



Sustainability Report 2022

English version



Providing future generations with a legacy built by our predecessors

The ELECOM Group employs basic guidelines for persistently engaging in CSR initiatives such as those that involve regenerating natural forests, based on its philosophy of emphasizing the sustainability of society and the environment and biodiversity. In addition to the ELECOM FOREST tree planting activities aimed at promoting natural forest regeneration projects we have carried out thus far, we have also been further enhancing our natural forest initiatives by lending support to conservation activities involving the Maruyama Senmaida Rice Terraces in Kumano City. In September 2020, we entered into a partnership agreement with Kumano City, Mie Prefecture concerning regional promotion and conservation capitalizing on the value of the Maruyama Senmaida Rice Terraces of Kumano City, and have since been making effective use of our mutual resources underpinned by our close partnership and cooperation. In so doing, we have been promoting the region by engaging in Maruyama Senmaida's rice field restoration, preservation, and landscape management, and also by engaging in urban-rural exchange involving ELECOM Group employees and Kumano City residents.





Distinctive characteristics of the Maruyama Senmaida Rice Terraces

Maruyama Senmaida Rice Terraces

The Maruyama Senmaida Rice Terraces have been selected as one of the 100 top rice terrace locations in Japan. They make up one of Japan's largest rice terraces boasting 1,340 terraced fields with scenery referred to as the best in Japan. Historical records indicate that there had been 2,240 terraced fields some 400 years ago, but that number dwindled to some 530 fields by the initial years of Japan's Heisei era (1989–2019) largely due to a lack of successors. There are currently 1,340 terraced fields that have been maintained and preserved as a result of subsequent field restoration work carried out with the help of local residents. In addition, the National Federation of UNESCO Associations in JAPAN has registered these conservation initiatives under the "Heritage for the Future Project" given that their aims ensuring that ancestors' legacy be preserved for the next century.

Initiatives to conserve terraced rice fields

Initiatives to restore the rice fields commenced in 1993 with government support in response to sentiment of community members to preserve the rice fields. After enactment of Japan's first "Senmaida Ordinance" in 1994, followed by completion of accommodation facilities and launch of a rice terrace ownership program, regional promotion has been underway including revival of the "Mushi Okuri" farming event that disappeared in 1953 and manufacture of the "nameraka doburoku" type of sake using traditional methods. By combining the forces of ELECOM and Kumano City on that, we are looking toward the future as we forge ahead with respect to efforts that involve improving forest environments for securing water resources, maintaining landscapes by reintroducing water mills, and promoting interaction between ELECOM Group employees and Kumano City residents.





Junji Hada Chairman/Representative Director
ELECOM CO., LTD.

Yukio Shibata President/Representative Director
(Chair of Sustainability Committee)
ELECOM CO., LTD.

To be prepared to go through with ordinary matters

■ Coexistence with society: Unwavering approach since our founding

The notion that we will act in coexistence with society has been an integral and unwavering aspect of ELECOM from the start. Considering corporate and social sustainability, we found it is exactly the matter we have embraced ever since we were founded as a matter of course. This mindset encompasses social challenges that include climate change, human rights, and poverty. Serving as a fables manufacturer, we also assume responsibility with respect to everyone employed by our partner factories. As a corporate entity, we feel that these responsibilities have been increasing as our business expands. We ask ourselves how best the ELECOM Group might address social challenges while engaging in business with the aim of helping to bring about sustainable development of companies and society. We will accordingly seek to ensure sustainability while setting our sights on achieving our vision.

■ Looking back on FY2021

As with the previous year, the fiscal year ended March 31, 2022 (FY2021) was a year marked by various measures that included vaccinations in workplaces underpinned by the desire to ensure the safety of employees and their families from the threat of COVID-19. Even amid the COVID-19 pandemic, we invited children from orphanages to ELECOM's recreation facility with stringent measures to prevent transmission of the virus. We also engaged in conservation activities to protect natural environments and ecosystems through our initiatives with the Maruyama Senmaida Rice Terraces. We also managed to publicly launch products with the "THINK ECOLOGY" symbol that are more environmentally sound relative to previous ELECOM products. In January 2022, we became a signatory of the United Nations Global Compact. In February 2022, we launched a project involving plastics elimination and waste reduction by simplifying packaging for e-commerce, and subsequently engaged in such initiatives across the ELECOM Group.

**■ Looking toward FY2022:
Revisiting inherent challenges**

It has been one year since we released our Sustainability Report in 2021. This process gave us an opportunity to reassess the Company. We asked ourselves the following questions: Have any imbalances emerged in association with our corporate expansion even though it seems a matter of course as a manager? Is it possible to remain innovative as a company whose mission encompasses lifestyle innovation? Is it possible to address social challenges through our initiatives and products? Though we have been, naturally as a manager, considering sustainability, we have encountered fundamental challenges in terms of such questions in the course of taking on sustainability initiatives.

We have managed to achieve substantial growth thus far, underpinned by the support of our customers and stakeholders ongoing since we were founded. But, at the ELECOM Group, in order to seek to achieve further growth, and to ensure persistent growth in conjunction with society, what actions should we be taking at the present time? In response to this question, we have determined that we must address changes to the company size by “strengthening management frameworks,” “enhancing development of human resources and organizations,” and “customer satisfaction.” We are exhaustively pursuing them. As the ELECOM Group’s fundamental strategy over the medium term, we systematically implement such initiatives and carry out progress management.

■ Strengthening management frameworks

We took on the challenge of listing on the Prime Market in April 2022 and have used that as an opportunity to reassess the notion of whether our management framework is capable of fully supporting our future growth. In addition to our initiatives thus far, we considered the ESG perspective as effective guidelines, and then we have taken it seriously. We regard corporate governance as a cornerstone of ELECOM, which is precisely why we seek to achieve accountability in terms of impartiality and transparency with respect to issues generally of concern to owner-managed companies. Moreover, we deem that a robust management framework is exactly the fundamental for ensuring that our employees who serve as a valued corporate resource are able to exert their strengths and making all of our activities sustainable.

■ Enhancing development of human resources and organizations

The ELECOM Group’s mission is that of “bridging the gap between innovation and people.” It has been a year of

finding clues that answer questions of how best to attract human resources capable of achieving this aim and how best to develop as an organization. Promoting diversity embracing respect for each and every individual, fostering a free and open atmosphere, and encouraging individual growth and empowerment. We think that combining these approaches gives rise to a sense of excitement toward work while prompting growth of people and the organization, thereby setting the stage for achievement of the aforementioned mission. This year, we will strive to create environments that are worker-friendly with respect to diverse human resources while enabling employees to take on challenges. We will furthermore seek to develop our human resources and organizations, which will involve initially embarking on efforts to overhaul our employee evaluation system.

■ Customer satisfaction

We have been also asking ourselves whether or not we are able to satisfy our customers, amid our role of “bridging the gap between innovation and people.”

However, we are not yet to the point where it is possible to answer “yes” to that question. Once again, we will review operational inefficiencies and aspects of work to be upheld, through creating in-house environments where all employees invariably approach their work with this question in mind, and incorporating perspectives of employee evaluations. Also, we will aim to be a company preferred by our customers by producing better products and services, leveraging the ELECOM Group’s strengths of flexibly and promptly addressing the rapid pace of social change.

■ Closing remarks

Our rotation of corporate officers in June 2021 has entailed transferring authority from Chairman Junji Hada to President Yukio Shibata. This has enabled the Chairman to gain a more comprehensive overview of the overall Group. It has also enabled the President to more effectively seek optimization overall. Now that one year has transpired since the respective chairmanship and presidency assignments, we believe that the fiscal year ending March 31, 2023 will be a major turning point for the ELECOM Group. We have sorted out the risks and challenges of the Group overall through our sustainability initiatives, and now seek to embrace “an intensive determination to accomplish” “ordinary matters,” as has been the case thus far.

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Products for children

Various products designed to reduce the burden on children who have an increasing number of opportunities to use digital devices, such as those for online learning and information and communications technology (ICT) education



Electrical cooking appliances

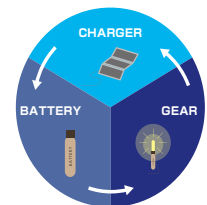
Persisted to take on challenges in new domains seeking to achieve further innovation



NESTOUT

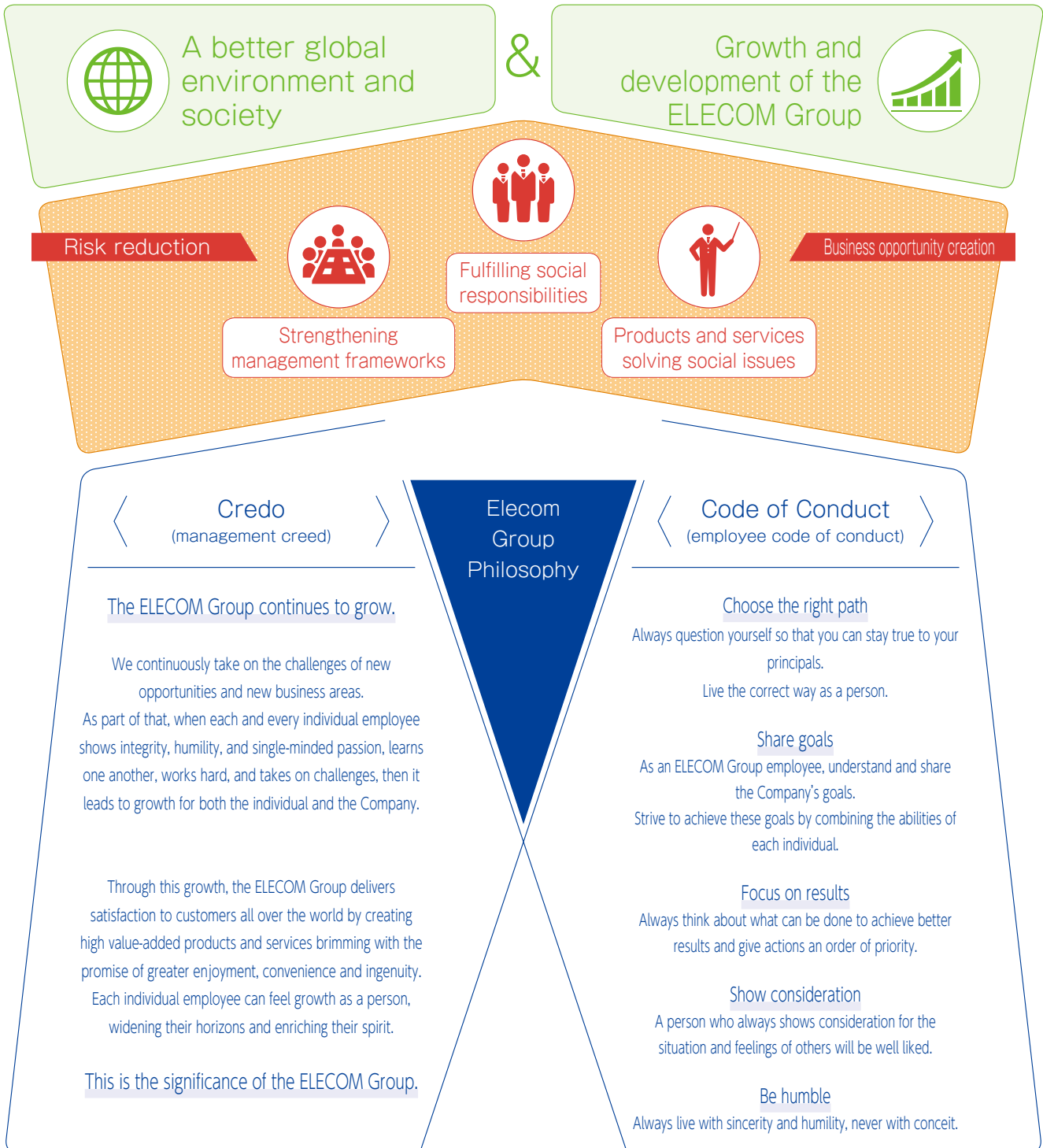
NESTOUT series

A series of products, such as mobile batteries designed in the pursuit of waterproof, dustproof and shock-resistance performance, to achieve the electric energy cycle of "generate → store → use"



Elecom Group Sustainability

The ELECOM Group adopts its Credo (management creed) and Code of Conduct as the basis for action of all employees working in the Group. Employees of the Group take initiative when it comes to learning and persistently taking on challenges, which culminates in them achieving individual growth, more extensive horizons, and open-mindedness, thereby prompting growth of the Group. We aim to ensure that the ELECOM Group achieves sustainability, which we believe derives from delivering satisfaction to customers worldwide by working to address social challenges as a matter of course through our business operations.



Elecom Group Philosophy

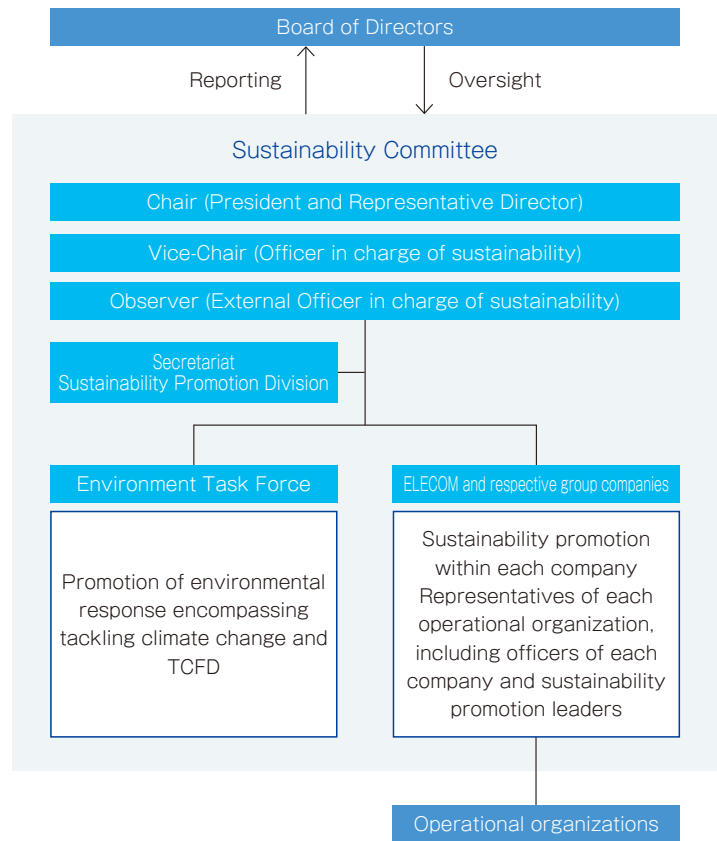
In 2009, we formulated our Credo, which declares our social mission and our growth and development processes, and our Code of Conduct, which provides our employees with guidelines for carrying out ethical and responsible business activities. This Elecom Group Philosophy is the foundation for carrying out

sustainable business activities in the spirit of corporate ethics and thorough implementation of compliance programs, and for cultivating employees and a corporate culture that strives to further raise corporate value for the future by taking on challenges in new areas without deviating from social norms.

Sustainability implementation structure

In April 2022, we established the Sustainability Promotion Division as an addition to our existing Sustainability Committee with the aim of more effectively and efficiently promoting sustainability initiatives across the entire ELECOM Group. We have established a specialized organization under the direct control of the president of ELECOM, which also receives advice from outside experts, to overhaul the promoting structure to ensure actions and momentum. We added representatives of the respective operational organizations to the Sustainability Committee and have made it clear that they are to closely coordinate their efforts with business activities. This has enabled the Sustainability Committee to propose and decide on measures to address prioritized management and social issues identified in terms of both business opportunities and risks, with an eye to the long-term growth of the Group and society. The operational organizations of each company will specifically work toward achieving targets in line with such proposals and decisions. In addition, the Sustainability Committee will periodically report to and consult with the Board of Directors on its primary activities, and take a collaborative approach to enabling it to gain an understanding of circumstances from both top down and bottom up and making managerial decisions.

For progress management and regularly scheduled meetings, we check progress of materialities on a monthly basis, hold Sustainability Committee meetings about once per month, and established a cooperation system for ensuring that such outcomes are coordinated with the Board of Directors. We will also periodically report initiatives both internally and externally and will strive to raise awareness regarding sustainability.



Interview with Executive Officer in Charge

Miki Watanabe External Director, Observer of Sustainability Committee, ELECOM CO., LTD.



In 2021, ELECOM embarked on efforts to enhance its sustainability management practices with a focus on the notion of "coexisting with society," which it has cited as an aim since it was founded. Ever since having been appointed as an external officer, I have been attending monthly meetings of the Sustainability Committee regularly, which has been examining specific actions in alignment with the intentions of Chairman Junji Hada and President Yukio Shibata. We have been engaging in such discussions in a manner that reflects our overwhelming desire for the company to continue serving a necessary role in society. In the committee, we have considered options regarding matters that include identifying solutions for sharing the spirit of "coexisting with society" across the entire organization, pinpointing social and environmental challenges best suited for ELECOM

to address, and seeking means of gaining cooperation from our business divisions and employees. We have then discussed such matters with management, decided putting priority on "strengthening management frameworks," "enhancing development of human resources and organizations," and "customer satisfaction" as our key challenges, and then made plans to promote such initiatives. Moreover, with our sights set on tapping into worldwide trends, President Yukio Shibata has signed the United Nations Global Compact and we have endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2022, we are expected to seek to implement specific practices and review in that regard. I intend to draw on my experience of being involved with corporate CSR management for more than 15 years as I strive to help enhance ELECOM's sustainability management practices through connecting the Sustainability Committee, Board of Directors, and the outside world.

Elecom Group's Materialities

Identifying materialities and determining KPI

The two major focuses of the ELECOM Group's ESG/CSR initiatives are risk reduction and business opportunity creation. We have defined issues that are of great importance and interest to the Group and our stakeholders as materialities and we are advancing initiatives accordingly.

The process for defining materialities is as follows. First, Step 1 has involved identifying social challenges that we regard as priorities for the ELECOM Group according to various international guidelines.

- GRI sustainability reporting standards, global standards for sustainability reporting
- ISO 26000 international standard for social responsibility of organizations
- Sustainable Development Goals (SDGs) universal guidelines for a sustainable society
- United Nations Global Compact ethics code for corporations (Endorsed in January 2022)
- The recommendations of TCFD conveying approaches to corporate initiatives for addressing climate change (Endorsed in April 2022)

Next, Step 2 is to analyze which issues are more important and assign an order of priority. We did this by surveying the Company's employees and officers, as well as

other stakeholders such as customers, shareholders, investors, and suppliers, asking them for their opinions and assessments regarding each of the social issues, thereby checking their degree of interest. Then, the Sustainability Committee identified materialities warranting priority and assigned orders of priority to initiatives.

Finally, as Step 3, we gathered together materials such as the assessment results and order of priority gained through Step 2 and used these to define materialities as approved by Company management. For materialities related to each of risk reduction and business opportunity creation, the Sustainability Committee has set policies for tackling issues and KPI for each task force and operational organizations at each company.

By considering the effects from advancing business activities and changes in the social environment, once a year, the Committee carries out surveys, analyses changes and trends in the results, and revises the materialities and KPI accordingly. Through this process, we strive to become a company that people can trust and expect more from.

*GRI (Global Reporting Initiative) is a not-for-profit organization with a mission to set international standards for sustainability.

*SDGs (Sustainable Development Goals) are international goals for sustainable development set by the UN and comprise 17 global goals divided into 169 targets.

*TCFD stands for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB), an international organization.

The Materiality Analysis and Determination Process

Step 1 Identify and arrange social issues that are relevant to the Group as potential materialities



Step 2 Carry out evaluations and surveys within the Company and with stakeholders to assign an order of priority



Step 3 Define materialities that should be tackled and the Sustainability Committee set them as KPI, etc.

Materiality survey (excerpt)

(1) Risk reduction

As a trustworthy company, it is defined not only as strengthening the management system for fundamental and universal policies such as observing business ethics or respect for human rights etc., but also as conserving the natural environment, enhancing product quality and achieving workforce safety.

For each item, please select the answer from the pull-down menu that you think best describes the ELECOM Group. The possible answers are "1. Extremely important," "2. Very important," and "3. Important."














Category	Item	Description	Risk reduction	
			Answer	
Finance	Financial performance	In addition to having a healthy and sound financial situation, a company should carry out appropriate accounting treatments in compliance with laws and regulations, etc., and minimize risk to the company		
	Market presence	A company should strive to achieve targets for share-related indicators, such as aggregate market value and P/B ratio, and take a high position in the stock market		
	Business continuity	A company should minimize risk factors that might impede business continuity and alongside fulfilling social responsibilities as a company, it should realize stable supplies of products and services		
	Brand image	A company should use its brand value and global worldview for customers to deepen understanding of its business and brand, and should create loyal customers through affection and empathy		

Materiality

Following the determination process set out previously, the ELECOM Group's materialities have been set as follows.

*This applies exclusively to companies of the Group in Japan at this point in time. Non-Japanese companies of the Group will begin these initiatives during the fiscal year ending March 31, 2023.

Certain assessments have been left blank – for the fiscal year ended March 31, 2022, given that the categories represent new KPIs for the fiscal year ending March 31, 2023. We will disclose this information, including targets, upon release of the next Sustainability Report.

Comprehensive materiality	Base materiality	Strategy points	KPI	Actual figures for FY2021	Relevant SDGs	Pages featured	
Business continuity Strengthening management frameworks	Business continuity Ensuring compliance Governance structure Supplier management	<p>As advocated in our Credo realize "the ELECOM Group continues to grow." <Risk reduction></p> <ul style="list-style-type: none"> Enhance contact points for whistle-blowing Strengthen corporate governance <p><Business opportunity creation></p> <ul style="list-style-type: none"> Build solid trust Fulfill social responsibilities as a company Realize stable supplies of products and services 	Risk reduction	<ul style="list-style-type: none"> Multiple purchase ratios Number of companies endorsing CSR procurement guidelines (number of companies that have signed an MOU) Number of serious violations Number of whistle-blowing reports made 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	 	6 10 23 29 39
			Disaster control	<p>Secure supply chains during times of disaster <Risk reduction></p> <ul style="list-style-type: none"> Minimize risk factors that might impede business continuity Disperse logistics centers Disperse order centers 	Risk reduction	<ul style="list-style-type: none"> Number of resolved issues and problems identified through business continuity planning (BCP) Number of days logistics centers are in operation Number of days order centers are in operation 	<ul style="list-style-type: none"> × ○ ○
Business continuity Development of human resources and organizations	Personnel development Work style reform Supporting diversity Respect for human rights Corporate culture reform Promotion of work-life balance	<p>Maintain and improve the mental and physical health of employees <Risk reduction></p> <ul style="list-style-type: none"> Ascertain the status of health check implementation and encourage employees to get checked Eliminate untaken paid leave <p>Continue serving as a company that is able to create innovation and address social challenges <Business opportunity creation></p> <ul style="list-style-type: none"> Ensure the PDCA cycle through evaluation and transparency confirmation with respect to readiness internally and externally 	Risk reduction	<ul style="list-style-type: none"> Ratio of health checks received Reduction of the ratio of untaken paid leave to zero (No one taking less than 5 days) 	<ul style="list-style-type: none"> ○ ○ 	   	23 24 25 26 27
			Business opportunity creation	<ul style="list-style-type: none"> Survey on pride in the Company by in-house questionnaires, and engagement survey 	-		27
Customer safety and satisfaction	Customer safety and satisfaction Product quality	<p>Provide new lifestyles and win the continued support of customers <Risk reduction></p> <ul style="list-style-type: none"> Evaluate and verify brand image Carry out measures in response to poor evaluations within user reviews Eliminate market recalls through products quality improvement <p>Provide "bridges" that can overcome gaps between people and new technologies <Business opportunity creation></p> <ul style="list-style-type: none"> Propose new products that give rise to more comfortable lifestyles for all and develop long-selling products and services Address social challenges and create future value Develop products and services that contribute to the establishment of a sound recycling-based society Develop products and services that contribute to tackling global warming 	Risk reduction	<ul style="list-style-type: none"> Conduct annual corporate brand surveys Average user review score (4.0 or above; excludes scores for discontinued or limited-edition products) Number of product liability (PL) issues 	<ul style="list-style-type: none"> ○ △ ○ 	  	15 30 31
			Development of new products and technology	Business opportunity creation	<ul style="list-style-type: none"> Number of new products released Number of awards of Kids Design Award and Good Design Award Number of sales of products that contribute to the establishment of a sound recycling-based society (ink cartridges, etc.) Number of sales of products that contribute to tackling global warming (HFC-free air dusters, etc.) 	<ul style="list-style-type: none"> ○ ○ × ○ 	
	Customer service	<p>Raise customer service levels by diversifying tools <Business opportunity creation></p> <ul style="list-style-type: none"> Turn responses to customer questions and inquiries into new sales opportunities Strengthen feedback systems that use text mining-based VOC (voice of customer) analysis 	Business opportunity creation	<ul style="list-style-type: none"> Number of inquiries responded to (phone, FAQs, chatbot, etc.) Number of instances of VOC analysis being used to improve new products and services 	<ul style="list-style-type: none"> △ ○ 		30 31
Responses to environment	Development of eco-conscious products Responses to climate change Reduction of wastes	<p>Ensure the safety and quality of products for environment <Risk reduction></p> <ul style="list-style-type: none"> Monitor the environmental impact of products <p>Provide products and services that reduce environmental impact and address supply chain issues <Business opportunity creation></p> <ul style="list-style-type: none"> Lower CO₂ emissions by reducing packaging volume Develop resource-saving eco-conscious packaging and energy-saving long-life products Develop products with non-plastic packaging 	Risk reduction	<ul style="list-style-type: none"> Number of complaints concerning the operation of environmental management systems Number of environment-related complaints from stakeholders 	<ul style="list-style-type: none"> ○ ○ 	 	14 15
			Business opportunity creation	<ul style="list-style-type: none"> Ratio of packaging volume reduction Number of "THINK ECOLOGY" symbol certified products Ratio of petroleum-based plastic reduction of containers and packaging 	<ul style="list-style-type: none"> - ○ 		

The ELECOM Group's materialities consist of the three pillars: "business continuity," "customer safety and satisfaction," and "responses to environment." We have substantially overhauled our materialities in two respects. First, we have added "strengthening management frameworks" and "enhancing development of human resources and organizations" from the perspective of business continuity. After overhauling the sustainability framework in April 2022 and enhancing promotion of such initiatives accordingly, we considered again our initiatives for achieving continuous business growth and addressing social challenges. As a result, we determined the notion of strengthening the management frameworks, human resources and organizations to be pivotal to the corporation. We will also address diversity and human rights issues, which had not been explicitly

listed as materialities previously. Moreover, we will persist with our efforts to more deeply engage in CSR procurement, which we regard as a matter of business continuity as a fabless enterprise. Second, we have added "responses to environment," which is a major social challenge. This will involve earnestly taking on initiatives across our entire supply chain encompassing the ELECOM Group. We will accordingly apply the ELECOM Group's technologies to such social challenges, recognize our role in society, and seek to devise and implement strategies. Adding the two notions detailed above to existing one of satisfying our customers through our products and technologies, for each and every stakeholder who supports the ELECOM Group, we seek to achieve long-term business growth and to sustainably fulfill our responsibilities to society.

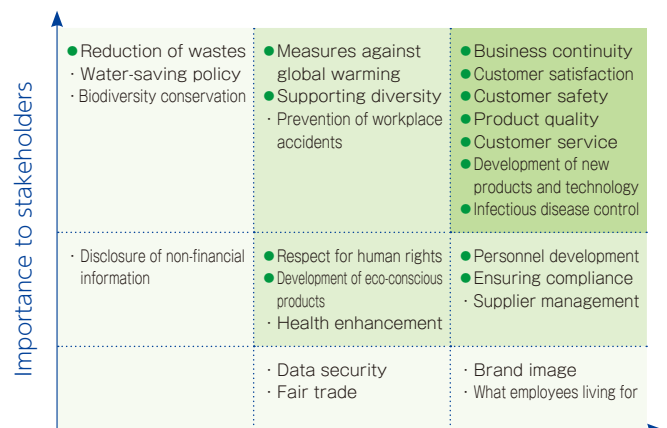
< Risk reduction >



*Excerpt of main evaluation items

Importance to the ELECOM Group

< Business opportunity creation >



*Excerpt of main evaluation items

Importance to the ELECOM Group

Relationship between materialities and the Elecom Group Code of Conduct

Materiality		Code of Conduct					Two major focuses of ESG/CSR initiatives	
		Choose the right path	Be humble	Show consideration	Share goals	Focus on results	Risk reduction	Business opportunity creation
Business continuity	Business continuity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Ensuring compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengthening management frameworks	Governance structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Supplier management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Disaster control	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business continuity Development of human resources and organizations	Personnel development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Work style reform	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Supporting diversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Respect for human rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Corporate culture reform	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Promotion of work-life balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer safety and satisfaction	Customer safety and satisfaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Product quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Development of new products and technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Responses to environment	Development of eco-conscious products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Responses to climate change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reduction of wastes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Relationships with Stakeholders

In its relationships with stakeholders, the ELECOM Group focuses on five groups – customers, shareholders, employees, suppliers, and local communities – and maintains daily communications with these groups. The ELECOM Group considers the various impacts the Group’s business activities have on people and strives to contribute to the realization of a sustainable society and increased value for stakeholders.



Customers

Underpinned by its mission of “lifestyle innovation,” the ELECOM Group provides products and business solutions related to daily life in seeking to consistently serve as a bridge connecting innovation by new technologies with customers. Moreover, we have also been leveraging synergies with our Group companies in recent years with respect to entering various fields of business including the digital sector, healthcare, medicine, broadcasting, and social infrastructure, and taking on challenges in areas of business centered on the Internet of Things (IoT). Furthermore, we aim to enter the market of gaming devices using e-commerce going forward by drawing on the technological advantages of our core businesses such as those involving input devices. Responding to customer concerns worldwide with innovative ideas is exactly a driving force for and a proof of the ELECOM Group’s growth.

/ Communication examples / • Corporate branding • Various forms of advertising • Digital marketing • Websites • News releases • Various social networking services

Shareholders

Elecom currently has a total of 92,221,420 issued shares and 13,076 shareholders. A breakdown of shares held by shareholder category includes 23.8% held by financial institutions and securities companies, 18.2% by non-Japanese corporations, 20.4% by other types of Japanese corporations, 32.8% by individuals and other types of shareholders, and 4.8% held as treasury stock. (All percentages as of March 31, 2022)

In addition to proactively disclosing share-related information, we have also created opportunities for having a dialogue with shareholders and investors face to face, including holding financial result presentations and one on one meetings for investors. The valuable opinions we receive through such dialogue are shared with management as necessary.

/ Communication examples / • Annual General Meeting of Shareholders • Financial results presentations and one on one meetings for institutional investors • Websites • Various IR materials (financial results digests, annual securities reports, annual reports, etc.)

Employees

The ELECOM Group has 1,462 full-time employees. By region, 87.1% are located in Japan and 12.9% are located outside of Japan. (As of March 31, 2022)

We aim to become a company where employees and the Company can grow together through respecting the human rights and diversity of our employees, constantly working to improve employee’s sense of fulfillment and creating freely new value by bringing together the diverse values of our workforce. We believe that embracing this sort of corporate approach will enable us to address social challenges and further create future possibilities through our businesses.

/ Communication examples / • Various committees • Training programs • Employee assessments and interviews • External whistle-blowing contact points • Intranet, in-house newsletters and surveys

Suppliers

The ELECOM Group carries out procurement from many suppliers, primarily located in East Asia. We consider our entire supply chain as being within the scope of our social responsibilities, so in addition to carrying out fair and comprehensive evaluations, we also work with suppliers to recognize and solve issues with the aim of realizing a sustainable society.

/ Communication examples / • Onsite inspections • Procurement guidelines

Local communities

The ELECOM Group has 43 business locations in Japan and 14 outside of Japan. (As of March 31, 2022)
Our ongoing local revitalization initiatives and other social activities are essential when it comes to sustainably increasing corporate value. As such, we will continue to build strong ties to regional communities through activities such as tree planting and sports sponsorships going forward.

/ Communication examples / • Conservation of local nature and communities (e.g. tree planting and conservation of Senmaida Rice Terraces in Mie Prefecture) • Exchanges with local residents (e.g. greening promotion councils, music events in tree planting areas) • Local sports sponsorships (e.g. sponsoring American football team) • Inviting local children to corporate recreation facilities • Support for local governments (e.g. support for children's home via Mie Prefecture) • Academic-industrial collaboration projects

Distribution of financial value to stakeholders

The financial value allocated by the Group toward each stakeholder in the fiscal year ended March 31, 2022 is as follows.

Stakeholder	Fiscal year ended March 31, 2022	Details
Employees	¥10,259 million	Salaries, bonuses, provision for bonuses, retirement benefit expenses, share-based payment expenses, legal welfare expenses, welfare expenses
Local communities	¥63 million	Donations, etc.
Financial institutions	¥6 million	Interest expenses
Shareholders	¥3,370 million	Dividend payments

Introduction of management systems

The ELECOM Group has introduced the following management systems and works to continuously improve them by implementing PDCA cycles. (ELECOM Group: as of March 31, 2022)

Company name	Management system			
	ISO 9001	ISO 14001	ISO/IEC 27001	ISO 13485*
ELECOM CO., LTD.		○		
Logitech INA Solutions Co., Ltd.	○	○	○	
HAGIWARA Solutions Co., Ltd.				
DX Antenna Co., Ltd.	○	○		
Force Media, Inc.				
ELECOM Support & Service Co., Ltd.				
ELECOM Health Care Co., Ltd.				*

*This management system is based on the ISO 13485 standard.
It is operated as stipulated by ministerial ordinance on QMS and has been verified by a third party. http://www.tokyo-eiken.go.jp/k_iryuu/k-kanshi/k_seihantop/k_taisei/



Environment

The ELECOM Group has always placed consideration on the notion of “coexisting with society” since its founding and accordingly works to achieve corporate and social sustainability through eco-conscious corporate activities. In April 2022, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) seeking reduced risk of financial system instability due to climate change. Through our TCFD initiatives, we strive for sustainable development of companies and society with our stakeholders by operating environmental management systems particularly in terms of continually working to make effective use of energy, developing eco-conscious products, and helping to prevent global warming.

Environmental Policy

The ELECOM Group considers the reduction of environmental impacts to be one of the most important issues in relation to becoming a sustainable company and achieving a sustainable society, and advocates the following environmental policy. We promote educational and training activities with the aim of instilling the policy in all employees at targeted sites, and putting the policy into practice.

The ELECOM Group is promoting sound business practices in order to harmonize and balance activities to conserve the global environment with activities to manage the planning, development, manufacture and sale of IT lifestyle products.

1 Compliance with environmental laws and regulations

The ELECOM Group complies with laws and regulations, rules, and other agreed requirements in relation to the environment.

2 Efficient use of resources and energy

The ELECOM Group promotes the effective use of resources, energy and water, and strives to conserve the finite resources of the planet.

3 Realizing a recycling-oriented society

The ELECOM Group contributes to realizing a recycling-oriented society.

4 Reduction of global environmental impacts

The ELECOM Group aims for an eco-conscious approach to manufacturing and selling its products, which includes measures to conserve biodiversity and respond to global warming.

5 Establishing and continuously improving environmental management systems

The ELECOM Group sets targets based on the Environmental Policy, reviews them on a periodic basis, and strives to establish, implement, and continuously improve environmental management systems.

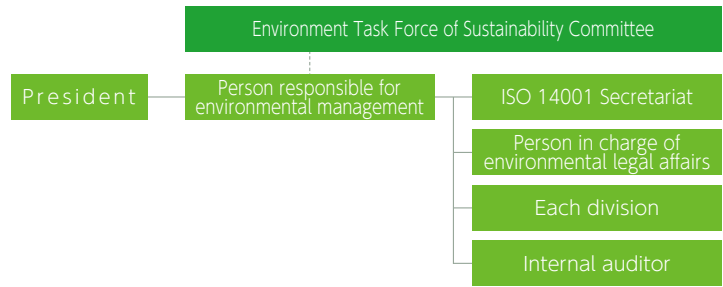
6 Publicizing and disseminating the Environmental Policy

The ELECOM Group disseminates its Environmental Policy to all stakeholders within the Company, ensuring that it is understood by each employee, and promoting educational and training activities so that the policy can be put into practice.

In addition, the Group uses documents and other measures to publicize the policy among external stakeholders, requesting their compliance and cooperation.

ELECOM Group environmental management systems

The ELECOM Group seeks to reduce environmental impact associated with its business activities by operating an environmental management system aligned with the ISO 14001 international standard for environmental management systems. The ISO 14001 Secretariat extends such initiatives within the Group in part by promoting product-based environmental measures and sales of eco-friendly products, working with the Environment Task Force of the Sustainability Committee. Moreover, we are embarking on new initiatives based on the TCFD recommendations beginning this year and will accordingly promote efforts to address environmental challenges with our sights set on predetermined targets.



Record of environmental activities

1 Compliance with environmental laws and regulations

The ELECOM Group complies with laws and regulations, rules, and other agreed requirements in relation to the environment.

Specific laws and regulations (selected examples)

Japanese laws and regulations

- Basic Environment Act
- Basic Act on Establishing a Sound Material-Cycle Society
- Act on the Promotion of Effective Utilization of Resources
- Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
- Industrial Safety and Health Act
- Waste Management and Public Cleansing Act
- Fire Service Act, Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities

Laws and regulations outside of Japan

- RoHS 2 Directive
- Packaging and Packaging Waste Directive
- Battery Directive
- Regulation (EU) of the European Parliament and of the Council for Persistent Organic Pollutants (POPs) / PFOS Regulation
- WEEE Directive
- Green Dot

2 Efficient use of resources and energy

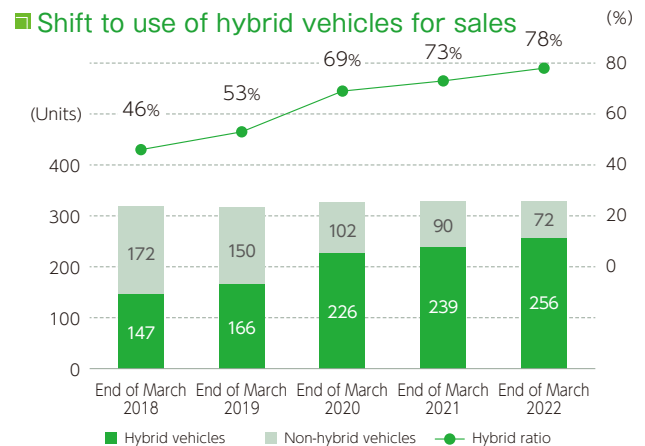
The ELECOM Group promotes conservation of resources and energy, and strives to reduce CO₂ emissions and conserve the finite resources of the planet.

Specific measures

- Introduction of LEDs
- Installation of solar power panels
- Use of railway transportation, use of marine transportation, and effective use of shared transportation through mixed loading
- Use of hybrid vehicles for sales



Installation of solar power panels (Logitec INA Solutions, Ina Factory)



Shift to use of hybrid vehicles for sales (Toyota Prius shown in photo)

3 Realizing a recycling-oriented society

The ELECOM Group contributes to realizing a recycling-oriented society.

○ Specific measures

When developing products, our product packaging aims to use resources effectively and conserve the global environment, and is developed in such a way as to be able to break apart into different materials such as paper or plastic.

We also sell recycled ink cartridges to a large number of customers, and collect genuine used cartridges from more than 6,000 locations nationwide to recycle as a part of our active contribution to the environment. Through such collections of the used cartridges that are vital for our recycling business, we have contributed to the recycling of resources. In addition, we recycle industrial waste through our 3R activities for addressing waste.

4 Reduction of global environmental impacts

The ELECOM Group aims for an eco-conscious approach to manufacturing and selling its products.



○ Specific measures

The ELECOM Group's products that meet Elecom's proprietary standards feature the "THINK ECOLOGY" symbol indicating that such products have lower environmental impact than before. We display the "THINK ECOLOGY" symbol on product packaging and product websites, thereby making our customers aware that such products are environmentally sound and enabling them to actively select and use products that have minimal impact on the environment. By doing so, we will continue to make efforts to facilitating eco-consciousness through our products. We have set the following standards to serve as specific measures in this regard, and are carrying out initiatives particularly focusing on reductions of the volume of plastics used in our packaging. We will strive to take an eco-conscious approach through downsizing packaging, reducing the number of component parts, and reducing emissions associated with petroleum-based plastic materials by switching to bio-based plastics or recycled materials such as recycled paper materials. In addition, we have been making progress in shifting to online manuals when it comes to our printed manuals now included with our products. We are also striving to reduce volumes of paper use and cut down on waste through packaging that features QR codes* directing customers to online manuals and making it possible for them to check information via the Internet.

*QR Code is a registered trademark of DENSO WAVE Incorporated.

	Item	Standard	Descriptive labelling
Proprietary environmental certification standards	Energy conservation	(i)	This product has been designed for power savings or long life exceeding our standard product by at least 10% to conserve energy.
	Resource conservation	(ii)	The volume of this product is equal to or greater than that of our standard product but its total weight of raw materials is at least 10% less than the standard product to conserve resources.
	Reduction of wastes	(iii)	This is a paperless product in that it does not contain a printed instruction manual or other such documentation to reduce waste.
	Reduction in volume of plastics	(iv)	The volume of this product is equal to or greater than that of our standard product but it contains at least 20% less plastic in proportion to raw materials by weight to conserve the environment.
		(v)	The packaging of this product contains at least 20% less plastic than the standard product by weight to conserve the environment.
		(vi)	The packaging of this product exclusively consists of paper, cardboard and polyethylene film to conserve the environment.
	Use of recycled materials	(vii)	More than 10% of the raw materials used in the primary components of the product itself and its components are recycled materials to conserve the environment.
		(viii)	More than 10% of the raw materials used in the packaging of this product are recycled materials to conserve the environment.
	Use of raw material substitutes for petroleum-based plastics	(ix)	More than 10% of the raw materials used in the primary components of the product itself and its components are substitutes for petroleum-based plastics to conserve the environment.
		(x)	More than 10% of the raw materials used in the packaging of this product are substitutes for petroleum-based plastics to conserve the environment.
	Promotion of recycling and reusing	(xi)	This product is certified with respect to recycling and reusing after disposal of the primary components of the product itself and its components to promote recycling and reusing.

5 Establishing and continuously improving environmental management systems

The ELECOM Group has set targets based on the Environmental Policy, reviewed them on a periodic basis, and worked to establish, implement, and continuously improve environmental management systems.

○ Specific targets and results

Used ink cartridges

We achieved collections of 2,420,000, well clear of the target (2,230,000) in the fiscal year ended March 31, 2022. The ink cartridge market is contracting due to the shift towards paperless operations, but the increase in working from home that followed the COVID-19 pandemic has led to a rise in opportunities for using household inkjet printers, and we are continuing to collect ink cartridges.

Packaging

In the fiscal year ended March 31, 2022, we achieved a reduction in plastics used in packaging of 117.5 tons against a target reduction of 112.3 tons. We also achieved 459 models with plant-based packaging (LIMEX, biomass, etc.) against our target for the fiscal year of 415 models. This constitutes our initial effort, and we will keep striving to develop new products and technologies designed to achieve aims that involve environmental conservation, pollution avoidance, waste reduction, and effective resource use.

6 Publicizing and disseminating the Environmental Policy

The ELECOM Group promotes educational and training activities to enable each and every Group employee to understand the Environmental Policy, and to put it into practice in all areas of the business. In addition, the Group uses documents and other measures to publicize the policy among external stakeholders, requesting their compliance and cooperation.

○ Specific measures

Company-wide Introduction Study Group	Waste Management and Public Cleansing Act Study Group	Rechargeable Battery Development Special Study Group
Mid-career Hires/Transferees Study Group	Overseas Shipment Special Study Group	Training for Persons in Charge of Compliance Assessment
Development/QA Special Study Group	Osaka Inflow Vehicle Regulation Study Group	Environmental Internal Audit Seminar

■ Initiatives related to climate change

From one year to the next, our lives, biodiversity, and corporate sustainability have become increasingly prone to effects of climate change caused by global warming. As had been pointed out even before the 26th UN Climate Change Conference of the Parties (COP26) was held in November 2021, global greenhouse gas emissions are expected to have increased, not decreased, by 2030 relative to 2010, even under a scenario where the nationally determined contribution (NDC) reduction targets for 2030 set by the parties to the Paris Agreement have been fully achieved. As such, further efforts must be taken in order to ensure that the target temperature of the Paris Agreement is achieved. Having endorsed the TCFD recommendations, the ELECOM Group has conducted climate change scenario analysis. Our efforts to promote sustainable business activities involve identifying risks and opportunities envisioned based on such analysis and analyzing their impact on our business.

Interview with Executive Officer in Charge

Masaki Tanaka Senior Director, Vice-Chair of Sustainability Committee, ELECOM CO., LTD.



Numerous innovations have emerged on the world stage amid an ongoing scenario of drastic changes in the social environment and markets, and have furthermore become increasingly widespread and prevalent. However, such innovations are not always accessible for everyone, which has given rise to social challenges in terms of the gap that has emerged between technology and people. Citing "lifestyle innovation" as its slogan, the ELECOM Group has addressed such challenges by providing products and services that bridge this gap.

There has been mounting concern regarding environmental issues among the international community in recent years. Likewise, the ELECOM Group aims to help give rise to a decarbonized society through initiatives that include developing energy-saving, long-life products and rolling out products whose packaging does not contain plastics. In addition, Group company DX Antenna has a factory in the Philippines where it is exposed to the threat of massive typhoons as they increasingly intensify from one year to the next due to the effects of global warming. This should serve as a reminder that environmental challenges may significantly affect the ELECOM Group. As such, we will more earnestly strive to protect human resources while conserving the environment across our entire supply chain even beyond our factories overseas. Moreover, in addition to differences in nationality, race, thinking, culture, language, gender, and age, the ELECOM Group acknowledges differences in individual values and perspectives, bringing together the ideas and abilities of diverse human resources to give power to the organization and opening the way to value creation. To this end, we promote the creation of fulfilling workplaces in which every employee can utilize their abilities to the fullest extent.

We will accordingly contribute to creating a sustainable society as we realize "the ELECOM Group continues to grow" aim, which our Credo extols.

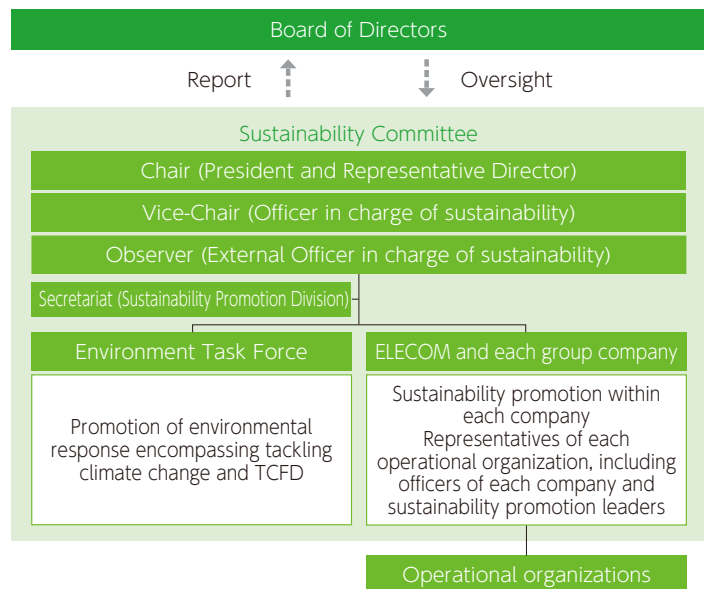
Information disclosure based on the TCFD recommendations

In April 2022, the ELECOM Group declared its endorsement for recommendations of the TCFD* aimed at reducing risks of market instability caused by climate change. We are working on evaluation and disclosure according to the framework based on those recommendations, with positioning climate change as a key challenge that substantially affects our sustainable growth. We aim to achieve sustainable growth aligned with the notion of a decarbonized society by analyzing the risks and opportunities that climate change imposes on our businesses and accordingly applying such findings to our business strategy and risk management.

*The Task Force on Climate-Related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board, which is an international organization that seeks to ensure stability of the financial system. The TCFD makes recommendations for ensuring stability of financial markets by promoting a transition to a decarbonized society, through identifying and disclosing financial effects of corporate business risks and business opportunities attributable to climate change.

Governance

As part of its sustainability implementation structure for promoting sustainability in areas that include response to climate change and social responsibility, the ELECOM Group has established the Sustainability Committee, which holds monthly meetings and is chaired by the President and Representative Director, who has ultimate responsibility and authority for addressing such challenges. The Sustainability Committee is tasked with identifying risks of sustainable business activities impeded by climate change and various other factors, recommending new business opportunities derived from climate change, making decisions on materialities, KPIs and other important matters, checking on progress in that regard, and drawing up countermeasures. The Sustainability Committee furnishes representatives and management with periodic semiannual and occasional reports containing progress of activities and findings at meetings of the Board of Directors, and the Board monitors and oversees such activities.



Strategy

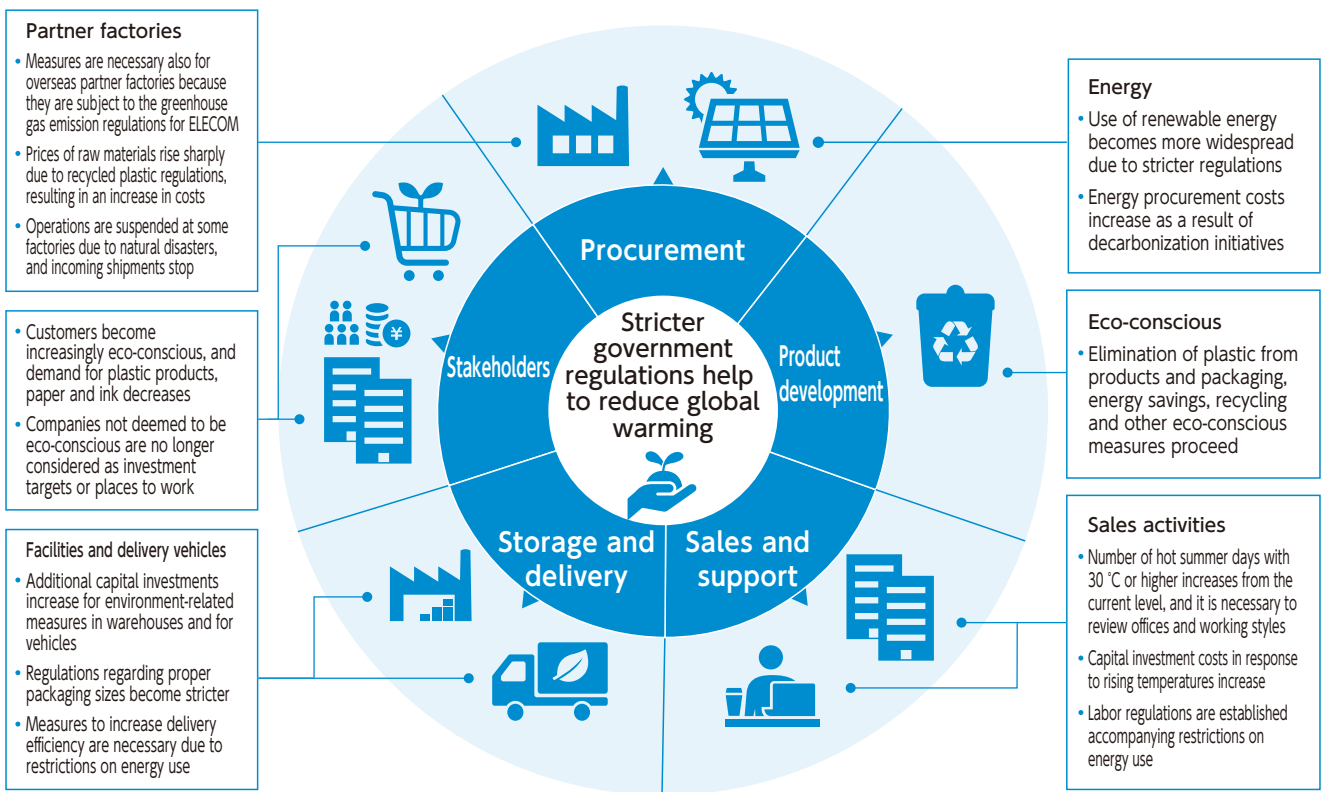
The ELECOM Group's in-house CO₂ emissions are limited given that it does not have its own manufacturing facilities. On the other hand, we recognize that the Group's medium- to long-term business risks and opportunities are considerably affected by challenges related to climate change given a tendency for substantial emissions with respect to its manufacturing subcontractors and transportation. In 2021, we conducted scenario analysis, identified major risks and opportunities, and explored countermeasures in that regard as we engaged in initiatives to address challenges related to climate change underpinned by our Environmental Policy.

Our scenario analysis involved postulating two scenarios, one envisioning a temperature increase of 2 degrees Celsius or less and 1.5 degrees Celsius or less combined with various policies and measures taken to address climate change, and the other envisioning a temperature increase of 4 degrees Celsius with no measures taken to address climate change. The scenario envisioning temperature increase of 2 degrees Celsius or less enlists assumptions that include: enforcement of stringent laws and regulations such as the imposition of carbon taxes and carbon border adjustment mechanisms; a mounting propensity among society and customers seeking carbon reduction; a resulting likelihood of holding the temperature increase to within a range of 1.3 degrees Celsius to 1.7 degrees Celsius by the end of the 21st century, and; an increase in typhoons, torrential rains, and other natural disasters including hot summer days with 30 degrees Celsius or higher (but limited). The scenario envisioning temperature increase of 4 degrees Celsius enlists assumptions that include: agreements on measures to address climate change have not been reached, and progress of introduction of stringent regulations is not achieved particularly in developing economies; the increase in temperatures has accordingly persisted unabated with temperatures rising within a range of 2.6 degrees Celsius to 4.8 degrees Celsius by the end of the 21st century; frequent occurrence of typhoons, torrential rains, and other natural disasters over an extensive geographic area, and; frequent occurrence of heat stroke and mosquito-borne infections. Moreover, in seeking to analyze the wide range of risks and opportunities associated with climate change with respect to our businesses, we compiled risk and opportunity categories widely from the

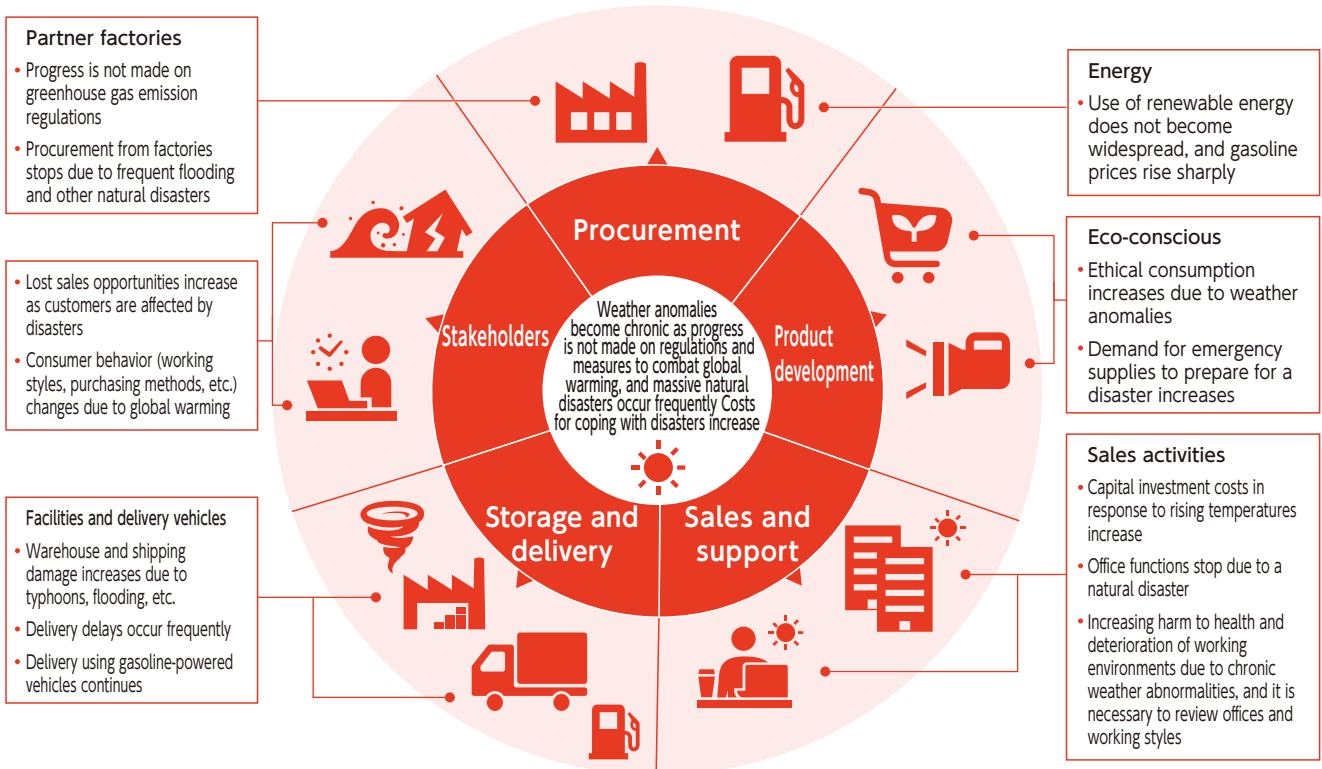
Sustainability Committee, respective divisions, and subsidiaries and associates. The Sustainability Committee then played a central role in evaluating and analyzing such collected categories in terms of their extent of impact, and the magnitudes and frequencies of such effects, and identified major risks and opportunities associated with climate change. Then the Committee prepared countermeasures with respect to each category, and reported such findings to the Board of Directors.

The ELECOM Group's strengths seemingly include its product development and procurement capabilities in terms of promptly addressing market demand and trends, as well as the Group's robust supply chain equipped with operational maneuverability and logistical capacity in delivering such products to customers in a timely manner. However, we face the threat that these strengths may be undermined by our need to address climate change and increasingly stringent regulations associated with climate change. In other words, a scenario of stringent regulations and government policies in a world of temperature gains amounting to 2 degrees Celsius or less could give rise to the possibility of impaired ELECOM Group strengths in terms of its speed of product development and procurement amid the need for an environmental response that would include reducing carbon dioxide emissions in our business activities and eliminating plastic content of our products. A world of temperature increase of 4 degrees Celsius entails a scenario where regulations and government policy measures of respective nations are in disarray. This would culminate in the possibility of supply chain disruptions such as suspension of operations with respect to partner factories who handle outsourced production and restrictions imposed on sales activities, and occurrences of delivery delays, due to situations that include massive natural disasters and chronic increases in temperatures. On the other hand, our success in appropriately addressing the envisioned risks could give rise to enhanced competitive strengths and new business opportunities. In addition, we may also become subject to new business opportunities as a result of new product categories and markets emerging amid changes in customer preferences and lifestyles due to climate change and regulations.

■ World in the scenario of temperature increase of 2° C or less



■ World in the scenario of temperature increase of 4° C



■ Reference of the scenarios

SSP1-2.6 (less than 2° C scenario), SSP1-1.9 (1.5° C or less scenario)
 IPCC/RCP8.5 (4° C scenario), IPCC/RCP2.6 (2° C or less scenario)

Risks and opportunities

Classification		Risk category	Analysis results (emergence of risk)	Risk response	Assessment	
Transition risks	Government policy & laws and regulations	Restrictions imposed on business activities associated with climate change regulatory compliance	<ul style="list-style-type: none"> Loss of business opportunities due to greenhouse gas emission restrictions (medium term) Delivery delays due to emphasis on loading ratio (medium to long term) 	<ul style="list-style-type: none"> Promote energy conservation Introduce renewable energy Increase precision in identifying emission volumes (Scopes 1, 2 and 3) looking toward setting medium- to long-term targets 	Major	
		Higher operating costs associated with climate change regulations	<ul style="list-style-type: none"> Increase in energy procurement costs (medium term) Increased investment in additional equipment for energy savings and renewable energy (short term) Increase in supply chain management costs (medium to long term) Increase in operating costs incurred for circular economy promotion (medium to long term) 	<ul style="list-style-type: none"> Improve and streamline operations Optimize logistics Shift to eco-conscious materials 	Major to moderate	
	Markets	Changes in stakeholder awareness	Customers	<ul style="list-style-type: none"> Decrease in sales of products not deemed eco-conscious (medium term) Changes in consumer behavior amid a shift to carbon-free lifestyles (medium to long term) 	<ul style="list-style-type: none"> Develop eco-conscious products and services Create business opportunities at early stages via market research 	Major
	Reputation		Investors & shareholders Personnel & employees	<ul style="list-style-type: none"> Loss of social credibility with respect to brands amid delays in achieving decarbonization (medium to long term) Decline in appeal to job seekers (short to medium term) 	<ul style="list-style-type: none"> Release stance on addressing the issue of climate change Release information prepared based on the TCFD framework 	Moderate
	Technology	Shift to low-carbon products	<ul style="list-style-type: none"> Replace materials and devices for facilitating a shift to carbon reduction (medium term) 	<ul style="list-style-type: none"> Explore options for substitute materials such as biomass plastics 	Moderate	

Classification		Risk category	Analysis results (emergence of risk)	Risk response	Assessment
Physical risks	Acute	Intensifying meteorological events	<ul style="list-style-type: none"> Decrease in sales due to factory and office suspensions and supply chain disruptions (short, medium, and long term) Increase in costs for coping with natural disasters (short, medium, and long term) 	<ul style="list-style-type: none"> Overhaul business continuity plans Transition to multiple suppliers and logistics centers 	Major
	Chronic	Weather anomalies becoming more common	<ul style="list-style-type: none"> Difficulties encountered in obtaining raw materials (short, medium, and long term) Deterioration of working environments (medium to long term) Increase in costs for air conditioning and otherwise coping with global warming (medium to long term) 	<ul style="list-style-type: none"> Strengthen ties with suppliers Diversify work arrangements through telework and other options Streamline operations through digital transformation (DX) 	Major

Item		Analysis results (emergence of opportunities)	Opportunity response	Assessment
Opportunities	Energy source and resource efficiency	<ul style="list-style-type: none"> Decrease in costs due to logistical streamlining (medium to long term) Decrease in costs through use of uniform raw materials (medium to long term) 	<ul style="list-style-type: none"> Optimize distribution networks Use recycled materials 	Moderate to minor
	Products and services	<ul style="list-style-type: none"> Sales growth achieved by selling products that address changing preferences (medium to long term) Emergence of more business opportunities that involve affinity with low carbon-oriented policies (medium to long term) 	<ul style="list-style-type: none"> Optimize distribution networks Use recycled materials Build recycling-oriented supply chain involving recycling sales 	Moderate
	Markets	<ul style="list-style-type: none"> Growth in sales of low-carbon, eco-conscious products (medium to long term) Creation of new businesses that contribute to reduction of environmental impacts (medium to long term) 	<ul style="list-style-type: none"> Simplify packaging Use recycled materials Promote e-commerce businesses 	Moderate
	Resilience	<ul style="list-style-type: none"> Opportunity loss reduced as a result of strengthening the supply chain (medium to long term) Substitution and diversification of materials and technologies (medium to long term) 	<ul style="list-style-type: none"> Strengthen ties with suppliers Optimize distribution networks Overhaul business continuity plans More extensively develop eco-conscious products and services 	Moderate to minor

*Short term (2021–2024), medium term (2025–2030), long term (2031–2050)

Risk management

We are expected to be subject to two types of risks associated with climate changes. One is caused from restrictions imposed on our business activities and increased costs associated with strengthening of government policy and regulations, shifting stakeholder perceptions, and technological developments. Another is caused from climate changes such as chronic weather anomalies that are becoming apparent in the form of intensifying meteorological events and rising temperatures. The ELECOM Group takes a cross-divisional approach with respect to accordingly compiling data on numerous risk factors associated with climate change. The Sustainability Committee identifies major risks associated with climate change upon discussing such matters with relevant divisions. We assess such identified risks in terms of the potential extent of their impact in a three-tiered scale of major, moderate, or minor, and analyze them from the perspective timing of the potential emergence of such risk (short term, medium term, and long term). After that we consider options in terms of engagement policies and countermeasures. The Board of Directors receives reports on an annual basis regarding risks associated with climate change and progress made in addressing such risks. It furthermore oversees the status of business execution as one of the business risks of the entire Group.

Benchmarks and targets

The ELECOM Group uses Scope 1 and Scope 2 greenhouse gas emissions arising from business activities of the entire Group as a benchmark for managing risks associated with climate change.

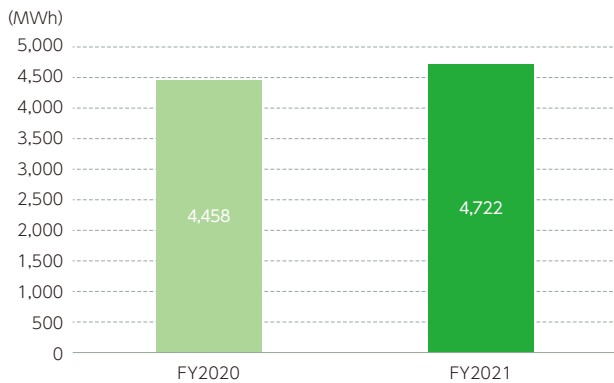
The Group had previously tracked emissions volumes in terms of respective business locations, but is currently extending that across the entire group with the aim of drawing up medium- to long-term targets. The Group is furthermore seeking to achieve greater precision by adopting a unified approach to tracking emissions. In addition, the ELECOM Group recognizes that the volume of CO₂ emissions attributable to its manufacturing subcontractors and transportation account for a substantial proportion of its emissions across the entire supply chain, given that its business model is such that the Company does not have its own manufacturing facilities. Tracking emissions volumes, including those of manufacturing subcontractors and transportation, will make it possible for the Group to pinpoint business activities associated with substantial emissions volume and factors attributable to such emissions, thereby enabling the Group to shape reduction strategies based on such data. Going forward, the Group will help give rise to a sustainable society by accurately identifying emissions attributable to its respective activities, setting targets, and tracking progress in that regard.

Amount of electricity, gas, and gasoline consumed, and CO₂ emitted, by the ELECOM Group

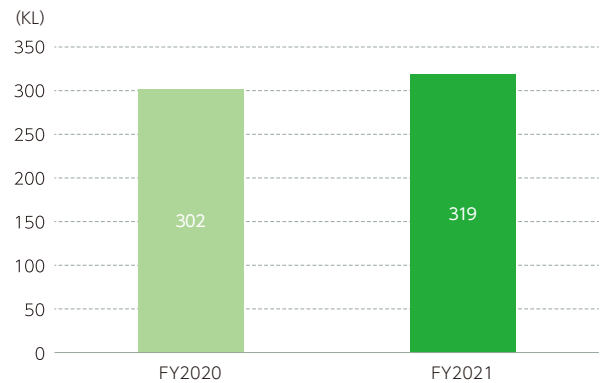
The ELECOM Group is a fables manufacturer that outsources most of its manufacturing to Japanese and overseas partner factories. Therefore, its volume of in-house CO₂ emissions is limited. On the other hand, we recognize our need to take action to address the issue of climate change, including issues involving the entire supply chain, given that the volume of CO₂ emissions attributable to our manufacturing subcontractors and transportation tends to be substantial.

With this being the first time we have compiled data for the full year, we will proceed with analysis encompassing Scope 3 emissions going forward and will accordingly set medium- to long-term targets in that regard.

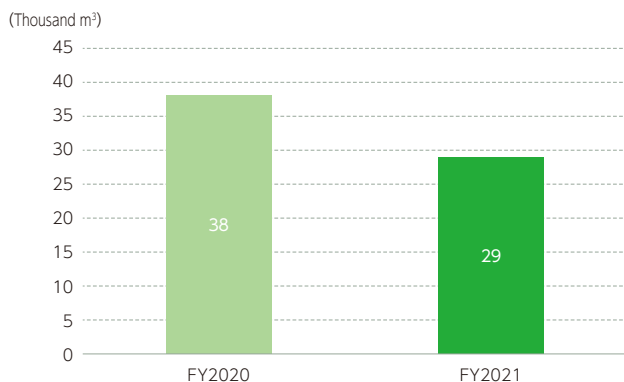
Electricity consumption



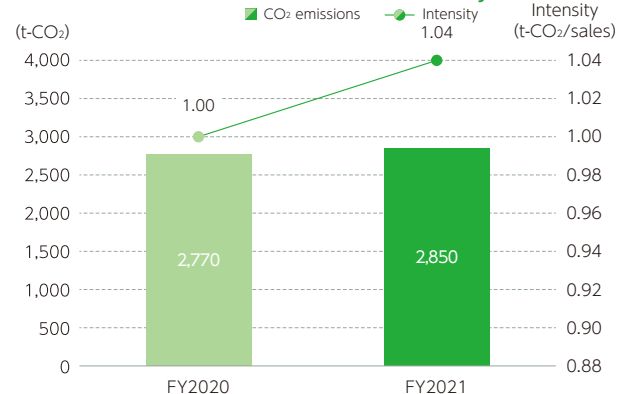
Gasoline consumption



Gas consumption



CO₂ emissions and emissions intensity



*Please refer to page 45 for details on ranges of data and calculation methods.

Waste management

3R (Reduce, Reuse, Recycle) activities

In order to lessen the environmental impact of its business activities, Elecom promotes reductions in industrial waste and the recycling of resources through the "3Rs" (Reduce, Reuse, Recycle).

As promotion of the 3Rs not only leads to conservation of resources, but also to lower costs and CO₂ emissions, Elecom will continue to actively implement such initiatives.

Reduction of wastes ("Reduce")

We are replacing plastic packaging with renewable packaging, such as paper packaging, and promoting reductions in non-burnable waste.

Utilization of outlet sales ("Reuse")

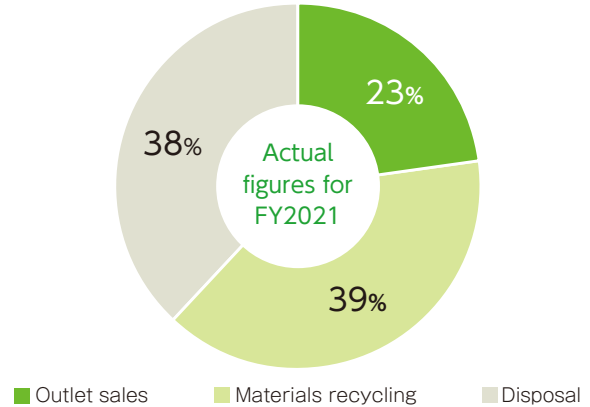
We directly operate outlet stores that deal exclusively in products with defective packaging, etc. that cannot be sold, providing them to consumers at a lower price after first performing inspections to confirm that they have not been opened.

Appropriate management of waste and recycling of materials ("Recycle")

In addition to visiting the companies to which we outsource our waste management to confirm that waste is being managed appropriately, we dispose of waste using eco-conscious methods such as thermal recycling. In the fiscal year ended March 31, 2021, we also began using materials recycling.

Breakdown of 3R initiatives

Through our 3R activities, we continue to work to reduce waste products that would previously have been subject to disposal.



Waste management at ELECOM Group production sites in Japan

Waste (t)	FY2020	FY2021
Complex waste (waste plastic/metal)	140.76	83.00
Fluorescent lights	14.15	0.00
Wooden pallets	7.65	10.62
Expanded polystyrene	7.63	8.60
Waste plastic	6.78	36.63
Used batteries	0.12	0.00

Logitech INA Solutions Co., Ltd., Ina Factory



Location: Ina, Nagano Prefecture
 ISO 14001 accreditation: June 2007
 Products: Industrial computers (IPC),
 Hard disk drives (HDD),
 Optical disc drives (ODD), etc.
 Resource recycling ratio: 100%

*Figures for the ELECOM Group overseas are scheduled to be disclosed as soon as they have been collected and aggregated.

Management of chemical substances

The ELECOM Group in Japan continually sets its sights on minimizing risks to local communities and has accordingly established a system for taking swift action in case an accident occurs. In addition, we will continue to voluntarily disclose information on our handling and management of chemical substances going forward, with the aim of providing our stakeholders with an understanding of the safety initiatives taken by the ELECOM Group in Japan for the sake of our local communities.

Management of chemical substances at production sites of the ELECOM Group in Japan

Logitech INA Solutions has been working to reduce the use of chemical substances in its manufacturing processes undertaken at its head office factory.

Under pollutant release and transfer register (PRTR) systems, as provided for in Japan's Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement, designated business operators are obliged to assess volumes of applicable chemical substances upon their discharge or transfer, and to report such information to the national government. We handle and properly track our usage of the applicable substance 4,4'-diphenylmethane diisocyanate, which we use as a raw material in our urethane foam for packaging, although in amounts less than the notifiable volume.

In the fiscal year ended March 31, 2022, there have been no significant accidents involving leaks of chemical substances, etc. that would infringe environmental laws and regulations or have a serious effect on the environment.

Case study initiatives

As part of its ISO 14001 activities related to the environment, the head office factory of Logitech INA Solutions limits the handling of 4,4'-diphenylmethane diisocyanate in the workplace exclusively to those who have completed safety education, and invariably informs its workforce of safe handling methods enlisting means such as safety data sheets (SDS). Employees use personal protective equipment and ventilation, etc. without fail, and take care when handling such substances.

In addition, as a result of efforts to reduce usage and introduce substitutes, the amount purchased is on a declining trend of 70 kilograms in the fiscal year ended March 31, 2022.



Social

The ELECOM Group is supported by various stakeholders. With valuing our communications not only with our customers and shareholders, but also with our employees, suppliers, and communities, addressing the requests and expectations of such stakeholders, we seek to achieve ongoing growth and development.

Basic policy on human rights of labor

The ELECOM Group advocates a basic policy on human rights of labor. All employees and officers work together to ensure compliance with the United Nations Global Compact as well as human rights and labor standards as prescribed by international norms, laws and regulations, as part of our efforts to achieve a society in which human rights are universally respected. As well as being provided in Japanese, this policy has been translated into local languages, and has been made available to all employees of the ELECOM Group.

The ELECOM Group complies with human rights and labor standards as prescribed by international norms, laws and regulations, and works to achieve a society in which human rights are universally respected through the practice of the following activities.

- 1 The ELECOM Group supports and respects internationally declared human rights norms as well as national laws regarding human rights and labor in all aspects of its corporate activities.
- 2 The ELECOM Group respects the human rights of each individual and does not discriminate based on race, nationality, ethnicity, beliefs, religion, academic background, social status, age, gender, sexual orientation, gender identity, or disabilities.
- 3 The ELECOM Group endeavors to build sound labor-management relations by respecting the freedom of association and the right to collective bargaining of workers and employers, based on national laws, international norms, and labor practices.
- 4 The ELECOM Group does not engage in any form of child labor and forced or involuntary labor.
- 5 The ELECOM Group does not conduct harassment that degrades other people and makes them feel uncomfortable based on their status or gender and so on.
- 6 The ELECOM Group, through fair transactions, respects national laws and international norms regarding corporate ethics and strives for continuous improvement.

Human rights

In seeking to ensure that human rights are afforded respect across all of its corporate activities, the ELECOM Group strives to continuously improve its business activities from the perspective of human rights, while complying with laws and regulations applicable in each country and region where it engages in business as well as international norms.

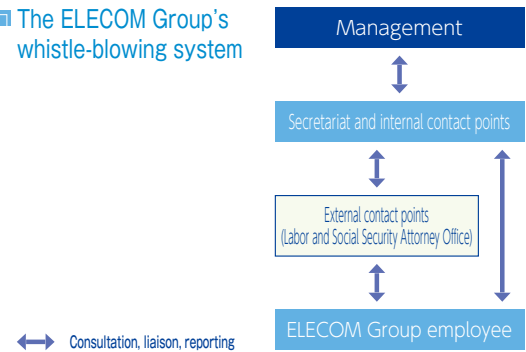
Preventing harassment

The ELECOM Group has established rules in relation to harassment and set out mechanisms to prevent all kinds of harassment in the workplace. Its aim is to achieve a healthy workplace environment in which all employees can fully demonstrate their abilities.

We have accordingly set up internal and external contact points where all of our employees are able to seek consultation regarding harassment and human rights violations, to prepare workplace environments conducive to seeking consultation for employees who have been subject to harassment and other such inappropriate behaviors. In this way, we strive to identify and address problems early, and prevent their recurrence.

Moreover, we have been working to raise employee awareness of harassment by conducting harassment prevention training that includes cross-divisional rank-specific training.

The ELECOM Group's whistle-blowing system



Fair assessment and treatment

The ELECOM Group seeks to maintain and increase employee motivation and job satisfaction by ensuring that results of employees are positively assessed and reflected in their treatment, irrespective of age and career background.

We accordingly place great importance on dialogue that facilitates mutual understanding in part by providing feedback on assessment results, while also ensuring that employee wages, promotions, bonuses, and other benefits reflect achievement of targets established based on our corporate business strategy and policies of the organization to which they belong.

Management of wages

With regard to the wages paid as consideration for labor, the ELECOM Group does not discriminate by age, gender or other characteristics. Furthermore, we confirm compliance with laws and regulations through internal audits, continuously managing the situation so that, for example, working hours and overtime hours are properly reflected in wages.

Relationship with labor union

There are two labor unions in the ELECOM Group: the Elecom Labor Union (formed in September 1998, with 548 members) and the DX Antenna Labor Union (formed in December 1959, with approximately 250 members). (The number of union members is given as of March 31, 2022)

In order to maintain and improve relations with the respective labor unions, Elecom and Elecom group companies hold periodic labor-management councils, and work to cultivate relationships of trust based on dialogue. By checking the details of operations and receiving reports on the causes of long working hours, and specific improvement measures, the Company moves through a cycle of sharing information with the labor union aimed at controlling and reducing long working hours.

Labor practices – Human resources development

The ELECOM Group seeks to serve as a company that constantly generates innovation. This calls for us to create corporate environments and frameworks conducive to sustained employment, while also ensuring that all employees are able to voice their opinions and making certain that their voices are heard by the organization. We seek an ideal situation whereby employees amass knowledge and ideas through educational opportunities aligned with their professional duties and whereby our organization shows tolerance when it comes to mistakes while properly recognizing results when employees take on challenges.

This year, we will strive to develop our human resources and organization, which will involve initially embarking on efforts to overhaul our employee evaluation system and to create environments that are worker-friendly and easy to take on challenges for diverse human resources.

Basic views

The ELECOM Group divides its human resources development into the three domains of "systematic human resources development," "skill development (support)," and "career development." We consider each of them from the perspectives of "training systems," "on-the-job training," "planned career paths," and "improvement in personnel systems" and promote the comprehensive nurturing of personnel.

Systematic human resources development

By combining cross-divisional rank-specific training with specialized training that meets the needs of the business and operational situations of each division and Group company, we aim to improve general business skills and specialist knowledge and skills with good balance.

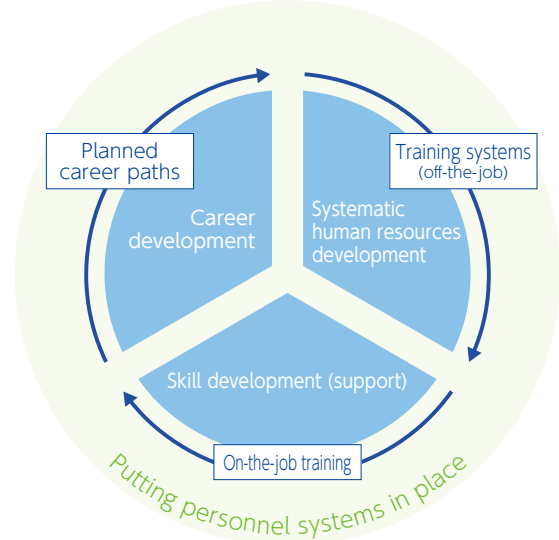
Skill development (support)

Based on the content of education and training and the timing with which it is implemented, mentors who have completed the same course and superiors implement on-the-job training in the workplace. Through practical training that is focused on outcomes, we support skill development that is linked directly to the various operations.

Career development

Based on the progress of skills development through a combination of off-the-job and on-the-job training as well as job performance, we take a flexible approach to develop, promote, and reassign. We will improve personnel systems to support systematic career development that takes into account the employee's own wishes for self-realization.

Diagram of human resources development model



Training system

The ELECOM Group plans various forms of training for the purpose of promoting role recognition and employee skill development in alignment with each employee's stage of growth. We facilitate growth of each and every employee through various capacity development programs that include cross-divisional rank-specific training for new employees or managers, and training geared to acquiring skills in alignment with job descriptions. Having set up an e-learning platform during the fiscal year ended March 31, 2022, we are now able not only to provide detail-oriented instruction, but also to meet training needs of employees motivated to take initiative in achieving growth more than before, in addition to providing detail-oriented instruction. Going forward, we will strive to provide even more training opportunities including arranging training activities for our entire workforce.

First year
after joining
the company

▶ 2nd years -

▶ Mid-ranking - management

Cross-divisional rank-specific training	New employee training	Training for new employees [2nd to 5th years]		Managerial candidate training	Supervisor training	Manager training [Beginner/Intermediate/Advanced]
		Logical thinking training	Self-reflection training			
	Harassment prevention training, compliance training, anti-corruption training, sustainability training *In the first year after joining the company and when information has been updated					
Information security training *On a recurring basis						
Sales division training	Sales training [Beginner]	Sales training [Intermediate]	Negotiation techniques training			
			Corporate sales training [Beginner/Advanced]			
Procurement division/ product development division training	CSR procurement training	Negotiation techniques training [Beginner]	Logical thinking training [Intermediate]	Project management training	Negotiation techniques training [Advanced]	
		Critical thinking training	Design thinking training [Fundamental/Applied]		Job theory training	

*Example of Elecom's training system.

Support for employee learning on their own initiative/desire for growth

The Credo of the ELECOM Group states "Growth for both the individual and the Company" and we believe that the personal growth of each and every individual is the foundation of the Company.

The ELECOM Group recommends and supports study by the employee, primarily that conducted for the purpose of further enhancing expertise, such as the acquisition of skills and techniques that can be used directly in their business assignment. For example, in departments where communication with non-Japanese speakers is required, at the request of the employee we will support attendance at an English conversation school with which the Company has

partnered. In addition, we actively allow employees to make use of a variety of opportunities, such as attendance at external seminars.

DX Antenna operates a system of paying allowances in accordance with official qualifications, and the company provides support in cases where the costs are a bottleneck for those wishing to enhance their career on their own initiative, irrespective of their job category.

Going forward we will continue to design systems to support employees eager for personal growth.

▬ Labor practices – Respect for diversity and inclusion

The ELECOM Group views individual variation with respect to sense of values and perspectives as an asset, in addition to differences in nationality, race, ideology, culture, language, gender, and age. We believe that chemical reactions between individuals that occur when diverse human resources spontaneously come up with ideas and interact to generate innovation. In the ELECOM Group of the past an archaic corporate culture remained persistently. We view this as a prime time for change now that we are able to turn our attention toward this situation. We are accordingly transforming our corporate culture across the entire Group and have furthermore been making progress in creating rewarding workplaces where diverse employees are able to make the most of their abilities.

Employment status of those with disabilities

29 people with disabilities are employed by the ELECOM Group. (Japan only, as of March 31, 2022)

We promote the employment of those with disabilities and create working environments comfortable for such individuals, as we hope all of our employees, including those with disabilities, to grow while inspiring each other.

Hiring of employees of different nationalities

The ELECOM Group is building global supply and sales networks, centered on Asia. We have accordingly been promoting the hiring and support of employees of different nationalities, as we believe that participation by employees from diverse cultural backgrounds is indispensable for the expansion of the business. We have 58 employees of non-Japanese nationalities actively involved in such efforts as of March 31, 2022.

Initiatives to promote female participation

Recognizing that female perspectives and participation are indispensable to the Company's growth, the ELECOM Group accordingly strives to create environments that enable women to play active roles. We have accordingly set targets in that regard in seeking for women to account for 10% of our managerial positions and 20% of our supervisory positions by the fiscal year ending March 31, 2028.

In addition to cultivating a culture that promotes diversity, we are also facilitating work style reforms, which include support for life events. Such initiatives have involved devising measures that support childcare by offering employees childcare leave up until a child reaches 3 years of age maximum, reduced working hours, and exemption from working outside designated hours. In the ELECOM Group, some male employees have actually taken parental leave and returned to the workplace. (Number of male employees who returned to the workplace: 5 employees in the fiscal year ended March 31, 2020, 1 employee in the fiscal year ended March 31, 2021, and 2 employees in the fiscal year ended March 31, 2022)

We will take action with respect to various programs and improvement of workplace environments that benefit all of our employees rather than only women.

*These quantitative targets have been established for ELECOM CO., LTD. on a non-consolidated basis. Supervisory positions consist of the Company's leadership roles and sales managers.

▬ Labor practices – Support for different work styles

Through the introduction of work styles that leverage individual diversity to create a harmonious blend from employees with diverse values, the ELECOM Group is promoting work style reforms that enable every employee to utilize their abilities to the fullest extent. We will implement measures such as changing work formats and systems, including the use of telework, shifting awareness away from quantity and towards performances, and supporting childcare, nursing care, and sick leave, etc., so as to contribute to achieving a better work-life balance for employees. The ELECOM Group also provides various products and technologies that facilitate work arrangements that are not confined to set time schedules or locations, in response to such social challenges.

COVID-19 countermeasures

Since the emergence of COVID-19, the ELECOM Group has put the highest priority on ensuring the health of employees and their families. In order to prevent obstacles to the provision of products to customers, we have been taking steps such as promoting and putting in place arrangements for telework, restricting business trips and meals eaten together, shifting business negotiations and meetings online, and encouraging employees to stagger commuting times to avoid rush hour. Particularly in locations where the number of infections is rising, employees are

using telework as appropriate, and we are working to restrict people from coming to the workplace.

We will continue to improve flexible work and support systems to enable employees to work safely and securely.

In addition, although our production sites in China were affected severely by the suspension of activities, since May 2020 they have been back in operation, and stable supply of product has been achieved.

Child care/nursing care support system

The ELECOM Group is moving forward with systems to enable employees to achieve a balance between work and childcare or nursing care. In addition to establishing reduced working hours for child care and nursing care respectively, we are carrying out initiatives to meet the diverse needs of individual employees, such as creating systems to smooth the return to the workplace.

■ Main features of the childcare support system

System	ELECOM Group	Statutory
Reduced working hours system for pregnant women	Reduced working hours of up to 2 hours a day based on presentation of "maternity health care guidance item contact card"	-
Childcare leave system	Until the first birthday (if requirements are met, until the end of the government fiscal year of the third birthday)	As a rule, until the first birthday (if certain requirements are met, until the second birthday)
Leave for spouse's childbirth	One day at the time the spouse gives birth (special paid leave)	-
Reduced working hours system for those caring for children	Until the child enters elementary school (if requirements are met, until the elementary school graduation)	Until the third birthday Obligation to make an effort: until the commencement of elementary school
Child nursing care leave system	In the case of one child: 12 days In the case of two children or more: 24 days Unpaid Until the commencement of elementary school	In the case of one child: 5 days In the case of two children or more: 10 days Can be either paid or unpaid Before the commencement of elementary school

■ Main features of the nursing care support system

System	ELECOM Group	Statutory
Caregiver leave system	Total of 93 days Unpaid	Total of 93 days
Reduced working hours system for those involved in nursing care	Three years from first use Reduced working hours of up to 2 hours a day	Three years from first use
Caregiver leave system	In the case of one subject family member: 12 days In the case of two subject family members or more: 24 days Unpaid	In the case of one subject family member: 5 days In the case of two subject family members or more: 10 days Can be either paid or unpaid

Job rotation surveys and in-house recruitment

The ELECOM Group regularly administers job rotation awareness surveys to its employees as a means of helping them develop their careers in alignment with their aspirations, which is in addition to company-initiated personnel placements. We actively strive to establish new departments and facilitate personnel transfers in a manner that improves employee motivation, taking into account individual employees' wishes, aptitudes and family circumstances, as well as excesses and deficiencies in staffing

levels of respective organizational units. We have established an in-house recruitment program, which we use not only on a regular basis, but also in response to the needs for human resources or when establishing new departments.

Through such in-house recruitment, successful 10 employees and 11 employees transferred to another department during the fiscal year ended March 31, 2021, and the fiscal year ended March 31, 2022, respectively.

Awards program

The ELECOM Group has established an awards program with the aim of sharing best practices that embody its Credo and Code of Conduct and elevating such best practices as integral to the corporate culture.

Not mention to granting awards for achieving improvement with respect to operations and business performance, we also commend contributors to win design awards that help improve corporate brand value.

During the fiscal year ended March 31, 2022, one President's award was granted for a project whose contribution was substantial, along with two operational improvement awards, and four performance awards. Moreover, the eight series products received the Good Design Award and 11 series products received the iF Design Award, culminating in awards for a total of 28 people who respectively contributed to product development.

Labor practices – Occupational health and safety

Having positioned the notion of ensuring safety and health of every employee involved in business activities as a top priority for business continuity, the ELECOM Group has established its "Occupational Health and Safety Policy" to enhance health and safety management, and disseminated to employees throughout the Group. We also strive to create physical spaces conducive to generating innovative ideas, in addition to workplace environments that provide for safe and healthy venues for work both physically and mentally. In addition, we approach the notion of work-life balance of our employees, which is listed as a materiality, as an important matter that enriches their spirits and broadens their horizons, above and beyond protecting their health and prompting vitality.

Industrial Health and Safety Policy

The ELECOM Group, in maintaining and developing its business, makes the health and safety of all people involved in its business activities the top management priority by implementing the following efforts:

- 1 The ELECOM Group strives to create a safe and comfortable working environment and ensure the physical and mental wellbeing of its employees.
- 2 The ELECOM Group complies with applicable laws and regulations regarding health and safety in business operations, as well as the requirements of local communities, public institutions, and its customers.
- 3 The ELECOM Group conducts training to increase safety awareness.
- 4 The ELECOM Group thoroughly manages working hours and strives to eliminate long working hours.
- 5 The ELECOM Group, in the event of a serious occupational incident, shares the outline and cause of the incident with employees within the Group and takes measures to prevent its recurrence.

Occupational health and safety implementation structure

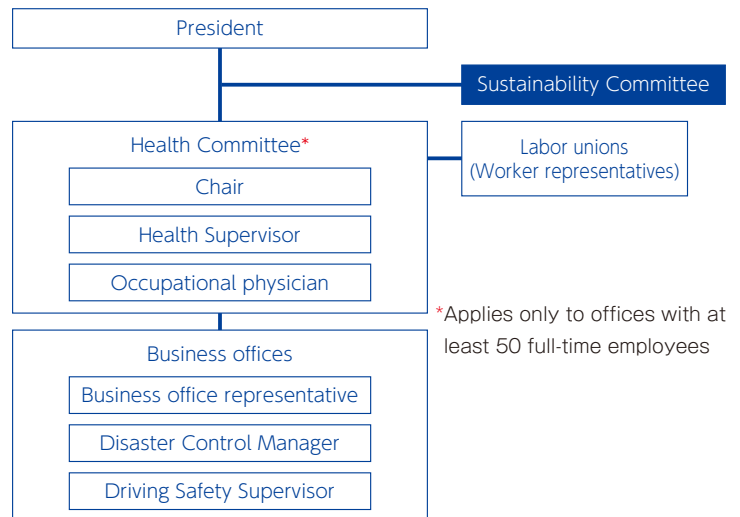
The ELECOM Group has established the Health Committee pursuant to the Industrial Safety and Health Act as one of its initiatives devoted to occupational health and safety. This also enlists the involvement of labor unions through an approach whereby labor and management join forces in working to prevent disasters and making improvements.

Monitoring

The Health Committee regularly collects information through office representatives and labor unions (worker representatives) on occupational accidents and illnesses, as well as health and safety initiatives that have taken place within respective Group companies, and respective offices.

Reporting and command system

The Health Committee reports results of monitoring to management. In addition, management commentary on such reports is properly provided as feedback to the respective business offices through office representatives and labor unions (worker representatives).



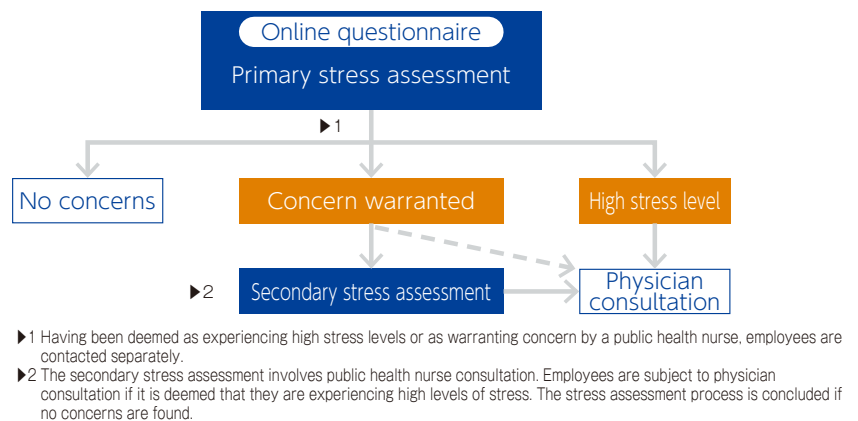
Occurrences of occupational accidents

The Data Book section at the end of this report (page 48) contains information on occupational accidents encountered by the ELECOM Group. We continuously work on initiatives to achieve a record of zero accidents by engaging in initiatives at our locations inside and outside Japan, such that include implementing safety education and training and performing safety patrols.

Support for mental health

Since 2016, the ELECOM Group has been performing stress assessment surveys using an online system in order to achieve prevention and early detection of mental health disorders. This encourages employees to develop awareness of their own stress levels and makes it possible for mental health specialists and clinical psychologists to perform follow-up with respect to employees deemed to be experiencing high levels of stress. We also perform group analysis and share the results with persons in charge of respective divisions to facilitate activities conducted to improve workplace environments.

Stress assessment framework



We use "The Brief Job Stress Questionnaire" recommended by Japan's Ministry of Health, Labour and Welfare. The questionnaire enlists a simple question format consisting of 57 four-choice questions to make it easier for respondents to complete. Meanwhile, we prevent overlooking cases requiring physician consultation by having a public health nurse perform the second of a two-step check process.

Fair business practices – Purchasing management

The ELECOM Group has established purchasing management regulations applicable across the entire Group. We also engage in continuous improvement of trade controls related to imports and exports upon having established a control structure, based on the assumption that transactions are to be carried out with enterprises certified as authorized economic operators (AEO).

Basic guidelines on purchasing management

The ELECOM Group builds mutual trust with its suppliers through good-faith purchasing practices in order to achieve its corporate objectives. Moreover, the ELECOM Group consistently evaluates its suppliers in an impartial, fair and comprehensive manner, as follows.

- 1 We seek suppliers who develop an approach to business that engenders trust in terms of the integrity and managerial capabilities of their managers, enterprise size, and their financial standing.
- 2 We seek suppliers who offer consistent supply strengths and premium-quality service drawing on their production capacity, achievements, specialty operations and manufacturing technologies.
- 3 We seek suppliers who adapt to changes in the business environment.
- 4 We seek suppliers who achieve product and service safety, consistent quality, competitive pricing and delivery times.
- 5 We seek suppliers who work to achieve business continuity in a manner that assures effectiveness.

Basic guidelines for trade controls

The ELECOM Group complies with trade laws and regulations, and continuously improves its trade control framework with the aim of achieving its corporate objectives.

- 1 We comply with trade control laws, regulations and international regimes applicable in respective countries and regions.
- 2 We carry out transactions in alignment with authorized economic operator (AEO) rules and regulations, subject to conditions that transactions involve AEO-certified enterprises.
- 3 We establish positive relationships of trust with entities that include public authorities of respective nations and regions, and international logistics companies.
- 4 We implement education required to employees and others regarding trade and commerce.

In addition, we promote environmental-friendly and sustainable procurement in part by using fewer containers as a result of achieving greater load efficiency.

- (i) We employ consolidated intermodal transportation system with respect to shipments and customs clearance by means of buyer's consolidation.
- (ii) We achieve greater load efficiency and use fewer containers.
- (iii) We reduce our volume of truck transport by using fewer containers.

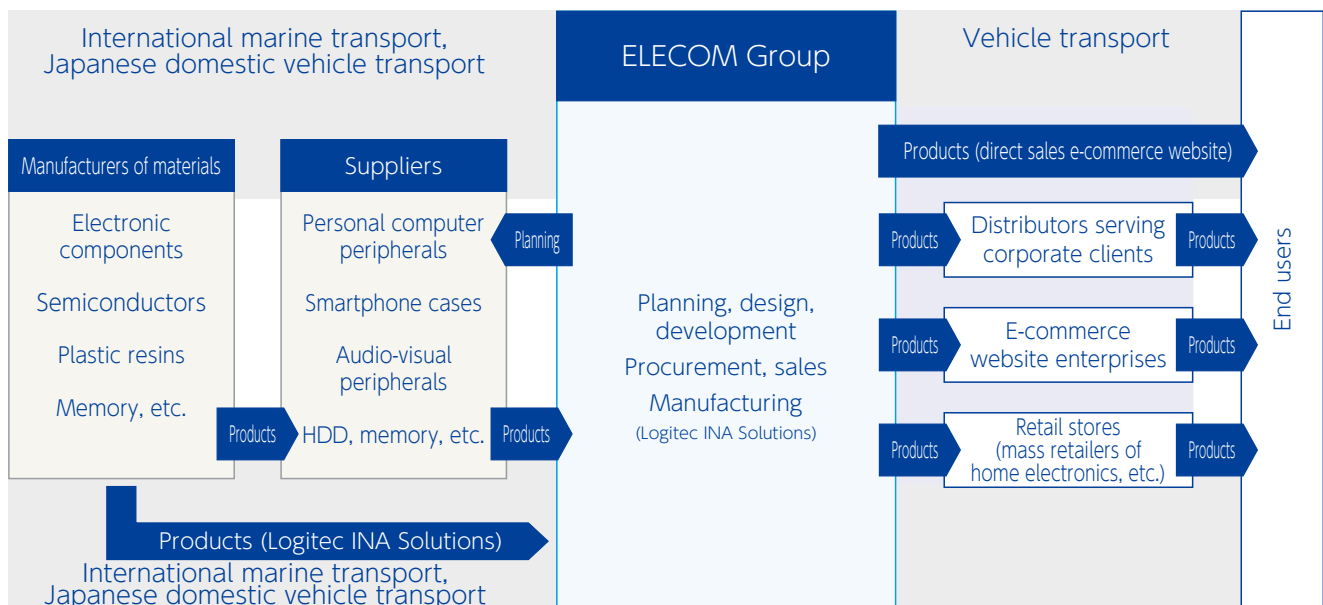
Fair business practices – Partnerships with suppliers

The ELECOM Group procures raw materials, parts, equipment and services necessary for production from suppliers across various regions. We promote CSR-oriented procurement based on our purchasing management regulations with the aim of sharing awareness of social responsibility with suppliers who make up our supply chains and achieving mutual gains in corporate value.

Supply chain expansion

The ELECOM Group seeks to expand its supply chains by working together with its various suppliers through its business activities.

Primary supply chains of the ELECOM Group



CSR Procurement Guidelines (items)

The ELECOM Group engages in procurement activities in a manner that conveys respect for human rights. We promote initiatives aligned with international norms associated with human rights, particularly in relation to the ILO Declaration on Fundamental Principles and Rights at Work and other conventions relating to the human rights of workers on wages and working hours released by the International Labour Organization* (ILO), and the Declaration on the Rights of Indigenous Peoples released by the United Nations. Moreover, accepting the significance of our role as a signatory company of the United Nations Global Compact, we are committed to fulfilling our social responsibilities in a manner that involves respecting the Ten Principles of the UN Global Compact. Furthermore, during the fiscal year ended March 31, 2022, ELECOM completed the task of concluding CSR procurement agreements with all of its existing suppliers. Going forward, we will take responsibility for addressing social challenges together with our suppliers as we also continue to ensure that our CSR Procurement Guidelines are promoted at our Group companies.

*The International Labour Organization (ILO) is an international body that promotes the guarantee of basic human rights with respect to labor by encouraging better working conditions.

<p>1. Regulatory compliance and respect for international norms</p> <p>1) Regulatory compliance and respect for international norms</p>	<p>3) Occupational injury and illness</p> <p>4) Considerations for physically demanding work</p> <p>5) Facility health and safety</p> <p>6) Health and safety communication</p> <p>7) Employee healthcare management</p>	<p>7. Fair trade and ethics</p> <p>1) Anti-corruption</p> <p>2) Prohibition against offering and receiving improper advantage</p> <p>3) Appropriate information disclosure</p> <p>4) Respect for intellectual property</p> <p>5) Fair execution of business</p> <p>6) Whistleblower protection</p> <p>7) Appropriate import-export controls</p> <p>8) Responsible mineral sourcing</p>
<p>2. Human rights and labor</p> <p>1) Prohibition of forced labor</p> <p>2) Prohibition of child labor, considerations for young employees</p> <p>3) Considerations for working hours</p> <p>4) Appropriate wages and allowances</p> <p>5) Prohibition of inhumane treatment</p> <p>6) Prohibition of discrimination</p> <p>7) Freedom of association, collective bargaining rights</p>	<p>4. Risk management</p> <p>1) Risk management addressing changes in social conditions</p> <p>2) Rigorous control regarding leakage of information</p>	<p>8. Information security</p> <p>1) Protection against threats to computer network security</p> <p>2) Preventing leakage of personal information</p> <p>3) Preventing leakage of confidential information</p>
<p>3. Environment, health and safety</p> <p>1) Occupational safety</p> <p>2) Emergency preparedness</p>	<p>5. Compliance</p> <p>1) Building a risk management framework for the entire Group including overseas operations, and raising awareness among all employees</p>	
	<p>6. Environment: Disposal and recycling</p> <p>1) Zero emissions-based disposal and recycling</p>	

Development of purchasing professionals

The ELECOM Group provides ongoing training for the development of purchasing professionals with the aim of promoting impartial and fair good-faith transactions with its suppliers in alignment with its basic guidelines on purchasing management.

This enables them to acquire knowledge through various forms of training encompassing trade practices, negotiations and logical thinking, in addition to training for new employees in the purchasing section focusing on knowledge necessary for engaging in purchasing, including compliance and CSR procurement related to purchasing operations, and coordinating with the purchasing section and other divisions.

Fair business practices – Anti-corruption initiatives

Integrity of each and every employee serves a fundamental element of the ELECOM Group's Credo and forms the basis of our compliance practices. We engage in fair and good-faith business activities underpinned by high ethical standards with aims that include complying with various laws and regulations, fulfilling our corporate social responsibility (CSR), and maintaining the ELECOM Group's social credibility and corporate value.

We accordingly abide by applicable laws, norms, internal regulations, and sound business practices, thereby placing our highest priority on rigorous compliance with respect to preventing any and all forms of corruption including bribery, receipt of excessive business-related

entertainment and gifts, collusion, embezzlement, and breach of trust. We are also committed to ensuring a sound business environment and corporate activities which involves preventing occurrence of corruption by enhancing our internal structures equipped to appropriately address risk of corruption.

We furthermore thoroughly take resolute action with respect to shunning any and all relations with antisocial organizations. We accordingly instill such knowledge by providing education and training based on actual incidents through onboarding, management training and other rank-specific formats.

Quality control

The ELECOM Group regards its social mission to be that of serving as a bridge spanning the gap that people face with respect to new technologies and IT equipment, underpinned by its corporate slogan of "lifestyle innovation." As such, it premises on a basic policy that our products and services meet the quality that are clear and easy-to-use for our customers, as well as that our customer support is robustly providing support to the extent needed to satisfy our customers. Our specific policy in this regard is as described to the right.

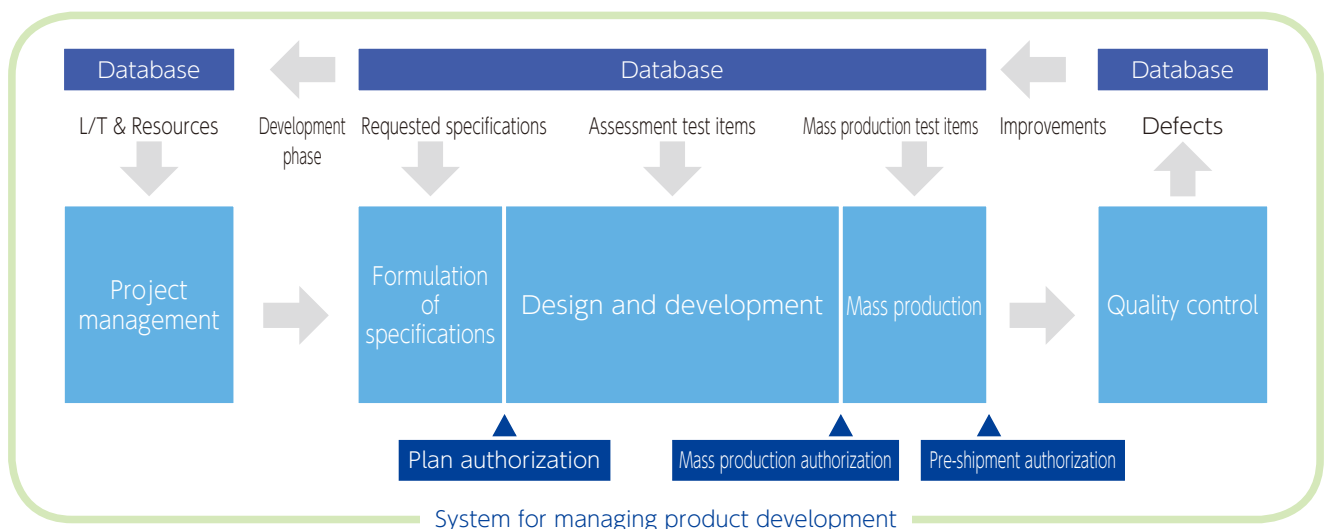
- 1 We will keep our customers' or society's trust through serving as a company committed to maintaining a path of righteousness. We will furthermore take swift and sincere action in case unexpected circumstances arise.
- 2 We consistently meet expectations in terms of pursuing thoughtful products and services based on our commitment to customer perspectives and circumstances.
- 3 We deliver satisfaction to customers all over the world by creating high value-added products and services brimming with the promise of greater enjoyment, convenience and ingenuity.
- 4 We learn about and strive to achieve continuous quality improvement, and furthermore persistently take on challenges of refining such management systems.

Digital transformation of development systems and quality control operations

The ELECOM Group has adopted and initiated operations of a system for managing product development enlisting quality control standards and management approaches applicable to a wide range of product lines.

We have accordingly been seeking to ensure more consistent quality through initiatives that have involved developing a database of expertise and evaluation criteria across each product category, eliminating variation at the discretion of individual workers, and developing systems for managing the progress of development work.

We have achieved greater operational labor savings and streamlining by having a single platform handle a series of product development processes (project management, process management, quality control). We have furthermore succeeded in immediately detecting issues and promptly taking corrective action by visually rendering product development KPIs in real time. We have furthermore been implementing a plan-do-check-act (PDCA) approach with respect to such KPIs, thereby enabling us to more swiftly provide our customers with products and services featuring more consistent quality.



Enhancing mass production quality control

ELECOM employs a fables business approach rather than having its own factories. We manufacture many of our products in East Asian countries, with the highest proportion of our production taking place in China and Taiwan. We have accordingly set up development and procurement offices in those locations and have local staff members handle quality control, supervision, and other such tasks.

Moreover, we select our manufacturing partners on the basis of rigorous audits and furthermore believe that our factory audits and quality guidance are functioning effectively given an absence of quality issues even though our suppliers autonomously manage mass production shipments on a daily basis. We have also been taking action to shorten timelines extending from product planning until development through initiatives that have involved assigning to local offices professionals who have been trained by our Japanese staff members and are consequently able to provide quality guidance.

In addition, given that production of our conductive products is concentrated in China, we are in the process of developing suppliers particularly in nations of the ASEAN region as a means of diversifying our risk.

We furthermore seek to ensure legal and regulatory compliance particularly with respect to PSE requirements. Our initiatives to such ends will involve exhaustively implementing quality control at production sites, developing products that are subject to restrictions on use of specific hazardous substances under the RoHS rules, and further conducting surveys regarding non-use of conflict minerals*.



Staff members of manufacturing partners

*The term "conflict minerals" here refers to certain minerals from the Republic of Congo and its neighboring countries, such that are widely distributed through global supply chains and serve as a source of funding for militant groups. Such minerals include tantalum, tin, gold, tungsten, and cobalt. The term does not apply to the same minerals from other production regions.

Continuous improvement responding to product reviews

ELECOM engages in continuous improvement on a daily basis centered on its customer support teams with the aim of achieving output in the form of customer satisfaction in terms of quality and usability. ELECOM has enhanced its customer support by developing a 24-7 customer follow-up framework that employs chatbot technology and artificial intelligence, in addition to telephone-based support that entails directly listening to customer feedback.

We aggregate and analyze customer reviews from online shopping as well as other inputs that include such direct customer feedback. We then provide such content to the Product Development Division and the Quality Control Division on a weekly basis to utilize for achieving product improvements and providing additional items for quality assessment.

We also create opportunities for the President and officers, and persons in charge of the Product Development Division and the Quality Control Division to directly talk with all support center

employees with the aim of listening to requests for on-site improvements and other customer feedback. Through these activities, we work to develop corporate approach of valuing our customers and employees who provide them with support, while also fostering awareness and motivation to achieve continuous improvement.



Customer Support Center
(ELECOM Support & Service Co., Ltd.)

Continuous improvement enlisting customer support

Management teams and senior executives



Tax policy

The ELECOM Group complies with laws and regimes related to taxation in respective nations and regions, aspires to minimize tax risk, and strives to increase corporate value. We also aim to act as a truly global company, which involves fulfilling our corporate social responsibility by monitoring developments with respect to international taxation frameworks and appropriately addressing such changes. Our specific policy in that regard is as follows.

- 1 The ELECOM Group engages in tax planning in a legal, appropriate and efficient manner. We regard taxation as an important element of business planning and accordingly use tax incentive schemes available to us within the realm of our normal business activities. However, we do not engage in transactions whose main purpose is that of tax avoidance and are not associated with business realities.
- 2 The ELECOM Group minimizes its exposure to tax risk to the extent possible when dealing with issues of taxation. We also identify assess and manage tax risk in respective nations and regions in order to minimize such risks, and accordingly seek external advice when encountering significant uncertainties or complexities regarding risk.
- 3 The ELECOM Group develops and maintains positive relationships of trust with tax authorities in respective countries and regions by submitting tax-related information in a timely and appropriate manner. In the event that concerns are identified, we immediately take corrective action to prevent recurrence of such situations, except when it is necessary to file an objection to actions and opinions of the tax authorities.

Initiatives involving intellectual property

Approach to intellectual property

The ELECOM Group regards its technologies, brands and services as key business resources that facilitate the Group's market competitiveness. As such, we properly manage various forms of intellectual property derived through business affairs according to our internal rules, thereby working to develop new products and expand new businesses that result in high levels of customer satisfaction by furthermore acquiring and utilizing intellectual property. We also respect the intellectual property of third parties as well as that of the Group, and actively seek to acquire and use intellectual property rights across the entire Group with such efforts spearheaded by the Legal and Intellectual Property Division, while working in conjunction with the Product Development Division.

Primary initiatives

- **Filing applications and acquiring intellectual property rights with respect to patents, utility models, design, and trademarks**

We aim to acquire intellectual property rights in a timely manner through various filings with respect to new products and technologies created by the Product Development Division. Promoting development of products and technologies as well as acquiring intellectual property rights through various filings serve crucial roles in terms of achieving differentiation of ELECOM Group products from those of our competitors. We also seek to acquire intellectual property rights by appropriately filing for such rights outside of Japan in response to expanding product categories and increasingly diverse sales channels. In so doing, we aim to further reduce intellectual property risk arising from use of ELECOM Group products incurred by the ELECOM Group as well as our customers and business partners.
- **Investigating and monitoring intellectual property rights of other companies**

We also investigate intellectual property rights of other companies when planning products in order to avoid situations where an ELECOM Group product might infringe on intellectual property rights of other companies. Moreover, we regularly monitor intellectual property rights of other companies when encountering prior products or prior art on the market. We seek to avoid risk of infringing on intellectual property rights by enlisting the services of external research organizations to handle such investigation and monitoring.

Information security initiatives

The ELECOM Group regards the task of ensuring information security as one of its key challenges when engaging in business activities. As such, we accordingly establish rules to such ends and manage information in a manner appropriately aligned with prevailing risks. We take extra precautions when it comes to safeguarding personal information of our customers. We also monitor changes in risk and maintain high levels of security.

Information security measures

We take a multi-tiered approach to guarding against cyber-attacks emanating from outside the Group.

Points of entry and exit	Firewalls and e-mail filters
Internal measures	Antivirus, access control, endpoint security

Education on information security

Every year, we hold training on the theme of information security for new graduates. We also regularly carry out education on information security for all employees, utilizing an e-learning platform.

Working with local communities

Communications with local communities and social contribution activities

The ELECOM Group seeks to foster strong ties with its communities, and accordingly values its communications serving as a locally-based business operator while respecting local cultures and histories in hopes of continually serving as a company that gains the trust of all community members. We contribute to society through our efforts particularly in the areas of environmental conservation, promotion of sports, humanitarian assistance, and promotion of music, and otherwise engage in initiatives that enable us to help society serving as a local citizen by making effective use of the business resources that we maintain for the purpose of fulfilling our responsibility of helping to create a sustainable society.

Environmental conservation initiatives

The ELECOM Group engages in tree-planting initiatives in hopes of helping to combat global warming, and also with its sights set on conserving biodiversity particularly of native species, preventing disasters such as those caused by winds and tides, achieving landscape conservation, and working with local communities.



● ELECOM FOREST: ELECOM natural forest development (Owase, Mie Prefecture)

In Owase, Mie Prefecture, we have implemented a natural reforestation project on a deforested site encompassing 18 hectares of land. The project involves working with the nonprofit organization ECOLO Association and residents of Owase, in conjunction with a local forestry association, and is being carried out under the notion that "we will leave to future generations an inherently natural forest suited to the local climate, thereby facilitating environmental conservation initiatives such as those that involve helping to prevent global warming through forestation practices."



Before tree planting



After tree planting

● ELECOM FOREST: ELECOM natural forest development (Shima, Mie Prefecture)

In Shima, Mie Prefecture, we are developing a forest for the purpose of tide and wind protection at a former golf course site encompassing 8.15 hectares located along the coast. We held tree planting events attended by our employees with the aim of restoring the site so that it serves as a forest that safeguards the surrounding area in terms of it taking on a disaster control function, and also so that it serves as a place for local residents to relax in terms of it taking on a health and leisure function.



Before tree planting



After tree planting

Initiatives to facilitate promotion of sports

○ Sponsoring the American football team Elecom Kobe Finies

As part of our community-based social contribution initiatives undertaken since April 2009, we have become an official sponsor of the American football team Elecom Kobe Finies, which belongs to Japan's X-League, an adult league.

Underpinned by a philosophy of promoting American football and contributing to the community, the team aims to interact with local residents and children in part by holding fan appreciation events and athletic competitions. Meanwhile, we have also developed a framework for mutual reinforcement with the American football team of Kobe University, having contributed funds for installation of artificial turf on the university's sports grounds in January 2015.



American football game featuring the Elecom Kobe Finies



*Aerial photo from Google Maps

Humanitarian assistance initiatives

○ Inviting children living in orphanages in Mie Prefecture to our recreation facility

We have been inviting children living in orphanages in Mie Prefecture to ELECOM's recreation facility located in Shima, Mie Prefecture since 2019. Despite the COVID-19 pandemic, we were again able to invite these children to our recreation facility upon implementing stringent infection control measures, thereby enabling us to strengthen communications with the local community and provide children with summertime memories.



Children spending time at the recreation facility on a past occasion (August 2019)

Initiatives to facilitate promotion of music

○ Inviting business partners to complimentary concert

We help promote music through our ongoing co-sponsorship of cultural arts performances hosted by the Japan Philharmonic Orchestra. We also held and co-sponsored events including both a special concert of pipe organ music in October 2021, and the Beethoven 9th Symphony Special Concert in December 2021, and provided many people with complimentary invitations to attend the events.



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Governance

The ELECOM Group seeks to build better relationships with its stakeholders while providing greater value.

With that in mind, we have been implementing strategies that precisely address changes in the business environment under the strong leadership of our management since our founding.

We will continue enhancing our corporate governance with the aims of fulfilling our social responsibility to our stakeholders while ensuring greater management transparency and fairness.

Basic views

The ELECOM Group builds and strengthens its highly effective governance framework with the aim of achieving continuous growth as advocated in its Credo. We have accordingly been working to enhance Group management with the aims of further increasing trust of our shareholders, customers and other stakeholders, fulfilling our social responsibilities as a corporation, and pursuing gains in corporate value.

Through strengthening our managerial framework and enhancing our supervisory function, we will strive to achieve sustainable growth and greater corporate value over the medium to long term by enabling the company to engage in swift and strategic decision-making, while also improving our managerial transparency and impartiality.

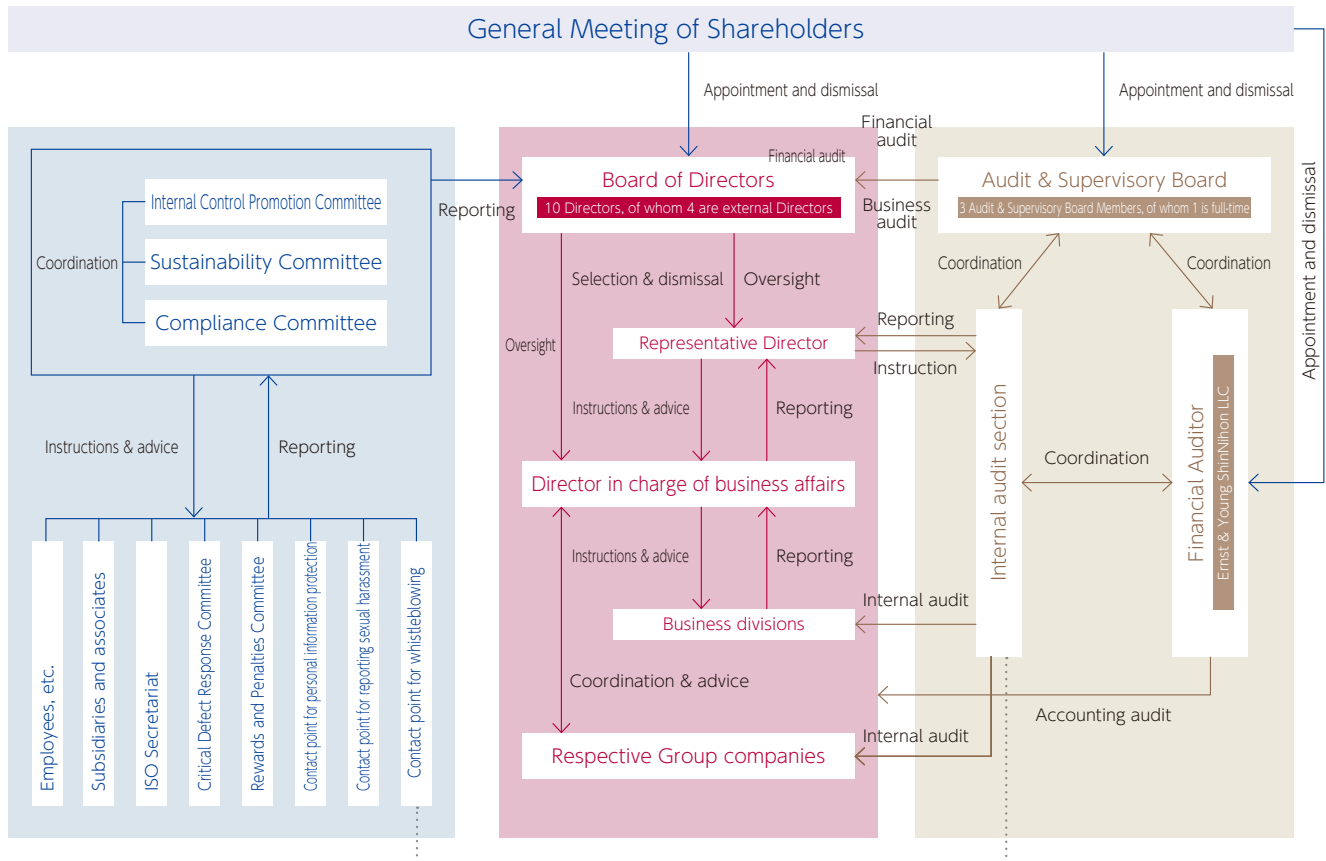
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Corporate Governance Report



Corporate governance

ELECOM CO., LTD. strives to ensure a sound and highly transparent governance framework. To such ends, it has its Board of Directors, whose membership includes multiple external Directors, work closely with its Audit & Supervisory Board, whose membership includes external Audit & Supervisory Board Members, while also maintaining audit functions and making final decisions on important matters.

Corporate governance framework (as of June 24, 2022)



In addition to its Board of Directors and Audit & Supervisory Board, ECOM CO., LTD. has also established meeting forums to ensure appropriate and efficient execution of business as follows.

Executive Committee

The Executive Committee consists of internal Directors and deliberates on important managerial matters within the President's scope of authority.

Sustainability Committee

The Sustainability Committee promotes improvements in business activities from the perspective of reducing risk and creating opportunities in hopes of achieving long-term growth of society and the Company, and is responsible for progress management and periodic reporting.

It coordinates with the Internal Control Promotion Committee and the Compliance Committee in seeking to minimize risk of business and operational issues.

Compliance Committee

The Compliance Committee consists of internal Directors and division managers. It checks on the maintenance and operation of internal control systems, and furthermore makes decisions on measures to prevent recurrence when important incidents involving compliance arise.

Quarterly Business Meeting

Attended by full-time Directors including the President, the Quarterly Business Meeting is held so that managers of the Sales Division can meet quarterly and share details on progress made toward achieving targets and corporate strategy.

Internal audit section

The purpose of the internal audit section is that of helping to bring about improvement of business affairs and increasing managerial efficiency, serving as an organization that is independent of executive bodies.

Roles of the Board of Directors

The Board of Directors consists of ten Directors including four external Directors (as of June 24, 2022), and is chaired by the President. In principle, the Board of Directors meets once per month and extraordinarily as necessary. It makes decisions on matters stipulated by law and on important matters related to management, and supervises business execution.

In addition, important business transactions between ELECOM CO., LTD. and its Directors, Audit & Supervisory Board Members, their close relatives, and other related parties are deemed matters to be resolved by the Board of Directors, which adequately deliberates on appropriateness thereof. Business transactions involving conflicts of interest between ELECOM CO., LTD. and the Directors would be gained approval of the Board of Directors.

○ Initiatives to improve assessment

We strive to improve assessment at meetings of the Board of Directors through ensuring sufficient time for deliberation of respective proposals by presenting only those matters that are of high priority according to internal rules, and seeking active discussion encompassing external Directors by providing information prior to such meetings.

Policies and procedures regarding appointment and dismissal of Directors

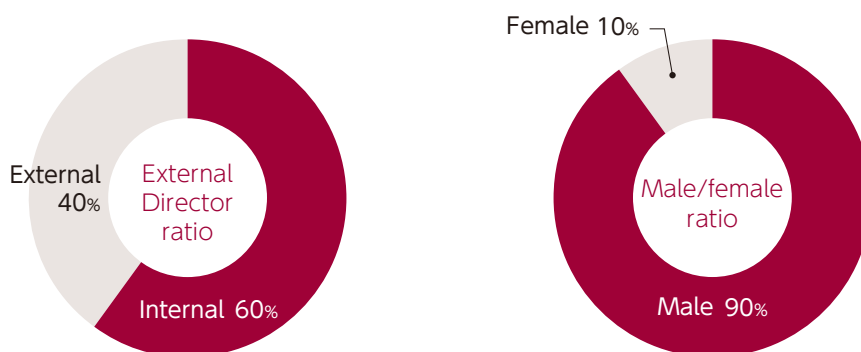
With respect to appointment and dismissal of Directors, the Company appoints Directors who strive to achieve ideals of the Credo, in a fair and appropriate manner. This entails comprehensively reviewing candidates from the perspective of appointing the right person to the right position in terms of ensuring precise and swift decision-making by the Board of Directors, appropriately managing risk, monitoring business execution, and striking a balance in facilitating coverage of respective corporate functions and each business division.

Diversity of Directors

As of June 24, 2022, ELECOM CO., LTD. has ten Directors, of whom four are external Directors and one is a woman.

Each of the external Directors is a professional capable of furnishing useful and appropriate advice and suggestions from a standpoint of independence and objectivity with respect to overall management, and is accordingly equipped with abundant experience and in-depth insight with respect to corporate management and corporate governance.

Moreover, all four of the external Directors have been designated as independent officers, upon having deemed that they pose no risk involving conflict of interest with general shareholders and accordingly satisfy the standards of independence stipulated by the stock exchange.



Roles of Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board consists of three external Audit & Supervisory Board Members, including one full-time Audit & Supervisory Board Member (As of June 24, 2022). In principle, the Audit & Supervisory Board meets once per month and extraordinarily as necessary.

The Audit & Supervisory Board Members engage in tasks that include attending meetings of the Board of Directors, furnishing opinions as necessarily, listening to the status of business execution as appropriate from Directors and the internal control section, conducting investigations of important approval documents and financial statements, and auditing the adequacy and legality of Directors' execution of business.

Policies and procedures regarding appointment of Audit & Supervisory Board Members

With respect to appointment and dismissal of Audit & Supervisory Board Members, the Company appoints persons who possess certified public accountant, tax accountant, attorney at law and other such qualifications, and who contribute to developing frameworks for establishing corporate ethics of the ELECOM Group from the perspective of risk management, compliance, and accountability by respectively engaging in managerial oversight from the perspective of professional ethics.

Policy for making decisions on remuneration for Directors and Audit & Supervisory Board Members

With respect to remuneration for Directors, the Company has established a basic policy of opting for competitive remuneration levels and remuneration structures upon taking into account the need to secure competent Directors who are suited to such responsibilities in order to achieve the aim of sustainably improving corporate business performance and corporate value over the long term.

Specifically, such remuneration consists of a combination of:

- i) basic remuneration aligned with a Director's position, responsibilities, years of service and other such criteria, and;
- ii) share-based remuneration (stock options, restricted share remuneration) for the purpose of achieving greater corporate value over the medium to long term and encouraging a sense of shared value with shareholders.

Meanwhile, remuneration for external Directors is excluding any linkage to business performance given the nature of external Directors' professional duties, and accordingly limited to that of basic remuneration paid in alignment with position.

Basic remuneration is paid as fixed monetary remuneration on a monthly basis.

The Company considers the prospect of providing stock options annually at a specified time in view of business performance.

Restricted share remuneration is provided annually at a specified time. Transfer restrictions are to be lifted upon retirement.

Basic remuneration, stock options, and restricted share remuneration are provided at a ratio of approximately 8:1:1.

Moreover, the Company verifies and deliberates on whether remuneration levels and remuneration structures are appropriate in reference to results of executive compensation surveys mainly among listed companies conducted by external research organizations, and also in reference to salaries of the Company's highest-ranking employees. Such findings are then submitted to the Board of Directors for deliberation.

Decisions on remuneration for Audit & Supervisory Board Members are made based on discussions involving the Audit & Supervisory Board Members, but their remuneration is excluding any linkage to business performance given the business nature of auditing, and accordingly limited to basic remuneration paid in alignment with position.

Procedure for making decisions on remuneration for Directors and Audit & Supervisory Board Members

ELECOM makes payment of remuneration based on remuneration standards approved by the Board of Directors, of amounts within the scope of total remuneration amounts that have been approved at the General Meeting of Shareholders. In addition, because share acquisition rights are granted in the form of stock options, a portion of remuneration is derived from share price volatility.

Internal control systems

The ELECOM Group prescribes that compliance and risk management are one of its priorities, and has accordingly established basic guidelines for developing internal control systems to ensure that the operations of each organization within its Group companies are carried out legally, appropriately, and efficiently. We furthermore promote overall risk management by overseeing compliance initiatives, having stipulated organizational regulations and rules on committee practices, and having also established the Internal Control Promotion Committee situated at the center of

its framework for promoting development of internal control systems of the ELECOM Group.

We submit such evaluation findings to the Prime Minister of Japan in internal control reports prepared based on internal control reporting systems under Japan's Financial Instruments and Exchange Act, and furthermore disclose such findings to our shareholders and other investors. Going forward, we will continue to appropriately maintain and operate our internal control systems in accordance with relevant standards and in alignment with changes in the business environment.

Risk management related to business operations

The ELECOM Group strives to gain the trust of its respective stakeholders over the long term and accordingly employs basic guidelines for risk management that involves ensuring rigorous compliance while also identifying risk and preventing such risk from materializing. The ELECOM Group promotes risk management by identifying risks at each Group company, planning a response to address such risks, and monitoring execution in that regard.

○ Business Continuity Plan (BCP)

The ELECOM Group has drawn up a Business Continuity Plan (BCP) with the aim of resuming and continuing important business of the company within requisite periods of time even in the event of a disaster, accident, cyberattack or unforeseen circumstances otherwise.

We also engage in business continuity management (BCM) for the sake of consistently implementing and assessing measures, education and training

stipulated under the BCP, continuously improving and maintaining the BCP. We also maintain basic guidelines for fulfilling our responsibility to supply products to our customers and to sell inventory to our suppliers even in the event of a major earthquake or other such natural disaster, with the aim of protecting lives and ensuring safety of our employees and their family members, and with the aim of otherwise meeting expectations of our stakeholders.

COVID-19 countermeasures

The ELECOM Group established the COVID-19 Pandemic Prevention Task Force Secretariat following its outbreak, and has been implementing various measures with the aims of ensuring health of Group employees and their family members and continuing to provide products to our customers. For further details, please refer to page 25.

Initiatives of the internal audit

The internal audit section of ELECOM CO., LTD. is in charge of the Secretariat of the Internal Control Promotion Committee and the contact point for whistleblowing with respect to internal audit operations and internal control systems.

The internal audit section aims to help bring about improvement with respect to operations and managerial efficiency, serving as an organization that it is independent of executive bodies pursuant to the internal audit regulations. The division conducts internal audits from the perspective of compliance and appropriateness regarding laws and internal regulations, and from the perspective of operational effectiveness and efficiency. The division furthermore confirms implementation of improvement measures and performs follow-up audits, while furnishing advice on improvements to divisions subject to

audit pursuant to internal audit findings, and reports to the President and relevant officers and employees. Meanwhile, internal audit teams maintain regular contact with the full-time Audit & Supervisory Board Members, strive to improve efficiency and effectiveness of audits by exchanging information and opinions on audit policies, audit plans, and audit findings, and ensure mutual cooperation with the Audit & Supervisory Board.

Moreover, ELECOM CO., LTD. has established a contact point for whistleblowing in accordance with its regulations on whistleblower protection. When contacted by a whistleblower, we proceed with requisite surveys in conjunction with relevant departments, while protecting the personal information of the whistleblower to the extent possible within the scope of laws and regulations.

■ Corporate ethics and compliance

Initiatives involving corporate ethics and compliance guidelines

In order to achieve sustainable growth in a manner that earns the trust of its customers and society, the ELECOM Group believes that it is necessary to engage in honest and ethical practices, in addition to obeying the law. We have accordingly established Code of Conduct that clearly stipulates the actions to be taken by each and every officer and employee of the Group, and require that all Group employees comply with

our Code of Conduct in the course of engaging in business activities. We furthermore provide training for the purpose of raising awareness of compliance as appropriate, particularly when employees join the company and gain promotion, and are working to consistently implement compliance initiatives underpinned by the management and supervision of the Compliance Committee.

Harassment hotlines

Having established harassment hotlines, the ELECOM Group welcomes inquiries and opinions from employees regarding matters of corporate ethics overall including those involving human rights, sexual harassment, and power harassment. We strive to ensure a sense of security with respect to whistleblowing, and have accordingly enlisted an outside third-party to serve as the point of contact.

Operating the whistleblowing system has involved establishing regulations on whistleblower protection to ensure that whistleblowers are not subject to disadvantageous treatment, and strictly enforcing prohibitions against retaliation.

Involvement in external initiatives

We seek to help give rise to a sustainable society through our business activities. As such, we are involved in supporting various initiatives to such ends.

■ United Nations Global Compact*

In January 2022, ELECOM CO., LTD. endorsed and became a signatory to the United Nations Global Compact.

The ELECOM Group has accordingly been making progress with initiatives to address social challenges by putting the Ten Principles of the UN Global Compact into practice.

Details of such initiatives are reported annually.

*The United Nations Global Compact is an initiative for building a healthy global society through combined efforts of the United Nations and the private sector. It serves as a voluntary initiative for companies and organizations seeking to achieving sustainable growth while serving as good corporate citizens by demonstrating responsible and creative leadership.



[The Ten Principles of the UN Global Compact]

<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Environment</p> <p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>
<p>Labour</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Anti-corruption</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>

■ Task Force on Climate-related Financial Disclosures (TCFD)*

In April 2022, ELECOM CO., LTD. endorsed the recommendations of the TCFD and joined the TCFD Consortium, which was established to facilitate discussion on effective corporate information disclosure and appropriate initiatives regarding the TCFD. The ELECOM Group regards climate change as a major social challenge and accordingly seeks to take action and disclose information upon having identified opportunities and risks associated with its business activities.

*The Task Force on Climate-Related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board, which is an international organization that seeks to ensure stability of the financial system. The TCFD makes recommendations for ensuring stability of financial markets by promoting a transition to a decarbonized society, through identifying and disclosing financial effects of corporate business risks and business opportunities attributable to climate change.



■ KEIDANREN (Japan Business Federation)

ELECOM CO., LTD. will fulfill its social responsibilities by putting the spirit of KEIDANREN's Charter of Corporate Behavior into practice.

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ELECOM Group

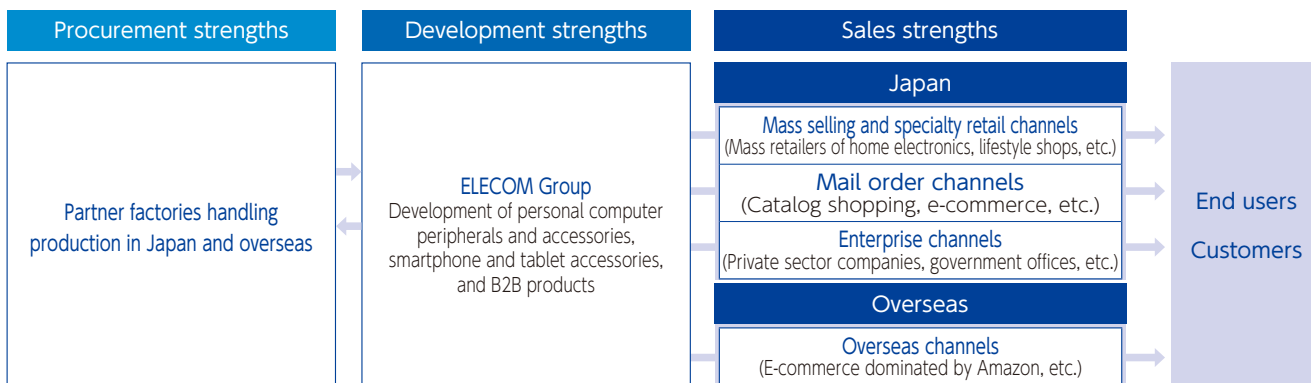
Innovation for everyone

Our aspiration of making people's lives more comfortable serves as the driving force that propels the ELECOM Group.

The ELECOM Group embraces the notion of "lifestyle innovation" as its concept of wide-ranging business. Meanwhile, not everyone is readily able to gain proficiency in using new technologies amid the successive advent of innovative technologies such as artificial intelligence and the Internet of Things (IoT). We accordingly aspire to support those who are bewildered by this situation in not knowing how to take advantage of transformative new technologies by bridging the gap separating such individuals from innovation. The ELECOM Group's mission is that of making people's lives more pleasant and comfortable by seeing to it that innovative technologies are readily accessible to everyone. Enlisting this sentiment, we accordingly take great care in providing integrated products and services that offer comfort to everyone's lives, industry and infrastructure.

Corporate DNA of the ELECOM Group encompasses three strengths along with the speed at which it is able to expeditiously implement such strengths

Having achieved persistent growth since it was founded, the ELECOM Group's strengths are threefold. First, our product development strengths enable us to develop products that comply with constantly evolving new standards and products featuring exceptional design closely aligned with market trends. Next, our product sales strengths enable us to offer products through myriad sales channels such as the business-to-business market in which we are able to offer services that deploy Group strengths, in addition to the business-to-consumer market encompassing mass retailers of home electronics, discount stores, lifestyle shops, and e-commerce in Japan and overseas. Third, our procurement strengths enable us to procure products aligned with society's needs from our partner factories located in Japan and overseas upon making selections that involve comprehensively taking quality, cost, and supply networks into account. Meanwhile, the essence of the ELECOM Group's corporate DNA constitutes the speed in which we are capable of expeditiously implementing these strengths in a timely manner. Going forward, the ELECOM Group will continue to provide new products and services at an increasingly greater pace as it expands its horizons in a manner extending not only to goods sought by users but also to needs one step beyond.



Major Group companies serve to expand the ELECOM Group's business domain and support specialized technologies

Each of the ELECOM Group companies has highly specialized technologies, which they enlist in designing and developing the hardware and software necessary for enabling solutions. We accordingly provide solutions that address concerns in fields that include medicine, the environment, crime prevention, disaster readiness, telecommunications, broadcasting, machine tools, and education.

Going forward, we will continue to lend our support to enabling our customers to lead fulfilling and comfortable lives by ensuring that our respective Group companies enhance the quality of their technologies and products and by addressing a wide range of society's needs in the B2C and B2B markets.

Logitec

Logitec INA Solutions Co., Ltd.



The company provides custom computers for industrial and professional use that can be used with confidence over a long term. It manages all functions, including planning, development, manufacturing, testing, maintenance and support, at its own factories in Japan.

HAGIWARA Solutions

HAGIWARA Solutions Co., Ltd.



The company provides storage devices and computers with the long-term stable operation required for industrial use. It also provides a wide range of support for factory equipment, medical devices, bank ATMs and other industrial infrastructure.

DX アンテナ

DX Antenna Co., Ltd.



In addition to manufacturing and selling various antennas and television broadcast reception-related equipment, the company combines telecommunication technologies to provide products and services in the disaster preparedness, welfare, security, renewal, wireless communication and other fields.

ForceMedia

Force Media, Inc.



The company imports network-attached storage (NAS) devices, IP network cameras, touch screens and other network products from overseas and sells them in Japan. It has developed a full support system using its own quality control, repairs and maintenance.

ELECOM Healthcare

ELECOM Health Care Co., Ltd.

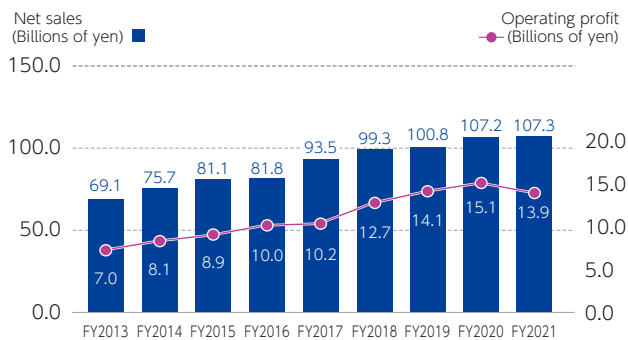


The company has acquired a second-class marketing license for medical devices. It manufactures and sells household massage devices, Bluetooth blood-pressure monitors and other familiar medical devices. In addition, the company is a member of The Japan Home-health Apparatus Industrial Association.

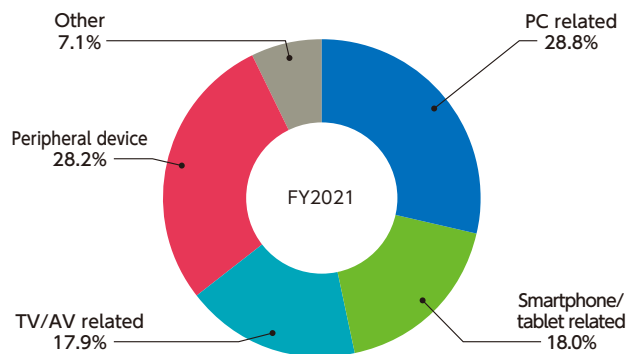
Company Overview

Name	ELECOM CO., LTD.
Head office	Meiji Yasuda Life Insurance Osaka Midosuji building 9F 4-1-1, Fushimimachi, Chuo-ku, Osaka 541-8765
Establishment	May 1986
Capital	¥12,577 million
Representatives	Junji Hada, Chairman and Representative Director Yukio Shibata, President and Representative Director
Number of employees	676 employees and 211 contract and part-time employees The number of employees including those at associates: 1,462 (as of March 31, 2022)
Fiscal year-end	March
Net sales	¥107,358 million (Fiscal year ended March 31, 2022; consolidated) ¥83,689 million (Fiscal year ended March 31, 2022; non-consolidated)
Description of business	Development, manufacture and sales of peripherals and accessories for personal computers and digital equipment
Business offices	Sapporo, Morioka, Sendai, Niigata, Takasaki, Tokyo, Tachikawa, Saitama, Yokohama, Shizuoka, Kanazawa, Nagoya, Kyoto, Osaka, Okayama, Hiroshima, Fukuoka, Kumamoto, Okinawa Yokohama Technology Development Center Kanagawa Logistics Center Hyogo Logistics Center

Net sales/Operating profit



Sales ratios by type of product



History

1980s

Focus on the personal computer peripherals business Around The PC
Released floppy disks, numeric keypads, mouse devices, etc.
Successfully entered new markets amid overwhelming success of the Egg Mouse device

May 1986 Corporation established in Miyakojima-ku, Osaka
With around 20 employees, embarked on business as an office automation and home electronics manufacturer with products such as PC racks and television stands

1990s

ELECOM becomes associated with design Around The PC
Lunaris series received the Small and Medium Enterprise Agency Commissioner Award under the Good Design Award program
Achieved differentiation from competitors that exclusively focus on product features and pricing
This marked the beginning of the company winning numerous design awards in recent years

September 1992 Established ELECOM COMPUTER PRODUCT INC.
December 1993 Established Home Direct Co., Ltd. in Toshima-ku, Tokyo for the purpose of engaging in the mail order business
October 1994 Relocated head office to Kawaramachi, Chuo-ku, Osaka upon merger with ELECOM Sales Co., Ltd.

2000s

Expansion of business domain to digital home electronics Beyond Digital Life
Released digital home electronics other than personal computers, encompassing from personal computer peripherals and accessories to game consoles, digital cameras, and digital audio devices
Went on to develop 1,000 new products annually with a lineup of over 3,000 products

February 2003 Established ELECOM UK LIMITED
July 2003 Established ELECOM KOREA CO., LTD.
April 2004 Established former ELECOM (Shanghai) Trading Co., Ltd.
September 2004 Established ELECOM Deutschland GmbH
December 2004 Acquired 7,500 shares of Logitech Corp. and made the company a subsidiary
February 2006 Osaka head office acquired ISO 14001 (environmental management system) certification
March 2007 Liquidated ELECOM Deutschland GmbH
March 2008 Liquidated ELECOM UK LIMITED

2010s

Advent of the smartphone, tablet, and cloud computing era Lifestyle Innovation
Achieved results in providing people with comfortable environments amid the shift from personal computers to smartphones centered around hardware
Shifted focus from the original core business of personal computer peripherals and accessories to smartphone products

Evolution of design
Recipient of numerous design awards every year since having been recognized with the Good Design Award in 1990

Entered the healthcare sector

Expanded business into the field of "Lifestyle Innovation" from digital peripherals and accessories
Released products that support daily health

April 2010 Listed on JASDAQ Securities Exchange
October 2010 Established Logitech INA Solutions Co., Ltd.
July 2011 Established HAGIWARA Solutions Co., Ltd.
September 2011 Established ELECOM Support & Service Co., Ltd.
November 2011 Established Elecom India Private Limited
December 2011 Established ELECOM (Shanghai) Trading Co., Ltd.
April 2012 Established ELECOM Europe GmbH
May 2012 Established ELECOM SALES HONG KONG LIMITED
March 2013 Listed on the First Section of the Tokyo Stock Exchange
April 2013 Unlisted on JASDAQ (Standard) of the Osaka Securities Exchange
October 2013 Liquidated Quondam PC Merchant GmbH i.L.
March 2014 Liquidated ELECOM Support & Service Co., Ltd.
May 2014 Acquired JDS Inc. and made it a subsidiary
July 2014 Concluded domestic distributorship agreement with Seagate of the U.S.
November 2014 Liquidated ELECOM (Shanghai) Trading Co., Ltd.
February 2015 Established ELECOM Health Care Co., Ltd. (The ratio of voting rights: 100%)
April 2015 Established ELECOM Support & Service Co., Ltd. (The ratio of voting rights: 100%)
March 2016 Liquidated ELECOM Europe GmbH
September 2016 Took over the business of Workbit Co., Ltd. and established Yamato Technology Development Center
March 2017 Acquired 11,244,320 shares of DX Antenna Co., Ltd. and made it a subsidiary (The initial ratio of voting rights was 96% and eventually became 100%)
June 2017 Newly established D-CLUE Technologies Co., Ltd. and took over the business of a disappearing company.

2020s

Lifestyle transformation and solutions Lifestyle Innovation
Extended range of accessories to tap demand for telework and online courses
Began providing a range of one-stop services encompassing Wi-Fi installation, tablet device adoption and maintenance support to achieve the GIGA School concept

Full-scale entry into the e-sports business
Prompted further evolution of existing mouse devices, keyboards, and headsets, and introduced high quality devices

Announced introduction of ELECOM's first kitchen electrical appliances
Persisted to take on challenges in new domains seeking to achieve further innovation

May 2021 Acquired 9,800 shares of Force Media, Inc. and made the company a subsidiary (The ratio of voting rights: 100%)
January 2022 Became signatory to the United Nations Global Compact
February 2022 Transferred shares of D-CLUE Technologies Co., Ltd. to Nisshinbo Holdings Inc.
April 2022 Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Environment

Actual figures for FY2021:

Since the middle of 2021, CO₂ emissions have been increasing due to escalating consumption of electricity and gasoline amid a scenario of progress with COVID-19 vaccinations and intensifying business activity relative to that of the previous fiscal year. Meanwhile, challenges have emerged in terms of the need to come up with solutions for achieving efficient energy use in conjunction with streamlining operations as we engage in business activities while maintaining COVID-19 countermeasures.

Plan of action:

During the fiscal year ending March 31, 2023, we will strive to assess the total energy consumption associated with our business activities as we extend boundaries across all of the ELECOM Group companies. We will draw up strategies for reducing total volumes of energy consumption and efficient use upon having gained a complete picture of the situation, and will make progress in setting targets for the year 2050.

Amount of electricity, gas, and gasoline consumed, and CO₂ emitted, by the ELECOM Group

	FY2020	FY2021
Electricity consumption (MWh)	4,458	4,722
Gasoline consumption (kL)	302	319
Gas consumption (thousand m ³)	38	29
CO ₂ emissions (t-CO ₂)	2,770	2,850
Electricity	1,984	2,045
Gasoline	700	740
Gas	86	65

Scope of CO₂ emissions calculation and calculation method

Scope 1 Scope 2 Targeted companies	ELECOM ELECOM Group companies in Japan *We intend to make adjustments in terms of applicable data for ELECOM Group companies overseas beginning in the next fiscal year.	
Calculation method	Electricity CO ₂ conversion coefficient	Calculated based on emissions factors after public electric utility operator adjustment given in the "list of emissions factors for electric utilities (for the use of greenhouse gas emission calculations by specified emitters)," of the Ministry of the Environment
	Fuel CO ₂ conversion coefficient	Calculated based on the coefficients in the Ministry of the Environment's list of calculation methods and emissions factors for the calculation, reporting and public disclosure system

Management of chemical substances at production sites (ELECOM Group in Japan)

Purchase volume (kg)	FY2019	FY2020	FY2021
4,4'-diphenylmethane diisocyanate	490.00	70.00	70.00

*Figures for the ELECOM Group overseas are scheduled to be disclosed as soon as they have been collected and aggregated.

Social

Actual figures for FY2021:

An increasing number of employees every year are actively taking part in the workforce after giving birth and raising children. The percentage of employees returning to work is low relative to the year of intended return to work. However, this is attributable to a situation where many employees have delayed such plans while returning to the workforce in subsequent years. Being understanding to such needs as giving birth and raising children, we are working to improve workplace environments in a manner that aligns with employee's stages in life. We find that a decreasing number of female employees have been taking part in our training programs, although participation in such training remains largely unchanged overall. Although we do not apply discriminatory criteria for training eligibility, this disparity is attributable to a situation where a disproportionate number of men relative to women eligible for our intensive training joined the Group in April 2021.

Plan of action:

We remain committed to developing workplace environments and education programs that enable a diverse range of professionals to make the most of their abilities in line with their stages in life. We have also set a 10% target in terms of the number of women in our managerial workforce by the fiscal year ending March 31, 2028. Going forward, we will address challenges toward achieving this target.

Employee composition (ELECOM Group)

	Gender	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022
Directors (Persons)	Male	25	20	20	21	24
	Female	0	0	0	0	1
Managers (Persons)	Male	107	106	122	126	165
	Female	3	3	3	3	7
Employees (Persons)	Male	891	923	915	937	894
	Female	324	349	369	386	396
Managers + employees (Persons)	Male	998	1,029	1,037	1,063	1,059
	Female	327	352	372	389	403
	Total	1,325	1,381	1,409	1,452	1,462
Average age (Years old)	Male	41.4	41.5	40.8	41.4	40.7
	Female	34.1	34.2	33.9	34.7	34.8
Average length of service (Years)	Male	10.7	10.6	10.4	10.4	10.6
	Female	6.4	6.2	6.4	6.8	7.3

*1 Directors include external directors.

*2 Number of employees does not include temporary or part-time employees.

*3 The figures for the number of managers have been subject to revision of definitions enlisted in calculating workforce numbers for the fiscal year ended March 31, 2022, as a result of modifications made to the employee evaluation scheme at Group companies in Japan. The increase in the number of managers is mainly attributable to such definition changes.

*4 D-CLUE Technologies Co., Ltd. became a member of the Group in the fiscal year ended March 31, 2018.

*5 Force Media, Inc. became a member of the Group in the fiscal year ended March 31, 2022.

Composition of employees by type of employment (ELECOM Group)

	Gender	End of March 2021		End of March 2022	
Full-time employees (Persons)	Male	1,063	73.2%	1,059	72.4%
	Female	389	26.8%	403	27.6%
Contract employees, part-time employees, etc. (Persons)	Male	181	33.5%	187	36.6%
	Female	360	66.5%	324	63.4%

Composition of employees by area (ELECOM Group)

	Gender	End of March 2021		End of March 2022	
		Count	Percentage	Count	Percentage
Japan (Persons)	Male	988	77.4%	977	76.7%
	Female	288	22.6%	297	23.3%
Asia (ex. Japan) (Persons)	Male	75	42.6%	82	43.6%
	Female	101	57.4%	106	56.4%

*Number of employees does not include temporary or part-time employees.

Composition of employees by age (ELECOM Group)

	Gender	End of March 2021		End of March 2022	
		Count	Percentage	Count	Percentage
Up to 19 (Persons)	Male	5	0.3%	0	0.0%
	Female	23	1.6%	0	0.0%
Up to 29	Male	245	16.9%	224	15.3%
	Female	147	10.1%	152	10.4%
Up to 39	Male	242	16.7%	250	17.1%
	Female	118	8.1%	132	9.0%
Up to 49	Male	306	21.1%	308	21.1%
	Female	73	5.0%	81	5.5%
Up to 59	Male	262	18.0%	273	18.7%
	Female	28	1.9%	38	2.6%
Up to 69	Male	3	0.2%	4	0.3%
	Female	0	0.0%	0	0.0%

*Number of employees does not include temporary or part-time employees.

Composition of non-Japanese national employees (ELECOM Group in Japan)

	Gender	End of March 2019	End of March 2020	End of March 2021	End of March 2022
Recruitment of non-Japanese nationals (Persons)	Male	13	14	14	14
	Female	4	2	3	5

*Number of employees does not include temporary or part-time employees.

Participation in training (ELECOM CO., LTD.)

	Gender	FY2018	FY2019	FY2020	FY2021
Total annual training time (hours)	Male	8,189	11,144	5,586	7,109
	Female	1,685	3,105	3,344	2,545
	Total	9,874	14,249	8,930	9,654
Average annual training time per employee (hours)	Male	17.1	22.9	11.0	13.9
	Female	13.5	20.4	22.0	14.9
	Total	16.3	22.3	13.5	14.4

Use of childcare leave system (ELECOM Group)

Note: This data has been modified due to revision of definitions enlisted in calculating childcare leave use, including past data derived from figures disclosed in June 2021.

	Gender	FY2017	FY2018	FY2019	FY2020	FY2021
Number of users of childcare leave system (Persons)	Male	0	1	5	3	3
	Female	23	26	45	54	61
Number of users of system of reduced working hours for childcare (Persons)	Male	0	1	0	0	1
	Female	10	18	21	33	39
Return-to-work ratio from childcare leave ^{*1}	Male	-	-	250%	33%	67%
	Female	93%	91%	95%	64%	81%
Remain-in-work ratio from childcare leave ^{*2}	Male	-	-	-	100%	100%
	Female	91%	93%	89%	95%	100%

*1. Return-to-work ratio = the number of people who returned to work from childcare leave in the fiscal year under review ÷ the number of people who were scheduled to return to work from childcare leave in the fiscal year under review × 100. The figures are subject to effects of the disparity between the year of intended return to work and the actual year of return.

*2. Remain-in-work ratio = the number of people who returned to work from childcare leave during the previous fiscal year and were still employed at the end of March in the fiscal year under review ÷ the number of people return to work from childcare leave during the previous fiscal year × 100

Annual paid leave: average number of days taken and usage ratio (ELECOM Group in Japan)

	FY2017	FY2018	FY2019 *1	FY2020 *2	FY2021
Annual paid leave: average number of days taken (days)	7.3	8.5	12.1	10.1	10.1
Annual paid leave: average usage ratio	41.2%	48.2%	67.1%	50.5%	56.8%

*1. Because the increase in public holidays caused by the "Act to make a public holiday of the day of the enthronement of the Emperor and on which the enthronement was proclaimed and congratulated" resulted in some days of leave designated by the company becoming designated planned days for annual paid leave, the number of days taken increased.

*2. Because the revision to the Labor Standards Act resulted in the obligation to take at least five days of paid leave per year, the number of days taken has increased.

Occurrences of occupational accidents (ELECOM Group)

		FY2017	FY2018	FY2019	FY2020	FY2021
Number of incidents	Japan	0	0	1	0	0
	Asia (ex. Japan)	0	0	0	0	1
Lost time injury frequency rate (LTIFR) ^{*1}		0.00	0.00	0.37	0.00	0.35
Occupational accident severity rate ^{*2}		0.00	0.00	0.01	0.00	0.00
No. of fatal accidents		0.0	0.0	0.0	0.0	0.0

*1. The lost time injury frequency rate (LTIFR) expresses the frequency of occupational accidents in terms of the number of fatalities and injuries culminating in at least one day leave of absence attributable to occupational accidents occurring per 1,000,000 total working hours³.

*2. The occupational accident severity rate expresses the severity of accidents in terms of total number of working hours lost per 1,000 total working hours³.

*3. Total working hours are based on the number of Group employees (full-time employees) as of March 31, 2022, with the annual working hours per person calculated by multiplying the number of business days by eight hours.

Design and trademark applications and acquisitions of intellectual property rights (ELECOM CO., LTD.)

			FY2018	FY2019	FY2020	FY2021
Number of design applications and number of rights acquired	Japan	Filing	81	110	108	106
		Registration	83	99	68	115
	Excluding Japan	Filing	16	11	3	19
		Registration	14	9	6	2
Number of trademark right applications and number of rights acquired	Japan	Filing	48	31	39	29
		Registration	30	39	17	39
	Excluding Japan	Filing	23	5	11	12
		Registration	17	6	4	9

Governance

Actual figures for FY2021:

ELECOM has embraced a new approach in terms of enabling women to take on active roles as external Directors beginning in the fiscal year ended March 31, 2022.

Plan of action:

Our governance practices will enlist greater transparency, which will involve conducting a general review of items subject to disclosure.

Diversity of Directors (ELECOM CO., LTD.)

		FY2020		FY2021	
Directors (Persons)	Internal	6	67%	7	42%
	External	3	33%	5	58%
Directors (Persons)	Male	9	100%	11	92%
	Female	0	0%	1	8%

Remuneration of Directors and Audit & Supervisory Board Members (ELECOM CO., LTD.)

		FY2020			FY2021		
		Directors *1	Audit & Supervisory Board Members *2	External Officers	Directors *1	Audit & Supervisory Board Members *2	External Officers
Total remuneration (Millions of yen)		223	-	39	248	-	61
	Basic remuneration	194	-	39	227	-	55
	Stock options	10	-	-	-	-	-
	Restricted share remuneration	19	-	-	20	-	-
	Retirement benefits	-	-	-	0	-	5
Number of eligible officers (Persons)		6	-	6	8	-	9

*Rounded down to the nearest million yen

*1. Directors (excluding external Directors)

*2. Audit & Supervisory Board Members (excluding external Audit & Supervisory Board Members)



Editorial policy

The ELECOM Group has released this Sustainability Report to facilitate communication with its stakeholders. In compiling this report, we have included content centering on initiatives and achievements that will be of significant interest to our stakeholders and are accordingly important to the ELECOM Group.

This report focuses on initiatives and achievements of the ELECOM Group for the fiscal year ended March 31, 2022 (April 2021 to March 2022).

Whereas much of the content of this report essentially pertains to the entire ELECOM Group, for the content not applicable to the entire Group, the coverage is noted separately. The main companies of the ELECOM Group are as follows.

Name	Description of primary business
ELECOM CO., LTD.	Development, manufacture and sales of peripherals and accessories for personal computers and digital equipment
Logitech Corp.	Development, manufacture and sales of peripherals and accessories for personal computers and digital equipment
Logitech INA Solutions Co., Ltd.	Development, manufacture and sale of personal computers and storage products, and maintenance, repair and data recovery services involving peripherals and accessories for personal computers
HAGIWARA Solutions Co., Ltd.	Manufacture and sales of storage for industrial equipment, and manufacture and sales of flash memory products for consumers
DX Antenna Co., Ltd.	Manufacture and sales of broadcasting and communications-related equipment, and telecommunications work
ELECOM Support & Service Co., Ltd.	Customer support services for the ELECOM Group overall
ELECOM Health Care Co., Ltd.	Planning, development and sales of products related to healthcare
Force Media, Inc.	Import sales and maintenance services for network storage, surveillance solutions, interactive touch screens and related products

Contact information

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<https://www.elecom.co.jp/ir/society/>?
Information related to sustainability management activities is also available via the ELECOM website.

