasing activities Supplier meetings
Shareholders and investors	We will observe laws and regulations and in-house rules, and conduct fair business activities according to social norms and morals. We will endeavor to build relationships of trust by appropriately and fairly disclosing information related to our corporate activities so as to enhance management transparency.	<ul style="list-style-type: none"> Communication of various financial and non-financial information Financial results presentations Individual interviews General Meeting of Shareholders
Local communities	We will fulfill the roles required of us as a citizen of the community and contribute to the realization of better local communities.	<ul style="list-style-type: none"> Factory tours Next-generation development activities Participation in local community activities Construction works briefings

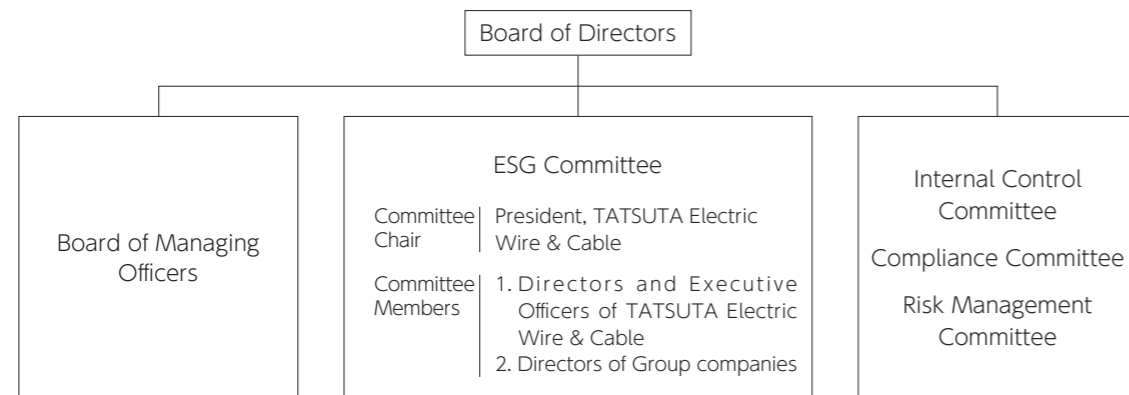
Materiality Items

The TATSUTA Group pursues higher corporate value through sustainability management, and has identified "materiality items (key sustainability issues)" with the aim of achieving the sustainable development of our businesses and society.

Materiality Identification Process | In 2020, we launched the ESG Committee to oversee all sustainability activities and identified the TATSUTA Group's materiality items (key sustainability issues). We will continue to regularly validate and update these materiality items.



Sustainability Promotion System | The TATSUTA Group has established an ESG Committee chaired by the President to promote sustainability management. The ESG Committee is positioned alongside the Board of Managing Officers and Internal Control Committee as a meeting body under the direct control of the President and Executive Officer. The Administration and Human Resources Department and Corporate Planning and Coordination Department, which act as the Committee's secretariat, coordinate with the various business divisions by setting sustainability targets, monitoring their progress, and evaluating achievements.



TATSUTA Electric Wire & Cable Group Materiality Items

	Social Issues	Materiality Items	Specific initiatives	KPIs	Relationship with SDGs
Environmental	<ul style="list-style-type: none"> ● Conservation of energy and resources ● Climate change countermeasures ● Conservation of biodiversity, forests, oceans, and other environments 	1. Contribute to conserving the global environment (including climate change response)	1. Reduce the environmental impact of products and services 2. Promote recycling 3. Promote energy saving 4. Pursue carbon neutrality	Develop environmentally-friendly products and services	
				Promote investment to conserve resources and energy	
				Recycling rate: 95% or more	
				Reduce energy consumption by product intensity: 1% or more	
				Net zero CO ₂ emissions by 2040: achieve earlier net zero by 2025 (Scope 1 and 2, at operational sites in Japan and affiliated companies)	
Social	<ul style="list-style-type: none"> ● Hunger, poverty, health ● Education ● Gender equality, peace and justice ● Respect for human rights and diversity ● Safety and disaster prevention ● International cooperation for sustainable economic growth ● Decline in birth rate and aging population, labor shortages, work style reform ● New lifestyles 	1. Realize safe and fulfilling workplaces 2. Respect human rights	1. Develop products and services that resolve social issues and satisfy customer needs 2. Strengthen quality assurance and BCP systems 1. Promote measures for safety and health 2. Nurture human resources to drive sustainable growth 3. Promote diversity & inclusion 4. Promote awareness-raising activities to foster respect for human rights	Steadily implement BCP and BCMS	
				Develop products and services to contribute to resolving social issues	
				Enhance customer satisfaction	
				Zero serious accidents, zero accidents requiring time off work	
				Increase the percentage of annual paid leave consumed to 80% or more	
				Enhance education and training	
Maintain and increase proportion of employees with disabilities: 2.3% or more					
Increase the proportion of female employees recruited: 25% or more					
Ratio of female managers: 10% or more by the end of fiscal 2025					
Encourage participation in human rights education					
				Continue dialogue with local communities	
				Contribute to local community next-generation development programs	
Governance	<ul style="list-style-type: none"> ● Fair corporate activities ● Management transparency ● Prevent scandals and handle them appropriately if they occur 	1. Thorough corporate governance	1. Business operations based on corporate governance guidelines 2. Implement management systems (including risk management system) with certainty 3. Strengthen education and training on compliance 4. Implement an internal hotline system	Steady operation of a company-wide management system	
				Promote participation in compliance training	
				Take ongoing action on corporate governance	

FY2021 Materiality Items KPIs Results

	Materiality Items	Specific initiatives	KPIs	Assessment	Status of Initiatives in FY2021
Environmental	Contribute to conserving the global environment (including climate change response)	1. Reduce the environmental impact of products and services 2. Promote recycling 3. Promote energy saving 4. Pursue carbon neutrality	Develop environmentally-friendly products and services	↑	<ul style="list-style-type: none"> Developed and provided eco-friendly electric wire and cable Developed environmentally-friendly electronic materials Developed plating-free wiring paste
			Promote investment to conserve resources and energy	↑	<ul style="list-style-type: none"> Visualized ESG indicators (KPIs) such as energy usage and CO₂ emissions Adopted energy-saving motors when renewing drive control devices
			Recycling rate: 95% or more	○	<ul style="list-style-type: none"> FY2021 actual recycling rate: 99.2% (TATSUTA Electric Wire & Cable on a non-consolidated basis)
			Reduce energy consumption by product intensity: 1% or more	×	<ul style="list-style-type: none"> Energy consumption per unit of production increased by 6.0% in FY2021 (TATSUTA Electric Wire & Cable on a non-consolidated basis), due mainly to the impact of a decrease in production volumes
			Net zero CO ₂ emissions by 2040: achieve earlier net zero by 2025 (Scope 1 and 2, at operational sites in Japan and affiliated companies)	↑	<ul style="list-style-type: none"> FY2021 CO₂ emissions (TATSUTA Electric Wire & Cable, Chugoku Electric Wire & Cable, and Tatsuta Tachii Electric Cable): 20,110t (down 0.8% YoY) Brought forward the achievement of carbon neutrality at operational sites and affiliated companies in Japan to FY2025 The functional films business plans to achieve carbon neutrality in FY2022 Decided on investment in solar power generation systems (Kyoto Works, TTC, and Sendai Works)
Social	Provide advanced, high-quality products and services to benefit society	1. Develop products and services that resolve social issues and satisfy customer needs 2. Strengthen quality assurance and BCP systems	Steadily implement BCP and BCMS	↑	<ul style="list-style-type: none"> Established the "TATSUTA Electric Wire & Cable Group Business Continuity Operating Rules" Ascertained the status of BCP measures at business partners subject to the BCMS Established earthquake first-response manuals for each business site, and formulated BCP and action plans
			Develop products and services related to resolving social issues	↑	<ul style="list-style-type: none"> かるまげ™ (Karu Mage) (KM-CC), 600V fire-resistant flexible crosslinked polyethylene eco-friendly cable かるまげ難燃 (Karu Mage Nanyanen), 600V flexible flame-resistant crosslinked polyethylene fire-resistant polyethylene sheath cable Highly heat-resistant shielding film for automobile applications Optical fiber probes for medical applications
			Enhance customer satisfaction	↑	<ul style="list-style-type: none"> Maintained the stable supply system and enhanced the quality assurance system Developed high value-added products
	Realize safe and fulfilling workplaces	1. Promote measures for safety and health 2. Nurture human resources to drive sustainable growth 3. Promote diversity & inclusion	Zero serious accidents and accidents requiring time off work	×	<ul style="list-style-type: none"> Zero serious accidents, two accidents requiring time off work, and one serious accident while commuting in FY2021
			Increase the percentage of annual paid leave consumed to 80% or more	×	<ul style="list-style-type: none"> 69.0% in FY2021 (13.14 days)
			Enhance education and training	↑	<ul style="list-style-type: none"> Added and replaced training content based on the results of surveys, management issues, etc. Considered the introduction of DX training
			Maintain and increase proportion of employees with disabilities: 2.3% or more	○	<ul style="list-style-type: none"> 3.2% in FY2021 (TATSUTA Electric Wire & Cable on a non-consolidated basis)
			Increase the proportion of female employees recruited: 25% or more	×	<ul style="list-style-type: none"> FY2021 female recruitment rate: 10.6%
	Respect human rights	4. Promote awareness-raising activities to foster respect for human rights	Encourage participation in human rights education	↑	<ul style="list-style-type: none"> Held a lecture on human rights
			Coexistence and co-prosperity with local communities	1. Maintain good communication 2. Contribute to local community promotion and next-generation development	Continue dialogue with local communities
			Contribute to local community next-generation development programs		→
	Governance	Thorough corporate governance	1. Business operations based on corporate governance guidelines 2. Implement management systems (including risk management system) with certainty 3. Strengthen education and training on compliance 4. Implement an internal hotline system	Steady operation of a company-wide management system	↑
Promote participation in compliance training				↑	<ul style="list-style-type: none"> Launched an information security e-learning program
Take ongoing action on corporate governance				↑	<ul style="list-style-type: none"> Published a Corporate Governance Report in accordance with the revised Corporate Governance Code Declared support for the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations

Assessment against qualitative targets, medium- and long-term quantitative targets
 Single fiscal year quantitative targets

↑: Improved ↓: Worsened →: No change
 ○: Achieved ×: Not achieved

Initiatives for Carbon Neutrality

Companies are expected to fulfill an increasingly greater social responsibility to address environmental issues. This includes undertaking global environmental protection, global warming countermeasures, and response to climate change, among other measures. Companies are also required to engage in decarbonization initiatives.

The TATSUTA Group has set a target of achieving net zero CO₂ emissions by 2025, and will appropriately disclose its progress towards achieving this target. Please see Page 29 for the FY2021 results.

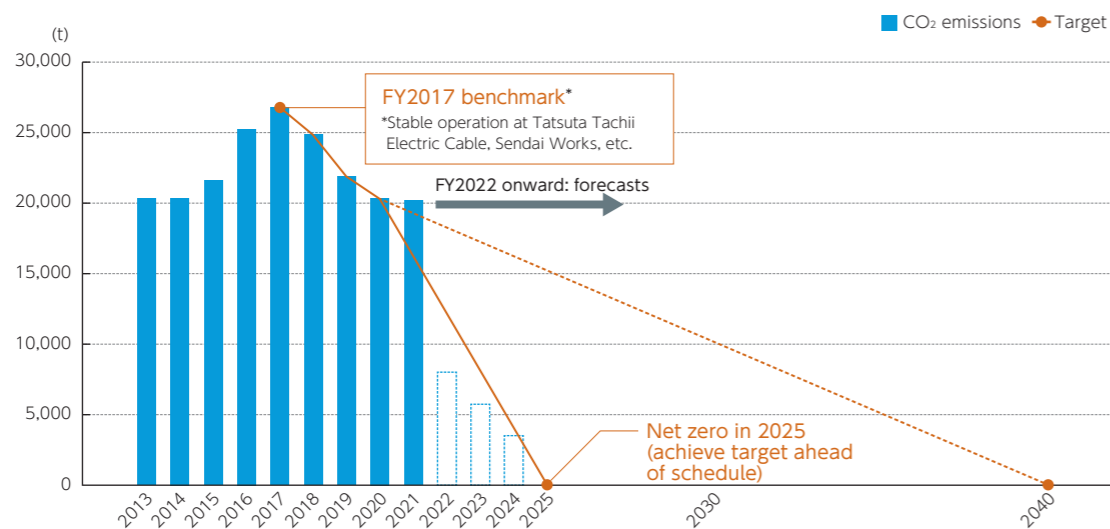


Launch of the Carbon Neutrality Pursuit Subcommittee

Since acquiring ISO 14001 (environmental management systems) in 1999, we have strived to conserve the environment inside our factories. In view of the increasing severity of environmental problems in recent years, we launched the Carbon Neutrality Pursuit Subcommittee as a subcommittee of the ESG Committee in August 2021.

This subcommittee considers initiatives by each business group and Group company, capital investment plans, and the procurement of electric power, etc., with the aim of achieving “net zero CO₂ emissions” and “reduced energy consumption per unit of product.”

The TATSUTA Group CO₂ emissions reduction target and emissions (results and forecasts) (Scope 1 and 2, at operational sites in Japan and affiliated companies)



Achieving net zero CO₂ emissions by 2025

In October 2020, the Japanese government declared that it would aim for carbon neutrality by 2050, reducing total greenhouse gas emissions to zero. The TATSUTA Group aims to achieve net zero for its own CO₂ emissions by 2025. This net zero target was originally set for 2040, and we aim to achieve it 15 years ahead of schedule.

Initiatives

Reducing CO₂ emissions through energy saving

We have established the target of reducing energy consumption per unit of product by 1% or more compared to the previous fiscal year.

CO₂-free electric power

A CO₂-free electric power refers to electric power sourced from renewable energy. We have been progressively switching to CO₂-free electric power since April 2022.

CO₂-free gas

In CO₂-free gas, the CO₂ emitted through processes from extracting to burning natural gas is offset using CO₂ credits. We have been progressively switching to CO₂-free gas since January 2022. At business sites where CO₂-free gas is not readily available, we procure CO₂ credits to offset these emissions.

Solar power generation

We have installed solar power generation equipment at each of the functional films business sites, to generate renewable energy. In FY2022, we plan to expand the solar power generation equipment at the TATSUTA Technical Center, and begin the operation of similar equipment at the Sendai Works and Kyoto Works. We are also considering installation at the Osaka Works and Group companies.



Solar power panels: TATSUTA Technical Center

Voice | Capturing opportunities by addressing environmental issues

We believe that, in the future, customers in every field will choose to purchase the products of companies that engage in achieving carbon neutral, with business activities required to give consideration to environmental issues. We have significantly brought forward the Group's planned achievement of carbon neutrality, believing that this will enhance the Group's competitive strength. We will continue to discuss environmental issues, primarily through the ESG Committee and the Carbon Neutrality Pursuit Subcommittee, to further strengthen the Group's initiatives. Through a range of initiatives to address environmental issues, we aim not only to contribute to the development of a sustainable society but also to enhance corporate value.



Kenzo Ide

Senior Executive Officer and Chairman of the Carbon Neutrality Pursuit Subcommittee

Special Feature

Co-creation with Startups

The TATSUTA Group partners with startups, focusing on a broad range of fields such as healthcare, electronic materials, and DX. We empathize with the vision presented by these startups, and have invested in and financed seven such companies, shown below, since FY2020. We will proceed to undertake joint development and manufacturing, aiming to provide products to contribute to resolving social issues.



Man-Machine Synergy Effectors, Inc.

×

TATSUTA Electric Wire & Cable

The progressive decline in birth rates and aging population are giving rise to labor shortages. The decrease in personnel on production sites, in particular, represents a significant issue in terms of maintaining social infrastructure and passing on techniques. Man-Machine Synergy Effectors, Inc. (hereinafter, MMSE) develops "man-machine" that can be operated based on human senses. MMSE operates "man-machine platforms," aiming for the mechanization of dangerous work and heavy labor by implementing state-of-the-art robotics technologies across a broad range of situations in society. TATSUTA provides MMSE with optimal robot cables for the human-like robots it develops. At the same time, we are utilizing MMSE's technologies to develop new, general-purpose transportation machines for purposes such as labor saving when transporting heavy items within TATSUTA's factories, increasing worker safety, and reducing physical strain.



Human-like heavy machinery prototype



Wires for industrial equipment



OK Fiber Technology Co., Ltd.

×

TATSUTA Electric Wire & Cable

Recent years have seen a rise in demand for medical treatment that places less burden on the body of the patient (minimally invasive treatment). For example, in cancer treatments requiring the surgical removal of the affected part, facilitating a localized excision operation would lead to less burden on the patient and less time in hospital, among other benefits. OK Fiber Technology Co., Ltd. (hereinafter, OKFT) offers the possibility of treatment using composite-type optical fiber scopes* as a new minimally invasive treatment. TATSUTA provides manufacturing support for OKFT, using the optical fiber manufacturing technologies it has developed over many years, with the aim of achieving a stable supply of products. In this way, we are responding to the needs of medical facilities while also contributing to improving patients' quality of life.

*In composite-type optical fiber scopes, the direction of observation and the direction of laser projection are identical, enabling the user to easily and safely project the laser beam while observing the target object. They are also generally more compact than endoscopes, facilitating minimally invasive treatment.



Composite-type optical fiber scopes



Optical fiber manufacturing technology



Space Power Technologies

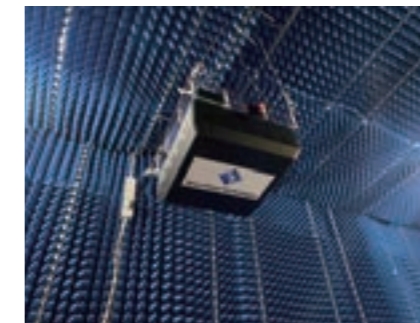


TATSUTA Electric Wire & Cable

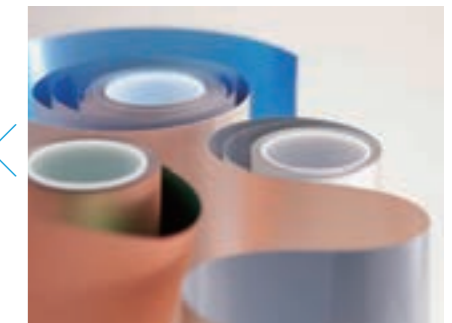
Despite advances in wireless communications, wireless audio and other fields, power supplies still rely on physical wires, such as electrical wiring and charging cables. Power supplies are vital for the use of various devices. The challenge of achieving a wireless supply of electricity is the greatest hurdle impeding the shift to wireless devices.

Space Power Technologies (hereinafter, SPT) develops and manufactures space-to-space wireless power transmission devices which use microwaves to supply electric power wirelessly at a distance of one meter or more.

SPT's power transmission devices enable the user to target electromagnetic waves with pinpoint accuracy. However, it faced a problem: some of the electromagnetic waves were lost due to the characteristics of the antenna. TATSUTA's electromagnetic interference (EMI) shielding film was adopted as a way to solve this issue, and the collaboration with SPT was born. Wireless power supplies enable the free provision of electricity, unconstrained by the location of the power source. This, in turn, will enable off-grid devices (those not connected to power lines) to connect to the IoT. By realizing safe and reliable wireless power supplies, we will contribute to creating a society where access to the IoT is possible wherever and whenever necessary.



Power transmission antenna



Electromagnetic interference (EMI) shielding film



Applied Cavitation, Inc.

Develops and manufactures functional materials using a cavitation process



Conductive adhesive



Copprint Technologies Ltd.

Develops and manufactures Nano Copper inks that allow low temperature sintering



Copper nano-ink



SIRC Co., Ltd.

Provides DX solutions using multi-functional sensors



IoT current sensor unit



Bendit Technologies Ltd.

Develops 360-degree rotating ultrafine diameter microcatheter for medical application



Microcatheter

Voice | Pioneering the future through co-creation with startups

With new needs arising from the effort to resolve diverse social issues, it is crucial that the Group continues to pursue the question of what value it can provide. To this end, while it is necessary to steadily engage in existing businesses, we must also take on new challenges. It is difficult to achieve new things overnight, but I consider our efforts to develop products and pioneer markets together with the staff of startups to be the first step in bringing about a better society. We receive mutual stimulation from our work together, and I expect our employees to grow into talented individuals capable of taking on new challenges.

Masayuki Nakamura
Senior Executive Officer
(in charge of specially-assigned matters)





Environmental Conservation Policies and Frameworks

- Environmental Vision**

Help conserve the global environment by practicing sustainable manufacturing and providing eco-conscious products and services

To make the Environmental Vision a reality, the TATSUTA Group has established the Quality and Environment Policy. Guided by the policy, we seek to achieve carbon neutrality by 2025, reducing the environmental impact of products and services and promoting recycling and energy saving, among other initiatives.
- Quality and Environment Policy**
 - 1 In order to ensure that the Corporate Principles are upheld and in line with our Corporate Code of Conduct, we will implement initiatives that continuously and appropriately improve the business process, improve products and services, and promote environmental preservation.
 - 2 Based on the requirements for the ISO standards, we will build quality and environment management systems and by implementing these systems, comply with applicable laws and customer requirements.
 - 3 TATSUTA will identify risks which must be addressed and by responding to them, take up initiatives that will improve quality, prevent pollution, and preserve the environment.
 - 4 TATSUTA will maintain its quality and environment management systems and continuously work to improve performance through the PDCA (Plan-Do-Check-Action) cycle.

Environmental management structures

The Group operates an environmental management system (EMS) with the following structure.

	Members	Main roles
Top Management Committee	President General Managers, etc. Environmental Management Administrator	<ul style="list-style-type: none"> ● Determine basic EMS matters ● Check and review EMS operating status ● Establish and review Environment Policy and approve environmental targets
Environmental Management Promotion Committee	Personnel responsible for environmental management Personnel responsible for environmental management promotion	<ul style="list-style-type: none"> ● Maintain EMS and assess the status of operation ● Establish, review, and manage environmental targets
Districts, offices, etc.	Personnel responsible for environmental management promotion	<ul style="list-style-type: none"> ● Establish and implement action plans for each division to reduce environmental impact

Environmental education

TATSUTA implements environmental education for all its employees in order to deepen their understanding of environmental conservation activities.

Education for new recruits	New recruits receive introductory training on the Quality and Environment Policy, environmental conservation initiatives and rules such as energy conservation and waste reduction.
Specialist education	Employees engaged in specific activities receive specialist education such as a skill training course for organic solvents operations supervisors.
Education for internal audit personnel	Internal audit personnel are educated through external and internal training. Audit personnel who have acquired internal qualifications are given hands-on training through participation in actual internal audits with the aim of enhancing their abilities as audit personnel. In the fiscal year ended March 31, 2022, we increased the number of audit personnel qualified for EMS and quality management systems (QMS).
Participation in external seminars on the environment, etc.	Employees participate in external lectures and seminars in order to collect information on environmental conservation such as laws, regulations, and technologies. Previously, they have participated in events such as symposiums on environmental conservation and recent international trends.
General education and awareness programs	Education is implemented on laws, regulations, and bylaws relating to environmental conservation, as well as issues such as the handling of chemicals. In the fiscal year ended March 31, 2022, we launched an e-learning environmental education program for all employees. Moreover, during Japan's Environment Month each year, we invite employees to submit suggestions for an energy-saving awareness slogan and energy-saving proposals.

Reducing the Environmental Impact of Products and Services

The TATSUTA Group is developing environmentally-friendly products. Through the business activities of Tatsuta Environmental Analysis Center, we also work to reduce substances that burden the environment.

Wire and cable business

We develop products with attention to safety, flame-resistance and low-fuming, as well as environmental compatibility such as recyclability.

Safety	Containing no halogens such as chlorine, these materials emit no dioxins or toxic gases when burned.
Flame-resistant and low-fuming	These materials are not only flame-resistant but also emit little smoke when burned, ensuring safety in the case of fire.
Recyclable	These products can be recycled through material recycling or thermal recycling.
Chemical-resistant	The use of polyethylene-based insulators provides outstanding chemical-resistant properties.

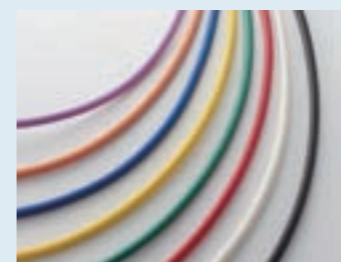
Eco-friendly electric wire and cable

When electric wires and cables are disposed of, their coatings mostly end up as industrial waste. In particular, there is concern over the impact on the environment of harmful substances released by vinyl chloride coatings when they are incinerated. Eco-friendly electric wires and cables boast the same level of fire resistance as conventional vinyl chloride-coated products but utilize highly-recyclable coatings and contain no halogen elements, lead, or other heavy metals.



■ かるまげ™ (Karu Mage) (KM-CC) 600V fire-resistant flexible crosslinked polyethylene eco-friendly cable

These environmentally-friendly electric wires and cables are halogen-free and maintain a smoke density of 150 or less. Featuring outstanding flexibility, they reduce the workload of wiring in narrow places. They include no substances under RoHS (10 substances).



■ EM-TLFC110 eco-friendly fire-resistant flexible crosslinked polyethylene insulated electric wire, heat-resistant to 110°C

This product features outstanding heat tolerance and flexibility. EM-TLFC110 uses eco-friendly, fire-resistant, crosslinked polyethylene material. By making the size of conductor smaller, it enables a reduction in the amount of copper and insulation material used. It includes no substances under RoHS (10 substances).



■ New Slat Cable

This product uses "black crosslinked polyethylene" insulator, which features outstanding weather-resistance, instead of the vinyl material commonly used in the past. Excellent heat-resistance when applying electricity enables the cable to be down-sized. It includes no substances under RoHS (10 substances).

Electric wires and cables that contribute to reducing environmental impact



■ ネットフ115™ (Netsu Tough 115) ((S) HKIV) special heat-resistant vinyl-insulated electric wire for electric devices

This product features insulating material with an increased heat-resistant temperature. With a high allowable current capacity, it has a smaller conductor, enabling reductions in the amounts of copper and insulator material used. It includes no substances under RoHS (10 substances).



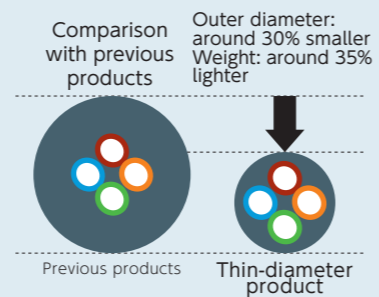
■ GT-Lead high-durability lead wire for plating barrels

More than twice as durable as previous products due to the use of a special urethane in the protective layer (compared in-house). This product reduces the frequency of production line stoppages to replace lead lines, enabling productivity enhancements and total cost reductions. Outstanding flexibility has also been achieved through the use of a flexible-type conductor, resulting in higher workability. It includes no substances under RoHS (10 substances).



■ Thin-diameter KORIKI™ high-strength cables

Outstanding flex durability enables wiring space reductions, as well as flexible wiring and layout. This product contributes to lighter, more compact and space-saving industrial equipment, robots, etc.



■ Rubber cabtire cables

Manufactured using a "lead-free vulcanization method," these are environmentally-friendly cables that fully comply with RoHS and REACH regulations. The tandem extrusion of rubber sheaths and lead-free vulcanization material realizes shorter production processes, leading to a reduction in production energy consumption and workload.

Detecting substances that burden the environment



■ ドコサンミハール™ (Doko San Miharu) (acid leakage location detection sensor)

This sensor complies with regular inspections of places that cannot be inspected visually, which are required under the Water Pollution Prevention Act. It enables users to detect the position of sulfuric acid, hydrochloric acid, nitric acid, and other substances. It can be installed on existing equipment or outside.

Electronic materials & system equipment business

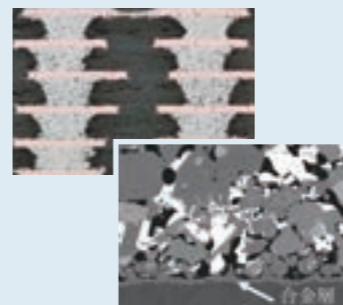
We develop products with attention to environmental compatibility, including compliance with standards such as halogen-free, Restriction of the Use of Certain Hazardous Substances (RoHS), UL, etc.

Halogen-free	Containing no halogens such as chlorine, these materials emit no dioxins or toxic gases when burned.
RoHS-compliant	Containing no lead, cadmium, mercury, hexavalent chromium, the designated bromine-based flame retardants polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE), or four phthalates, which are designated hazardous substances that have a negative impact on the environment and human body. It is also compatible with reflow processing using lead-free solder.
Meeting UL standards	UL94 is a United States flammability testing standard. VTM-0 tests the vertical flammability of thin plastics, and V-0 tests vertical flammability. TATSUTA has developed products that have attained UL94 flammability class VTM-0, to provide products featuring outstanding safety and flame-resistance.



■ SF-HR5600-C highly heat-resistant shielding film for automobile applications

This high heat resistance shielding film can be used even in harsh environments. While maintaining the structure of previous general-purpose electromagnetic interference (EMI) shielding film (SF-PC5600-C), this product achieves superior durability, withstanding 2,000 hours of continuous use in high-humidity high-temperature environments (85°C at 85% humidity) and high-temperature environments (125°C). It is considered increasingly for possible use in in-vehicle displays and printed circuit boards for automotive sensors, cameras, headlights, etc. It has attained UL94 flammability class VTM-0. It is also halogen-free and complies with RoHS.



■ Via filling paste (metalizing type) (MPA500)

This connecting material maintains a connection reliability equivalent to solder (treated at a temperature of 240°C or above), and enables low-temperature hardening at 180°C or below. It is used as an interlayer connection in semiconductor inspection substrates and high-speed telecommunication substrates for 5G. Moreover, as an alloy is formed after metalizing, it features high heat resistance, with a melting point of 300°C or above. Using MPA500 instead of conventional electroplating as an interlayer connection enables a 40% reduction in CO₂ emissions from printed circuit board manufacturing processes. It is also halogen-free and complies with RoHS.

Tatsuta Environmental Analysis Center's environmental analysis business



Dioxins analysis

Dioxins are extremely toxic substances, and their analysis is crucial for protecting living environments, including air quality. With a full range of the latest devices, we can complete an analysis in as little as two days. We also have a precision control system compatible with advanced ultra-trace analysis.



Working environment measurement

For indoor workplaces that manufacture or handle harmful substances, it is necessary to implement regular measurement and evaluation of the working environment and appropriate improvements based on the results, in accordance with laws and regulations such as the Industrial Safety and Health Act. At the Tatsuta Environmental Analysis Center, we are engaged in working environment management, from evaluation to improvement of working environments, in addition to measuring the concentration of welding fumes. We have also begun dispatching improvement and guidance specialists (occupational health consultants) from the fiscal year ended March 31, 2021.



Soil contamination investigation

The Tatsuta Environmental Analysis Center has been certified as a Designated Investigation Institution under the Soil Contamination Countermeasures Act. In addition to measuring the status of soil contamination caused by designated hazardous substances that have permeated the ground under factories and other facilities, we provide one-stop service, from soil history investigations to soil analysis and soil remediation.



PCB analysis

We provide polychlorinated biphenyl (PCB) analysis to reduce hazardous substances and mitigate health hazards. We offer a range of different analysis services, such as the analysis of trace PCBs in transformer oil, insulation oil, pressure sensitive paper and film, PCBs in water, air, and soil, and PCBs on cloth and materials.



Analysis of products and materials

We provide analysis of substances that burden the environment, such as phthalic acid esters, heavy metals, and halogens. We investigate substances adhering to products, as well as factors such as corrosion, deterioration, and discoloration, and analyze the causes of malfunctions and defects. We also offer quality assessment through analysis of the composition of plastic and metal materials, as well as analysis and evaluation based on the RoHS and other standards.

Promoting Recycling

At TATSUTA, we engage in recycling, targeting a recycling rate of 95% or more. We collect gold, silver, and copper, which we use as raw materials for electric wires and cables, and convert mixed waste of metal and plastic to valuable materials.

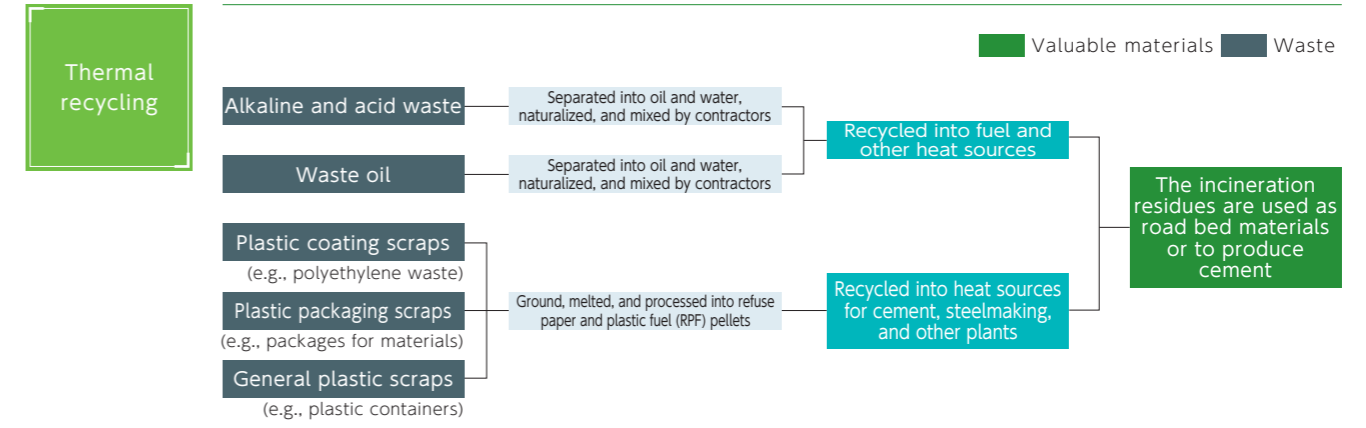
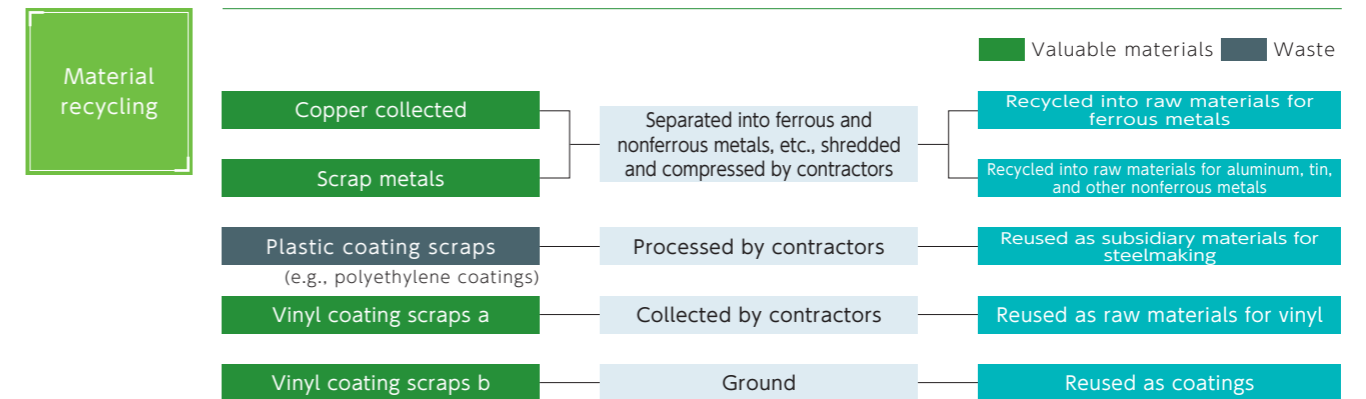
■ Recycling rate

$$\text{Recycling rate (\%)} = \frac{(\text{Valuable materials} + \text{industrial waste} + \text{general waste}) - \text{final disposal volume}}{(\text{Valuable materials} + \text{industrial waste} + \text{general waste})}$$

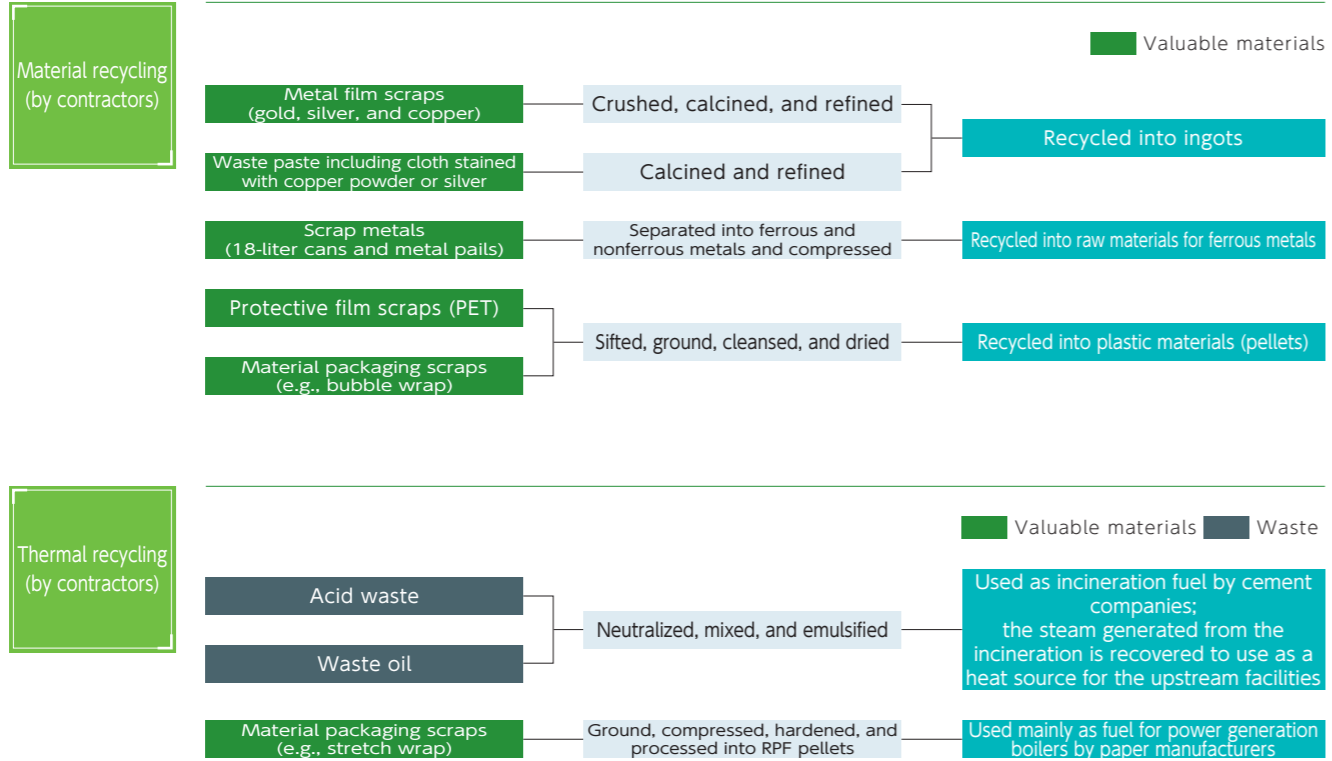
Note: Final disposal volume = general waste landfill + industrial waste landfill

District	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Head Office and Osaka Works	98.6%	99.0%	99.5%
Kyoto Works	99.1%	98.3%	99.7%
TATSUTA Technical Center	95.1%	95.7%	92.2%
Sendai Works	98.1%	98.3%	97.8%
TATSUTA Electric Wire & Cable (on a non-consolidated basis)	98.5%	98.8%	99.2%

Wire & Cable Group



Electronic Materials & System Equipment Group

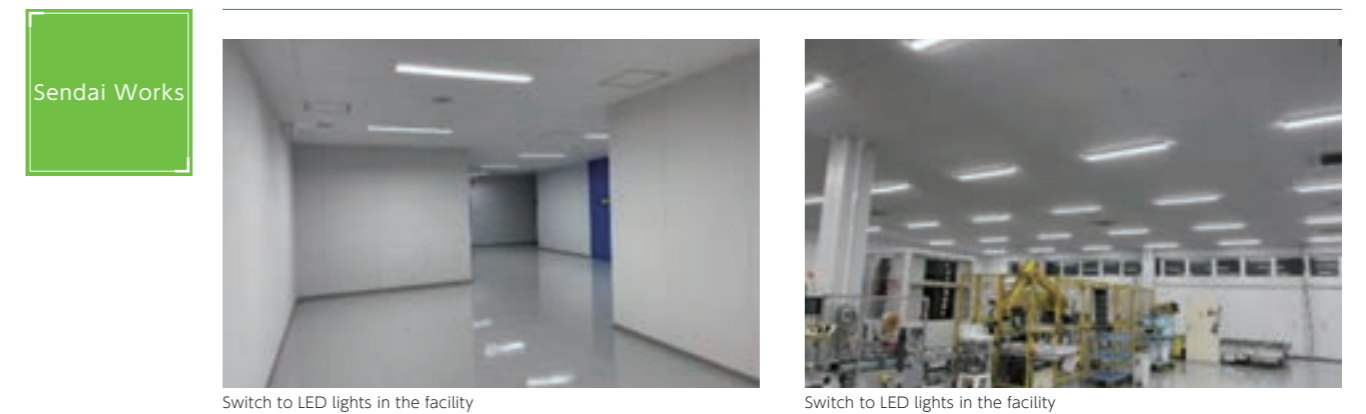
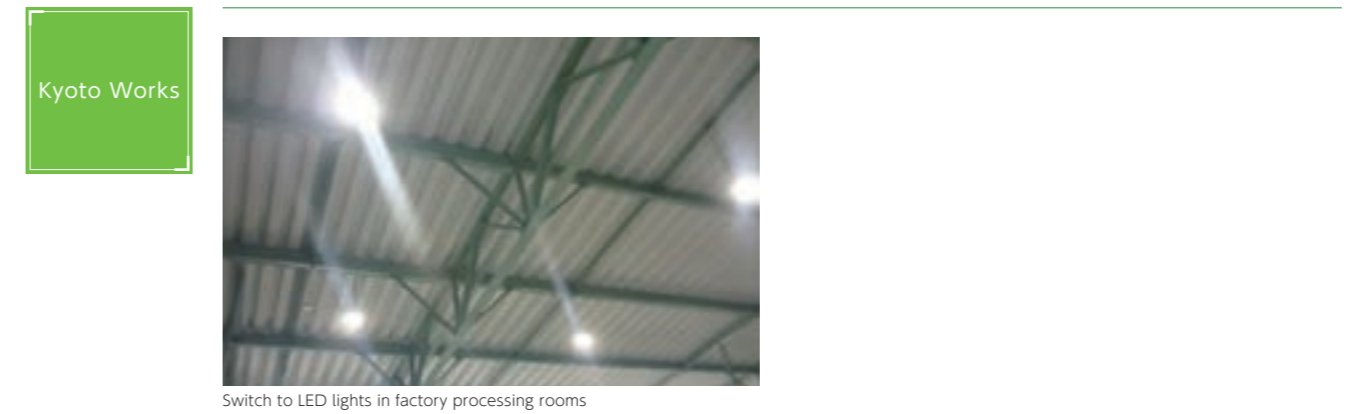


Promoting Energy Saving

At the TATSUTA Group, we are engaged in saving energy with the aim of environmental conservation.

Installation of high-performance energy-saving equipment

At the Osaka Works, we have installed energy-saving motors when renewing drive control devices, contributing to an approximate annual power saving of 111,000kWh. We have also progressively shifted to LED lights, reducing energy consumption by 2,000kWh at the Kyoto Works and 73,000kWh at the Sendai Works.



□ Pursuing Carbon Neutrality

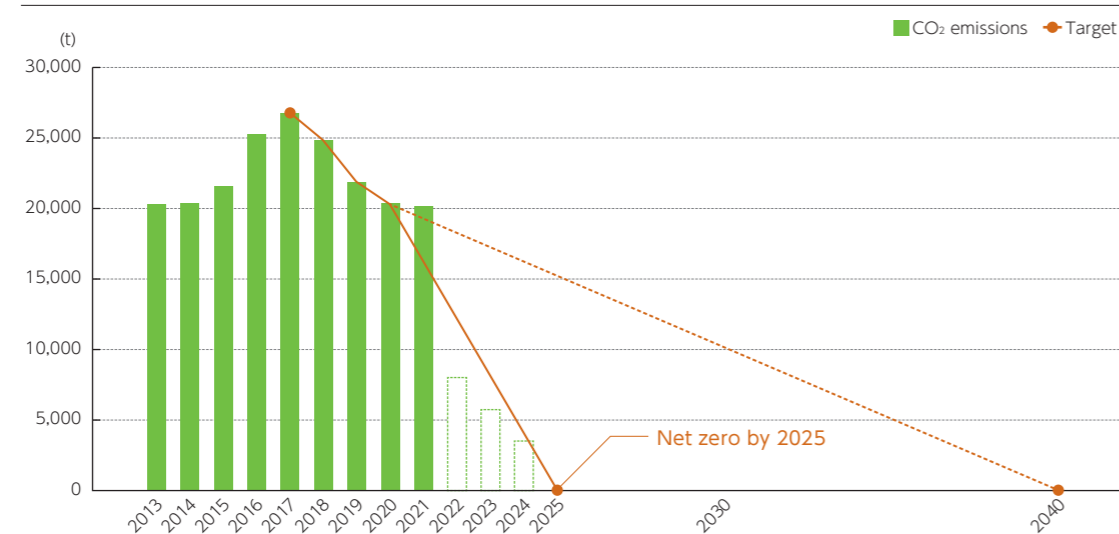
The TATSUTA Group aims to achieve carbon neutrality by 2025. We are undertaking investment and other measures to utilize renewable energy and achieve energy savings.

We have installed a 192.5-watt solar power module at the TATSUTA Technical Center (TTC). Annually, the module generates 216,000kWh of electricity (equivalent to around 54kl crude oil), which corresponds to some 6% of TTC's energy use. In terms of CO₂ emissions, the electricity generated is equivalent to reducing CO₂ emissions by 76 tons per annum.

We are also engaged in reducing our energy consumption per unit of production. For the fiscal year ended March 31, 2022, despite enhancing the efficiency of production equipment and investing in energy saving, energy consumption increased due to the implementation of COVID-19 countermeasures such as increasing ventilation. Energy consumption per unit of production also increased by 6.0% (TATSUTA Electric Wire & Cable on a non-consolidated basis), partly due to the impact of a decrease in production volumes. CO₂ emissions decreased by 2.5% (TATSUTA Electric Wire & Cable on a non-consolidated basis) and 0.8% (TATSUTA Group), due to factors such as the suspension of in-house power generation using heavy oil and the switch to electricity sourced from carbon-free LNG.

District	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Head Office and Osaka Works	11,604	10,579	10,443
Kyoto Works	1,745	1,839	1,986
TATSUTA Technical Center	1,476	1,444	1,525
Sendai Works	4,474	4,341	3,800
Chugoku Electric Wire & Cable Co., Ltd.	1,258	1,033	1,000
Tatsuta Tachii Electric Cable Co., Ltd.	1,272	1,061	1,365
Total	21,829	20,297	20,119

■ Group CO₂ emissions reduction targets and emissions (results and forecasts) (Scope 1 and 2, at operational sites in Japan and affiliated companies)



□ Biodiversity Conservation Activities

The TATSUTA Group avoids using chemicals that are harmful to living organisms, wherever possible. We also engage in the following initiatives, to encourage employees to feel a connection with living creatures and nature through their everyday lives and corporate activities. In the fiscal year ended March 31, 2022, some activities were cancelled due to the COVID-19 pandemic.

Forest conservation	TATSUTA participates in the IKOMA no MORI Forest Consortium, which engages in forest conservation activities through cooperation between companies, universities, NPOs, administrative bodies, and other organizations. The Consortium carries out the periodic thinning and maintenance of forests.
Local production for local consumption	Local ingredients such as vegetables are used at the employee cafeteria, contributing to local production for local consumption.
Site greening initiative	The Sendai Works engages in vegetable gardening as part of its site greening initiative. The harvested vegetables are distributed to employees.

□ Environmental Data (fiscal year ended March 31, 2022)

■ Head Office and Osaka Works

1. Atmospheric and water-related

	Facility name	Item	Unit	Regulation level	Measured value (maximum)
Atmospheric	Natural gas boiler	NOx concentration	ppm	150 or lower	47
		NOx emissions	kg	—	986.4
		Particulate matter	g/Nm ³	0.05 or lower	0.03
Water(*1)	Sewage	pH(*2)	—	More than 5.7 and less than 8.7	6.3~8.6
		BOD	mg/L	Less than 300	260
		n-hexane extraction (mineral oils)	mg/L	5 or lower	5

2. Results of PRTR investigation

(chemical substances for which the amount handled by the business operator exceeded 1 ton)

No. (PRTR Law)	Substance name	Amount emitted (ton)	Amount transported (ton)
Class I - 31	Antimony and its compounds	0	0.7
Class I - 239	Organic tin compounds	0	0
Class I - 305	Lead compounds	0	0.15
Class I - 330	Dicumyl peroxide	0	0.37
Class I - 355	Bis (2-ethylhexyl) phthalate	0	17

■ Kyoto Works

1. Atmospheric and water-related

	Facility name	Item	Unit	Regulation level	Measured value (maximum)
Water	Sewage	pH(*2)	—	More than 5.7 and less than 8.6	6.8
		BOD	mg/L	Less than 300	98
		n-hexane extraction (mineral oils)	mg/L	5 or lower	Less than 1

2. Results of PRTR investigation

(chemical substances for which the amount handled by the business operator exceeded 1 ton)

No. (PRTR Law)	Substance name	Amount emitted (ton)	Amount transported (ton)
Class I - 82	Silver and its water-soluble compounds	0	0
Class I - 300	Toluene	1.5	0.3

■ TATSUTA Technical Center

1. Atmospheric and water-related

	Facility name	Item	Unit	Regulation level	Measured value (maximum)
Water	Sewage	pH(*2)	—	More than 5 and less than 9	8.0~8.6
		BOD	mg/L	Less than 3,000	200
		n-hexane extraction (mineral oils)	mg/L	5 or lower	Less than 1

2. Results of PRTR investigation (chemical substances for which the amount handled by the business operator exceeded 1 ton)

No. (PRTR Law)	Substance name	Amount emitted (ton)	Amount transported (ton)
Class I - 82	Silver and its water-soluble compounds	0	0
Class I - 300	Toluene	0	0.9

■ Sendai Works

1. Atmospheric and water-related

	Facility name	Item	Unit	Regulation level	Measured value (maximum)
Atmospheric	Natural gas boiler	NOx concentration	ppm	150 or lower	50
		NOx emissions	kg	—	1,024
		Particulate matter	g/Nm ³	0.1 or lower	Less than 0.02
Water	Sewage	pH(*2)	—	More than 5 and less than 9	7.9
		BOD	mg/L	Less than 600	41
		n-hexane extraction (mineral oils)	mg/L	5 or lower	Less than 1

2. Results of PRTR investigation

(chemical substances for which the amount handled by the business operator exceeded 1 ton)

No. (PRTR Law)	Substance name	Amount emitted (ton)	Amount transported (ton)
Class I - 82	Silver and its water-soluble compounds	0	0
Class I - 300	Toluene	0	18

*1 The Regulation level for water is in accordance with the Higashiosaka City sewage ordinance.
*2 pH indicates a range.

TATSUTA's Initiatives to Address the TCFD Recommendations

The TATSUTA Group declared its support for the Task Force on Climate-Related Financial Disclosures (TCFD) in March 2022. We conduct scenario analysis based on the TCFD approach, identify risks and opportunities for our business activities, and reflect these in our management strategy.

We will continue to actively pursue a range of initiatives to achieve carbon neutrality, reduce the environmental impact of products and services, and promote recycling and energy saving, among other initiatives, based on a recognition that the sustainable development of society is fundamental for the sustainable growth of the Group. Going forward, we will enhance the disclosure of information concerning climate change-related risks and opportunities based on the TCFD recommendations.



Governance

We have established an ESG Committee chaired by the President & Representative Director to promote sustainability management across the entire Group. The ESG Committee is engaged in the ongoing roll-out of sustainability measures by setting targets for sustainability, including climate change countermeasures, monitoring their progress, evaluating and managing risks and opportunities, and evaluating achievements. The results are regularly reported to the Board of Directors, which supervises the Committee.

In the fiscal year ended March 31, 2022, the ESG Committee met twice, in November and March. It plans to meet three times in the fiscal year ending March 31, 2023, in July, November, and March.

Strategies

We analyzed the impact on the TATSUTA Group of climate change based on the climate change scenarios for 2050. We anticipate that climate change will have a negative impact on the Group's business management. However, we also expect to be able to respond to these risks and capture business opportunities such as the sale of products that contribute to climate change countermeasures. Therefore, our analysis shows that the financial impact on the Group will be limited.

Our business groups and related departments have worked together to identify and analyze climate change-related risks for each of the scenarios below.

1.5°C scenario	Under this scenario, the rise in global average temperatures from before the industrial revolution is assumed to be kept within 2°C, in line with the goal of the Paris Agreement.	4°C scenario	Under this scenario, no new policies and programs are implemented, and the rise in global average temperatures from before the industrial revolution is assumed to be 4°C.
<ul style="list-style-type: none"> ✓ Natural disasters increase due to rising average temperatures, but this increase does not exceed a certain level ✓ Corporate business costs increase due to the introduction of strict climate change countermeasures ✓ Technological innovation progresses, driven by low-carbon and decarbonization measures 		<ul style="list-style-type: none"> ✓ Average temperatures rise significantly, and natural disasters become more frequent and intense ✓ Corporate business costs increase somewhat due to the introduction of climate change countermeasures ✓ Coastal areas are significantly impacted by rising sea levels, flooding, and torrential rain (it becomes necessary to revise lifestyles and BCP, and corporate business costs increase) 	
Scenario analysis At the TATSUTA Group, we recognize significant opportunities and risks related to climate change.			

1.5°C scenario (risks)

Risks / opportunities	Type	Social changes	Anticipated scenarios	TATSUTA's response policies
Risks	Policy, and laws and regulations	<ul style="list-style-type: none"> ● Stronger environmental regulations related to GHG emissions ● Introduction of carbon taxes and emission rights trading 	<ul style="list-style-type: none"> ● Transition costs associated with the shift to renewable energy ● Costs associated with the introduction of carbon taxes and emission rights trading 	<ul style="list-style-type: none"> ● We expect to achieve carbon neutrality in the functional films business by FY2022, and at our operational sites and affiliated companies in Japan by FY2025 ● We see no significant financial impact at present due to the transition of electricity, gas, and fuels to renewable energies or CO₂ credit trading ● We will promote energy-saving measures and procure renewable energy at more reasonable prices ● We will generate our own electric power to reduce power procurement costs
	Market, technology, and reputation	<ul style="list-style-type: none"> ● Rapid transition to low-carbon and decarbonization 	<ul style="list-style-type: none"> ● Rise in the price of copper and other metals whose demand is anticipated to increase from applications such as power generating facilities using renewable energy, EVs, and green fuels 	<ul style="list-style-type: none"> ● We will endeavor to transfer costs onto the price of our products and reduce production costs
	Physical risks	<ul style="list-style-type: none"> ● The increase in natural disasters is curbed by climate change countermeasures 	<ul style="list-style-type: none"> ● Possible impact on ensuring the safety of employees and business continuity due to natural disasters 	<ul style="list-style-type: none"> ● We will formulate and establish BCP in anticipation of an increase in natural disasters, and implement measures to ensure the health and safety of employees

1.5°C scenario (opportunities)

Risks / opportunities	Type	Social changes	Anticipated scenarios	TATSUTA's response policies
Opportunities	Market, technology, and reputation	<ul style="list-style-type: none"> ● Changes in the composition of the power supply due to the energy mix 	<ul style="list-style-type: none"> ● Increase in demand for TATSUTA's cables for solar power plants and power transmission and distribution network enhancements associated with the increasing spread of renewable energy 	<ul style="list-style-type: none"> ● We will monitor market trends and engage in sales promotion activities for fields where demand is expected
		<ul style="list-style-type: none"> ● Development and spread of advanced technologies aimed at decarbonization 	<ul style="list-style-type: none"> ● Expansion in demand for TATSUTA's electronic materials such as functional films and functional pastes due to the development and spread of the advanced electronic equipment needed for applications such as larger and more efficient renewable energy production facilities and advances in energy-saving technologies 	<ul style="list-style-type: none"> ● We will capture technological trends and market information to develop and sell products

4°C scenario (risks and opportunities)

Risks / opportunities	Type	Social changes	Anticipated scenarios	TATSUTA's response policies
Risks	Physical risks	<ul style="list-style-type: none"> ● Increasing intensity and frequency of abnormal weather (typhoons, wildfires, flooding, rainstorms) ● Changes in precipitation and weather patterns (increase in rainfall and rise in average temperatures) 	<ul style="list-style-type: none"> ● Supply stoppages for copper and other raw materials due to natural disasters ● Localized shutdowns of TATSUTA's operating sites due to flood damage in low-lying areas and natural disasters ● Securing the safety of employees due to increased rainfall ● Decline in the efficiency of operations by employees due to an increase in epidemics, heatstroke, etc. 	<ul style="list-style-type: none"> ● We will formulate and establish BCP in anticipation of an increase in the severity of abnormal weather ● We will implement measures to ensure the health and safety of employees
Opportunities	Market, technology, and reputation	<ul style="list-style-type: none"> ● Increasing intensity and frequency of abnormal weather (typhoons, wildfires, flooding, rainstorms) 	<ul style="list-style-type: none"> ● Increase in demand to transition to more durable electric wires to prevent disconnections due to natural disasters 	<ul style="list-style-type: none"> ● We will monitor market trends and engage in sales promotion activities for fields where demand is expected

Risk management

At TATSUTA, we follow the following procedures to appropriately manage risks related to climate change.

Identification, evaluation, and management procedures for climate change-related risks

Identification and evaluation	Management	Integration into companywide risk management
The Corporate Planning and Coordination Department cooperated with business groups and related departments to investigate and reveal the risks and opportunities listed above, based on the status at other companies and the opinions and advice of external agencies. The Board of Directors, Board of Managing Officers, and ESG Committee deliberated on the risks and opportunities revealed to identify and evaluate them.	The status of response to the identified risks and opportunities is reported to the Board of Directors, Board of Managing Officers, and ESG Committee.	The status of identification, evaluation, and management of climate change-related risks is reported to the Risk Management Committee.

Indicators and targets

Pursuing carbon neutrality

We originally planned to achieve carbon neutrality by 2040, but we have brought forward this target in consideration of the demands of society and our corporate customers. We have established a plan to achieve carbon neutrality (Scope 1 and 2) at our operational sites and affiliated companies in Japan by the fiscal year ending March 31, 2026. We have designated CO₂ emissions volume as an evaluation metric.

March 2020 Result	March 2021 Result	March 2022 Result
Approximately 21,800t	Approximately 20,300t	Approximately 20,600t

Promoting energy saving

We target a reduction of 1% or more in energy consumption per unit of production to help offset the increase in costs from switching to renewable energy and purchasing CO₂ credits. We engage in thorough energy-saving while also working to transfer these costs onto the price of our products and services.

Promoting recycling

We target a recycling rate of 95% or more in order to reduce waste. We have already achieved 95% or more at TATSUTA on a non-consolidated basis, and we will expand the scope of this target to Group companies, including subsidiaries in Japan and overseas (we expect to achieve this target by FY2022 in Japan and FY2025 overseas).

Providing environmentally-friendly products and services




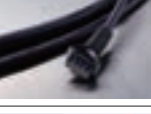



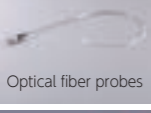
We are striving to develop new and improved environmentally-friendly products to reduce environmental impact. In the electric wire and cable business, we are developing eco-friendly electric wires and cables that boast the same level of fire resistance as conventional vinyl chloride-coated products but utilize highly-recyclable coatings and contain no halogen elements, lead, and other heavy metals. In the electronic materials business, we are developing products with attention to environmental compatibility, epitomized by halogen-free, Restriction of the Use of Certain Hazardous Substances (RoHS), UL, and lead-free reflow soldering. In our environmental analysis business, we carry out environmental analysis and industrial waste analysis, including services such as dioxins analysis and working environment measurement.



□ Provision of advanced, high-quality products and services to benefit society

Develop products and services that resolve social issues and satisfy customer needs

The TATSUTA Group develops and provides products to meet customer needs, aiming to resolve social issues.

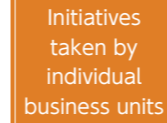
	Product name	Features and uses
Electric wires and cables	 かるまげ™ (Karu Mage) (KM-CC), 600V fire-resistant flexible crosslinked polyethylene eco-friendly cable	Boasts excellent flexibility that helps save labor and manhours for cable laying operations. For wiring in data centers and narrow places. Note: かるまげ "Karu Mage" is a trademark of TATSUTA Electric Wire & Cable Co., Ltd., registered in Japan.
	 かるまげ難や燃 (Karu Mage Nanyanen), 600V flexible flame-resistant crosslinked polyethylene fire-resistant polyethylene sheath cable	Boasts excellent flexibility and high fire resistance, helping to save labor and manhours for cable laying operations. For wiring in data centers and narrow places.
	 ネットフ115™ (Netsu Tough 115) (S) HKIV, special heat-resistant vinyl-insulated electric wire for electric devices	Realizes resource savings through a more compact size. For the inside of electric devices on low-voltage circuits (AC 600 V or lower). Note: ネットフ115 "Netsu Tough 115" is a trademark of TATSUTA Electric Wire & Cable Co., Ltd., registered in Japan.
	 FA robot cable Thin-diameter KORIKI™ high-strength cables	Realizes resource savings through longer product life. For industrial robots and FA equipment. Note: "KORIKI" is a trademark of TATSUTA Electric Wire & Cable Co., Ltd., registered in Japan and other countries.
Electronic materials	 SF-HR5600-C high heat resistance shielding film for automotive applications	Electromagnetic interference (EMI) shielding film compatible with use in high-temperature high-humidity environments in the automotive field. Complies with RoHS and other environmental requirements. For in-vehicle equipment (displays, cameras, sensors, etc.) and mobile devices
	 EMI shielding paste for semiconductor packages	Gives EMI shielding feature to semiconductor packages directly and three-dimensionally. For mobile devices and in-vehicle equipment.
Other	 Water leakage detection system	Line sensors that accurately detect water, protecting equipment from water leakage. For servers and data centers.
	 Optical fiber probes for medical applications	Optical fiber probes that can be used in photodynamic therapy (PDT). The probe projects laser light at the tumor tissue in the lesion. For cancer treatment and minimally invasive medicine.

Strengthen quality assurance systems

It is the Group's mission to provide safe, high-quality products to society. We endeavor to improve quality using a customer-oriented approach, based on our Quality and Environment Policy (Page 11).



The Group has acquired ISO 9001 certification, appropriately operates a quality management system (QMS), and performs regular audits. We have also constructed a proprietary QMS tailored to our businesses.



Each business unit undertakes a variety of initiatives to provide safe and high-quality products and services.

■ Wire & Cable Group / TATSUTA Electric Wire & Cable Co., Ltd.

The Quality Assurance Department aggregates and analyzes information on process abnormalities, confirms the validity of quality standards, reviews control items, etc. From the fiscal year ending March 31, 2023 onwards, we will introduce new systems such as operational status monitoring and materials management systems, aiming to construct a new quality control system.

Operational status monitoring and management systems	We have installed systems to manage the temperature, pressure, the number of rotations, and other aspects of production equipment on our electric wire and cable production lines. We constantly monitor and check operational status, and respond instantaneously if any abnormality occurs.
Inspections on production lines	In addition to inspections by personnel using measurement devices, we also carry out inspections using automated measurement devices. For example, by using an image measuring device in structural inspections, we achieve precise inspections without a margin of error.
Finished product inspections	TATSUTA's qualified quality inspection personnel carry out structural tests, voltage endurance tests, and other inspections based on the specifications form.
Process control	We operate process control systems on production lines. If an abnormality should occur within a process, the Quality Assurance Department conducts an investigation to prevent the outflow of defective products.
Improving quality and enhancing customer satisfaction	Quality claims and defects are addressed by thoroughly investigating the cause of the problem through "why-why analysis," to prevent the problem from recurring.
Quality management education	The Technical Education and Training Center provides basic training in quality control. We implement internal training in "methods for measuring structure and dimensions" for employees involved in manufacturing. We have also established in-house certification to raise the level of employee skills.

■ Tatsuta Tachii Electric Cable Co., Ltd. and Chugoku Electric Wire & Cable Co., Ltd.

At Tatsuta Tachii Electric Cable Co., Ltd., we investigate the true cause of defects through why-why analysis, progressively standardize processes, review inspection items and testing methods, and strive to improve quality. From the fiscal year ending March 31, 2023 onwards, we will engage in further quality enhancements, improving the efficiency of production systems and strengthening quality assurance systems.

At Chugoku Electric Wire & Cable Co., Ltd., we have introduced image measuring devices, and are engaged in ensuring stable product quality through the implementation of low-variation inspections by workers. From the fiscal year ending March 31, 2023 onwards, we will continue to endeavor to achieve more efficient operations and engage in stabilizing and improving product quality.

Enhancing inspection systems	We implement efficient and exact inspections using cutting-edge measuring instruments, including image measuring devices for structural measurement and image recognition cameras for in-process visual inspections.
Increasing the precision of product lifespan forecasts	For movable cables where superior flex and twist properties are required, we have compiled a proprietary database using historical data to increase the precision of product lifespan forecasts. We accommodate flex and twist testing requests from customers.

■ Electronic Materials & System Equipment Group

We have established flexible quality assurance systems, optimally suited to our enhanced product lineup. We also work towards more stable product quality through measures such as supplier audits, to ensure that we respond appropriately to the anticipated expansion of our supply chains. From the fiscal year ending March 31, 2023 onwards, we will continue to engage in strengthening quality assurance systems with the aim of improving the efficiency of production and enhancing product quality.

Verifications at the development stage	Electronic materials undergo design reviews and prototype evaluation (experiments and testing) before arriving at the final product. We work to reduce quality risk through stringent verification by the Quality Assurance Department and other relevant departments at each stage. We have also obtained the relevant permits for the development and manufacture of medical equipment materials.
Quality inspections	We carry out the following inspections for each process, to ensure TATSUTA's quality. <ul style="list-style-type: none"> ● Raw materials procurement process: Supplier audits ● Manufacturing process: Dual quality inspections by personnel and machines ● Shipping process: External visual inspections, mechanical property tests, and electrical property tests by qualified quality inspection personnel

Strengthening of BCP systems

At the TATSUTA Group, we have formulated business continuity plans (BCP) and constructed a business continuity management system (BCMS). We engage in their effective operation to ensure business continuity in the event of incidents such as large-scale disasters, supply chain disruptions, epidemics, and information system failures.

BCMS in the Functional Films Business

TATSUTA's functional films business boasts an overwhelming share of the global market. To fulfill our duty to consistently supply customers, we obtained ISO 22301:2012 (BCMS) certification in July 2016 and were recertified under ISO 22301:2019 in July 2022. We have already established a BCP covering large-scale disasters (natural disasters, accidents, fires, etc.), supply chain disruptions, epidemics, and information system failures, including cyber attacks. In particular, we have implemented investigations of suppliers' business continuity capacity and worked to share information through forums such as supplier meetings. These initiatives are aimed at increasing the effectiveness of supply chain business continuity planning, which is key to strengthening our stable supply system.

With cyber attacks (ransomware, malware, etc.) posing a significant risk around the world in recent years, we have reviewed our information systems business continuity planning in the functional films business, to minimize stoppage time due to system failures. We are also building information security and cyber security systems, aiming to obtain ISO 27001 (ISMS) certification.

We will continue to strengthen our BCMS system through business continuity seminars and training in anticipation of possible large-scale earthquakes, natural disasters due to abnormal weather conditions, supply chain disruptions due to international conflict or epidemics, and cyber terrorism. By ensuring the continuity and swift resumption of business operations, and minimizing the impact on the supply of products and services to customers, we aim to win the trust of customers and ensure stable supply.

BCP for COVID-19

The TATSUTA Group has implemented thorough infection prevention measures against COVID-19. In addition to ensuring the safety of our employees and their families, we have fulfilled our duty to supply customers. We have also established a BCP basic plan for epidemics in general, to prepare for future threats.

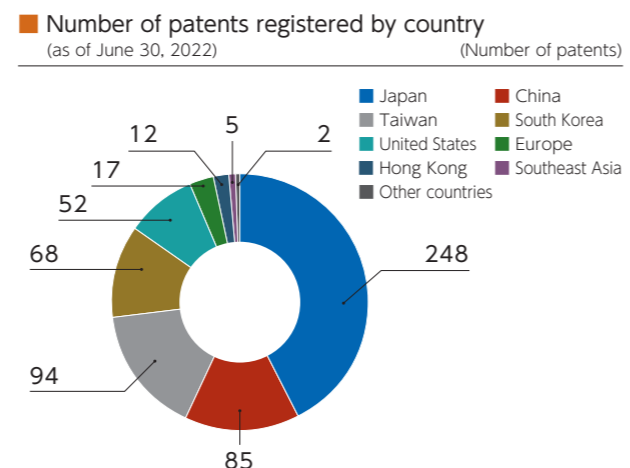
BCP for large-scale disasters

TATSUTA responds to large-scale disasters and similar emergencies through the BCMS in the functional films business, and based on the Crisis and Emergency Response Rules in other businesses. In the fiscal year ended March 31, 2022, we established the TATSUTA Electric Wire & Cable Group Business Continuity Operating Rules. We have also prepared earthquake first-response manuals and a business continuity plan (large-scale disaster edition) for the Group.

Intellectual property

TATSUTA respects intellectual property rights, to achieve sustainable growth and enhance corporate value. To this end, we are engaged in the following initiatives.

- We ensure our products' superiority by establishing our intellectual property rights, while also building an intellectual property management framework for product development that respects the intellectual property rights of others.
- We strengthen production sites and sales networks by establishing intellectual property rights, not only in Japan but also across Asia, the United States, and elsewhere.
- We evaluate inventions fairly at each stage—when filing for patent applications, patenting, and generating profits—to create an environment that motivates employees to dedicate themselves to developing highly unique products and technologies.



Supply chain management

We have formulated the Basic Procurement Policy to reflect TATSUTA's social responsibility as a company, based on its Management Principles, Corporate Code of Conduct, etc.

Basic Procurement Policy

- 1 We build sound and productive relationships with business partners in the spirit of mutual trust and cooperation.
- 2 We seek to promote procurement activity that is not only legally compliant but also highly fair, equitable, and transparent.
- 3 We carry out procurement activity that is aimed at symbiosis between nature and humanity.
- 4 We endeavor to build and maintain systems instrumental in stably supplying products to customers.
- 5 We stringently safeguard business partners' confidential information to honor confidentiality.

Furthermore, in view of rising interest in ensuring respect for human rights in corporate supply chains, we engage in initiatives (human rights due diligence) to appropriately investigate, analyze, and redress human rights risk.

Promoting sustainable procurement

As part of our human rights due diligence, we utilize internal and external resources to carry out investigations of new and existing business partners, including aspects such as risks related to human rights. We engage appropriately with key suppliers through measures such as individual surveys.

We have also developed TATSUTA's Green Procurement Guidelines. We disclose our green procurement standards to our suppliers, and ensure that they comply with the matters requested. We also investigate suppliers to ensure they do not use raw materials or components containing conflict minerals or similar substances. By procuring environmentally-friendly raw materials and subsidiary materials, we aim to reduce environmental impact throughout our supply chains and contribute to achieving a sustainable society.

BCP for procurement

TATSUTA endeavors to purchase key materials and raw materials from more than one business partner, in anticipation of the possibility that it may become impossible for us to purchase that partner's materials and raw materials. Should any incident occur, we swiftly gather information and take action.

Supplier meetings

We hold supplier meetings as necessary for the purpose of fostering mutual trust with suppliers. At these meetings, we communicate trading precautions and rules, and request the compliance of our suppliers.

Procurement training

We implement procurement training and workshops with the aim of raising compliance awareness. Employees receive lectures on precautions and other matters suited to their duties and ranks.

□ Promoting Measures for Safety and Health

The mental and physical health of employees is the Group's first priority, and we have implemented measures for safety and health.

■ Safety and health management policies

- 1 Deepen safety and health improvement investments
- 2 Steadily implement key initiatives for safety and health activities
- 3 Foster and embed a culture of safety

■ Key initiatives

Item	Outline	
Implement measures to prevent serious accidents (promote the increase of inherent safety and the establishment of a culture of safety)	Strengthen on-site monitoring	Encourage employees to attend various seminars to strengthen their ability to identify potential sources of risk at operating sites, as well as their leadership and communication skills.
	Continue and appropriately manage safety and health improvement investments	Strengthen improvement progress management with an emphasis on measures to increase inherent safety.
	Strengthen risk assessment activities	Carry out risk assessments, including for existing equipment, and prioritize the reassessment of risks for equipment and processes for which there is a concern over the potential for serious accidents.
	Practice safe design on an ongoing basis	When installing new equipment or modifying equipment, prepare specifications forms incorporating hardware and software safety design.
Enhance safety and health education	Expand hands-on danger education	Enhance the content of hands-on danger education and progressively expand the scope of employees eligible to take the training.
	Strengthen safety and health education	Raise safety and health awareness through various training sessions.
Solidify systems for safe execution of works	Prevent serious accidents	Ensure that rules on construction are widely known and that the safety of construction subcontractors is thoroughly managed.
	Take action to ensure works safety	Ensure that rules are widely known and that managers patrol construction sites to provide guidance. Endeavor to prevent human error through thorough on-site safety management and communication.
Support and enhance mental and physical health	Prevent mental health problems, primarily by eliminating the practice of working long hours and by using stress checks	Reform work style perceptions, improve labor productivity, implement measures such as the standardization of duties, and enable employees to secure time for good health and fulfilling lifestyles. Also strive for the prevention and early detection of mental health problems.
	Prevent and detect illness early	Endeavor to prevent illness through a 100% uptake rate for statutory medical check-ups and follow-up check-ups.
	Prevent lifestyle diseases and other illnesses through proactive health management	Encourage employees to improve their lifestyle habits to prevent the occurrence of lifestyle diseases.
Continue to implement measures to prevent traffic accidents (including those in the course of work)	Implement traffic safety activities to ensure full compliance with traffic rules, and endeavor to prevent traffic accidents.	

Safety and health management framework

At the TATSUTA Group, we have established a framework for the promotion of safety and health measures.

Central Safety and Health Committee Biannual	Deliberates on basic matters related to companywide safety and health
Workplace Safety and Health Committees Monthly	Deliberates on matters related to safety and health corresponding to the work and region unique to each workplace
Workplace Safety and Health Council Monthly	Deliberates on specific matters related to safety and health in the workplace

Status of occupational accidents, etc. (results for the TATSUTA Group)

Fiscal year ended March 31, 2022		Targets	Results
Safety	Accidents resulting in lost workdays	0	2
	Accidents not resulting in lost workdays	0	3
Health	Cases of occupational illness	0	0
	Rate of absence due to illness outside work	0.52% or lower	0.85%
	Uptake rate of statutory medical check-up	100%	100%

Fiscal year ended March 31, 2021		Targets	Results
Safety	Accidents resulting in lost workdays	0	0
	Accidents not resulting in lost workdays	0	2
Health	Cases of occupational illness	0	0
	Rate of absence due to illness outside work	0.48% or lower	0.57%
	Uptake rate of statutory medical check-up	100%	100%

Safety activities

Opening of the TATSUTA Electric Wire & Cable Hands-on Danger Education Center

This center offers simulated experiences of the potential dangers hidden in everyday work. Its objective is to increase the danger awareness of workers and managers, to prevent accidents from occurring. In the fiscal year ended March 31, 2022, 179 employees from the Osaka Works participated in training here. In the future, we will expand the scope of employees eligible for training to include other business sites and Group companies.



A training session



Experiencing the danger of being caught in machinery

Holding a safety lecture

On February 8, 2022, we held our third safety lecture online, on the theme of “The Latest Trends in Occupational Accidents and Corporate Response Measures.” The lecture was attended by approximately 180 employees, mainly in management positions. Feedback from those who attended included opinions such as “I gained a greater awareness of safety through specific content such as accident case studies from TATSUTA and other companies.”



Online lecture

Safety and health improvement investments

To prevent serious disasters and accidents, it is necessary to take steps such as reviewing the way we work and upgrading equipment. At the TATSUTA Group, we have worked since the fiscal year ended March 31, 2021 to identify safety and health issues and implement investment in accordance with the importance and urgency of these issues. We will continue to address these issues appropriately, aiming to create safe workplace environments.

[Safety and health improvement investments]

	Number of projects	Completed	Amount invested
April 2020 to March 2022	125	103	Approx. 260 million yen

[Examples of investment projects]

- Installed an automatic raw materials supply pump in the compounding chamber (Sendai Works)
- Installed a coating monitoring system in the coater head chamber (Sendai Works)

Risk assessment

At the TATSUTA Group, we conduct risk assessments and implement measures based on the results of these assessments. We hold risk assessment workshops led by external instructors to learn the skills required to ascertain potential dangers and hazards in the workplace and implement countermeasures. We also conduct risk assessments for equipment and chemical substances whenever appropriate, and endeavor to prevent occupational accidents.



Risk assessment carried out at the TTC



Risk assessment workshop

Initiatives to prevent accidents

At our Osaka Works, we carry out a “patrol for disaster and accident eradication,” focusing on intersections within the grounds of the works. We also hold safety seminars for internal forklift and reach truck drivers, and endeavor to raise safety awareness.



A patrol for disaster and accident eradication



A forklift safety seminar

Support and enhance mental and physical health

Initiatives for mental health

The TATSUTA Group recognizes supporting and enhancing mental health as an important issue, and emphasizes caring for the mental health of its employees. Annual stress checks are carried out with the aim of preventing mental health disorders. In addition to promoting employees’ awareness, we endeavor to reduce sources of workplace stress using group analysis. We also provide regular training for managers and others to enable them to learn about mental health, as an initiative to care for mental health in the workplace.

[Training themes in the fiscal year ended March 31, 2022]

- For managers: Unconscious bias
- Consultation service representatives: Preventing harassment in the workplace

Establishing consultation services

Industrial physician consultations

Industrial physicians conduct consultations for employees at each major facility, including post-health check interviews, medical consultations, consultations regarding leave, return to work, and stress check responses. In addition, industrial physicians interview employees who engage in overtime work exceeding a designated level to prevent health disorders resulting from excessive workload.

Mental Wellbeing Counseling Rooms

We engage in preventing mental health disorders and supporting employees returning to work through counseling by counselors.

COVID-19 measures

To tackle the challenges posed by COVID-19, the TATSUTA Group is continuing to work to ensure both business continuity and the safety of employees and their families. Moving forward, we will continue strict epidemic countermeasures in an effort to ensure the safety of all stakeholders, prevent the spread of infections, and meet our duty to supply customers.

□ Respecting Human Rights

As an enterprise doing business globally, the TATSUTA Group respects the rights of all persons affected by our business activities. We create the necessary frameworks and carry on activities needed to raise awareness.

Preventing harassment

The TATSUTA Group has established the necessary frameworks to foster respect for human rights. Our initiatives to thoroughly prevent harassment are shown on the right.

- Establishing the TATSUTA Electric Wire & Cable Group Helpline
- Implementing harassment prevention training for each level of employee
- Appropriately revising and operating in-house rules

Awareness-raising activities

We continued to implement employee awareness-raising activities. In the fiscal year ended March 31, 2022, we held an online lecture presented by an external instructor, on the theme of "Addressing the 'Business and Human Rights' Demanded of Companies Today."



Online lecture

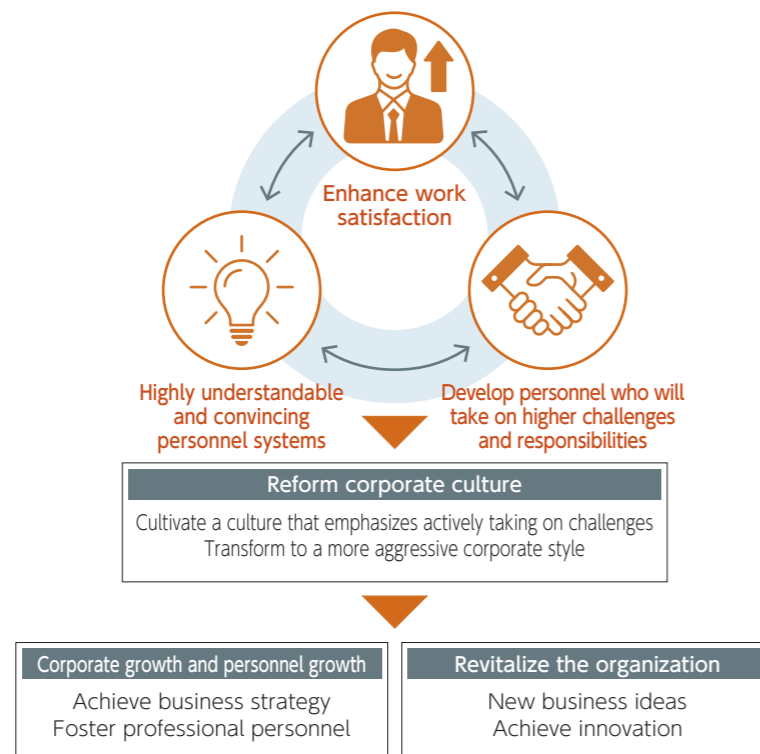
□ Nurturing Human Resources to Drive Sustainable Growth

At the TATSUTA Group, we are engaged in creating workplaces where all of our employees can make maximum use of their abilities.

Adoption of new personnel systems

In the fiscal year ended March 31, 2022, TATSUTA conducted a survey of all employees and interviews with corporate officers, and proceeded to carry out a complete overhaul and review of personnel systems. Based on the need to operate personnel systems in line with the times, and reflecting the results of the employee survey, we established a basic policy of "transforming to a 'fulfilling personnel system' that encourages each employee to take on challenges and rewards those who strive to do better." We began the progressive adoption of new personnel systems in April 2022, with "professional personnel" as our vision for employees. By creating environments where employees can perform to their best and experience fulfillment in their work, we aim to foster and secure personnel who can actively take on challenges and contribute to society, thus growing TATSUTA sustainably.

Aims and goals of the system reforms



Training programs

Through the TATSUTA Group's training programs, shown below, we build the awareness and consciousness of Group employees.

Education and training system	New employees	Young employees	Mid-level employees	Chiefs & section heads	Managers
	New employee training (group training)	Assignment training	New team leader training	New chief & section head training	New manager training
	On-the-job training	External training (technical, legal, etc.)		Behavioral change training	Manager training
	Follow-up training	Language-related training	Language training (English) Language training (Chinese)	Overseas language training system	Middle manager training
	Language training (English)	Specialized education for each department	Support to obtain qualifications	Correspondence courses	Senior manager training

■ Career development
 ■ Specialist education
 Next-generation development education

Graded training	We aim to enable employees to acquire the skills and knowledge needed at each level. <ul style="list-style-type: none"> ● New employee training: Acquiring the basic skills of a businessperson ● Assignment training: Learning problem-solving methods, for young employees ● Training for new team leaders, new chiefs and section heads, and new managers: Aiming to acquire skills suited to each position 	<p>FY2021 new employee training</p>								
Next-generation development education	We provide next-generation development education aimed at unearthing the next generation of leaders, developing core personnel, promoting a deeper understanding of management policy, and encouraging a mutual understanding of business issues through interaction between participants. Ten employees are selected to participate in each training. The participants not only acquire knowledge but also deepen their understanding through discussions on each theme. Consultants from our partner educational institutions assess (evaluate) participants during the training, based on their attitudes and achievements. The results of the assessment are reported back to the individual participants and their supervisors to gain an understanding of the abilities and challenges of each participant.									
Initiatives to develop DX talent	In the fiscal year ended March 31, 2022, we implemented DX training on a trial basis for some participants selected from each division. The aim of this trial was not only to expedite the development of core personnel to promote DX but also to validate the effectiveness of the training through surveys and interviews conducted after completion. The fiscal year ending March 31, 2023, will be the first year of full-scale DX training, when we will define the DX personnel, roles, and skills required by the TATSUTA Group. Through practical training programs, we will provide employees with opportunities to acquire the necessary skills. At the same time, by cultivating companywide DX awareness, we aim to develop a broad range of personnel to contribute to improving business operations and productivity, and key talents to lead the transformation of our business model.	<table border="1"> <thead> <tr> <th>Class</th> <th>Roles</th> </tr> </thead> <tbody> <tr> <td>Specialist DX personnel</td> <td>Closely familiar with DX-related digital technologies (AI, IoT, etc.) and data analysis technologies, these personnel can promote the design of systems and the establishment of infrastructure from a technical perspective.</td> </tr> <tr> <td>Core DX personnel</td> <td>These personnel can take responsibility for DX planning, formulation, and promotion, and lead the implementation of DX.</td> </tr> <tr> <td>General DX personnel</td> <td>These personnel can utilize digital technologies in the workplace.</td> </tr> </tbody> </table>	Class	Roles	Specialist DX personnel	Closely familiar with DX-related digital technologies (AI, IoT, etc.) and data analysis technologies, these personnel can promote the design of systems and the establishment of infrastructure from a technical perspective.	Core DX personnel	These personnel can take responsibility for DX planning, formulation, and promotion, and lead the implementation of DX.	General DX personnel	These personnel can utilize digital technologies in the workplace.
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General DX personnel	These personnel can utilize digital technologies in the workplace.									

Diversity & Inclusion

At the TATSUTA Group, we respect diversity in personnel and working styles. We aim to create workplace environments where employees can make maximum use of their individual abilities, and promote diversity & inclusion.

Work-life balance

We provide workplace environments that are work-friendly for all, by implementing enhanced systems to support childcare and care for the aged and offering diverse working styles. We have extended the special leave available to male employees upon the birth of a child from two to five days to encourage our male employees to take childcare leave.

Diverse working styles	<ul style="list-style-type: none"> ● Teleworking scheme ● Promotion of employee re-employment
Childcare	<ul style="list-style-type: none"> ● Measures to shorten regular working hours for childcare (until the end of the fiscal year when the child turns 12) ● Childcare leave allowance ● Subsidy for the use of nurseries, etc. ● Extension of special leave available to male employees upon the birth of a child (2→5 days)
Nursing and care for the aged	<ul style="list-style-type: none"> ● Nursing care leave ● Shortened working-hour system ● Nursing care leave allowance
Welfare and benefits	<ul style="list-style-type: none"> ● Designation of paid leave promotion days (5 days/year) ● Relaxation of conditions placed on the usage of accumulated paid leave (volunteer activities, infertility treatment, etc.)

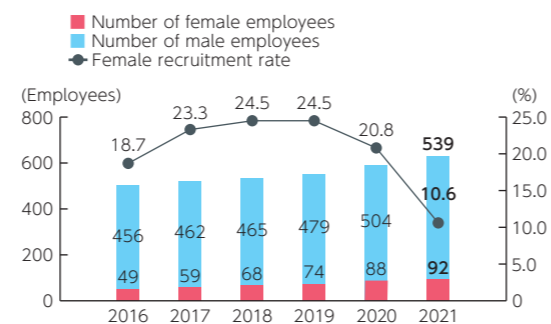
Female participation and career advancement

Action Plan to Promote Female Participation and Career Advancement and Help Develop Next-Generation Leaders

In April 2021, we formulated the Action Plan to Promote Female Participation and Career Advancement and Help Develop Next-Generation Leaders, building on the April 2016 Basic Policy on Female Participation and Career Advancement. Our Group companies have also established action plans. We are taking necessary steps in accordance with the basic policy of hiring women proactively, creating an environment in which all employees can reach their full potential, dedicating our resources to their education, including support for career development, and thereby actively promoting female participation and career advancement.

Female recruitment rate

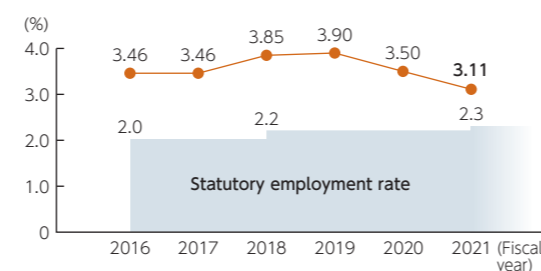
We target a proportion of 25% or more women among new hires, and 10% or more female managers by March 31, 2026. For the fiscal year ended March 31, 2022, women comprised 10.6% of our new hires. The average for 2016 to 2021 was 20.5%. The proportion of female employees has risen from 9.7% in 2016 to 14.6% in 2021. The ratio of female managers was 7.5% in the fiscal year ended March 31, 2022. At the TATSUTA Group, women are actively engaged in fields such as sales and technical jobs.



Employing persons with disabilities

Employment rate of disabled persons

We are also focusing on employing persons with disabilities, and striving to create environments that are work-friendly for each person based on his or her characteristics. We implement initiatives in close cooperation with our employees, and maintain a high employee retention rate. We target a proportion of employees with disabilities of 2.3% or more, and achieved a proportion of 3.11% in FY2021 (TATSUTA Electric Wire & Cable on a non-consolidated basis).



Coexistence and Co-prosperity with Local Communities

At the TATSUTA Group, we create employment as a company firmly rooted in the local community and fulfill the roles required of us as a citizen of the community.

Local contribution

As a corporate citizen of the community, the Group will contribute to realizing fulfilling lifestyles for local residents and the sustainable development of the community.

In the fiscal year ended March 31, 2022, we lent out TATSUTA's gymnasium and dispatched members of the basketball club as instructors for a sports event organized by Higashiosaka City, where TATSUTA's Head Office and Osaka Works are located, based on a comprehensive partnership agreement with the city. In Kizugawa City, where the TATSUTA Technical Center is located, we supported the objectives of the "Support the Children's Future Project," and made a donation. The money we donated was used to purchase musical instruments and supplies for classes and extra-curricular activities at the city's junior high schools. We are also engaged in beautification activities around our other plants, and striving to build better relationships.

Lending-out our head office gymnasium



Teaching how to hit a ball at the hands-on baseball event "Kids' Ballpark"

Dispatching members of TATSUTA's basketball club as instructors for the "Shitemiru (Have a Try)" hands-on sports event for beginners



Shoot coaching

Donating to the Kizugawa City "Support the Children's Future Project"



Musical instruments purchased with the donated money

Beautification activities around plants



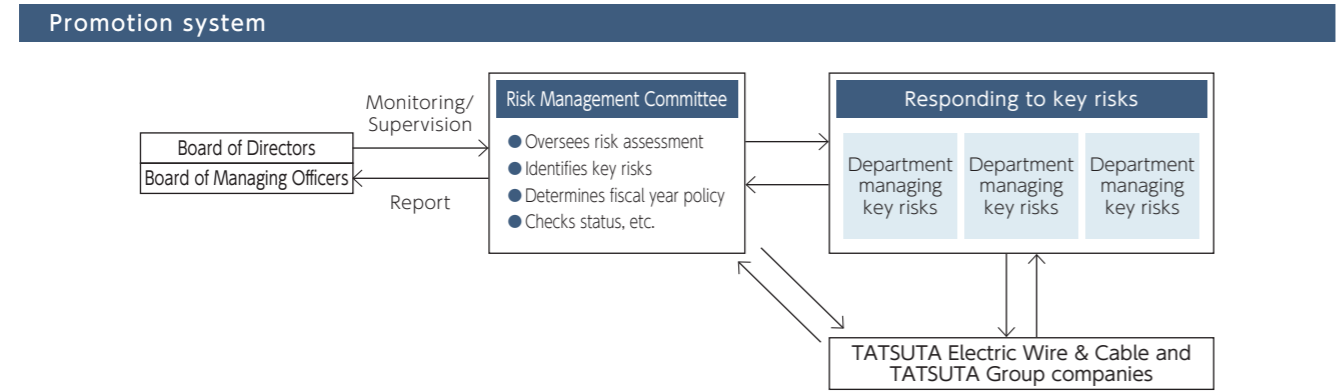
A beautification activity (Kyoto Works)

Contributing to programs to develop next-generation leaders

To achieve the sustainable development of local communities, we believe it is vital that children understand local industries. TATSUTA provides opportunities to raise children's awareness of industries, such as factory tours for elementary school students and work experience for junior high school and high school students. In the fiscal year ended March 31, 2022, activities were canceled due to the COVID-19 pandemic. We will progressively resume activities based on the situation going forward.

Risk Management

At the TATSUTA Group, we aim to maintain and enhance corporate value by preventing or minimizing damage and losses, monitoring trends in the business environment to accurately grasp and appropriately respond to risks.



At the biannual meetings of the Risk Management Committee, the importance of each kind of risk facing the Group is quantitatively evaluated, as far as possible, based on the potential scale of damage and frequency of occurrence. A department is designated to manage each risk considered especially serious, and the Risk Management Committee checks on the status of its risk management and implements countermeasures as necessary.

The content of discussions by the Risk Management Committee is reported to the Board of Managing Officers and the Board of Directors. The Board of Managing Officers and the Board of Directors monitor risks through monthly revenue and expenditure outlooks, business execution status reports, etc., supervise risk response, strive to avoid risks manifesting and endeavor to respond swiftly if they emerge.

Key risks, response measures and initiatives

Key risks	Details of risks	Initiatives
Risks related to management strategy	Sustainability	The sustainable development of society is fundamental for the sustainable growth of the Group. We have established materiality items, specific initiatives, and KPIs, in view of social issues and the demands and expectations of our stakeholders. We aim to contribute to realizing a better society and its sustainable development through these activities.
	Climate change	We recognize risks and opportunities based on the TCFD recommendations, and address these issues appropriately. In terms of reducing our Scope 1 and Scope 2 CO ₂ emissions, in particular, we aim to achieve carbon neutrality. Targets for carbon neutrality FY2022: Functional films business FY2025: Operational sites in Japan and affiliated companies We are also engaged in generating energy, including the installation and expansion of solar power generation equipment. We have also identified promoting sales of our products in new markets related to renewable energy as a strategic challenge, and we will actively pursue this challenge.
	Developing new businesses	We are actively investing in new business development, including collaborations with other companies, to meet the important challenge of fostering new businesses that will become the next pillars of TATSUTA's business. These investments are based on a careful decision-making process, including an analysis of their effect and risks, and the use of external resources as necessary.
	Technical innovation	Our basic strategy is to gain a high share and revenue in advanced, niche markets where the TATSUTA Group has a technological advantage. To this end, we appropriately ascertain and respond to the latest technological and market trends, as well as customer needs. We also endeavor to maintain our technological advantage through collaboration with leading-edge startups.

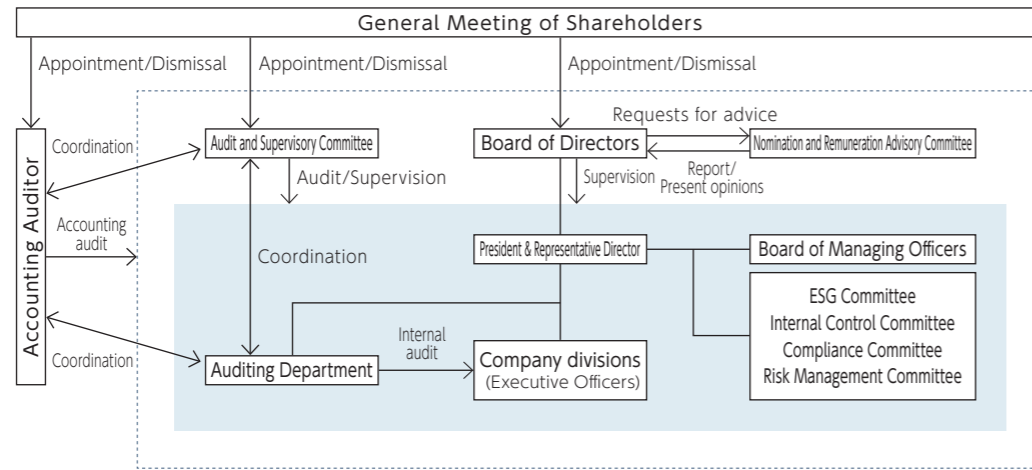
Key risks	Details of risks	Initiatives
Risks related to economic conditions, the business environment, etc.	Procuring raw materials	We have established a BCP response in anticipation of emergencies. Through measures such as purchasing from multiple suppliers and ensuring appropriate inventory levels, we avoid the risk of production stoppages due to a shortage of raw materials.
	Changes in the price of raw materials	We monitor changes in the price of our main raw materials, implement measures such as hedging transactions to avoid the impact of price changes, and transfer these changes onto the price of our products.
	Competition	We aim to maintain and increase our sales volume by avoiding price competition and differentiating our products through measures such as the continuing development and launch of high-value-added products, stable supply, prompt delivery, and enhanced after-sales service.
	Legal regulation	We monitor trends across a wide range of environmental, commercial, trading, fair competition, and other regulation in Japan and overseas. This includes the use of external resources. We endeavor to respond swiftly to each form of regulation, as well as standardize our business operations to ensure regulatory compliance.
	Natural disasters	We implement various measures from a BCP perspective to prepare for any impediment to the Group's business activities due to large-scale damage or other issues resulting from natural disasters. We will strive to ensure the safety of our stakeholders and maintain a stable supply.
	Large-scale epidemics	The Group regards securing the safety of its employees and other stakeholders as a maximum priority issue, and endeavors to prevent the occurrence of any internal clusters of infection.
Risks related to business activities	Equipment malfunction	We have established production systems at multiple sites, and appropriately implement countermeasures such as daily or regular equipment maintenance to prevent stoppages, the systematic renewal of equipment, and maintaining strategic stocks of important components.
	Quality	We produce products in accordance with the quality management system set forth in the ISO standards and other quality management standards recognized by users. We continually strive to enhance and strengthen our quality management system and take every precaution to ensure quality management.
	Changes in demand	We construct flexible production and sales systems to maximize profits in periods of economic expansion and secure profits in periods of economic decline.
	Intellectual property	We protect proprietary technologies by obtaining patents and other intellectual property rights in Japan and overseas. At the same time, we take full precautions regarding the rights of other corporate groups to prevent intellectual property rights violations or other issues.
	Information security	We have established information security systems. We are engaged in strengthening safety measures for cyber security, in particular.
	Product improvement and development	We provide characteristic products and services that satisfy customer needs.
Compliance	We have established the Compliance Committee to ascertain trends in legal and regulatory reform and our state of compliance. We have also set up internal and external whistleblower helplines, and strive to ensure legal and regulatory compliance through the implementation of measures such as regular employee education.	

□ Corporate Governance Structure

At the TATSUTA Group, we are endeavoring to strengthen corporate governance in order to achieve sustainable growth and enhance corporate value in the medium and long term, while ensuring swift decision-making as well as sound and transparent management.

TATSUTA's Board of Directors, Board of Managing Officers, and other management bodies make decisions on important matters, etc. Further, from the perspective of enhancing corporate governance by strengthening the supervisory function of the Board of Directors, we have adopted the structure of a Company with an Audit and Supervisory Committee. We have also set up a range of governance-related committees, which are tasked with coordinating with and supervising each other. We have established the Basic Policy on Internal Control Systems, and set out the division of duties of various governance tasks and organizational structures by resolution of the Board of Directors.

Promotion system



Board of Directors	The Board of Directors is responsible for promoting TATSUTA's sustainable growth and medium- and long-term corporate value enhancement and endeavoring to improve earning ability and capital efficiency, based on its fiduciary duty and accountability to shareholders. In addition to deciding on matters designated by laws, regulations or the Articles of Incorporation, the Board of Directors formulates medium-term management plans and other plans such as fiscal year budgets, manages differences between plans and results, and instructs Executive Officers in countermeasures as necessary. Furthermore, the Board also creates an environment to support appropriate risk-taking by Executive Officers and supervises the execution of duties by Directors and Executive Officers.
Audit and Supervisory Committee	The Audit and Supervisory Committee fulfills a vital supervisory function. It has an obligation to audit the execution of duties by Representative Directors and other Executive Directors by properly executing its duties as an independent statutory body commissioned by shareholders. By properly fulfilling these duties, the Committee is responsible for ensuring that TATSUTA and the TATSUTA Group give full regard to the interests of various stakeholders, strive to work in cooperation with them, and establish a good corporate governance system to respond to social trust. It monitors and verifies the construction and operational status of internal control systems, audits the execution of duties by Directors, and fulfills its duties designated under laws, regulations, and the Articles of Incorporation.
Executive Officer System	Executive Officers efficiently execute business operations based on the basic policies determined by the Board of Directors.
Audit functions	<p>The Internal Audit Rules determine matters such as the types and subjects of audits to be conducted, the frameworks of audits and when they will be conducted, and the preparation of written reports of audit outcomes. The Audit and Supervisory Committee also conducts its own audits, guidelines for which, including procedures, contents, and reports, are set out in the Audit and Supervisory Committee Rules.</p> <ul style="list-style-type: none"> Audit of organization and systems <ul style="list-style-type: none"> Management and administration organizations Management and administration methods, etc. Audit of operations <ul style="list-style-type: none"> Sales operations Purchase operations Financing operations Other operations Accounting audit <ul style="list-style-type: none"> Account settlement operations Accounting records Documentary evidence, etc. Audit of affiliated companies <ul style="list-style-type: none"> Affiliated companies' organizations and systems Affiliated companies' operations Affiliated companies' accounting Special audit <ul style="list-style-type: none"> Special matters instructed by the President

Nomination Committee and Remuneration Committee	We have established the Nomination and Remuneration Advisory Committee, based on the Nomination and Remuneration Advisory Committee Rules. This Committee is composed of Directors who are Audit and Supervisory Committee Members and the Representative Director who is President and Executive Officer. The majority of members are Independent Outside Directors. In addition to responding and reporting back to requests for advice by the Board of Directors on matters including the nomination of candidates for the position of Director, the appointment and dismissal of officers, succession plans and officers' remuneration, the Committee presents opinions to the Board of Directors regarding other matters of corporate governance, as necessary.												
Evaluation of effectiveness of Board of Directors	We evaluate the effectiveness of the Board of Directors based on self-evaluation by each individual Director in a survey conducted each year. After the Representative Directors and Outside Directors compile and analyze the results of the survey, the evaluation of the current status and measures for future improvement are discussed by the Board of Directors. We publish a summary of the findings on TATSUTA's website.												
Cultivation of and decision on successor as President	Upon discussions with the Nomination and Remuneration Advisory Committee, the Representative Directors formulate and implement a succession plan for the next President and report to the Board of Directors. This succession plan is also published in Section 4-8 "Succession Planning" of the Corporate Governance Guidelines.												
Profit Distribution Policy	The policy on profit distribution is to continue stable dividends with the aim of a payout ratio of 30%. This policy is published in Section 2-4 "Capital Policy" of the Corporate Governance Guidelines.												
Officers' Remuneration Scheme	<table border="1"> <tr> <td>Directors' remuneration</td> <td></td> <td></td> </tr> <tr> <td>Monthly remuneration</td> <td></td> <td>Paid monthly according to role</td> </tr> <tr> <td>Performance-linked bonuses</td> <td></td> <td>Vary depending on consolidated ordinary income</td> </tr> <tr> <td>Share acquisition remuneration (for Directors who are not Audit and Supervisory Committee Members)</td> <td></td> <td>Remuneration linked to medium- to long-term performance. A certain amount is paid into the officers' shareholding association of the Company each month for the acquisition of shares of the Company, for the purpose of ensuring that Directors continue to hold these shares throughout their terms of office</td> </tr> </table> <p>Policies for determining the amounts of Directors' remuneration, etc. and the methods of their calculation are stated in Section 5 "Determination of Officers' Remuneration" of the Corporate Governance Guidelines. Under these policies, the basic approach to determining the amount of remuneration for each Director is to apply a table containing the amounts by position and years of service to each Director. These amounts are discussed and decided by the Board of Directors based on factors such as previous payments, the Company's current performance, and the situation at other companies in the industry and other listed companies of a similar scale, paying due regard to reports provided by the Nomination and Remuneration Advisory Committee.</p>	Directors' remuneration			Monthly remuneration		Paid monthly according to role	Performance-linked bonuses		Vary depending on consolidated ordinary income	Share acquisition remuneration (for Directors who are not Audit and Supervisory Committee Members)		Remuneration linked to medium- to long-term performance. A certain amount is paid into the officers' shareholding association of the Company each month for the acquisition of shares of the Company, for the purpose of ensuring that Directors continue to hold these shares throughout their terms of office
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Strategic shareholdings	The stated aims of strategic shareholdings are defined as "exploration of business opportunities, maintenance and expansion of trading relationships, etc." The Board of Directors evaluates the necessity of continuing to hold the shares in question after the close of each fiscal year. In addition, regarding the exercise of voting rights pertaining to strategic shareholdings, the judgement of the Board of Directors of the issuing company is respected as a rule, except in the case of proposals deemed detrimental to the purpose of the strategic shareholding. This policy is published in Section 2-5 "Strategic Stockholdings of Listed Stocks" of the Corporate Governance Guidelines.												
Internal control	With the Basic Policy on Internal Control Systems, which are common regulations for the Group, as the main axis, in actual management, the appropriateness of operations is ensured by conducting corporate management based on the Internal Audit Rules and Internal Control Committee Rules. The Auditing Department is the principal entity in these activities, confirming and reviewing the completeness and operational status of the Group's internal control systems.												
Reasons for appointment of Directors, etc. and status of attendance of Board of Directors meetings	Reasons for appointment of Directors (including Independent Outside Directors), the status of attendance of Board of Directors meetings, etc. are disclosed on the company website as "Reasons for nomination, appointment and dismissal of Directors, etc."												

Status of action on Corporate Governance Code

We have developed Corporate Governance Guidelines, the contents of which are reviewed and an appropriate response implemented whenever there is a revision of the Corporate Governance Code. The status of implementation of the general rules of the Corporate Governance Code is published in the Corporate Governance Report, which is issued once a year. This has been conducted for all individual general rules of the Corporate Governance Code in FY2021.

□ Compliance

The TATSUTA Group has built and operates its compliance promotion system based on the recognition that compliance is one of the most important issues for the continuation of its business. In the event of a serious problem, we will disclose information appropriately and fairly and respond in good faith according to social norms and morals.

System for promotion of compliance

Under our Corporate Code of Conduct, we study laws and regulations in Japan and overseas and social/industry norms as appropriate, and formulate, revise, and abolish company rules. With the goal of achieving thorough compliance, we have strengthened audit and supervisory functions through the Board of Directors and Audit and Supervisory Committee, while the Compliance Committee shares information and consults on reporting related to compliance promotion activities.

In addition to the development of various company rules, to ensure these rules are correctly understood by employees, we have produced Compliance Guidelines and made them widely known among employees. For employees of Group companies, we display the TATSUTA Electric Wire & Cable Group Operational Rules, which specify internal control systems within the Group, on the Group intranet so that compliance is thoroughly enforced.

Prevention of transactions with antisocial forces	The Compliance Guidelines affirm "the exclusion of antisocial forces" and ensure that this is widely known by employees. TATSUTA will have no association whatsoever with antisocial forces, such as organized crime groups, sokaiya extortionists, or fake right-wing groups, that make unreasonable demands and will stand up to such forces in an organized and resolute manner. With a policy of responding as an organization, to ensure that individual departments or persons do not bear the problem on their own, lectures on dealing with such forces are given through compliance training and other means.
Prevention of bribery	Based on the Bribery Prevention Rules, we thoroughly instill a policy of not extending or receiving gifts or hospitality that exceed common sense according to social conventions. This is done to disseminate accurate information about bribery widely within the company, to ensure that no company or individual obtains undue benefits or undertakes arbitrary transactions in exchange for such benefits. We have also established a system for prior checks. Any gift or hospitality determined to exceed common sense according to social conventions will not be extended under any circumstances. The responsible officer, who is the Officer Responsible for the Administration and Human Resources Department, appoints bribery prevention officers in each department, office, and division, who conduct prior checks with an emphasis on judgment from a practical viewpoint. The Bribery Prevention Rules cover not only public servants, but also private-sector suppliers and customers, and we endeavor to ensure that bribery is thoroughly prevented.
Compliance with competition law	We have established the Competition Law Compliance Rules, and prohibit both officers and employees, either in Japan or overseas, from committing acts that are in violation of competition law. Employees are made aware through Compliance Guidelines and other means of the three prohibited acts, namely (1) private monopolization, (2) unreasonable restraint of trade, and (3) unfair trade practices. For attendance at meetings, etc., the Administration and Human Resources Department will examine in advance whether or not there will be exchanges of information with competing business operators and the nature of the meeting. Prior to attending such meetings, employees are lectured on the prohibited acts related to competition law to promote understanding. The minutes of such meetings are preserved after the meetings to ensure transparency.
Management of export-control goods	Based on the Rules for Management of Export-Control Goods, etc., officers with responsibility for confirming whether goods are subject to export controls or not, and internal systems required for the management of export-control goods have been established. Operations are conducted to confirm list-based controls and catch-all controls for all goods and technologies. The employees in charge of these operations undergo training on a regular basis.
Proper accounting practices	The TATSUTA Electric Wire & Cable Accounting Rules have been established as our general standards for accounting operations, including accounting standards and management systems. They serve as the basic rules for accounting operations. The Compliance Guidelines affirm "appropriate accounting practices" and we ensure that this is widely known by employees. We emphasize the following six key themes as being of particular importance. <ol style="list-style-type: none"> 1. Proper recognition of revenue and expenses 2. Proper recognition of assets 3. Attachment/preservation of evidence 4. Appropriate approval procedures 5. Appropriate tax accounting 6. Financial results in line with facts and actual circumstances
Internal whistleblowing system	Based on the TATSUTA Electric Wire & Cable Group Helpline Operation Rules, an internal hotline system has been established and carries out activities under the direction of the President, with the General Manager of the Administration and Human Resources Department as the responsible officer. ■ TATSUTA Electric Wire & Cable Group Helplines Eligibility : All officers and employees of the TATSUTA Group Purpose : To receive requests for consultation and reports (including of harassment), promptly discover and resolve issues Consultation and whistleblower helplines : The person seeking advice or wishing to file a report can choose which of the two helplines to contact, depending on the nature of their concern. <ol style="list-style-type: none"> 1. Secretariat (TATSUTA Electric Wire & Cable Administration and Human Resources Department) 2. Attorney (outside attorney) <ul style="list-style-type: none"> •Users may either give their real name or choose to remain anonymous •For harassment-related matters, users may also elect to contact a dedicated external helpline set up for that purpose •Requests and reports may be made in Japanese, English or Chinese (depending on the helpline) •The person seeking advice or reporting a matter of concern will not be subjected to any disadvantageous treatment whatsoever for that reason, and confidentiality, including their name, will be strictly protected The details of the advice request/report will be investigated and considered by the Compliance Secretariat and, where necessary, internal rules and systems and their implementation will be reviewed. The details of advice requests/reports made to the helplines are shared with top management at the twice-yearly meetings of the Compliance Committee. The existence of the helplines and information about how advice requests and reports are handled are disseminated in-house through compliance training, company newsletters, the Compliance Guidelines, and other means, and an environment that makes people feel comfortable about seeking advice or making reports has been established.

Information management

At TATSUTA, we have established and operate an information security management system. We implemented an information security e-learning program in the fiscal year ended March 31, 2022, and we strive to raise awareness of information security among employees. We have also established the TATSUTA Electric Wire & Cable Group Information Security Policy.

■ Information Security Policy

1 Establishment of information security management systems

The TATSUTA Electric Wire & Cable Group will secure sufficient resources, including budget and personnel, for the protection and appropriate management of all information assets it holds and will establish systems for the prompt implementation of information security measures.

2 Establishment of company rules

The TATSUTA Electric Wire & Cable Group will establish company rules for the protection and appropriate management of information assets and will thoroughly raise awareness among all officers and employees of the Group about the need to ensure information security and about specific compliance matters.

3 Appropriate information security measures

The TATSUTA Electric Wire & Cable Group will identify information security risks and take the necessary countermeasures against those risks to prevent unauthorized access, destruction, leaks, falsification, and other incidents involving information assets. It will also establish frameworks for responses and restoration in the event of such incidents and formulate plans for early recovery, as well as promptly making appropriate reports in the event of such incidents and striving to minimize their impact and prevent their recurrence.

4 Human resources development

Recognizing the objectives and importance of information security management systems, the TATSUTA Electric Wire & Cable Group will develop human resources who have the necessary knowledge and skills concerning information security.

5 Compliance with laws, etc.

The TATSUTA Electric Wire & Cable Group will comply with laws and ordinances, regulations, government guidelines, contractual obligations, and other social norms related to information security.

6 Continuous improvement

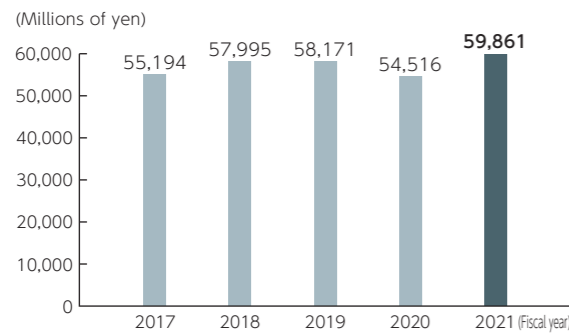
The TATSUTA Electric Wire & Cable Group will periodically evaluate and review the above initiatives and share information about them for the continuous improvement of the Group's information security management.

Cyber security	With cyber security becoming increasingly important in recent years, we have established the following structure to manage it.	Responsible officer: Officer Responsible for the Information Systems Department	The responsible officer manages and issues the necessary instructions regarding cyber security matters from a company-wide perspective.
		Management and operations officer: General Manager of the Information Systems Department	The management and operations officer manages and operates company-wide information security under the responsible officer's instruction.
Protection of personal information	As a measure for the prior management of cyber security, we have designated various matters for compliance. We carry out operational monitoring, constantly monitored for viruses, etc., training to respond to targeted email attacks, and periodic diagnoses by external experts. When an incident occurs, such as the discovery of a software vulnerability, virus infection, unauthorized access, leak of information assets, etc., the management and operations officer considers and implements the necessary countermeasures. The management and operations officer reports the matter to the responsible officer, and responds appropriately based on the Crisis and Emergency Response Rules.		
	With the protection of personal information becoming increasingly important in recent years, we have established the following structure to manage it.	Overall management officer: Officer Responsible for the Administration and Human Resources Department	The overall management officer manages matters concerning the handling of personal information from a company-wide perspective and instructs individual departments and offices through personal information management officers.
		Management officers:	The personal information management officers undertake the necessary measures to ensure that personal information is handled appropriately in accordance with the Act on Personal Information Protection and company rules.
	For the protection of personal information, the laws and regulations, purposes of use, rules for obtaining personal information, management methods, rules for providing personal information to third parties and other matters that employees, etc. must comply with have been set out, and the Company monitors their implementation. A Privacy Policy that sets out the rules, etc. for the protection of the personal information of stakeholders is disclosed on the Company's website. Safety measures of an appropriate and reasonable level are implemented and improved on a continuous basis. In the event of an incident such as unauthorized access, loss, leak, etc., we will respond appropriately based on the Crisis and Emergency Response Rules.		

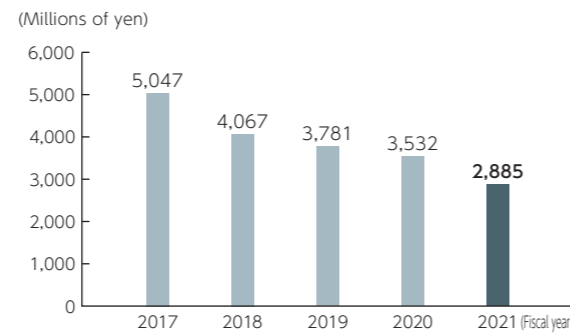
Consolidated Financial Highlights

Performance (financial data)

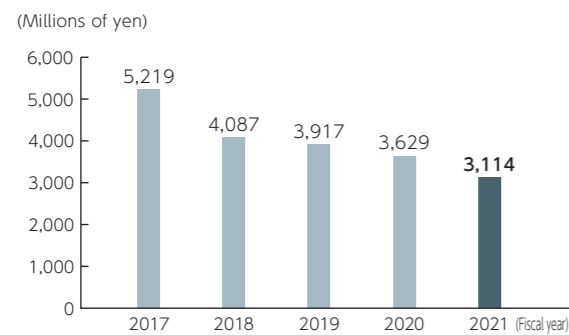
Net sales



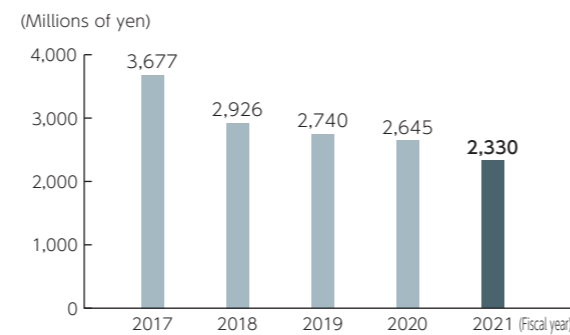
Operating income



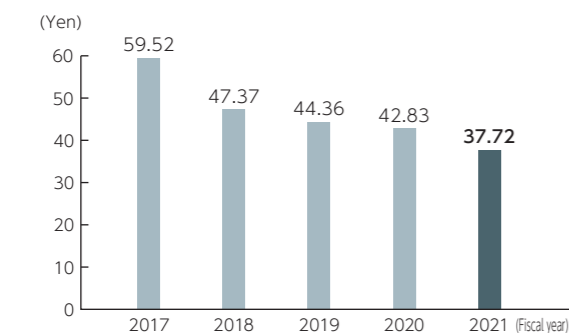
Ordinary income



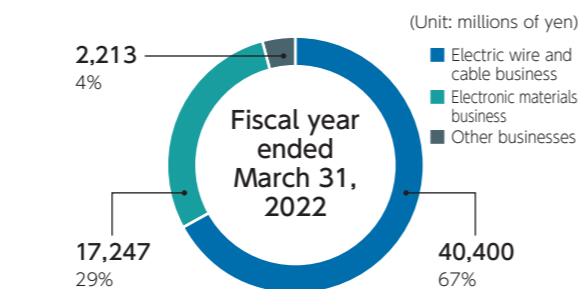
Profit attributable to owners of parent



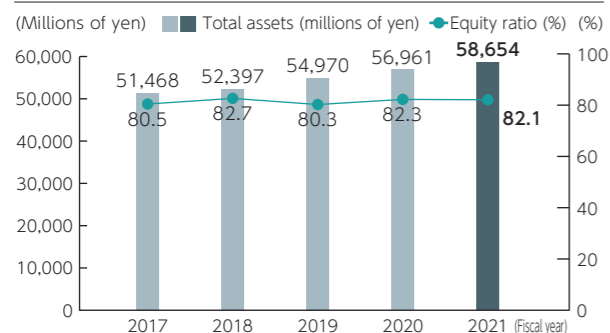
Basic earnings per share



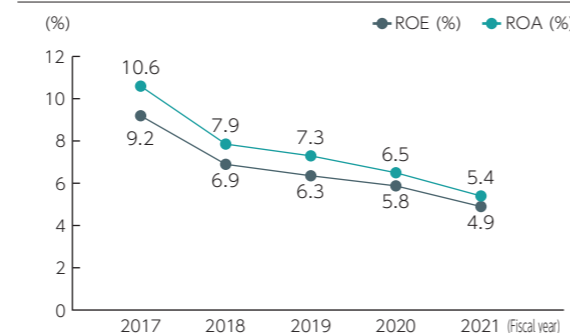
Breakdown of net sales by business



Capital structure



Return on equity (ROE) and return on assets (ROA)



Company profile

Company name: TATSUTA Electric Wire & Cable Co., Ltd.
 Established: September 28, 1945
 Head Office: 2-3-1 Iwata-cho, Higashiosaka City, Osaka, Japan
 Capital: 6,676 million yen (as of March 2022)
 Listings: Tokyo Stock Exchange (Prime Market)
 Main products: Electric wire/cable, Electronic materials, Sensor & Medical Products
 Operational sites and branches: Head Office, Osaka Works
 TATSUTA Technical Center
 Kyoto Works
 Sendai Works
 Tokyo Branch Office
 Affiliated companies: Chugoku Electric Wire & Cable Co., Ltd.
 Tatsuta Tachii Electric Cable Co., Ltd.
 Tatsuta Environmental Analysis Center Co., Ltd.
 TATSUTA Welfare Service Co., Ltd.
 Changzhou TATSUTA Chugoku Electric Wire & Cable Co., Ltd.
 Shanghai TATSUTA Co., Ltd.
 TATSUTA ELECTRONIC MATERIALS MALAYSIA SDN. BHD.
 TATSUTA USA, Inc.

Officers

Position	Name
Representative Director, President and Executive Officer	Hiroya Yamada
Director, Senior Executive Officer	Shohei Morimoto
Director, Senior Executive Officer	Hiroshi Maeyama
Director, Senior Executive Officer	Masafumi Imai
Outside Director	Manabu Hyakuno
Outside Director (Standing Audit and Supervisory Committee Member)	Yoshitaka Dooka
Outside Director (Audit and Supervisory Committee Member)	Takeshi Hanai
Outside Director (Audit and Supervisory Committee Member)	Inao Harato
Outside Director (Audit and Supervisory Committee Member)	Etsuko Taniguchi

as of June 17, 2022

Column

The Basketball Club and Local Contribution

Since its founding in 1956, TATSUTA's basketball club has been active as a team firmly rooted in the local community. Its members carry on their duties as employees while performing as one of the strongest teams in the Japan Society Basketball Kinki League.

The club also utilizes TATSUTA's gymnasium to host mini basketball competitions for elementary school students in the neighborhood, as well as initiatives such as basketball clinics to coach local children. In 2021, members of the club also participated as instructors at a sports event in Higashiosaka City. We will continue to engage in local contribution activities through basketball.



Participation of members of TATSUTA's basketball club as instructors in a sports event organized by Higashiosaka City

TATSUTA



Easy to read universal
design fonts are used.