



Sustainability Report 2024

English

Message from Management



In 2024, the ELECOM Group has defined the purpose “Better being.” To continue to provide our customers with products and services that are one step ahead, we will keep in mind our purpose to create an even better future vision of us and to grow the Group.

To be “a unique global brand from Japan that is loved by our customers,” the three-year medium-term management plan that begins this fiscal year has been established with the goal of further improving customer satisfaction. Through the provision of our products and services, we are working to create even greater corporate value and to develop the human resources and strengthen the business foundation necessary to realize that goal, while promoting contributions to the resolution of social issues and global environmental issues. For the company to return to a growth phase and to become a company with ¥300 billion in net sales, it is necessary for us to strengthen our management frameworks and to develop our human resources and organizations. We also need to pursue initiatives to increase trust in the company and to ensure customers are satisfied when they use our products and services. Moreover, for the continuous growth of the company, we are aware that we need to further strengthen our response to global environmental issues.

In promoting sustainability, we have identified four key items of materiality and are carrying out activities focused on these items.

The first item of materiality is strengthening management frameworks. To strengthen our management frameworks, the Group needs to ensure compliance, strengthen governance structure, manage suppliers, and put in place a disaster preparedness plan.

The second item of materiality is developing human resources and organizations. To develop human resources and organizations, the Group needs to ensure personnel development, work style reforms, diversity support, respect for human rights, reforms to create a comfortable corporate culture, the promotion of work-life balance, and adequate

wages.

The third item of materiality is improving customer safety and satisfaction levels. To do so, the Group needs to improve product quality, propose new solutions, develop new products and technologies, and engage in customer service.

The fourth item of materiality is the Group's environmental conservation. This involves developing eco-conscious products, responding to climate change, reducing waste, and working to regenerate the natural environment.

In addressing each of these items of materiality, we will bear in mind the following three points.

The first point is "all-hands project operation." Even with an awareness of materiality, we may wonder to what extent to pursue initiatives and activities for each item. Unless there is an effort from the entire organization, led by local, on-site members, it will not be possible to achieve our responses to any of the materiality items. We are working to select members from each organization and to develop company-wide shared project awareness.

The second point is that we will create our future through our sustainability initiatives. We need to deepen awareness within the company that these initiatives will lead to corporate results. The amount of ESG investment by domestic investors (investment into companies with high ESG scores) to total managed assets exceeds 60%. For example, there is a noticeable trend of investors using the evaluation score for corporate sustainability and the ESG level produced by ratings organizations such as MSCI, FTSE Russell, Sustainalytics, and S&P Global as part of the basis for their decisions on investment amounts.

The third point is that these initiatives for our materiality items will help grow the ELECOM brand into a globally recognized brand. Starting with our donations to the orphanage "Eastern Kishu Children's Garden," ELECOM supports activities aimed at living in harmony with local communities, including our preservation activities at "Maruyama Senmaida" in Kumano City, Mie Prefecture and our ELECOM natural forest development in Owase City and Shima City, also in Mie Prefecture. By continuing to promote our individual initiatives, we will spread the ELECOM brand worldwide.

Lastly, I would like to share that I am quite fond of the company's Code of Conduct, "Choose the right path." The meaning of sustainability is the "ability to maintain or support a process over time." Companies are called on to maintain and continue economic, environmental, and social sustainability, and doing so on a daily basis is how companies should exist in society. I believe that this means understanding current conditions correctly and acting appropriately as a company, in other words, to "Choose the right path." By continuously implementing sustainability initiatives, the ELECOM Group will improve our work as a member of society and make progress in implementing these activities at an even higher level as a company.



Koichi Iwami Representative Director and President, President Officer (Chair of Sustainability Committee)
ELECOM CO., LTD.

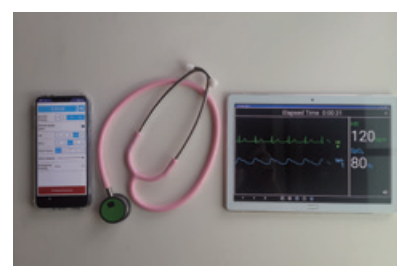
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Hot a la Pot (ELECOM)

A familiar presence in the kitchen. A set it and forget it cooking pot—simply place your ingredients in the pot, press the button, and wait.



IoT stethoscope (ELECOM Health Care)

Using telecommunication technology and IoT, we realized a low-cost neonatal resuscitation training simulator that facilitates distance learning.



Professional dryer (Tecom)

"Nobby," a professional brand project that provides ease of use, durability, and superior quality. Of the Nobby product lineup, the hair dryer is preferred by many stylists and has become the most used* hair dryer in Japanese beauty salons.

*According to a study done by Seyfert Ltd. in March-June 2024

Sustainability Report

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. A separate website also introduces our policies and activities in an effort to make the ELECOM Group more accessible to the public.

Period of coverage Fiscal year ended March 31, 2024 (April 2023 – March 2024; Same period as the Annual Securities Report)
This report has been prepared primarily based on the aforementioned period of coverage and also includes certain initiatives that occurred prior to the period of coverage and some of the recent activities.

Targeted companies ELECOM CO., LTD. and its ELECOM Group companies subject to the consolidation (Same entities as those of the Annual Securities Report)
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.

Notation in this report	Group companies referred to
ELECOM	ELECOM CO., LTD.
ELECOM Group	The entire ELECOM Group
ELECOM Group (Japan)	ELECOM Group companies in Japan, including ELECOM CO., LTD.
ELECOM Group (overseas)	ELECOM Group companies outside of Japan
Other than ELECOM	ELECOM Group companies other than ELECOM CO., LTD.

Issued in September 2024 (Previous: June 2023; Subsequent: Slated for September 2025)

Reference guidelines Global Reporting Initiative (GRI) Standards (Please refer to "▶ Global Reporting Initiative (GRI) Standards.")
ISO 26000: Guidance on social responsibility
TCFD

Related information Information related to sustainability management activities is also available via the ELECOM website.

Annual Securities Report ▶ <https://www.elecom.co.jp/ir/library/english.html>
Financial results presentations ▶ <https://www.elecom.co.jp/ir/library/english.html>
Corporate Governance Report ▶ <https://www.elecom.co.jp/ir/library/material.html> (in Japanese)
Information on sustainability ▶ <https://www.elecom.co.jp/ir/society/?> (in Japanese)

Issued by Sustainability Promotion Division, ELECOM CO., LTD.

Inquiries ▶ sustainability@elecom.co.jp

Disclaimer This report contains information available to the ELECOM Group as of the date of its release, as well as unpredictable elements such as future forecasts and plans determined by the ELECOM Group based on such information. Therefore, future results of business activities and events that occur in the future may differ from the forecasts and plans stated in this report due to various factors going forward.

<ELECOM Group>

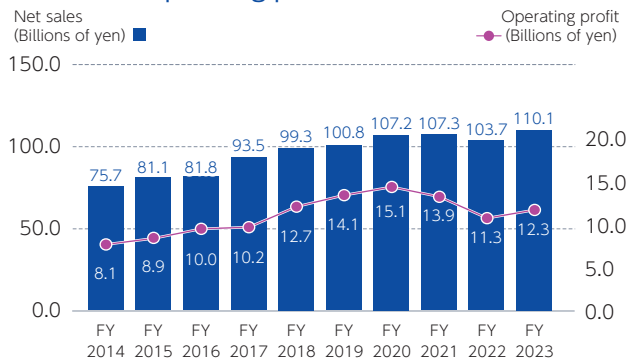
Name	Country	Description of primary business
ELECOM CO., LTD.	Japan	Development, manufacture and sales of peripherals and accessories for personal computers and digital equipment
Logitec INA Solutions Co., Ltd.	Japan	Development, manufacture and sale of personal computers and storage products, and maintenance, repair and data recovery services involving peripherals and accessories for personal computers
HAGIWARA Solutions Co., Ltd.	Japan	Manufacture and sales of storage for industrial equipment, and manufacture and sales of flash memory products for consumers
DX Antenna Co., Ltd.	Japan	Manufacture and sales of broadcasting and communications-related equipment, and telecommunications work
Force Media, Inc.	Japan	Import and sales of overseas electronics products with global brands
ELECOM Support & Service Co., Ltd.	Japan	Customer support services for the ELECOM Group overall
ELECOM Health Care Co., Ltd.	Japan	Planning, development and sales of products related to healthcare
groxi Inc.	Japan	Design, building, management, and maintenance of IT infrastructure as well as IT engineer staffing
Tescom Denki Co., Ltd.	Japan	Development of hairdressing appliances and small home appliances
Tescom Co., Ltd.	Japan	Sales of hairdressing appliances and small home appliances
DX ANTENNA PHILIPPINES, INC.	Philippines	Manufacture of broadcasting and communications equipment in Philippines
DX ANTENNA MARKETING, INC.	Philippines	Sales of broadcasting and communications equipment in Philippines
ELECOM KOREA CO., LTD.	South Korea	Sales of peripherals and accessories for personal computers and digital equipment
ELECOM (Shanghai) Trading Co., Ltd.	China	Sales of peripherals and accessories for personal computers and digital equipment
ELECOM (Hong Kong) Limited	China	Procurement of peripherals and accessories for personal computers and digital equipment
ELECOM SALES HONG KONG LIMITED	China	Planning and sales of peripherals and accessories for personal computers and digital equipment
ELECOM SINGAPORE PTE. LTD.	Singapore	Sales of peripherals and accessories for personal computers and digital equipment
ELECOM Asia Pacific IPO PTE. Ltd.	Singapore	Procurement of peripherals and accessories for personal computers and digital equipment
ELECOM USA, INC.	U.S.A.	Marketing activities of peripherals and accessories for personal computers and digital equipment
Elecom (Shenzhen) Trading Co., Ltd.	China	Sales of peripherals and accessories for personal computers and digital equipment

As of March 31, 2024

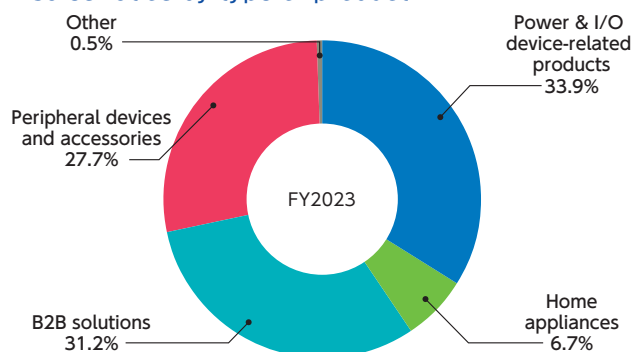
Company overview

Name	ELECOM CO., LTD.
Head office	Meiji Yasuda Life Insurance Osaka Midotsuji building 9F 4-1-1, Fushimimachi, Chuo-ku, Osaka 541-8765
Establishment	May 1986
Capital	¥12,577 million
Representatives	Junji Hada, Representative Director and Chairman Koichi Iwami, Representative Director and President
Number of employees	765 employees and 216 contract and part-time employees The number of employees including those at associates: 1,905 (as of March 31, 2024)
Fiscal year-end	March
Net sales	¥110,169 million (Fiscal year ended March 31, 2024; consolidated) ¥82,848 million (Fiscal year ended March 31, 2024; non-consolidated)
Description of business	Development, manufacture and sales of peripherals and accessories for personal computers and digital equipment
Business offices	Sapporo, Morioka, Sendai, 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 Better being
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 e-sports and gaming-related businesses
Prompted further evolution of existing mouse devices, keyboards, and headsets, and introduced high quality devices

Expansion into the home appliances sector and large-scale product expansion through M&A centered on hairdressing
Took on challenges in new domains seeking to achieve further innovation
Additionally, carried out M&A to accelerate growth in the home appliances business

Full-scale entry into the remote support business
Embarked on development of cloud recording services in the surveillance camera business focusing on hardware solutions
Began providing security and crime prevention solutions to Japanese society through various channels

May 2021 Acquired 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 Nishinbo Holdings Inc.
April 2022 Moved from the First Section of the Tokyo Stock Exchange to the Prime Market
April 2022 Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
April 2022 Established ELECOM Asia Pacific IPO Pte. Ltd. (The ratio of voting rights: 100%)
July 2022 Established ELECOM USA, Inc. (The ratio of voting rights: 100%)
June 2023 Acquired groxi Inc. and made the company a subsidiary (The ratio of voting rights: 100%)
July 2023 Acquired Tescom Denki Group and made the group subsidiary (The ratio of voting rights: 100%)

ELECOM Group

■ Purpose: Better being

The ELECOM Group has always and will always continue to pursue better products and services, a better company, and a better society.

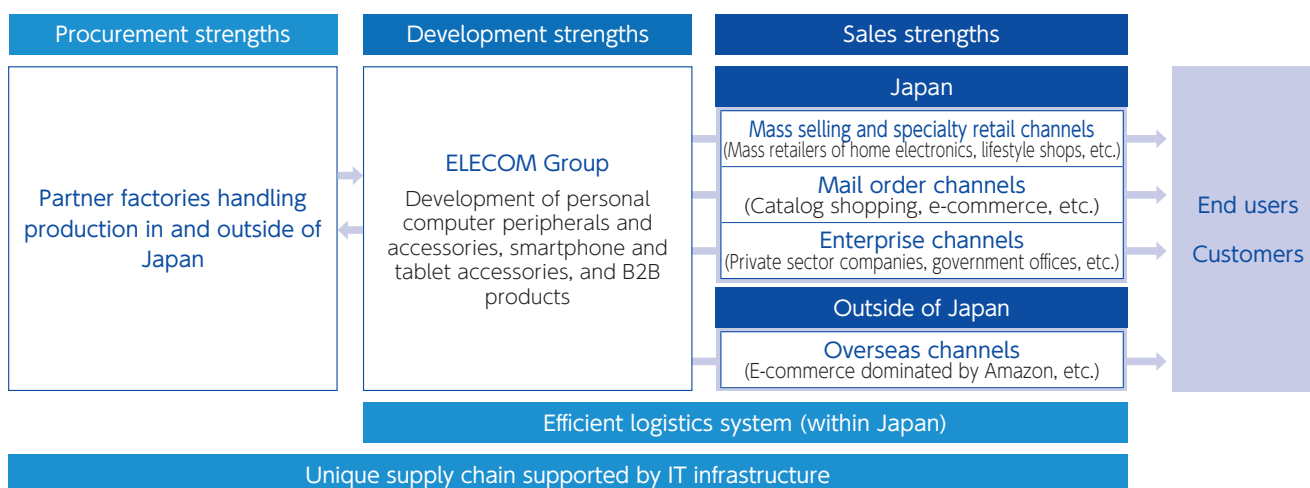
As a bridge connecting innovation, people, and society, the ELECOM Group has continued to grow by providing everyone with never-before-seen comfort and convenience.

Our recently created purpose, "Better being," is the raison d'être of the ELECOM Group. By pursuing even better technology and quality, we hope to make a happier world and a better society. The ELECOM Group aims to improve global environment and local communities and to contribute to a sustainable society and environment. We will continue to pursue that which we have held close to us since our founding to ensure sustainable growth for the ELECOM Group.

The ELECOM Group's corporate DNA is how we leverage our strengths and the speed at which we are able to execute them

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, backed by procurement strengths that allow us to comprehensively consider and select based on quality, costs, and supply systems to procure products that match current needs from partner factories in Japan and overseas, highly efficient logistics system represented by our Hyogo Logistics Center that realizes significant labor saving based on the GTP (Goods to Person) concept, and IT infrastructure that allows profit management on per-item basis, the ELECOM Group possesses a unique supply chain encompassing procurement, development, and sales. 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 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 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 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.
ELECOM Health Care Co., Ltd.	The company acquired the 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.
groxi Inc.	The company provides network design, building, maintenance, and management services. It supports, protects, and instills trust in the IT infrastructure necessary for communication by considering the best solutions to diverse issues.
Tescom Denki Co., Ltd.	The company provides hairdressing appliances and small home appliances. It maintains a top share in the beauty salon industry, creating and delivering new value in appliances that allow the company to "Create Beauty" together.

ELECOM Group's Value Creation Process

The ELECOM Group has embraced "coexistence with society" as a matter of course since its foundation, and since 2021, we have pursued sustainability management and worked to create better products, better services, a better company, and a better society. And in 2024, The ELECOM Group has defined the purpose "Better being" an expression of the raison d'être underlying its growth plans. With the purpose "Better being" at the core of our corporate value creation, each and every employee questioning themselves as to how they can contribute to fulfilling that purpose and thinking and acting independently brings about growth of the employees and

INPUT capital for business infrastructure

Human resources

- Diverse engineers from YTC, Hagiwara, groxi, etc.
- Sales management by the Company's sales personnel located throughout Japan

More than **1,900** employees
in **7** countries

Intellectual resources

- Product development employing excellent design
- Profit and distribution inventory management via IT infrastructure

70 iF design awards
(2020-2024 Global Rank #29)

Production resources

- ODM expertise supporting rapid high-mix, small-lot development
- Vendor network capable of producing approximately 3,000 SKUs per year on a fables basis

Social-related resources

- Establishment of a sales format similar to consignment, centered on consumer electronics retailers
- Sales floor layout proposal and product freshness management abilities
- High gross value in e-commerce due to market recognition in PC peripherals

Financial resources

- High profitability through careful cost management
- Ability to generate cash through capital management / fables management
- Appropriate risk hedging through currency control

Materiality

- Strengthening management frameworks
- Developing human resources and organizations
- Ensuring customer safety and satisfaction
- Responding to environmental concerns

ELECOM Group Value Chain

Customer contact points

Consumer electronics retailers, e-commerce sites, distributors, end-users (major accounts/D2C/SNS/CS)



Sales data



Customer feedback

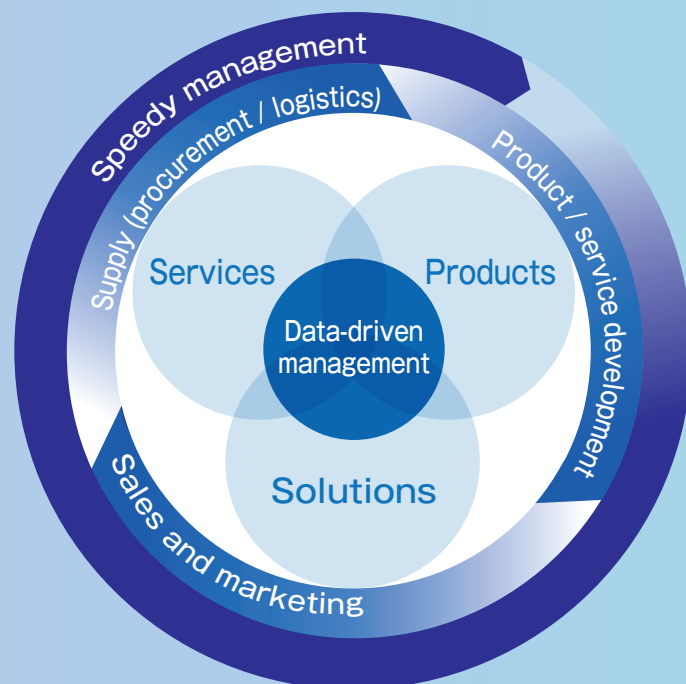


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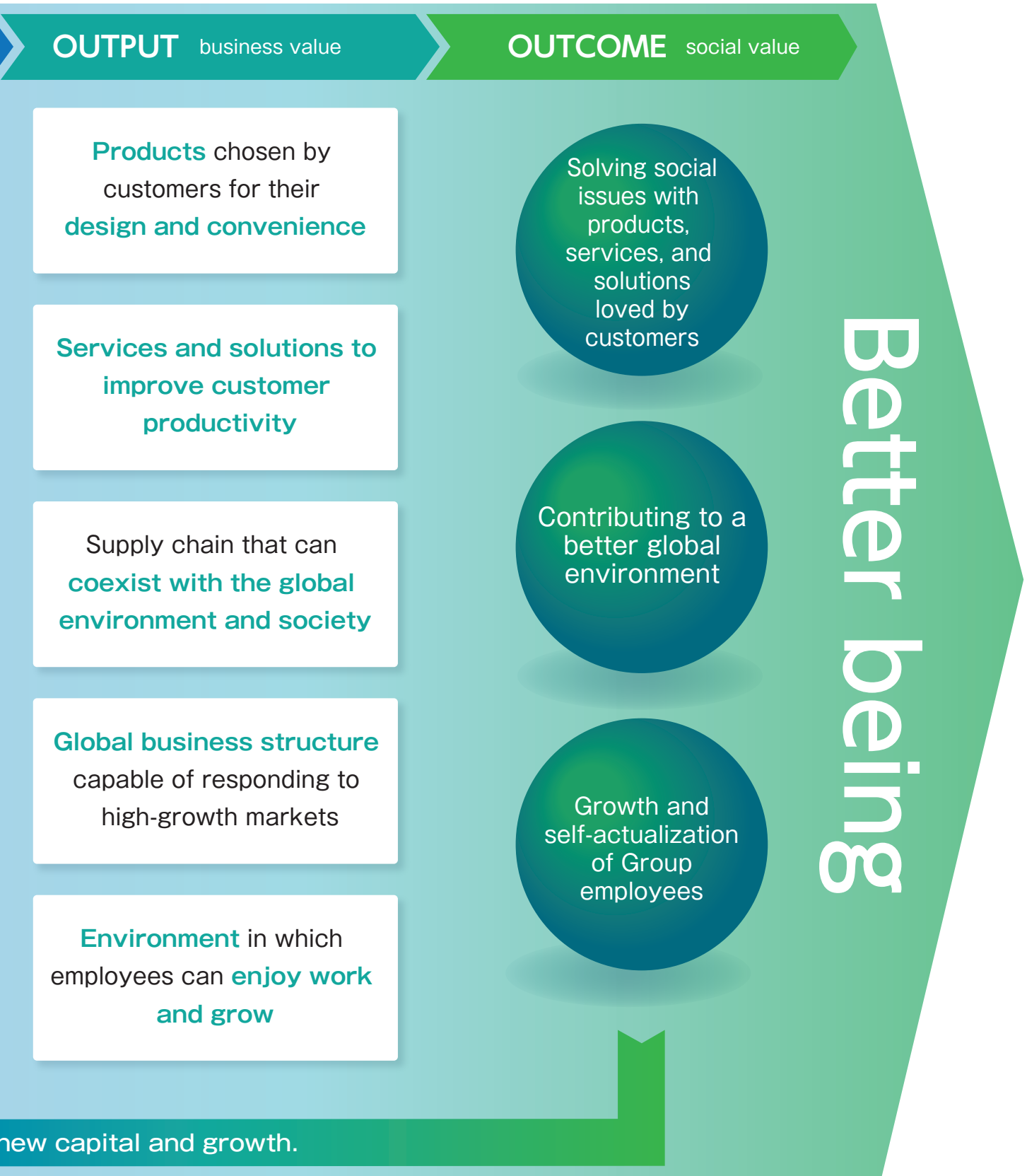
Reviews

Data accumulation as management resource



Created value forms the basis for

positive changes to and evolution of the Group. By utilizing the Group's various assets and the useful data that we have accumulated, we create value for society through our product development, a strength since our founding, sales strengths, procurement strengths, and efficient logistics capabilities. We see sustainability at the ELECOM Group as resolving social issues and contributing to a better global environment by providing products, services, and solutions loved by our customers and as the growth and self-realization of the ELECOM Group. We are working to realize sustainability with these elements in mind.



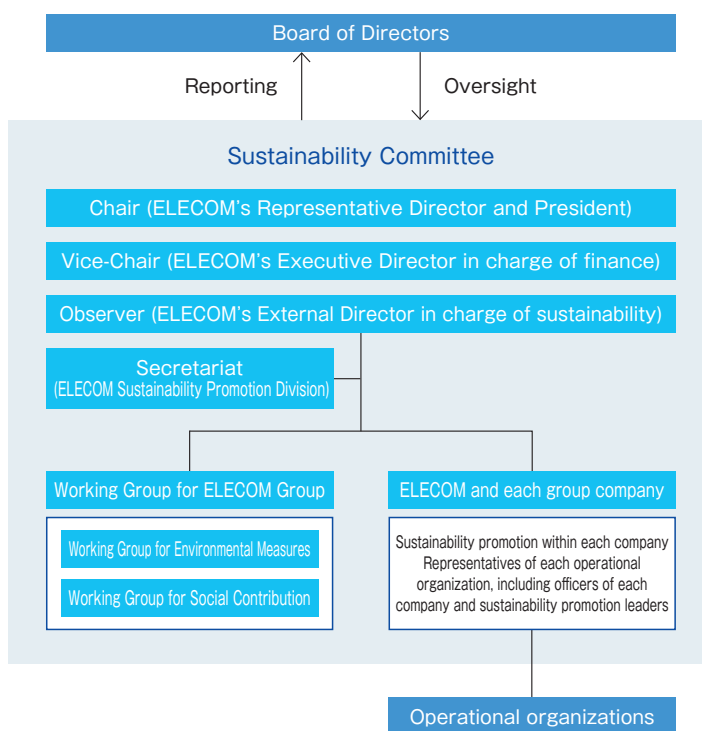
Sustainability implementation structure

To promote effective sustainability activities throughout the ELECOM Group, the Sustainability Committee, chaired by the President and Representative Director of ELECOM, has been established, and a system of initiatives has been put in place that also includes advice from outside experts. In April 2022, the Sustainability Promotion Division was set up in ELECOM to facilitate understanding of the current situation and a structure to enable group-wide efforts. Furthermore, in April 2023, we launched the Corporate Planning Department, formulated our purpose and our medium-term management plan, and systematized and clarified the path that we should pursue as a company. Since April 2024, at the Financial Planning Department, which is responsible for the Group's management planning functions, we are coordinating closely on both financial and non-financial matters, considering the materiality of the directions that have become clear, and working to promote initiatives that contribute to enhanced corporate value.

The Sustainability Committee enlists the involvement of Group companies' officers and operational organization representatives in seeking to ensure close coordination with business activities. This allows us to gain a more concrete insight into management and social issues in terms of both business opportunities and risks, prioritize them, and formulate and decide

on measures for 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 aim to inform our efforts internally and externally through regular reports.



As of June 30, 2024

Interview with Executive Officer in Charge

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



I believe that FY2023 was a year in which we steadily advanced the matters that had been discussed in the previous fiscal year at the Sustainability Committee, which is chaired by the company's President. Among these efforts, through the work done by the Sustainability Promotion Division, we successfully saw definite progress in CSR procurement initiatives through coordination among the procurement divisions and the Group's quality control functions. We reviewed our basic guidelines on purchasing management and our Supplier Code of Conduct, had our main transaction partners perform a self-assessment survey that included elements related to human rights and environmental risk assessment. Subsequently, we held dialogues and conducted a trial of online auditing. Because ELECOM outsources a high proportion of our manufacturing, and the early

identification and early improvement of risks through CSR procurement is extremely important, we are expected to further strengthen our future activities that are now being evaluated.

Moreover, the ELECOM Group's new purpose "Better being" and our medium-term management plan were settled. In these, our own growth and social value has been clearly shown to be compatible, and we are called on to implement measures to realize them. To expand our business domains and our overseas market, driven by our individual functions, it is essential that we evaluate which elements of sustainability should be implemented through our own division and function, and implement them accordingly. Including human resources development, we are called on to further integrate our business plan and sustainability activities and to connect them to both business growth and greater social value.

ELECOM Group's Materialities

Identifying materialities and determining KPI

The process for 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.

(Step 1) Identification of social issues considered important to the ELECOM Group by various international guidelines

Global Reporting Initiative (GRI) Standards / ISO26000 / SDGs / The Ten Principles of the UN Global Compact (endorsed on January 2022) / TCFD (endorsed on April 2022)

(Step 2) Taking into account stakeholder feedback in seeking to analyze which issues are more important and assign an order of priority.

- Surveys administered to the Company's employees and officers
- Findings derived from stakeholder questionnaires and communications
- Stakeholder assessment of and concern with social issues

(Step 3) Step 2 evaluation results and priorities are summarized and materialities are identified with management teams' approval. Going forward, the Sustainability Committee in conjunction with operational organizations will set policies for tackling issues and KPIs with respect to materialities related to each of risk reduction and business opportunity creation.

The Committee revises the items of materiality and KPIs as needed by yearly analyzing changing issues and trends based on business activities, changes in the social environment, and engagement with our stakeholders. Going forward, we will relate this further in the formulation and revision of the medium-term management plan.

Through this process, we will strive to become a more trustworthy and reliable company.

* 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 for stakeholders (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 pulldown menu that you think best describes the ELECOM Group. The possible answers are "1. Extremely important," "2. Very important," and "3. Important."

			Risk reduction
Category	Item	Description	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	

< Risk reduction >

Importance to stakeholders	<ul style="list-style-type: none"> Reduction of wastes Water-saving policy Biodiversity conservation 	<ul style="list-style-type: none"> Measures against global warming Personnel development Respect for human rights Customer satisfaction Supplier management Governance structure Adequate wages 	<ul style="list-style-type: none"> Business continuity Disaster control Customer safety Product quality Ensuring compliance Health enhancement
	<ul style="list-style-type: none"> Response to regulations of chemicals 	<ul style="list-style-type: none"> Customer service What employees living for 	<ul style="list-style-type: none"> Data security Crisis/risk management Financial performance
		<ul style="list-style-type: none"> Marketing communications 	<ul style="list-style-type: none"> Customer data protection Infectious disease control

*Excerpt of main evaluation items

Importance to the ELECOM Group

< Business opportunity creation >

Importance to stakeholders	<ul style="list-style-type: none"> Water-saving policy Biodiversity conservation Increased hiring of socially disadvantaged people 	<ul style="list-style-type: none"> Measures against global warming Reduction of wastes Development of new products and technology Respect for human rights Development of eco-conscious products Customer service Supplier management 	<ul style="list-style-type: none"> Customer satisfaction Customer safety Product quality Ensuring compliance Infectious disease control
	<ul style="list-style-type: none"> Disclosure of non-financial information 	<ul style="list-style-type: none"> Supporting diversity What employees living for Health enhancement 	<ul style="list-style-type: none"> Personnel development Business continuity Supplier management
		<ul style="list-style-type: none"> Data security Fair trade 	<ul style="list-style-type: none"> Brand image

*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	Share goals	Focus on results	Show consideration	Be humble	Risk reduction	Business opportunity creation
Business continuity Strengthening management frameworks	Business continuity	●	●	●	●	●	●	●
	Ensuring compliance	●			●	●	●	●
	Governance structure	●				●	●	
	Supplier management	●	●		●	●	●	
	Disaster control	●			●		●	
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	●			●			●
	Adequate wages		●	●			●	
Customer safety and satisfaction	Customer safety and satisfaction	●	●	●	●	●	●	●
	Product quality	●	●	●	●	●	●	●
	Development of new products and technology	●		●	●	●		●
	Customer service		●	●	●			●
Responses to environment	Development of eco-conscious products	●	●		●		●	●
	Responses to climate change	●	●		●		●	●
	Reduction of wastes	●	●		●		●	●

Materiality

















ELECOM Group's sustainability initiatives were launched as a project in FY2020, beginning with the visualization of actual conditions. Thereafter, we established the Sustainability Committee chaired by ELECOM's Representative Director and President in April 2022 to pursue sustainability issues in earnest, and after careful consideration of initiatives to achieve continuous business growth and address social challenges, we have established the three pillars, as follows, which are to serve as the primary items of materiality of the ELECOM Group.

- Business continuity (strengthening management frameworks, development of human resources and organizations)
- Customer safety and satisfaction
- Environmental conservation

With these three pillars as our items of materiality, we positioned FY2022-FY2024 as a phase of system building, and have been working on our future plan while striving to solidify the foundation that we should enhance for our future growth. After a series of discussions at meetings attended by Executive Officers and division managers and reports to the Board of Directors, in May 2024, the Group disclosed our purpose and medium-term management plan. At present, we do not plan on changing our items of materiality in FY2024. While continuing to steadfastly "be prepared to go through with ordinary matters," we are holding discussions in FY2024, preparing to advance our sustainability initiatives from FY2025 onward, and reviewing our items of materiality and KPI to fulfill our medium-term management plan.

Materiality

Following the determination process set out previously, the ELECOM Group's materialities have been set as follows. The following pages provide a summary of achievements with respect to each comprehensive materiality.

Comprehensive materiality	Base materiality	Strategy points	KPI		Relevant SDGs	Pages featured
Business continuity Strengthening management frameworks	Business continuity Ensuring compliance Governance structure Supplier management	Build a business foundation for further growth <Risk reduction> ・ Enhance contact points for whistle-blowing ・ Strengthen corporate governance <Business opportunity creation> ・ Build solid trust ・ Fulfill social responsibilities as a company ・ Realize stable supplies of products and services	Risk reduction	・ Ratio of companies endorsing CSR procurement guidelines (Companies that have signed an MOU)	 	▶ p36-38 ▶ p47 ▶ p48
				・ Implementation of compliance training		
				・ Number of assessments regarding Board of Director effectiveness		
			Business opportunity creation	・ Number of Nomination Committees and Compensation Committees established and operated		
	Disaster control	Secure supply chains during times of disaster <Risk reduction> ・ Minimize risk factors that might impede business continuity ・ Disperse logistics centers ・ Disperse order centers	Risk reduction	・ Achievement ratio of consolidated business result forecasts	  	▶ p49-50
				・ Number of resolved issues and problems identified through business continuity planning (BCP)		
				・ Ratio of logistics centers that are in operation		
				・ Ratio of order centers that are in operation		
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 Adequate wages	Maintain and improve the mental and physical health of employees <Risk reduction> ・ Ascertain the status of health check implementation and encourage employees to get checked ・ Eliminate untaken paid leave Continue serving as a company that is able to create innovation and address social challenges <Business opportunity creation> ・ Ensure the PDCA cycle through evaluation and transparency confirmation with respect to readiness internally and externally	Risk reduction	・ Percentage of individuals seeking physician consultation upon having been identified as experiencing high levels of stress as a result of stress assessment	  	▶ p30 ▶ p32 ▶ p34 ▶ p35
				・ Number of newly appointed female managers		
				・ Number of proposals to management seeking wage revision		
			Business opportunity creation	・ Number of measures implemented based on administration of employee surveys		
Customer safety and satisfaction	Customer safety and satisfaction Product quality Development of new products and technology	Provide new lifestyles and win the continued support of customers <Risk reduction> ・ Evaluate and verify brand image ・ Carry out measures in response to poor evaluations within user reviews ・ Eliminate market recalls through products quality improvement Provide "bridges" that can overcome gaps between people and new technologies <Business opportunity creation> ・ 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	Risk reduction	・ Conduct annual corporate brand surveys	  	▶ p39-40
				・ Average user review score (4.0 or above; excludes scores for discontinued or limited-edition products)		
				・ Number of new products released		
			Business opportunity creation	・ Number of product liability (PL) issues		
	Customer service	Raise customer service levels by diversifying tools <Business opportunity creation> ・ 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	・ Number of awards of Kids Design Award and Good Design Award		▶ p40
				・ Percentage of inquiries handled (telephone, live chat, etc.)		
				・ Number of instances of VOC analysis being used to improve new products and services		
Responses to environment	Development of eco-conscious products Responses to climate change Reduction of wastes	Reduce impact of business on the environment and ensure the safety and quality of products for the environment <Risk reduction> ・ Monitor the environmental impact of businesses and products <Business opportunity creation> ・ Develop products and services that contribute to the establishment of a sound material-cycle society ・ Develop products and services that contribute to tackling global warming Provide products and services that reduce environmental impact and address supply chain issues <Business opportunity creation> ・ Lower CO ₂ 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	・ Number of complaints concerning the operation of environmental management systems	 	▶ p23-27
				・ Number of environment-related complaints from stakeholders		
				・ Rate of reduction in Scope 1 and 2 CO ₂ emissions (vs. FY2020)		
			Business opportunity creation	・ Ratio of packaging volume reduction		
			Business opportunity creation	・ Number of "THINK ECOLOGY" symbol certified products		
				・ Petroleum-based plastic reduction of containers and packaging		
				・ Number of sales of products that contribute to the establishment of a sound material-cycle society (ink cartridges, etc.)		

Materiality highlights

Comprehensive materiality: Business continuity (strengthening management frameworks)

Background of identification as a materiality (risks and opportunities)

The ELECOM Group draws support from numerous stakeholders in serving as a publicly listed company in Japan's Prime Market. The potential for the ELECOM Group to achieve further growth hinges on its efforts to assess risk and fulfill its responsibilities. Whereas failure to adequately take certain matters into account may result in exposure to risk, sustainability initiatives provide opportunities to identify themes and key points warranting attention. The ELECOM Group will accordingly redouble its efforts in this regard, while making the most of its strengths with a focus on developing stable foundations and achieving long-term growth.

Objectives of initiatives and progress achieved

Base materiality	Risks	Opportunities	FY2021	FY2022	FY2023	Pages featured
Business continuity	○	○	<ul style="list-style-type: none"> Launched Sustainability Committee Endorsed United Nations Global Compact 	<ul style="list-style-type: none"> Established a specialized organization for sustainability Gained understanding of issues and international requirements 	<ul style="list-style-type: none"> Launch Corporate Planning Department Formulate medium-term vision and business plans (2024 continued) 	▶ p6-9
Ensuring compliance	○	○	<ul style="list-style-type: none"> Established internal contact points for whistle-blowing 	<ul style="list-style-type: none"> Implemented and initiated compliance training* Formulated standards for business entertainment and gift-giving* 	<ul style="list-style-type: none"> Deploy compliance training on a Group-wide basis Formulate Compliance Code of Conduct* 	▶ p48
Governance structure	○		<ul style="list-style-type: none"> Inclusion of women on the Board of Directors 	<ul style="list-style-type: none"> Developed understanding of the need for more robust governance and made preparations to such ends 	<ul style="list-style-type: none"> Adopt executive officer system* Establish Nomination Committee and Compensation Committee* Started assessments regarding Board of Director effectiveness 	▶ p45-47
Supplier management	○		<ul style="list-style-type: none"> Called for CSR procurement efforts Began to conclude CSR procurement MOUs 	<ul style="list-style-type: none"> Initiated administration of SAQs* (Self-assessment questionnaires) Established Group company to serve as procurement base 	<ul style="list-style-type: none"> Prepare for implementation of CSR audits* Creating an operating environment for CSR procurement* Redouble efforts for dispersal of production sites 	▶ p36-38
Disaster control	○		<ul style="list-style-type: none"> Initiated relocation of logistics hub to inland site 	<ul style="list-style-type: none"> Reinforced BCP structure Completed relocation of logistics hub to inland site 	<ul style="list-style-type: none"> Take action to better address issues 	▶ p49-50

(Supplementary explanation) The table contains selected initiatives implemented over the last three years. For FY2023 (planned), the planned initiatives are shown. A single asterisk (*) refers to ELECOM CO., LTD. A double asterisk (**) refers to the respective entity indicated.

Looking back on FY2023

We worked to formulate our purpose and our medium-term vision, leading to the disclosure of our purpose. We plan to fully integrate the disclosure of our medium-term management plan with our management and sustainability activities in FY2024. We also worked to strengthen our governance structure through operational improvements to our Executive Committee with the introduction of our Executive Officer system and the establishment of our Nomination Committee and Compensation Committee. Furthermore, in supplier management, we have begun trials of human rights and environmental due diligence and online auditing, preparing to institute them on a permanent basis. Regarding the so-called "2024 problem in logistics" of an expected labor shortage in the land transportation industry, we participated in joint deliveries that went beyond corporate boundaries as well as verification testing of the Shuttle Line Of Communication (SLOC), which produced promising results.

Initiatives for FY2024

We will continue with our initiatives to spell out our medium-term management plan (disclosed in May 2024) and to integrate our sustainability activities to support the realization of that plan. In terms of supplier management, we are improving the operating environments that we have built, conducting on-site audits, preparing management frameworks for conflict minerals, and boosting the effectiveness of our risk management. In terms of logistics, we will contend with the Japanese logistics industry's "2024 problem" by implementing measures that address labor shortages through mechanization and achieving labor savings, and by engaging in partnerships that transcend corporate boundaries.

KPI

Respective initiatives were not implemented during fiscal years for which fields have been left blank (-).

Base materiality	KPI	Unit	Targeted companies	FY2021	FY2022	FY2023
Business continuity	Achievement ratio of consolidated business result forecasts (compared to final revised forecast)	%	ELECOM Group	120.2%	106.7%	100.7%
	Achievement ratio of consolidated business result forecasts (compared to initial forecast)	%	ELECOM Group	87.7%	83.1%	100.7%
Ensuring compliance	Implementation of compliance training	Instances	ELECOM	—	—	1
Governance structure	Number of assessments regarding Board of Director effectiveness	Instances	ELECOM	—	—	7
	Number of Nomination Committees and Compensation Committees established and operated	Instances	ELECOM	—	—	6
Supplier management	Ratio of companies endorsing CSR procurement guidelines (number of companies that have signed an MOU)	%	ELECOM	100.0%	99.6%	100.0%
		%	Other than ELECOM	0.0%	77.2%	88.3%
Disaster control	Number of resolved issues and problems identified through business continuity planning (BCP)	Instances	ELECOM Group (Japan)*1	0	4	4
	Ratio of logistics centers that are in operation	%	ELECOM Group (Japan)*1	100.0%	100.0%	100.0%
	Ratio of order centers that are in operation	%	ELECOM Support & Service	100.0%	100.0%	100.0%

*1. Solely consists of ELECOM for the fiscal year ended March 31, 2022, but Group-wide from the fiscal year ended March 31, 2023.

Comprehensive materiality: Business continuity (development of human resources and organizations)

Background of identification as a materiality (risks and opportunities)

Enhancing a strong management structure, and the human resources and organizational capabilities thereunder, is the key to corporate growth. Amid the looming decline in Japan's working-age population, we have been creating opportunities for growth by building appealing workplace environments that attract human resources and make it possible for a wide variety of people to play active roles, establishing business environments that enable development of human resources who serve as assets, and implementing risk countermeasures by developing efficient organizational management.

■ Objectives of initiatives and progress achieved

Base materiality	Risks	Opportunities	FY2021	FY2022	FY2023	Pages featured
Personnel development	○	○	• Established e-learning platform*	• Upgraded training programs* • Enhanced training facilities	• Extend training programs to Group companies	▶ p31
Respect for human rights	○	○	• Established a policy on human rights of labor • Established contact point for reporting harassment	• Reviewed policy on human rights of labor	• Revise policy on human rights of labor	▶ p29
Work style reform		○	• Reviewed the childcare support system • Inclusion of women as officers*	• Telework arrangements made available during ordinary times and prohibition on second jobs partially lifted • Implemented no-dress code policy • Formulated targets for promoting women's empowerment* • Initiated employee engagement surveys*	• Implement measures based on survey results - Review evaluation systems - Increase base salary - Enhance welfare and benefits (introduce a support system for employees to acquire qualifications, increase maternity money gift)	▶ p30-35
Promotion of work-life balance		○				
Supporting diversity	○	○				
Corporate culture reform	○					
Adequate wages	○	○	—	• Introduced inflation allowance	• Revise salaries	▶ p30

(Supplementary explanation) The table contains selected initiatives implemented over the last three years. For FY2023 (planned), the planned initiatives are shown. A single asterisk (*) refers to ELECOM CO., LTD. A double asterisk (**) refers to the respective entity indicated.

○ Looking back on FY2023

We conducted training camp-style job training using the company's training facilities as we focused on creating teambuilding capabilities. We have taken measures to address issues that arose in the employee engagement survey initiated in the last fiscal year such as the acceptance of performance evaluations and welfare. The improvements were reflected in this year's engagement results. Regarding human rights, we have identified high-risk suppliers, begun due diligence, and analyzed the latent risks of our individual suppliers.

○ Initiatives for FY2024

In addition to continuing to strive to create a climate in which employees can work and grow easily based on the results of the employee engagement survey, we also recognize the need to consider diversity and human rights responses in preparation for a declining workforce and global expansion in the future. The human rights due diligence that we launched last fiscal year focusing on our supply chains has been expanded to our own company and group companies, and we are working both to monitor and to reduce human rights risks.

■ KPI

Respective initiatives were not implemented during fiscal years for which fields have been left blank (—).

Base materiality	KPI	Unit	Targeted companies	FY2021	FY2022	FY2023
Promotion of work-life balance	Percentage of individuals seeking physician consultation upon having been identified as experiencing high levels of stress as a result of stress assessment	%	ELECOM	—	—	10.4%
Supporting diversity	Number of newly appointed female managers	Persons	ELECOM	—	—	1
Corporate culture reform	Number of proposals to management seeking wage revision	Instances	ELECOM	—	—	4
Adequate wages	Number of measures implemented based on administration of employee surveys	Instances	ELECOM	—	—	4

Comprehensive materiality: Customer safety and satisfaction

○ Background of identification as a materiality (risks and opportunities)

The ELECOM Group will continue to pursue "Better being," the purpose of the Group, even in industries with rapid technological evolution, and to develop new technologies and improve our services to deliver safety and satisfaction to our customers. The Group will consistently maintain a sense of urgency knowing that it will not prevail unless it remains an essential enterprise that taps into market transformation and meets societal expectations. Moreover, the Group will contribute to society while seeking long-term business growth in a manner that entails listening to feedback from its stakeholders premised on the notion that the Group gains business opportunities by helping to address social challenges through its products and services.

■ Objectives of initiatives and progress achieved

Base materiality	Risks	Opportunities	FY2021	FY2022	FY2023	Pages featured
Customer safety	○	○	• Embarked on a project reconnecting with ELECOM's customer-focused origins	• Prepared to strengthen business ties by overhauling organizational frameworks and operational flows in product development, SCM and sales* • Relocated and expanded Yokohama Technology Development Center	• Generate results and activate the business strategy by overhauling ties to product development, SCM and sales* • Acquire ISO 9001 certification** (HAGIWARA Solutions)	▶ p26 ▶ p39
Customer satisfaction	○	○				
Customer service		○				
Product quality	○	○				
Development of new products and technology		○				

(Supplementary explanation) The table contains selected initiatives implemented over the last three years. For FY2023 (planned), the planned initiatives are shown. A single asterisk (*) refers to ELECOM CO., LTD. A double asterisk (**) refers to the respective entity indicated.

○ Looking back on FY2023

This was a year of continued reforms to address both yen depreciation and changes in the business environment. As part of our reviews of manufacturing and sales partnerships, we launched our PSI Management Division, strengthened the management of sales, manufacturing, and inventory plans, and created systems to realize appropriate procurement based on demand. In July 2023, our group company HAGIWARA Solutions Co., Ltd. acquired ISO 9001 certification, strengthening our quality management system.

○ Initiatives for FY2024

We are laying the foundation to create "a unique global brand from Japan well-received by customers." We listen to our customers' opinions and reflect their feedback quickly in our development, delivering products to our customers through highly efficient operations. Since our founding, we have developed this business model and enhanced its superiority. Furthermore, maximizing the linked manufacturing and sales system created last fiscal year and the Shenzhen Technology Development Center, we provide high-quality, diverse products promptly to our customers.

KPI

Respective initiatives were not implemented during fiscal years for which fields have been left blank (-).

Base materiality	KPI	Unit	Targeted companies	FY2021	FY2022	FY2023
Customer safety	Number of product liability (PL) issues	Instances	ELECOM Group (Japan)*1	0	0	0
Customer satisfaction	Conduct annual corporate brand surveys	0	ELECOM	Completed	Completed	Completed
	Average user review score (4.0 or above out of 5.0; excludes scores for discontinued or limited-edition products)	Points	ELECOM	3.82	3.83	3.90
Development of new products and technology		Points	Other than ELECOM (Japan)	—	4.38	4.68
	Number of awards of Kids Design Award	Instances	ELECOM	4	3	4
	Number of awards of Good Design Award	Instances	ELECOM	10	13	15
Customer service	Percentage of inquiries handled (telephone, live chat, etc.)	%	ELECOM Support & Service	—	—	85.4%
	Number of VOC analyses being used to improve new products and services	Instances	ELECOM Support & Service	—	—	5

*1. Solely consists of ELECOM for the fiscal year ended March 31, 2022, but Group-wide from the fiscal year ended March 31, 2023.

Comprehensive materiality: Responses to environment

Background of identification as a materiality (risks and opportunities)

As a manufacturer, in addition to striving to reduce environmental impact in our business activities and contributing to environmental issues with the ELECOM Group's technologies, it is also essential to "coexist with society" by working to restore nature's inherent power. Conscious of the future risks of climate change, as well as the business opportunities created by this social challenge, the Group will take a sincere approach to this issue, including efforts in the supply chain.

Objectives of initiatives and progress achieved

Base materiality	Risks	Oppor-tunities	FY2021	FY2022	FY2023	Pages featured
Development of eco-conscious products	○	○	• Launched THINK ECOLOGY initiatives*	• Extended THINK ECOLOGY to Group companies • Promoted environmental practices involving packaging	• Review environmental practices involving products	▶ p25-26
Responses to climate change	○	○	• Began tracking and disclosing Scope 1 and 2 emissions	• Launched Scope 1 and 2 measures and formulated targets • Endorsed the recommendations of TCFD	• Extend Scope 1 and 2 measures • Begin evaluating and disclosing Scope 3 emissions	▶ p23-24
Reduction of wastes	○	○		• Began tracking packaging waste volume • Prepared for SCM project*	• Work to reduce packaging waste volume • Engage in SCM project*	▶ p26-27

(Supplementary explanation) The table contains selected initiatives implemented over the last three years. For FY2023 (planned), the planned initiatives are shown. A single asterisk (*) refers to ELECOM CO., LTD. A double asterisk (**) refers to the respective entity indicated.

Looking back on FY2023

By reducing the amount of plastic use by changing packaging materials and miniaturization and using smaller shipping containers, we worked to reduce waste materials and CO₂ emissions. Furthermore, to reduce excess inventory and control resource consumption, we established a new department and strengthened the cooperative system between manufacturing and sales. Regarding Scope 2, starting with introducing renewable energy in our own properties, we achieved an 18.4% reduction in CO₂ emissions (target base year 2020). Furthermore, by visualizing Scope 3, we identified the location of issues.

Initiatives for FY2024

Regarding Scope 2, we plan to change over to renewable energy in our logistics centers. We will review our response measures, including the introduction of renewable energy, and take possible measures to ensure steady CO₂ emission reductions even amid business expansion. Regarding Scope 3, for which we have made progress in grasping the figures, we will improve the accuracy of our analysis through data refinement. Furthermore, to reduce CO₂ emissions, through a trial of LCA, we will work to understand the CO₂ emissions during the product lifecycle and to pinpoint hotspots (products requiring focus).

Long-term targets

Scope 1 and 2 CO₂ emissions Carbon neutrality by 2050
50% reduction by 2030 (vs. 2020)

KPI

Respective initiatives were not implemented during fiscal years for which fields have been left blank (-).

Base materiality	KPI	Unit	Targeted companies	FY2021	FY2022	FY2023
Development of eco-conscious products	Number of sales of products that contribute to the establishment of a sound material-cycle society (ink cartridges, etc.)	Units	ELECOM	1,426,199	1,447,194	1,645,502
Responses to climate change	Number of complaints concerning the operation of environmental management systems	Instances	ELECOM Group (Japan)*1	0	0	0
	Number of environment-related complaints from stakeholders	Instances	ELECOM Group (Japan)*1	0	0	0
	Rate of reduction in Scope 1 and 2 CO ₂ emissions (vs. FY2020)	%	ELECOM Group (Japan)	—	—	18.4%
	Ratio of packaging volume reduction	%	ELECOM	—	3.9%	5.2%
	Petroleum-based plastic reduction of containers and packaging	t	ELECOM	117.47	93.04	74.19
Development of eco-conscious products	Number of "THINK ECOLOGY" symbol certified products	SKUs	ELECOM Group (Japan)	—	2,142	2,052

*1. Solely consists of ELECOM for the fiscal year ended March 31, 2022, but Group-wide from the fiscal year ended March 31, 2023.

Relationships with Stakeholders

In its relationships with stakeholders, the ELECOM Group focuses on five groups – customers, shareholders, suppliers, local communities, employees – 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.



Communication with stakeholders

(All figures as of March 31, 2024)

Major stakeholders of the ELECOM Group		Overview of initiatives	Means of communication
Customers	<p>We serve a wide range of individuals, companies and government offices, as well as locations in Asian nations and the United States.</p> <p>Sales composition ratio:</p>	<p>We made the purpose "Better being" the expression of the ELECOM Group's raison d'être, which, since our founding, has been the pursuit of better products, better services, a better company, and a better society. In addition to resolving social issues through better products, better services, and better solutions, and contributing to a better global environment and local communities, we will pursue continuous growth.</p>	<ul style="list-style-type: none"> ● Corporate branding ● Advertisements ● Digital marketing ● Websites ● Social networking services ● News releases ● Events and exhibitions
Shareholders	<p><ELECOM> Issued shares: 92,221,420 shares Number of shareholders: 14,490 Breakdown of shares held by shareholder category:</p>	<p>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.</p>	<ul style="list-style-type: none"> ● General Meeting of Shareholders ● Financial results presentations: 2 times (Full-year financial results presentation in May and interim financial results presentation in November) ● Small meetings for institutional investors: 1 time (Attended by investors from a total of 17 companies) ● Briefing sessions for individual investors: 2 times ● One-on-one meetings with sell-side analysts and institutional investors (Japan and outside of Japan): 203 companies (Incl. joint attendance) ● Websites ● Various IR materials (financial results digests, annual securities reports, annual reports, etc.)
Suppliers	<p>ELECOM carries out procurement from many suppliers, primarily located in East Asia.</p>	<p>With the entire supply chain as the scope of ELECOM's social responsibility, a fair and comprehensive evaluation will be conducted, with joint efforts with suppliers to recognize and resolve issues, thereby realizing a sustainable society.</p>	<ul style="list-style-type: none"> ● Onsite inspections ● Procurement guidelines ● CSR procurement self-assessment survey
Local communities	<p>We operate at locations in and outside of Japan.</p>	<p>Our ongoing local revitalization initiatives and other social activities are essential when it comes to sustainably increasing corporate value.</p> <p>As such, we will continue to build strong ties to regional communities through activities such as tree planting and sports sponsorships going forward.</p>	<ul style="list-style-type: none"> ● Regeneration of local natural environment (Tree planting in Mie Prefecture and conservation of Maruyama Senmaida Rice Terraces) ● Exchanges with local residents (e.g. greening promotion councils) ● Support and exchange in local sports ● Inviting local children to corporate recreation facilities ● Academic-industrial collaboration projects ● Support for local governments (e.g. support for children's home via Mie Prefecture)
Employees	<p>Number of employees: 2,375 Composition ratio:</p>	<p>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 new value by bringing together the diverse values of our workforce. We believe that this sort of corporate approach will enable us to address social challenges and further create future possibilities through our businesses.</p>	<ul style="list-style-type: none"> ● Various committees ● Training programs ● Employee assessments and interviews ● Internal and external whistle-blowing contact points ● Intranet, in-house newsletters and surveys ● Employee engagement surveys

Distribution of financial value to stakeholders

The financial value allocated by the Group toward each stakeholder in the fiscal year ended March 31, 2024 is as follows.

Stakeholder	Fiscal year ended March 31, 2024	Details
Employees	¥11,996 million	Salaries, bonuses, provision for bonuses, retirement benefit expenses, share-based payment expenses, legal welfare expenses, welfare expenses
Local communities	¥52 million	Donations, etc.
Financial institutions	¥1 million	Interest expenses
Shareholders	¥3,522 million	Dividend payments

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 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

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

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

In April 2022, ELECOM 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 will fulfill its social responsibilities by putting the spirit of KEIDANREN's Charter of Corporate Behavior into practice.

Environment

Environmental Policy and Environmental Management Systems

In accordance with our new philosophy of the purpose “Better being” formulated in 2024, through our products, services, and actions, the ELECOM Group believes both to enhance our corporate value and to contribute to the realization of sustainability for both companies and society. Through our initiatives to reduce CO₂ emissions in looking toward achieving a decarbonized society, we will keep striving for sustainable development of companies and society going forward by promoting efforts to prevent global warming, particularly in terms of making effective use of resources and developing eco-conscious products.

Basic Principles

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.

Environmental Policy

- 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 and reduction 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, while promoting the reduction, reuse and recycling of waste.
- 4 Reduction of global environmental impacts
The ELECOM Group aims for a global eco-conscious approach to manufacturing and selling its products, which includes measures to conserve biodiversity, reduce greenhouse gas emissions and prevent pollution.
- 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.

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.

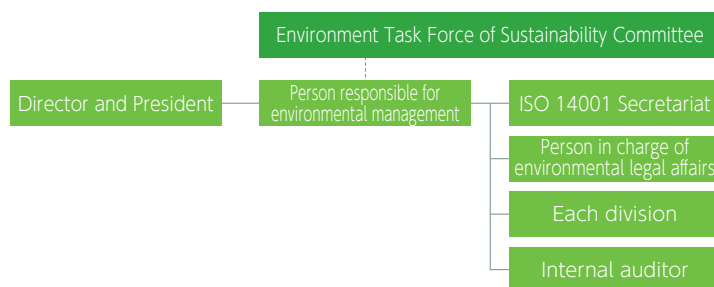
Company-wide Introduction Study Group	Waste Management and Public Cleansing Act Study Group	Rechargeable Battery Development Special Study Group
Mid-career Hires/Transferees Study Group	Overseas Shipment Special Study Group	Training for Persons in Charge of Compliance Assessment
Development/QA Special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

■ Environmental management systems

The ELECOM Group has established and operates its environmental management system (EMS) pursuant to environmental management regulations stipulated based on its Environmental Policy. We comply with laws, regulations, and other rules related to environmental activities associated with our business and operate our environmental management system, which has been granted certification under the ISO 14001 international standard. This enables us to thoroughly manage various environmental risks associated with our business activities and strive to reduce environmental impact. In promoting these efforts, the ISO 14001 Secretariat works with the Working Group for Environmental Measures of the Sustainability Committee to promote environmental measures and the development and sale of eco-conscious products. This entails implementing the plan-do-check-action (PDCA) approach in regularly evaluating the impact of our business on the

environment and disclosing results of initiatives to address climate change. The Group strives to achieve continuous improvement in this regard by conducting internal audits and carrying out in-house awareness-building and education activities, while otherwise engaging in environmental activities for facilitating decarbonization and resource conservation, enlisting the entire Group.

■ Environmental management system



■ Number of environment-related fines and penalties

	Targeted companies	Unit	FY2020	FY2021	FY2022	FY2023
Number of environmentally related fines	ELECOM	Fines	0	0	0	0
Total monetary amount of environmentally related fines	ELECOM	Yen	0	0	0	0

■ Acquisition of official certifications

Details regarding acquisitions of ISO 14001 environmental management system certification is as follows (as of March 31, 2024). Percentage of Group companies (Japan) that have acquired ISO 14001 certification: 24.0%

Management system	Company name	Date of initial registration	Business offices	Description
ISO 14001	ELECOM	February 3, 2006	Head office	To set up the Product Development Division at the head office
ISO 14001	Logitec INA Solutions	April 27, 2005	Head office: Ina Factory	All factories and Product Development Divisions
ISO 14001	DX Antenna	December 17, 1999	Seishin Technology Center	Applies to Manufacturing Department

Self-consumption solar energy

At its head office factory (Ina, Nagano Prefecture), Logitec INA Solutions has been promoting eco-conscious business activities having embarked on adoption of self-consumption solar energy in December 2021. Situated in Japan's Minami Shinshu region featuring abundant nature overlooking Japan's Central Alps to the west and its Southern Alps to the east, the head office factory complex is on a site with plentiful greenery and contains three buildings: an office building, a manufacturing building, and a logistics building. Its business domain is centered on manufacture and sales of industrial computers. We made the decision to install solar panels on the rooftops of each of those buildings given factors such as Nagano Prefecture's clear air, high altitude, long hours of sunshine, and low temperatures, placing it among the prefectures with the highest levels of photovoltaic efficiency in Japan. There are three operating solar power plants that generate electricity independently for daytime factory operations, enlisting separate power management systems in each of the three buildings. The setup consists of 1,260 solar panels yielding annual power generation of 430,978 kWh and depending on the season capable of supplying all power consumed by the factory during the daytime hours when the sun is at its highest point in the sky. The environmental contribution of solar power generated by this system is expected to be equivalent to a reduction in oil consumption amounting to 97,831 liters per year, CO₂ emissions reduction amounting to 194,156 kg of CO₂ per year, or reduction in primary energy volume of 4,206,346 MJ per year. We will continue to engage in environmentally-conscious business practices through manufacturing.



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

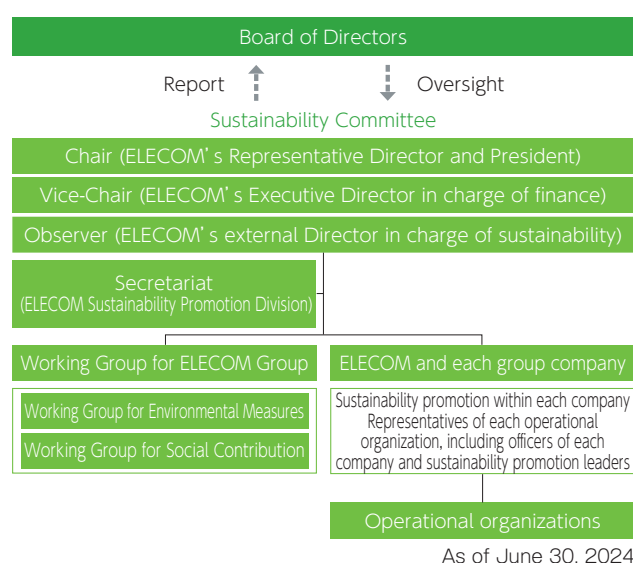
Response strategies to climate change (Information disclosure based on the TCFD recommendations)

In April 2022, the ELECOM Group declared its endorsement for recommendations of the TCFD*. Positioning climate change as one material issue that has a significant impact on the sustainable growth of the ELECOM Group, 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. Furthermore, in 2023 the ELECOM Group set a goal "to reduce CO₂ emissions (Scope 1 + Scope 2) by 50% relative to levels of FY2020 by FY2030 and to aim to achieve carbon neutrality by 2050 through our business activities and in alignment with the worldwide target, while also working to reduce CO₂ across the supply chain" and are currently advancing initiatives to realize a decarbonized society. Moreover, in 2024, we newly formulated our purpose. Based on our philosophy of "Better being," the Group will pursue better products, better services, a better company, and a better society, while strongly pursuing our response to climate change, one of the biggest issues facing the world.

*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

The ELECOM Group aims to consistently contribute to the realization of a better global environment based on its purpose. In seeking to address sustainability issues including those related to climate change, we established the Sustainability Committee in 2021. The committee is chaired by the Representative Director and President and oversees climate change risk. With its meetings held every month, 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 semiannual and occasional reports on sustainability activities, including those involving climate change, to the Board of Directors, which 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. We identified major risks and opportunities, and explored countermeasures in that regard, assuming a scenario pursuant to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) released in 2022 and the Net Zero Scenario of the International Energy Agency (IEA), as we engaged in initiatives to address challenges related to climate change underpinned by our Environmental Policy.

(2° C and 1.5° C or less scenario)

- Laws and regulations that include imposition of carbon tax and carbon border adjustment tax, and decarbonization initiatives are more stringently enforced than previously envisioned and move forward ahead of plan.
- Propensity among society and customers seeking carbon reduction with respect to products and services intensifies further, underpinned by an increasing commitment to decarbonization.
- Limited overshoot of targets due to insufficiency of prior NDCs* culminates in a more pronounced increase in typhoons, torrential rains, and other natural disasters.

(4° C scenario)

- Temperature increase is not brought under control as anticipated amid lack of progress in reaching consensus on climate change mitigation and delays in achieving NDCs, due to war and conflict.
- Energy prices escalate due to lack of progress in reaching consensus and delays in achieving NDCs.
- This results in frequent occurrence of typhoons, torrential rains and other such natural disasters over an extensive geographic area, along with more widespread and frequent occurrence of heatstroke and mosquito-borne infections attributable to chronic increases in temperatures.

* Nationally determined contributions (NDCs) are greenhouse gas emission reduction targets submitted by respective nations that have ratified the Paris Agreement.

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. Results of our scenario analysis reveal that the need for us to address climate change and increasingly stringent regulations associated with climate change could potentially undermine these strengths, which have been cultivated over many years. Meanwhile, our active efforts involving mitigation and adaption with respect to climate change have revealed the emergence of opportunities in terms of providing products and solutions for facilitating customer decarbonization initiatives and in terms of cutting costs of the ELECOM Group.

■ World in the scenario

	World in the scenario of temperature increase of 2°C or less	World in the scenario of temperature increase of 4°C
Procurement activities	<ul style="list-style-type: none"> · Increase in procurement costs as a result of carbon pricing being imposed on suppliers · Production costs surge due to regulations on use of plastics · Operations are suspended at some factories due to natural disasters, which delays shipments · More stringent supplier management associated with regulations for GHG emissions 	<ul style="list-style-type: none"> · Prolonged disruption in product supply from factories due to frequent occurrence of floods and other natural disasters · Respective nations encounter lack of progress in reducing GHG emissions
Product development activities	<ul style="list-style-type: none"> · Elimination of plastic from products and packaging, recycling and other eco-conscious measures strengthened further · Products and packaging downsized and standardized to align with streamlining of deliveries 	<ul style="list-style-type: none"> · Demand for eco-conscious products increases in advanced economies, although environmental response of each nation varies · Demand for disaster supplies mounts due to increased frequency of disasters
Sales and office activities	<ul style="list-style-type: none"> · Increasing prevalence of extremely hot days makes it necessary to review working styles · Air conditioning costs increase due to rising temperatures · Work restrictions become necessary due to restrictions on electricity consumption amid power shortages caused by a trend of escalating electrification · Surge in electricity costs associated with burdens of investing in renewable energy 	<ul style="list-style-type: none"> · Sales office functions encounter disruption associated with increasing occurrence of natural disasters · Increasing harm to health of employees and deterioration of working environments due to chronic weather abnormalities, and it is necessary to review office equipment and working styles · Costs of capital investment increase in order to cope with weather abnormalities
Logistics activities	<ul style="list-style-type: none"> · Delivery costs rise due to increased capital investment amid the need to comply with new energy conservation law imposed on carriers · Packaging and delivery methods must be revamped due to regulations on GHG emissions 	<ul style="list-style-type: none"> · Warehouse facilities and transport vehicles increasingly incur damage due to natural disasters · Frequent occurrence of late deliveries due to increasing prevalence of natural disasters
Stakeholders	<ul style="list-style-type: none"> · Demand for products containing plastics decreases as customers become more eco-conscious regarding products due to increasingly stringent regulations · Companies not deemed to be eco-conscious are excluded from consideration when it comes to investment, employment, and product purchasing 	<ul style="list-style-type: none"> · Markets served thus far shrink or disappear amid changing consumer behavior accompanying chronic weather abnormalities · Lost sales opportunities increase as customers are affected by disasters

Reference of the scenarios: SSP1-2.6 (2°C or less 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			Analysis results	Occurrence	Impact	Addressing risks and opportunities	
Risks	Transition risks	Government policy & laws and regulations	Increase in costs associated with imposition of carbon pricing	M	Major	Reduce CO ₂ emissions by switching to renewable energy and implementing energy-saving measures	
			Increase in electricity costs associated with burdens of investing in renewable energy	S / M		Take steps to reduce power consumption along with operational improvement and streamlining at facilities subject to substantial electricity demand	
			Delivery costs rise amid the need to comply with new energy conservation law imposed on carriers	S / M		Downsize packaging and streamline delivery methods	
			More stringent regulations imposed with respect to tracking and reducing GHG emissions across the entire supply chain	M		Review the product development framework enlisting life cycle assessment (LCA)	
		Markets	Decrease in sales of products not deemed eco-conscious	M	Major	Switch over to plastic-free and bio-plastic products	
			Contraction of existing markets	M / L		Enhance marketing to align with market trends and develop Phase Free products	
		Reputation	Loss of trust due to slow response regarding an eco-conscious approach	M	Moderate	Expand lineup of “THINK ECOLOGY” products	
			Investment withdrawn by investors			Set long-term targets for reducing CO ₂ emissions and disclose progress toward achieving such targets	
		Technology	Introduction of eco-conscious technologies and handling of materials for products	M	Moderate	Reduce use of petroleum-based plastics	
	Physical risks	Acute	Delays arise with respect to product procurement and delivery due to supply chain disruption associated with intensifying meteorological catastrophes	S / M	Major	Review and strengthen business continuity plans, and transition to multiple suppliers and logistics centers	
			Chronic	Capital investment costs increase due to a deteriorating workplace environment	M / L	Major	Implement work style reforms and review the employment framework
				Productivity and utilization rates of sales locations and logistics centers decreased due to deteriorating working environments accompanying weather anomalies			Increase productivity by improving operations, improve working environments through mechanization
Opportunities	Energy and resource efficiency	Decrease in costs due to logistical streamlining	M / L	Moderate	Optimize distribution networks by coordinating with delivery service providers, engaging in joint delivery with other shippers, and reviewing conditions for shipping to customers		
		Decrease in costs through use of uniform raw materials			Expand use of recycled materials and bio-plastics		
	Products, services, and markets	Sales expanding due to development of products that align with eco-consciousness and changes in behavior	M / L	Moderate	Growth in sales of the “THINK ECOLOGY” products		
		Emergence of more business opportunities that involve affinity with low carbon-oriented policies			GHG emission reduction targets and promotion of initiatives		
		Creation of new businesses that contribute to reduction of environmental impacts			Expansion of Phase Free products		
	Resilience	Reduce opportunity loss by strengthening the supply chain	M / L	Moderate	Strengthen ties with suppliers and delivery service providers, review and strengthen the BCP Stabilize logistics center operations through mechanization		
		Greater prevalence of new technologies and new materials with low environmental impact			Develop and increase sales of eco-conscious products and services		

* S: Short term (2022-2024), M: Medium term (2025-2030), L: Long term (2031-2050)

Risk-based financial impact

We believe that procurement of renewable energy is an important part of the ELECOM Group's efforts to reduce CO₂ levels given that more than 70% its Scope 1 and Scope 2 CO₂ emissions are associated with electricity consumption. Under these circumstances, we have quantitatively estimated the financial impact of such initiatives, premised on the notion that imposition of carbon tax and volatility of fees for electricity derived from renewable energy are among the benchmarks for 2030. These estimates do not account for carbon taxes of nations where manufacturing subcontractors operate even though such taxes are likely to have a non-negligible effect on procurement costs.

■ Quantitative estimates of financial impact under two scenarios, one of which entails transition having proceeded as planned and the other of which entails transition having not proceeded as planned (as of 2030)

Benchmarks	Unit cost	Transition has proceeded as planned	Transition has not proceeded as planned
Carbon tax	Carbon tax amount: ¥289 → ¥19,538	¥22,490,000	¥44,980,000
Fee for electricity derived from renewable energy	Increase in electricity fee per unit: ¥1.4/kWh	¥3,150,000	¥0

* Carbon tax: US\$140/t-CO₂ (according to IEA World Energy Outlook 2023), calculated assuming an exchange rate of ¥139.56 to the US dollar

[Assumptions]

- Scope 1 and Scope 2 emissions of Group companies in Japan
- Variation in Scope 1 and Scope 2 CO₂ emission reductions as of 2030 (compared to the base year FY2020: 2,785 t-CO₂): 50% to 0%
- Variation in ratio of renewable energy-derived electricity use as of 2030 (FY2020: 4,492,924 kWh): 50% to 0%
- Purchased electricity emissions volume takes into account variation in electrical emissions factors
- Electrical emissions factor for 2020 according to the Foundation of Electric Power Companies of Japan (FEPC): 0.441 kg-CO₂/kWh
- Electrical emissions factor target for 2030 according to FEPC: 0.37 kg-CO₂/kWh
- Carbon tax takes into account anticipated variation from 2020 to 2030
- Carbon tax in 2020: ¥289/t-CO₂
- Estimated carbon tax in 2030: ¥19,538/t-CO₂

Management of climate change risk

Risks associated with climate change can be considered those arising from restrictions on business activities and increased costs accompanying more stringent policies and regulations, changes in stakeholder awareness, and technological advances, as well as those arising from climate change, such as the intensification of extreme weather events and the chronicity of extreme weather as seen in rising temperatures and other phenomena.

The ELECOM Group takes a cross-divisional approach with respect to accordingly compiling data on numerous risk factors associated with climate change. Specifically, the Working Group for Environmental Measures of the Sustainability Committee along with relevant divisions identifies major risks associated with climate change upon having discussed such matters with assessment of such identified risks in terms of the potential extent of their impact in a three-tiered scale of major, moderate, or minor. After an analysis of the timing of the potential emergence of such risk from short-, medium-, and long-term perspectives, we consider options in terms of engagement policies and countermeasures. The Sustainability Committee furnishes semiannual and occasional proposals and reports to the Board of Directors, which discusses them as necessary and oversees the status of business execution as one of the business risks of the entire ELECOM Group.

Benchmarks and targets

The ELECOM Group set medium- to long-term targets for reduction of CO₂ emissions during the fiscal year ended March 31, 2023. These targets are to serve as managerial benchmarks toward achieving the objective of keeping the average increase in global temperature to at least 2°C or less relative to the pre-Industrial Revolution level.

- Reduce CO₂ emissions (Scope 1 + Scope 2) by 50% relative to levels of FY2020 by FY2030.
- We aim to achieve carbon neutrality by 2050 through our business activities and in alignment with the worldwide target, while also working to reduce CO₂ across the supply chain.

In FY2023, we pursued the transition to renewable energy at prioritizing business facilities that both had significant energy use and that were owned by the company. These business facilities accounted for around 25% of the energy use of all domestic group companies, and in order to take advantage of significant reduction, we have been making preparations with our electricity vendors since the end of the previous fiscal year and switched to renewable energy sources in April. As a result, we were able to reduce Scope 1 + Scope 2 CO₂ emissions by 18.4% (vs. FY2020) through the combined effects of the conversion to LED lighting and the installation of motion sensors in our Hyogo Logistics Center. In FY2024, we are working to reduce emissions by 24% compared to FY2020 levels.

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

In FY2023, the impact of extreme weather led to continued high temperatures through November, and with significant air conditioning use in our facilities, we saw months with energy use that exceeded that of normal years. However, with the introduction of renewable energy and the impact of energy-saving efforts, we reduced Scope 1 and Scope 2 CO₂ emissions by 629 t-CO₂ from the previous fiscal year, achieving progress of 36% toward the ELECOM Group's target of a 50% reduction by FY2030 (vs. FY2020). Meanwhile, on per-base basis, some business sites have seen an increment in electricity consumption with the additional floor space due to relocations and increase in workforce along with the introduction of new materials and equipment. As such, we will continue to evaluate the optimal methods to reduce CO₂ emissions and carry out our initiatives.

Also in FY2023, we calculated Scope 3 emissions for FY2021-FY2023 for ELECOM alone. The calculation revealed that Scope 3 accounted for about 99% of the total CO₂ emissions of the value chain, and about 92% of these emissions fell under Category 1 (CO₂ emitted in the manufacturing process of purchased products and services). Looking ahead, the worldwide goal of carbon neutrality will not be achieved without efforts to reduce Scope 3 emissions. Considering the environmental impact of ELECOM Group's businesses on the supply chain, we are committed to reducing CO₂ emissions collaborating with suppliers and contractors, taking on the challenges in future LCA assessment.

■ Energy consumption

	FY2021	FY2022	FY2023
Electricity consumption (MWh)	4,793	5,106	4,662
Gasoline consumption (kL)	319	293	278
Gas consumption (Thousand m ³)	29	30	37

■ Scopes 1, 2, and 3 CO₂ emissions and emissions intensity

	FY2021	FY2022	FY2023	
CO ₂ emissions				
Scope 1 (t-CO ₂)		805	748	727
Scope 2 (t-CO ₂)	Location-based	2,045	2,153	1,972
	Market-based	—	—	1,545
Scope 1/Scope 2 (t-CO ₂) ^{*1}		2,850	2,901	2,272
Emissions intensity compared to the base fiscal year (t-CO ₂ /sales)		1.04	1.08	0.80
Scope 3 (t-CO ₂)		248,108	255,707	255,355

*1. Scope 2 has been calculated on a location basis until FY2022 and on a market basis from FY2023.

*2. Scope of Data Collection: Domestic companies of the ELECOM Group for Scopes 1 and 2; ELECOM CO., LTD.'s stand-alone operations for Scope 3.

Initiatives related to climate change

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.

Record of activities

● Adopting renewable energy

The ELECOM Group has been taking steps to adopt renewable energy with the aim of achieving its stated CO₂ emissions reduction targets. We are unable to unilaterally switch to renewable energy given that a majority of our offices are tenant occupied. In FY2023, we pursued the transition to renewable energy at prioritizing business facilities owned by the company. Since the end of FY2022, we have been promoting the changeover to renewable energy at the Logitec INA Solutions head office factory and at the DX Antenna Seishin Technology Center, and in April 2023 these locations began using renewable energy. The electricity use at these facilities accounts for around 25% of the energy use of the domestic group, contributing to our FY2030 CO₂ emissions reduction targets.

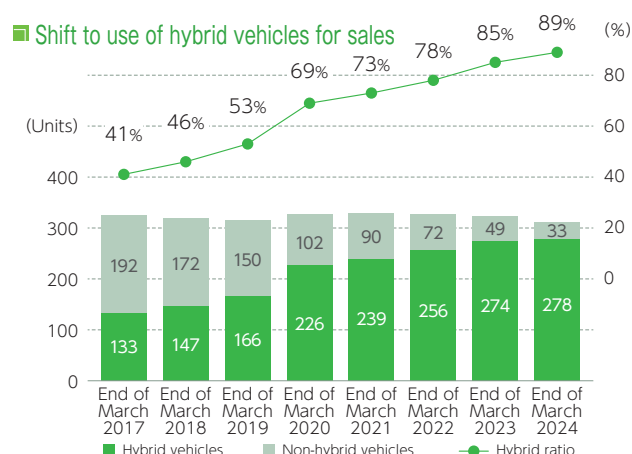
● Energy-saving activities (logistics centers)

While the DX transition has led to significant improvements in operational efficiency at the ELECOM logistics centers, large-scale facilities and the addition of various types of equipment require a commensurate amount of electric power. Since February 2023 the Hyogo Logistics Center has begun using LED lighting and motion sensors in a portion of the warehouse area (approximately 10,000 tsubo, 33,000 m²) to prevent lights and air conditioners left on in the office, and to periodically turn off the pressurized fans. Moreover, we have been striving to reduce power consumption in material handling and work areas. In addition to powering on and off by means of motion sensors, this has involved setting schedules specifying times for turning on lighting, light intensity when in standby mode, and time intervals for keeping lights on for each specified group, using the LED sensor functions. Meanwhile, the Kanagawa Logistics Center has been promoting power-off initiatives for saving energy in unused areas since mid-August 2022.

Through these initiatives, we achieved 290,901 kWh/year in power reduction (vs. FY2022) at the Hyogo Logistics Center and 88,931 kWh/year in power reduction (vs. FY2022) at the Kanagawa Logistics Center.

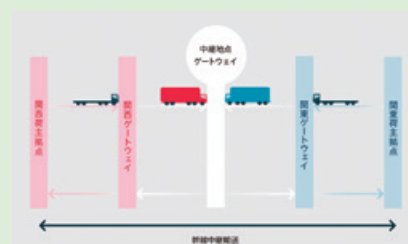
● Use of hybrid vehicles for sales

Sales vehicles are an essential aspect of support for our sales capabilities, which is a strength of the ELECOM Group. ELECOM has a large fleet of its own sales vehicles and has been successively switching the fleet over to hybrid vehicles since 2011. Hybrid vehicles now account for 89% of our fleet during the fiscal year ended March 31, 2024, thereby contributing to lower gasoline consumption.



Participating in verification testing in the "SLOC" project

ELECOM participated in verification testing in the SLOC (Shuttle Line Of Communication) project run by DENSO CORPORATION. The SLOC project uses swap body trucks to transport goods for multiple cargo owners between the Kansai and Kanto regions, with Hamamatsu as the main connection point, while different shipping vendors exchanging cargo containers. In general, where a cargo owner company from Kanto arranges a charter truck heading to Kansai, if the shipping vendor cannot find return goods from Kansai, the shipping container turns to Kanto empty. It is believed that around 30% of medium- to long-distance trucks moving throughout Japan are empty. With SLOC, by combining cargo heading to Kanto or Kansai from multiple cargo owners, empty runs are limited to the extent possible. With five cargo owner companies moving cargo among 12 locations, the total distance traveled in a single day was reduced from 5,900 km by 2,720 km. The verification test demonstrated that by shortening the travel distance, CO₂ emissions successfully reduced by around 1,576 kg-CO₂ per day, for around a 46% reduction. Shipping that would require 12 drivers with no SLOC requires only seven with SLOC. The result is expected to contribute to alleviating personnel shortages, collectively known as "The 2024 problem in logistics." At ELECOM, through initiatives such as SLOC and joint shipping, we are working to limit the CO₂ emitted in logistics activities and to resolve social issues.



Source: "What is SLOC service?" from DENSO CORPORATION
▶ <https://www.denso.com/jp/ja/driven-base/project/sloc/> (in Japanese)

Reducing environmental impact caused by products

The ELECOM Group has been switching over to “THINK ECOLOGY” products since FY2021 with the aim of reducing environmental impact involving products and packaging. This serves as an initiative for mitigating risks associated with a low-carbon commitment and creating opportunities. When it comes to such products, the products page of the online catalog displays the “THINK ECOLOGY” certified symbol, thereby letting customers know that a product is environmentally conscious. This encourages customers to actively select products with minimal environmental impact, which culminates in less environmental burden.

Particularly when products and packaging containing petroleum-based plastics are discarded, such materials cause CO₂ emissions and result in microplastics that threaten marine ecosystems. As such, the ELECOM Group seeks to protect the global environment by engaging in initiatives focused on reducing plastic materials and cutting down on volume of paper use and waste.

Specific measures being taken in this regard have included downsizing packaging, reducing quantities of component parts, and decreasing use of petroleum-based plastic materials by switching to bio-based plastics and 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 included with our products. We are furthermore striving to reduce volume of paper use and cut down on waste through packaging that features QR codes* directing customers to online manuals.

In FY2023, 52% of all models were “THINK ECOLOGY” products on a cumulative basis, and through these initiatives, the total amount of plastic reduction was 74 tons. We will keep forging ahead in switching over to “THINK ECOLOGY” designated products.

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

■ “THINK ECOLOGY” certification standards

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.

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.



Initiatives aimed at a “Phase Free society”

In recent years, the frequency of disasters caused by climate change has increased, and the need for disaster supplies from the standpoint of BCP has begun to be discussed within the company. Given this, the ELECOM Group carried out an internal evaluation and initiatives around the key word of “Phase Free*” where everyday goods and disaster response goods are used interchangeably. As a result, we went from launching 22 models in the market in FY2022 to 11 models in FY2023, contributing to the resolution of social issues in the area of disaster preparedness.

*Products that can be used both for everyday needs and for emergencies.



(Specific example) ELECOM DE-KD04BE: a light that can be used as a nightlight on an everyday basis and as a flashlight and smartphone charger during an emergency such as disasters

Involvement in initiatives

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

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.

- In April 2022, ELECOM endorsed the recommendations of the TCFD and joined the TCFD Consortium
- We began analysis and information disclosure based on TCFD starting in our Sustainability Report issued in June 2022

■ KEIDANREN (Japan Business Federation)

KEIDANREN is a comprehensive economic group whose mission is to energize Japanese companies and the individuals and regions that support them and to contribute to Japan's independent economic development and the improvement of the quality of life of its citizens.

- Joined in December 2017

ELECOM Group's 2050 CO₂ emissions reduction targets align with KEIDANREN's proposal, "Toward Realizing Carbon Neutrality by 2050."

(▶ <https://www.challenge-zero.jp/jp/news/15> (in Japanese))

Waste management

Initiatives for sound material-cycle society

Along with global population growth, from concern over resource depletion and increased waste, there is increasing interest in the “circular economy.” Companies are being called on to collect and reuse waste, to reduce unnecessary resource use, and to use resources effectively. In addition to our existing 3R (Reduce, Reuse, Recycle) activities, in October 2023 we launched our PSI Management Division to manage sales plans, manufacturing plans, and inventory plans. We are strengthening coordination with sales to carry out appropriate procurement in line with demand, which will lead not only to reductions in excess inventory but also control of resource consumption.

○Reduce

- Replace plastic packaging with renewable packaging, such as paper packaging, and promote reductions in non-combustible waste (721 models sold in FY2023)
- PSI Management Division launched in October 2023 We strengthened coordination with sales to carry out appropriate procurement in line with demand (FY2023: reduced product waste by ¥300 million on an internally evaluated cost basis)
- We reduced cardboard material use by shipping in foldable containers at logistics centers in the east and the west of Japan (200 t in cardboard reduction in FY2023)

○Reuse

- Directly operate outlet stores
(Provide products at a lower price with defective packaging, etc. that cannot be sold to consumers, after first performing inspections to confirm that they have not been opened)
- Collect used ink cartridges to facilitate their reuse among manufacturers (1,640,000 cartridges collected during the fiscal year ended March 31, 2024)
- We reduced waste at our Hyogo Logistics Center by selling one-way pallets to reuse vendors (FY2023: 7.2 t of waste reduction)

○Recycle

- Appropriate management of waste and recycling of materials
 - No-cost collection and recycling of used personal computers and lithium batteries
- (▶ https://www.logitec.co.jp/inas/company/kankyo/recycle_report/index.html (in Japanese))

■ Waste management at business sites

◎ELECOM

Since the fiscal year ended March 31, 2023, the amount of logistics material waste at logistics warehouses has been added. Accordingly, we will work to reduce the types of waste that have been on an increasing trend.

Waste (t)	FY2021	FY2022	FY2023
Amount of waste generated	181.56	1,508.06	1,458.37
Final disposal amount	89.37	265.33	288.95
Recycled amount	92.19	1,242.73	1,169.42
Materials recycling	92.19	64.75	70.57
Materials recycling (logistics materials)	—	1,162.91	1,082.52
Thermal recycling ^{*1}	—	15.07	16.33
Recycling ratio	50.78%	82.41%	80.19%

*1 This recycling process produces high-grade solid fuel primarily from waste paper and plastics, which are not suitable for material recycling.

■ Waste management at production sites

◎Logitec INA Solutions, Ina Factory

Waste (t)	FY2020	FY2021	FY2022	FY2023
Complex waste (waste plastic/metal)	140.76	83.00	11.02	19.39
Fluorescent lamps	14.15	0.00	0.00	0.00
Wooden pallets	7.65	10.62	12.32	13.12
Expanded polystyrene	7.63	8.60	14.60	2.42
Waste plastic	6.78	36.63	5.67	10.72
Used batteries	0.12	0.00	0.00	0.30
Hazardous waste	0.00	0.00	0.00	0.00

◎DX ANTENNA PHILIPPINES, INC.

Waste (t)	FY2020	FY2021	FY2022	FY2023
Solder scrap	0.047	0.040	0.272	0.026
Fluorescent lamps	0.0	0.004	0.018	0.007
Printed circuit boards	0.0	0.0	0.002	0.0
Packaging materials	11.08	8.90	5.016	4.626

* In the Philippines, solder scrap, fluorescent lamps, and printed circuit boards are considered hazardous waste.

■ Management of chemical substances

○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

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. While head office factory of Logitec INA Solutions is not a notifiable user, and uses only a small amount of 4,4'-diphenylmethane diisocyanate, less than the designated amount, for use as a raw material for polyurethane foam used in packaging with management of the amount used and usage limitation of this substance to those who have completed a safety training course, appropriate management is carried out by wearing protective gear, using ventilation equipment, among other measures. At the same time, based on the reduction of risk to the local community and environmental considerations, our efforts to reduce the use of specific chemical substances in the manufacturing process have led us to discontinue in-house production of packaging materials using 4,4'-diphenylmethane diisocyanate and to adopt alternative buffer materials that do not use specific chemical substances in 2022, thereby the use of this substance has been discontinued. Furthermore, at the Matsumoto Factory of Tescom Denki, which was newly added to the Group during the period, we confirmed that no specified chemical substances were being used in the manufacturing process. As a result, at ELECOM Group manufacturing locations in Japan, no PRTR chemical substances have been used since the fiscal year ended March 31, 2022. In the fiscal year ended March 31, 2024, there were no accidents involving leaks of specified chemical substances, nor any violations of environmental laws and regulations.

Initiatives related to biodiversity

The ELECOM Group recognizes that conservation of biodiversity is essential for the continuation of business activities and for sustainable growth. Broadly speaking we believe that climate change countermeasures, reductions in waste, and offering more eco-conscious products lead to conservation of biodiversity, but in terms of initiatives more directly related to the conservation of biodiversity we are promoting the use of cardboard and other materials that have been certified under an international forestry certification program. We are also working to regenerate natural forests in the areas around our business locations.

Adoption of cardboard and master cartons certified under an international forestry certification program

For packaging materials used for shipments, the ELECOM Group is forging ahead with a switch to cardboard and master cartons certified under an international forestry certification program. For FY2023, the Hyogo Logistics Center switched to cardboard from certified paper for approximately 8% of the volume of packages shipped. We will continue to increase the number of packages shipped using certified cardboard, as well as extending its use in product packaging.

Climate change countermeasures

Refer to "Response strategies to climate change" on pages 20-22.

Reduction of wastes

Refer to "Waste management" on pages 26-27.

Environmentally friendly products

Refer to "Reducing environmental impact caused by products" on page 25.

Regenerating a natural forest

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.



ELECOM FOREST Shima

Water-related risk

The ELECOM Group's business locations are categorized as offices, logistics centers, and factories. We operate three factories through our Group companies, which are the Ina Factory of Logitech INA Solutions, DX ANTENNA PHILIPPINES, INC., and the Tescom Denki Matsumoto Factory. None of these use water in manufacturing processes given that all three engage exclusively in assembly processes, for which reason the overall Group consumes potable water only. Meanwhile, due to the importance of identifying water-related risk at each of our locations, we evaluate water-related risk enlisting WRI Aqueduct water-related risk assessment tools of the World Resources Institute every year, with respect to the degree of impact and risk management across the ELECOM Group's value chain, given the particularly notable significance of our logistics centers and factories in that regard. The assessment by Aqueduct indicated that the Group companies don't operate or withdraw water in any areas identified as a high or extremely high risk of water stress.

	Overall water risk	Water stress	Riverine flood risk	Coastal flood risk	Major watershed and coastal areas	Water withdrawals (FY2023) m³	Percentage of water withdrawals attributable to the Group
DX ANTENNA PHILIPPINES, INC.	High	Low-Medium	Medium-High	Medium-High	Laguna de Bay	1,192	14.7%
Logitech INA Solutions, Ina Factory	Low-Medium	Medium-High	Low-Medium	Medium-High	Tenryu River/Toyokawa River	1,335	
Tescom Denki Matsumoto Factory	Low-Medium	Low-Medium	Low-Medium	Low	Chikuma River	2,382	
ELECOM Hyogo Logistics Center	Low-Medium	Low-Medium	Low-Medium	Medium-High	Yodogawa River	1,662	
ELECOM Kanagawa Logistics Center	Low-Medium	Medium-High	Low-Medium	Medium-High	Sagami River	1,263	

Water risk: Water risk is measured using indicators for water stress, water depletion, interannual variability, seasonal variability, groundwater table decline, riverine flood risk, coastal flood risk, drought risk, untreated connected wastewater, coastal eutrophication potential, unimproved/no drinking water, unimproved/no sanitation, and a country-specific ESG risk index.

Water stress: Water stress measures the ratio of total water withdrawals to available water supplies.

Riverine flood risk: Riverine flood risk measures the percentage of population expected to be affected by riverine flooding, taking into account flood protection standards. It is assessed based on inundation caused by river overflow, population in flood zone, and vulnerability.

Coastal flood risk: Coastal flood risk measures the percentage of the population expected to be affected by coastal flooding, taking into account flood protection standards. It is assessed based on inundation caused by storm surge, population in flood zone, and vulnerability.

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.

Human rights

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 (endorsed on January 2022) 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. In FY2023, we revised the basic policy on human rights of labor and moved forward with preparations for compliance with global standards. 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. Going forward, we will continue to deepen our understanding of and engagement with human rights impacts in the course of our business activities.

Basic Principles

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.

Basic Policy on Labor Standards and Human Rights

1. The ELECOM Group supports and respects national laws regarding human rights and labor, as well as internationally declared human rights norms based on the United Nations "Guiding Principles on Business and Human Rights", in all aspects of its corporate activities.
 - The International Bill of Human Rights (the United Nations)
(the Universal Declaration of Human Rights, the International Covenants on Human Rights)
 - The ILO Declaration on Fundamental Principles and Rights at Work
(the International Labour Organization (ILO))
 - The OECD Guidelines for Multinational Enterprises
(the Organisation for Economic Co-operation and Development (OECD))
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 implements appropriate management of wages, working hours and leaves based on national laws and international norms.
5. The ELECOM Group does not engage in any form of child labor and forced or compulsory labor.
6. 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.
7. The ELECOM Group, through fair transactions, respects national laws and international norms regarding corporate ethics and strives for continuous improvement.

Employee education on human rights issues

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.

In addition to conducting cross-divisional, rank-based training to prevent harassment and raise employee awareness, in the fiscal year ended March 31, 2024, Compliance Study Session for managers covered the United Nations Guiding Principles on Business and Human Rights in an effort to promote understanding.

Human rights initiatives within the ELECOM Group

○ 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.

A dialogue for mutual understanding is emphasized through such measures as reflecting the degree of achievement of goals based on the company's management strategy and the policies of the organization to which the employee is assigned in salary increases, promotions, bonuses, and other forms of compensation, as well as providing feedback on evaluation results. To reflect the changing social circumstances of recent years, in FY2023 we raised the basic wage, and introduced a system of managerial allowances.

○ Management of wages

The ELECOM Group makes sure that wages and other forms of compensation paid as consideration for labor are free from discrimination based on age, gender and other such characteristics, and it respects the minimum wages for the various regions in which it operates. We furthermore continuously manage wages, which entails confirming legal and regulatory compliance through the involvement of a labor relations division and internal audit team, in part to ensure that wages accurately reflect working hours and overtime hours.

○ Harassment hotlines

The ELECOM Group has 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. Rules for the protection of whistleblowers have been established to ensure that they are not disadvantaged, and are operated in a manner that protects whistleblowers and preserves confidentiality. In FY2023, we extended the contact point for whistleblowing and made consultation with an external lawyer possible. Whistleblowing reports for the fiscal year ended March 31, 2024: 14

○ Human rights due diligence

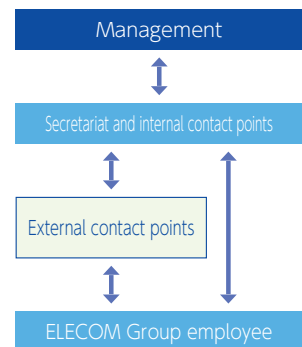
In accordance with the UN's Guiding Principles on Business and Human Rights, ELECOM began performing human rights due diligence in August 2023. For emerging business relationships resulting from mergers and acquisitions, human rights and the environment are added to the investment decision criteria and will be confirmed by external counsel. With regard to the issue of human rights in the supply chain, we have used the Guidelines on Respecting Human Rights in Responsible Supply Chains and related materials drawn up by the government of Japan, and the human rights guidance tools from the United Nations Environment Programme Finance Initiative (UNEP-FI) to build a system to identify and engage with such risks. As a first step, we have prioritized the issues of child labor, forced or compulsory labor, long working hours, and technical intern trainees, and are seeking to understand the actual situation through communication with our suppliers. In the fiscal year ending March 31, 2025, we will resolve the issues that have been clarified by our understanding of the actual situation, and work to enhance effectiveness while putting in place a system for reliable and continuous operation.

○ Relationship with labor union

There are two labor unions in the ELECOM Group: the ELECOM Labor Union (formed in September 1998, with 607 members) and the DX Antenna Labor Union (formed in December 1959, with 274 members). (The number of union members is given as of March 31, 2024)

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.

■ The ELECOM Group's whistle-blowing system



↔ Consultation, liaison, reporting

Interview with Executive Officer in Charge

Masaki Tanaka

Executive Director and Managing Executive Officer,
Vice-Chair of Sustainability Committee, ELECOM CO., LTD.

Numerous innovations including AI and IoT have emerged amid an ongoing scenario of drastic changes in the social environment. Such innovative technologies give rise to significant social challenges in terms of a gap that has emerged between technology and people. The ELECOM Group has addressed such challenges by providing products that bridge this gap. Recently we made the purpose "Better being" the expression of the ELECOM Group's raison d'être, which has been the pursuit of such better products, better services, a better company, and a better society. We believe that this will lead to the sustainability of the ELECOM Group and society. ESG investing has also become established in international society over the past few years, and the International Sustainability Standards Board has also taken the lead in standardizing and enhancing the disclosure of information. It was in this context that the company established a Sustainability Committee in November 2020, and the Group is now in its fourth year of working together on related initiatives, including disclosure in annual securities reports and sustainability reports on such subjects as investments in human capital and strengthening governance. Going forward we will continue to engage sincerely with the opinions of our stakeholders, and seek to further strengthen such initiatives and our information disclosure. By having every employee question themselves, think, and act independently in accordance with the purpose "Better being" with the goal of making a better and more sustainable world, we will continue the growth of the ELECOM Group.



Human resources development

Based on the newly created purpose of the Group, "Better being," the ELECOM Group aims for each employee to have an enterprising spirit, think independently, and act proactively to create better value, so that the company will continue to grow along with the growth of the individual. To this end, we will work on to create an environment and framework to ensure that each and every employee can feel comfortable and find their work rewarding.

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.

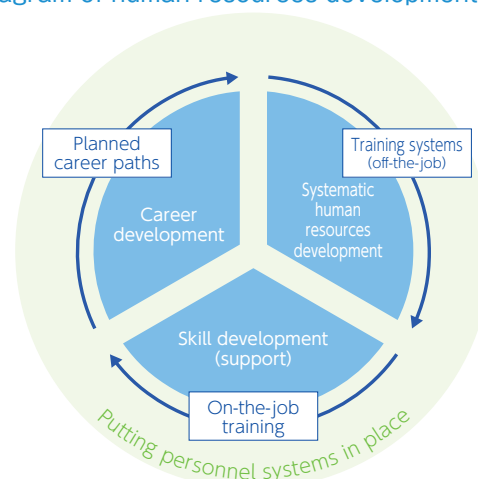
Skill development (support)

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.

In FY2022, an environment has been created where diverse human resources can work comfortably and take on challenges, and where they can accumulate knowledge and ideas through job-specific training opportunities. In terms of specific measures, by using the Shonan Training Institute that was established in 2022 to provide efficient and concentrated training in a residential setting away from daily operations, we have worked to foster team building abilities. In particular, through focusing and expanding training for employees up to their fifth year with the company, skill development training for sales and development departments, and manager training for managers, we are supporting the growth of each and every employee with the aim of developing human resources that will contribute to the creation of innovation.

In the fiscal year ending March 31, 2025, we will implement partial revisions to the personnel assessment system in order to evaluate not only outcomes and achievements but also the business content and processes undertaken to achieve these targets, thus leading to the creation of a more fulfilling workplace.

First year after
joining the company

► 2nd years -

► Supervision / management

Cross-divisional rank-specific training	New employee training	Annual training [2nd to 5th years]	Supervisor training	Manager training
	Information security training, sustainability training, compliance training, and harassment training			
Sales division training	Sales training [Beginner]	Communication training Visual merchandising training	Negotiation techniques training	
		Corporate sales training [Beginner/Advanced]		
Procurement division/ product development division training	Trade practices training CSR procurement training Logical thinking training Design thinking basic training Lateral thinking training Negotiation skills training		Setting/developing issues training Corporate accounting training Strategic negotiation skills training	

Enhanced training platforms

During the fiscal year ended March 31, 2023, we established the Shonan Training Institute and have otherwise been enhancing our training platforms. With a capacity exceeding 100 employees, the facility has over 20 training rooms of various sizes. It also has over 100 overnight guest rooms, a cafeteria for meals, and a communal lounge, making it a large-scale facility dedicated to training. The facility enables us to foster team building by conducting long-term residential training programs and carrying out efficient and focused training sessions away from daily operations.



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

In order to enable each and every employee to develop a spirit of enterprise and to think and act independently, the ELECOM Group provides recommendations and support centered on study designed to enhance expertise, such as the acquisition of skills and abilities that can be used directly in daily operations. In FY2023 we introduced a system to support the acquisition of public qualifications and we provide backup for self-study approaches. In internal upskilling training programs we

also solicit applicants for lectures and encourage independent study. 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.

Employee engagement

At ELECOM we believe that improving engagement among employees leads to the growth of the company, and in the fiscal year ended March 31, 2023, we began conducting engagement surveys. The purpose of the survey is to identify issues facing the company and to measure the effectiveness of measures taken to address these issues. The response rate for the survey conducted in the fiscal year ended March 31, 2024, was 83%, and year-on-year improvements were observed in 14 of the 21 items surveyed. Specifically, improvements were noted in such items as psychological safety, acceptance of evaluation, reasonableness of income, welfare and benefits, and flexibility of work arrangements, showing that measures devised in response to the findings of the previous year's survey are having an effect. For a company to achieve sustainable growth, it is essential that employees empathize with our purpose, work proactively toward its realization, and fully demonstrate their own abilities. The findings of survey will continue to be used for the growth of individuals and the organization as a whole.

©Measures implemented in FY2023 in response to the findings of the previous fiscal year's engagement survey
Review of evaluation systems / Increase base salary / Enhance welfare and benefits (introduce a support system for employees to acquire qualifications, increase maternity money gift)

Support for different work styles

The ELECOM Group is promoting work style reforms that enable every employee to fully utilize their abilities, through the "realization of a work style that makes the most of diverse individuals," i.e. through integration of employees with diverse values. We are creating comfortable working environments through such initiatives as promoting no-dress code policy, shifting to a smart office environment at the Osaka head office, establishing telework arrangements and offering working shifts more flexible, and partially lifting prohibitions on secondary jobs. In FY2023 ELECOM shifted to paperless operation through the deployment of company-wide communication tools (MS365) and accounting system, creating an environment in which it is easy to collaborate regardless of work location, thus supporting the work-life balance of 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.

Fiscal year	Primary initiatives
2023	Deployment of communication tools (MS365) Shift to paperless operations for accounting processes
2022	Implemented no-dress code policy, partially lifted prohibitions on secondary jobs Shifted to a smart office environment (ELECOM head office) Establishment of telework arrangements and flexible working shifts Raised awareness of what they have accomplished rather than how long they have worked Reinforced support for childcare, nursing care, and sick leave, etc.

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 childcare and nursing care respectively, the Group has been carrying out initiatives to meet the diverse needs of individual employees. In the fiscal year ended March 31, 2023, we took steps to ensure smooth return to the workplace by putting in place flexible office work systems, such as telework arrangements and working shifts, while in the fiscal year ended March 31, 2024, we increased maternity benefits to support employees' child rearing.

■ 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 transfer preference 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.

Awards program

The ELECOM Group has established an awards program with the aim of sharing best practices that embody its purpose 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, 2024, one Chairman's award and one President's award were granted for a project whose contribution was substantial, along with three operational improvement awards, and five performance awards. Moreover, employees who were involved in the development of the 24 series of products that received the Good Design Award, iF Design Award, or Kids Design Award were honored for their contributions to the sustainable growth of the company.

— 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

49 people with disabilities are employed by the ELECOM Group (Japan only, as of March 31, 2024).

In December 2023 the company took further steps to support stable employment by beginning operation of an indoor farm to provide a comfortable workplace for persons with disabilities, with the herbs and vegetables grown available at ELECOM's recreation and training facilities. Our goal is to create a comfortable work environment and promote the employment of people with disabilities based on the belief that all employees, including those with disabilities, can grow mutually inspiring.

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 43 employees of non-Japanese nationalities actively involved in such efforts as of March 31, 2024 (total for all Japanese Group companies). In addition, at overseas Group companies we actively promote local hires, who serve in important positions regardless of nationality (81.8% of management at overseas Group companies consists of local hires).

Promotion of 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.

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 usage up until a child reaches 3 years of age maximum, reduced working hours, exemption from working outside designated hours, telework arrangements, and flexible scheduling of work hours. Going forward we will continue to work to create an environment in which women and diverse employees can play active roles.

	Results			Targets
	End of March 2022	End of March 2023	End of March 2024	End of March 2028
Ratio of women in managerial positions	0.0%	2.2%	2.0%	10.0%
Ratio of women in supervisory positions*	6.3%	11.4%	16.1%	20.0%

*Target for ELECOM non-consolidated. Supervisory positions consist of leadership roles and sales managers.

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.

Basic Principles

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:

Industrial Health and Safety Policy

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

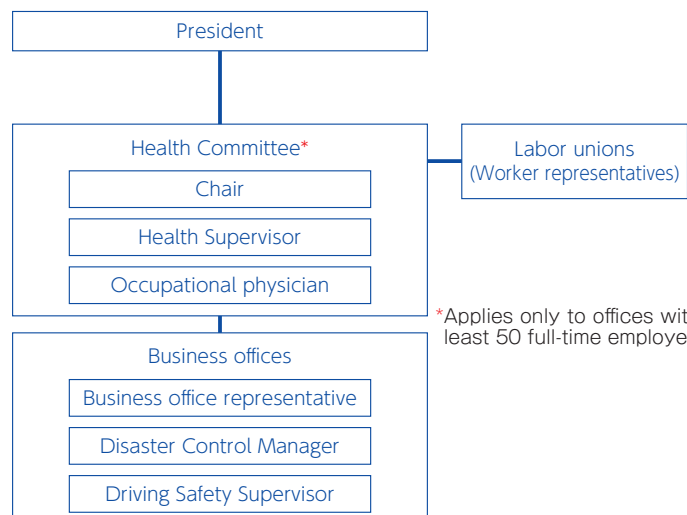
The ELECOM Group has established the Health Committee pursuant to the Industrial Safety and Health Act as one of its initiatives devoted to occupational health and safety. This also enlists the involvement of labor unions through an approach whereby labor and management join forces in working to prevent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

Sharing information

The Health Committee reports the results of monitoring and the content of deliberations by the Health Committee to all employees without delay.



Health and safety initiatives

○ 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

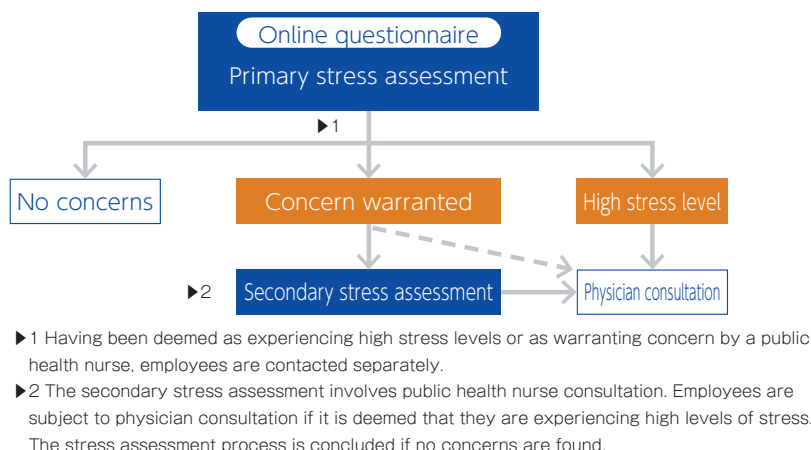
with persons in charge of respective divisions to facilitate activities conducted to improve workplace environments.

More than 90% of our employees underwent stress assessment surveys during the fiscal year ended March 31, 2024.

In addition, employees judged to have high stress levels were strongly encouraged to accept an interview with an occupational physician, which resulted in the interview rate rising significantly from 2.3% last year to 11.2% this year.

We will continue to strengthen mental health measures.

■ 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.

Occurrences of occupational accidents

A record of occupational accidents experienced by the ELECOM Group is as follows. 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.

		Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of incidents	Japan	ELECOM Group	Incidents	0	1	0	0	2
	Outside of Japan	ELECOM Group	Incidents	0	0	0	0	1
Lost time injury frequency rate (LTIFR) ^{*1}		ELECOM Group	%	0.00	0.56	0.00	0.00	0.63
Occupational accident severity rate ^{*2}		ELECOM Group	%	0.00	0.02	0.00	0.00	0.04
No. of fatal accidents		ELECOM Group	Incidents	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 hours^{*3}.

*2. The occupational accident severity rate expresses the severity of accidents in terms of total number of working days lost per 1,000 total working hours^{*3}.

*3. Total working hours are based on the number of Group employees (full-time employees) as of March 31, 2023, with the annual working hours per person calculated by multiplying the number of business days by eight hours.

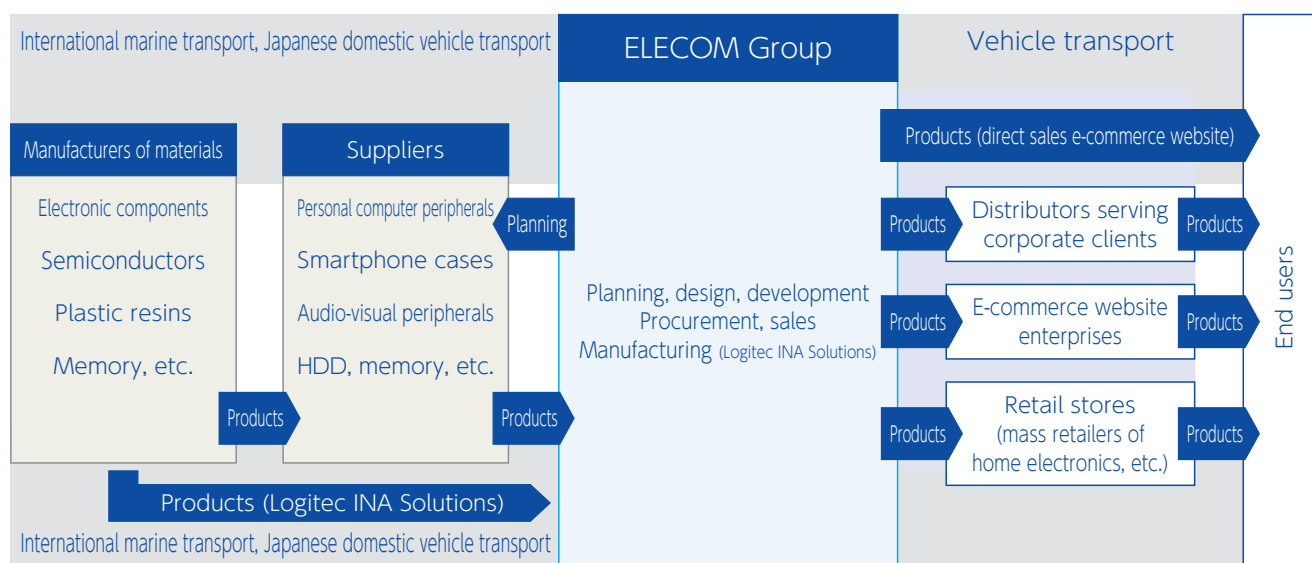
Supply chain management

The ELECOM Group procures raw materials, parts, equipment and services necessary for production from suppliers across various regions. The Group regards the notion of ensuring responsible procurement management as a key challenge in serving as an enterprise that does not manufacture many of its products in-house but instead relies on suppliers for procurement. The Group is working to identify its own challenges with the aim of ensuring a shared awareness of social responsibility not only in procurement but throughout the supply chain, including logistics, thus achieving mutual gains in corporate value. In FY2023, having achieved a deeper understanding of our own organization, we have developed an operating environment in preparation for starting initiatives in the supply chain. Going forward, the Group will continue to develop better relationships with our business partners and strive for sustainable procurement.

ELECOM Group procurement overview

The ELECOM Group seeks to expand its supply chains by working together with its various suppliers through its business activities. From the fiscal year ended March 31, 2023, considering geopolitical risks, changes have been made in procurement sources and the development of production sites to diversify production locations. In addition, ELECOM has traditionally procured from China and other Asian countries via our group company ELECOM (HONG KONG) LIMITED, and in April 2022, the Company newly established ELECOM Asia Pacific IPO Pte. Ltd. (Singapore) in April 2022. This reduces our country-specific risk inherent when operations are clustered in a single country and enables us to establish a more stable procurement environment.

Primary supply chains of the ELECOM Group



Responsible procurement promotion system

In the ELECOM Group, ELECOM's Sustainability Promotion Division, ELECOM's Procurement Division (which has direct operational involvement with suppliers), and product development divisions (which are responsible for factory audits and also have audit experience) cooperate with each other to share their perception of and develop an environment for creating better products. While ELECOM provides support by taking the initiative in building operational frameworks, rolling them out to the Group companies that comprise its own supply chain, and taking opinions on board, and working on Group-wide initiatives on deployment to the supply chain.

Interview with Executive Officer in Charge Teruhiko Nagashiro Representative Director and President of DX Antenna Co., Ltd.



Since its establishment in 1953, DX Antenna has served as a manufacturer specializing in broadcast reception equipment and has contributed to society by always developing products aligned with the needs of customers. In FY2023, by switching the electricity used at the Kobe head office to electricity derived from renewable energy, the company achieved a reduction in Scope 1 and Scope 2 CO₂ emissions on a non-consolidated basis of approximately 20% (compared to the base year 2020). Given the company's duties as a manufacturer, the Product Development Division focused on the "Responsible consumption and production" of Sustainable Development Goal 12, introducing measurement equipment to enhance the accuracy with which security camera products are verified, thus helping to further reduce malfunctions and waste.

In FY2024, taking into account that the ESG requirement memorandum conclusion ratio for CSR procurement has reached 99%, we seek to communicate with business partners through SAQs, and to strengthen CSR procurement throughout the supply chain as a whole. We at DX Antenna will continue to work with the aim of making the world a better place and of enhancing our existence, while maintaining our status as a company that has a positive influence on future generations.

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. 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. Offer consistent supply strengths and premium-quality service drawing on their production capacity, achievements, specialty operations and manufacturing technologies.
3. Adapt to changes in the business environment.
4. Achieve product and service safety, consistent quality, competitive pricing and delivery times.
5. Work to achieve business continuity in a manner that assures effectiveness.
6. Comply with domestic and international laws, social norms, and corporate ethics to conduct open and fair trade.
7. Purchase items considering CSR throughout the supply chain.
(Respect for human rights, occupational safety, coexistence with society, risk management, conservation of environments, anti-corruption, respect for intellectual property, information security)
8. Based on comprehensive evaluation of aforementioned items, build trust with the selected suppliers to work together for coexistence and co-prosperity.

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.

Supplier Code of Conduct

The ELECOM Group formulated the Supplier Code of Conduct to ensure that all of our suppliers engage in business with the same understanding as the ELECOM Group. Under this Supplier Code of Conduct, which is based on the code of conduct that was established by the RBA (Responsible Business Alliance) and is adopted widely in the electronics industry, we request the cooperation of suppliers with the related policies of the ELECOM Group. When beginning new business transactions, we start the transactions after the supplier, in a basic purchasing and sales agreement, agrees with the initiatives for this item.

- ▶ ELECOM Supplier Code of Conduct (▶ Japanese ▶ English ▶ Chinese (Simplified))
- ▶ ELECOM Group Basic Guidelines on Purchasing Management / ELECOM Group Basic Policy on Labor Standards and Human Rights / ELECOM Group Environmental Policy

● Supplier Code of Conduct (outline of items)

1. Regulatory compliance and respect for international norms 1) Regulatory compliance and respect for international norms	3. Coexistence with society 1) Local community relationship building and cooperation 2) Supply chain relationship building and cooperation	leakage of information	2) Prohibition against offering and receiving improper advantage 3) Appropriate information disclosure 4) Respect for intellectual property 5) Fair execution of business 6) Whistleblower protection 7) Appropriate import-export controls 8) Responsible mineral sourcing
2. Human rights and labor 1) Prohibition of forced labor 2) Prohibition of child labor, considerations for young employees 3) Ensuring appropriate working hours 4) Legal and regulatory compliance with minimum wages and allowances 5) Prohibition of inhumane treatment 6) Prohibition of discrimination 7) Freedom of association, collective bargaining rights	4. Environment, health and safety 1) Occupational safety 2) Emergency preparedness 3) Occupational injury and illness 4) Considerations for physically demanding work 5) Facility health and safety 6) Health and safety communication 7) Employee healthcare management	6. Compliance 1) Building a risk management framework for the entire Group including overseas operations, and raising awareness	10. Information security 1) Protection against threats to computer network security 2) Preventing leakage of personal information 3) Preventing leakage of confidential information
	5. Risk management 1) Risk management addressing changes in social conditions 2) Rigorous control regarding	7. Environmental measures 1) Mitigation of environmental impact in business operations 2) Adequate control and reduction of waste and contamination 3) Efficient use and reduction of resources, water and energy 4) Climate change countermeasures 5) Biodiversity conservation	
		8. Safety and quality of products 1) Product quality and safety	
		9. Fair trade and ethics 1) Anti-corruption	

Responsible procurement initiatives

Also with respect to its supply chain, the ELECOM Group respects international norms such that include the United Nations Global Compact (endorsed in January 2022) and the ILO Declaration on Fundamental Principles and Rights at Work released by the ILO*. We accordingly address issues related to labor, human rights, the environment, and ethics in its supply chain. The Group recognizes the magnitude of challenges inherent in the whole Group's business and therefore, and is working to develop group-wide promotion and implementation system.

In the fiscal year ended March 31, 2024, we undertook an overall revision of the basic guidelines on purchasing management, the Supplier Code of Conduct, and the self-assessment questionnaires (SAQs). Human rights and environmental risk assessments, increasingly in demand in recent years, have also been added to mitigate concern in our business domains and countries where we operate, and to create a cooperative system. We have also received responses to SAQs from key suppliers inside and outside of Japan, engaged in dialogue to understand the actual situation and deepen mutual understanding, and begun online audits (three companies). We put in place an operational environment before it became clear that there was a lack of skills and issues that could not be grasped through online audits, and at the same time, we learned a lot by observing the management systems of other companies. During the fiscal year ending March 31, 2025, in addition to announcing Green Procurement Standards, performing due diligence when beginning new transactions with suppliers, and conducting second-party audits on site, we will build a reliable PDCA cycle while seeking to improve effectiveness and the operation of the system.

*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.

Fiscal year	Initiatives
2023	Revised Basic Guidelines on Purchasing Management Formulated Supplier Code of Conduct Formulated Green Procurement Standards Revised self-assessment questionnaires (SAQs) Prepared for human rights and environmental due diligence
2022	Concluded contracts with the addition of ESG clauses within the Group Started SAQs
2021	Began concluding supply/sale and purchase basic contracts with the addition of ESG clauses Established Basic Guidelines for Trade Controls Established Basic Guidelines on Purchasing Management Established CSR Procurement Guidelines



Step 1: Initiative notification and request

Transactions begin after a signature (seal) is obtained on the supply/sale and purchase basic contract, which incorporates CSR requirement in accordance with the Basic Guidelines on Purchasing Management.

In terms of specific initiative guidelines, we deliver the Supplier Code of Conduct and request their cooperation.

The compliance of code of conduct initiatives is checked by having key suppliers complete self-assessment questionnaires (SAQs).

- Selection of key suppliers: key suppliers in the top 60% by value supplied, and Group companies
- Self-assessment questionnaires (SAQs): comprehensively cover human rights, occupational safety, environment, CO₂ emissions, and corporate philosophy, in line with the content of the code of conduct. Response rate 91.3%.

Step 2: Supplier assessment

We perform assessment of suppliers, based on the country in which they are located, their importance and risks to the business, and the findings of the SAQs.

Step 3: Dialogue with and audit of suppliers

Based on the results of the assessment, we carry out dialogue and/or online audits of each supplier in order to ascertain the actuality of items where scores were low. Regarding human rights and the environment, we perform due diligence using documents from the Japanese government and the United Nations. As a first step we prioritize the issues of child labor, forced or compulsory labor, long working hours, technical intern trainees, and CO₂ emissions, and seek to understand the actual situation through confirmatory evidence irrespective of the response to the SAQs.

Step 4: Monitoring and support for improvement

When risks are identified through dialogue or audit results, we will request corrective action.

Logistics initiatives

At the ELECOM logistics centers that are responsible for shipments for the ELECOM Group, front-line staff are working as one to address labor shortages, the logistics "2024 problem" and other matters.

Labor-saving and automation

At the ELECOM Hyogo Logistics Center relocated in March 2022, automation has made it possible to maintain shipments using only around 40% of the labor required before the relocation, and we have achieved a "no-walking" logistics center in which picking and supplementation does not require the person to walk.

▶ Awarded the "Logistics Grand Prix Business Reprocess Engineering Encouragement Prize" by the Japan Institute of Logistics Systems in August 2023

Japanese logistics industry's "2024 problem" and climate change

We are working to improve transportation efficiency through such initiatives as joint transportation that transcends the barriers between companies, participation in verification testing of the Shuttle Line Of Communication (SLOC; see ▶ page 24), and improving loading efficiency through the optimization of package size. In the fiscal year ending March 31, 2025, we aim to improve logistics efficiency by generating synergies through the ELECOM Group as a whole.

Engagement with logistics partner companies

Besides placing the highest priority on ensuring safety through regular health and safety activities and evacuation drills, we also set up suggestion boxes and communicate with our partners to identify daily issues and link them to improvement activities in order to foster better working conditions and engagement among our partners. In the fiscal year ended March 31, 2024, we built staff canteens within logistics centers, providing hot and tasty food for free with the goal of improving motivation and building collaborative arrangements.



Staff canteen

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 mission of “bridging the gap between innovation and people.” With such sentiment in mind, it premises on a basic policy that our products and services meet the quality that should be 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.

Quality Policy

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.

Acquisition of official certifications

The state of acquisition of quality management system certifications is as follows (as of March 31, 2023).

Percentage of production facilities of the ELECOM Group (Japan and overseas) that have obtained ISO 9001 certification: 100%

Management system	Company name	Date of initial registration	Business offices	Description
ISO 9001	DX Antenna	March 7, 1997	Seishin Technology Center, Engineering	Applies to Manufacturing Department
ISO 9001	Logitech INA Solutions	May 30, 2011	Company-wide	For manufacturing plants
ISO 9001	HAGIWARA Solutions Co., Ltd.	July 4, 2023	Company-wide (excluding some departments)	Applies to Manufacturing Department
ISO 9001	DX ANTENNA PHILIPPINES, INC.	October 18, 2017	Company-wide	For manufacturing plants
ISO13485 ^{*1}	ELECOM Health Care Co., Ltd.	May 25, 2015		

^{*1} 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/ (in Japanese)

In July 2023, Hagiwara Solutions obtained ISO 9001 certification for the first time. The activities required for obtaining certification again impressed on us the necessity of a quality management system, which led to the implementation of an effective PDCA cycle environment. Going forward we will pursue further enhancements to quality.

Framework for design quality control

The ELECOM Group sells wide range of products including both electric and non-electric equipment, and varying quality standards and control methods apply to each of the products. In addition, in the industry where product life cycles are short and obsolescence is rapid, various efforts are being made to balance speed-to-market and quality and to sustain competitiveness.

Our Customer Support Division accordingly verifies whether our products and services meet the quality that are clear and easy-to-use for our customers, and then provides feedback to the Product Development Division to improve product specifications and instruction manuals. ELECOM makes it possible to engage in appropriate development practices in terms of processes and timelines that ensure quality while swiftly carrying out development. This entails placing priority on speed when it comes to products whose quality risk is low, having efforts involving high-risk products and fields subject to first-time entry channeled to the Yokohama Technical Center, which is equipped with enhanced inspection equipment, and performing design evaluation and mass production inspections.



Shielded room

Enhancing mass production quality control

ELECOM employs a fabless business approach rather than having its own factories. ELECOM consigns the manufacturing of many of its products in East Asian countries, with the highest proportion of its production taking place in China and Taiwan, accordingly setting up development and procurement offices in those locations. During the COVID-19 pandemic, local staff were responsible for quality control and supervision. With the travel relaxation of regulations, Japanese staff of the Company directly restarts to visit production sites to further strengthen quality control efforts starting from January 2023. Moreover, with respect to the selection of factories with which we do business, strict audits are required to be passed, and those factory audits and quality guidance have been effective in terms of preventing quality problems in daily mass production shipments, even under the voluntary control of suppliers. ELECOM has 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 received instruction from Japanese staff and are equipped with specialized knowledge related to 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. In order to comply with PSE and other regulations, further progress will be made in thorough quality control at production sites, productization with restrictions on the use of certain hazardous substances, such as compliance with the RoHS Directive, and survey on the 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.

Initiatives to ensure customer satisfaction

The ELECOM Group engages in activities to heighten customer satisfaction on a daily basis with the aims of developing products and providing services better aligned with the customer perspective. "Deliver satisfaction to customers all over the world" We believe we are able to contribute to society underpinned by the notion that our existence is for this purpose.

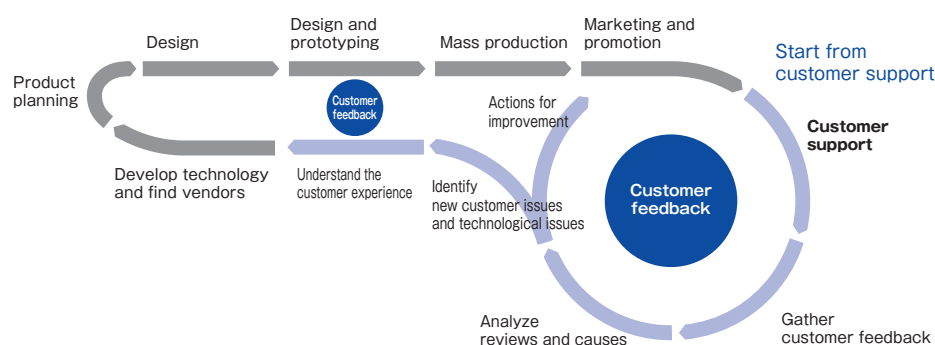
Continuous improvement responding to product reviews

In seeking to ensure customer satisfaction in terms of product quality and user experience, ELECOM engages in continuous improvement on a daily basis with such efforts spearheaded by the Customer Support Center of ELECOM Support & Service Co., Ltd. In addition to telephone-based support that entails directly listening to customer feedback, we also place emphasis on so-called non-voice customer support that does not involve use of a telephone. ELECOM has accordingly developed a year-round, 24-7 customer follow-up framework harnessing chatbot and AI technologies, and has also established a customer support environment enlisting the LINE messaging platform for more convenient customer access, available beginning with the fiscal year ended March 31, 2023.

In addition to direct customer feedback, customer reviews from web-based retailers and all other information are compiled and analyzed.

Learning the difference between what ELECOM considers to be selling points and what customers actually perceive to be valuable, leads to improvements in product appeal points, quality, and specifications. In particular, given that online shopping customers are not able to physically handle our products, we believe it is possible to dispel customer concerns by enhancing product description pages and reviews, and to otherwise provide greater customer satisfaction by ensuring a smoother purchasing experience. ELECOM regularly holds forums for enabling the Customer Support Center and ELECOM's Product Development Division and Quality Control Division to exchange information. Through such activities, we work to develop a corporate approach of valuing our customers and employees who provide them with support, while also fostering awareness and motivation to achieve continuous improvement.

Continuous improvement enlisting customer support



■ Innovation management

The ELECOM Group looks beyond efforts that entail establishing a research and technological innovation framework in-house, with its initiatives that also involve creation and co-creation of social value by embracing open innovation.

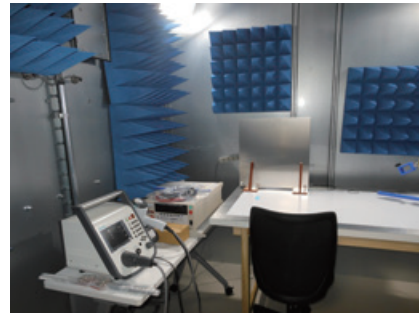
R&D framework

We actively invest in our research staff and facilities with the aims of developing better products and providing end users with superior goods. The ELECOM Yokohama Technical Center (YTC) and the DX Antenna Seishin Technology Center mutually leverage their respective areas of expertise to achieve synergies across the entire Group.

●ELECOM Yokohama Technical Center (known as YTC)

YTC plays a central role with respect to the research and development functions of the ELECOM Group, particularly in terms of engaging in design and R&D with respect to hardware and software products Group-wide and handling feedback with respect to product assessment. In addition to evaluating and verifying design of products whose fabrication is outsourced to manufacturers under a fabless manufacturing model, YTC also engages in product development that achieves differentiation from other companies by monitoring and pursuing technological trends.

Yokohama Technology Development Center, YTC was relocated in April 2022 and enlarged to deliver higher quality products to customers, working to improve quality through further capital investment and functional enhancement.



Static electricity testing environment in shielded room

●ELECOM Shenzhen Technology Development Center

In March 2024 ELECOM opened the Shenzhen Technology Development Center in order to help achieve sustainable growth. The main objectives are to improve our ability to gather technological information, enhance product development, strengthen design verification capabilities, and speed up development. Frequent visits to vendors, mainly by locally recruited engineers, enable the gathering of information on trends and feedback, and result in speedy product development. Moreover, we aim to achieve verification capabilities and design and development systems equivalent to those of YTC, with a rapid development structure in both Japan and China facilitating the provision of even better and more varied products to customers.



Shenzhen Technology Development Center

●DX Antenna Seishin Technology Center

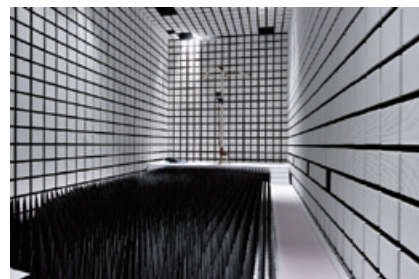
DX Antenna aims to serve as a pioneering information transmission systems provider and has accordingly established research and development teams in Kobe and Tokyo in seeking to serve as a hub for manufacturing knowledge and technology.

DX Antenna has located its development, manufacturing, and quality assurance divisions to its Seishin Technology Center (Kobe), established in 2012, thereby enabling DX Antenna to serve as a manufacturer specializing in broadcast reception equipment capable of developing customer-oriented products enlisting high-quality technologies honed over the last seven decades. Equipped with one of the largest anechoic chambers in Japan and an electromagnetic compatibility (EMC) anechoic chamber, Seishin Technology Center develops ultra-high frequency next-generation wireless technologies and products better tailored to complex operating environments.

To ensure customer peace of mind even under the severe environmental conditions caused by recent extreme weather, the Center is well-equipped to perform assessment testing and verification using testing equipment for a range of operating environment assumptions, including heat shock, lightning surges, weatherability, and water spray tests. In order to provide environmentally conscious products, it also conducts RoHS analyses using X-ray fluorescence analyzers and other equipment.



DX Antenna Seishin Technology Center



Large anechoic chamber

DX Antenna R&D framework

▶ <https://www.dxantenna.co.jp/company/research/> (in Japanese)

Open innovation initiatives

Antenna-eye cloud recording service

On March 1, 2023, we began to provide the Antenna-eye cloud recording service through a joint venture project integrating a high-performance camera based on technology of the ELECOM Group (ELECOM and DX Antenna) with a cloud computing platform owned, developed, and operated from the infrastructure layer to the application layer by SAKURA Internet Inc. This safeguards people's lives and ensures peace of mind by addressing conventional challenges when it comes to remote monitoring and recording with respect to crime prevention security.

Antenna-eye cloud recording service: ▶ <https://antenna-eye.jp/> (in Japanese)



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 with respect to patents, utility models, design, and trademarks, and intellectual property rights

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.

Working with local communities

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. During the fiscal year ended March 31, 2023, we drew up the Social Contribution Policy in seeking to ensure that the entire Group upholds the ELECOM founder's belief that coexistence with society has always been integral to the enterprise. Having also set a target for social contribution expense amounting to 1% of our ordinary profit, we contribute to the creation of a sustainable society in serving as an upstanding corporate citizen in continuing to make effective use of our business resources.

Basic Principles

The ELECOM Group will contribute to society through its business activities serving as a bridge to innovation, and will furthermore contribute to the sustainable development of local communities in striving to achieve coexistence with society, which has been integral to ELECOM since its foundation.

Social Contribution Policy

1. Important aspects of our activities

We will aim act in coexistence with society by contributing to the development of local communities and cultures.

We will effectively leverage the strengths and business resources of the ELECOM Group.

We will set our sights on facilitating growth of society overall by create a corporate culture of enabling employee involvement in community activities.

2. Scope of activities

Regeneration of natural environments

We will contribute to addressing environmental challenges such as climate change and biodiversity by facilitating tree planting activities and nature restoration, thereby extending above and beyond conservation of natural environments.

We will strive to reduce environmental impact in our business activities in serving as a manufacturer, and we furthermore believe that restoring the inherent power of nature is an essential aspect of coexistence with society.

Promotion of culture and sports

We will show respect for promotion of culture and sports in local communities and furthermore aim to inspire people in that regard, thereby facilitating societal development in a manner that gives rise to wider horizons and enrichment of the spirit.

Support for the next generation

Through our products and expertise in our business domain, which are strengths of the ELECOM Group, we will contribute to the development of young professionals who are shaping the digital society. We also aim to promote technological advancement across society by partnering with academic institutions, thereby growing in tandem with society.

Contributing to healthcare

We will help deliver more comfortable lifestyles by enlisting expertise amassed by the ELECOM Group in serving as a bridge to innovation.

Initiatives for regenerating natural environments

The ELECOM Group engages in initiatives for regenerating natural environments 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.

●Maruyama Senmaida Rice Terraces (Kumano, Mie Prefecture)

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.



Maruyama Senmaida Rice Terraces (Kumano, Mie Prefecture)

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

In Shima of Mie Prefecture, 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 since 2012, the company rebuilt measures for the promotion including the increase of our level of donations in 2023, which marked the project's 10th anniversary.

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

In Owase of Mie Prefecture, since 2009, ELECOM has 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." The Company continues to engage in activities that will enhance the natural reforestation project, having increased our level of donations in 2019, which marked the project's 10th anniversary.

<Results of ELECOM FOREST initiatives>

	Unit	FY2022	FY2023
Amount of CO ₂ absorbed	t-CO ₂	29.5	29.5

Initiatives for promoting culture and 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. Meanwhile, the Company has 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.

Underpinned by a philosophy of promoting American football and contributing to the community, the team interacted with children by holding flag football practice sessions for elementary and middle school students and American football seminars to attract university students. The team has also been engaging in community involvement through efforts that have included taking part in clean-up activities locally in Kobe.

○Inviting business partners to complimentary concerts and donating to musical performances

We help promote music through our ongoing co-sponsorship of cultural arts performances hosted by the Japan Philharmonic Orchestra. The Company also has held and co-sponsor the Beethoven 9th Symphony Special Concert every December since 2012, and provided many people with complimentary invitations to attend the events. In addition, the company also has held and sponsored annual special pipe organ concerts since 2021.

Initiatives in support of the next generation

○Eastern Kishu Children's Garden Project

ELECOM supported and made donations to a project for the construction (which began in July 2023) of the first orphanage in the Eastern Kishu area of Mie Prefecture. The Eastern Kishu Children's Garden completed on April 1, 2024, consists of the orphanage in which the children live, and a child and family support center, which has been opened in the community to provide opportunities for consultation by those with concerns, etc. about children.

Regarding an issue that is frequently raised in relation to the employment of those who have come through the orphanage system, we are investigating the provision of training them as programmers at System Integrator companies of the ELECOM Group, with the objective of enabling them to obtain stable income that is still rooted in the local community.

Our hope is that the children will have a relaxed upbringing in a comfortable facility surrounded by the natural beauty of Eastern Kishu, interacting with the people of the local community, and moving forward into a healthy future.



Eastern Kishu Children's Garden Project

Initiatives for contribution to healthcare

○Spreading the use of neonatal resuscitation training simulators

Since 2020, ELECOM has been working on initiatives to commercialize devices for use as remote neonatal resuscitation training simulators.

Mortality rates for children under five years of age have fallen significantly around the world. On the other hand, mortality rates for newborn infants (less than 28 days old) have fallen only modestly, and this category accounts for the majority of deaths of those under five years old*1. Furthermore, although around 15% of all newborn infants are in a state requiring resuscitation due to unstable respiration or circulation directly after birth*2, it is said that appropriate neonatal resuscitation techniques can save at least 90% of these*3. It is against this background that the company provides inexpensive medical training devices with high educational utility realized by our technologies, and conducts training using the company's simulators in collaboration with medical and educational institutions all over Japan, with the objective of spreading the use of medical education in neonatal resuscitation techniques and improving its quality.

In 2023, the company implemented a basic survey of Cambodia, Nepal, and the Democratic Republic of the Congo, having been chosen to participate in the Ministry of Economy, Trade and Industry's Medical Services Globalization Project for 2023 (organization of execution: Medical Excellence JAPAN). We will not only continue these activities in Japan but also expand outside of Japan, with the aim of saving the lives of as many newborns as possible.

*1. Source: United Nations "UN Levels and Trends in Child Mortality Report," 2022

*2. Source: World Health Organization "WHO and Maternal and Child Epidemiology Estimation Group," 2018

*3. Source: Fire and Disaster Management Agency "Japanese emergency resuscitation guidelines 2020," 2021

<Track record of training utilizing neonatal resuscitation training simulators>

	Unit	FY2022	FY2023
Country in which training offered	Country	1	3
Number of times training implemented	Times	3	45
Number of persons trained	Persons	35	583



Demonstration in progress

Governance

Corporate governance

Basic views

The ELECOM Group's fundamental policy for its corporate governance is to increase the efficiency, transparency, and independence of management from the standpoint of its shareholders and other stakeholders to maximize corporate value.

ELECOM has adopted an Audit & Supervisory Board system for its corporate governance, and believes that it is of paramount importance to maintain structures that enable the monitoring of management with an emphasis on the efficiency and legality of the Board of Directors and the Audit & Supervisory Board. In addition, Internal Control System will be promoted with emphasis on management efficiency, reliability of financial reporting, and compliance, and will be mutually linked with corporate governance initiatives to ensure the effectiveness of each.

Fiscal year	Initiatives
2023	Strengthened assessments regarding Board of Director effectiveness Established Nomination Committee and Compensation Committee Adopted Executive Officer system
2021	Inclusion of women on the Board of Directors

Scan this QR code for further details.

Corporate Governance Report ▶ <https://www.elecom.co.jp/ir/library/material.html> (in Japanese)

Corporate governance framework

Besides the Board of Directors and Audit & Supervisory Board, ELECOM has established systems or meeting forums to ensure appropriate and efficient execution of business as follows.

○Executive Officer System

To speed up business execution, we have adopted the Executive Officer System. Executive Officers are responsible for business execution in accordance with the basic policy decided by the Board of Directors. There are ten Executive Officers (of those, three concurrently serve as Executive Directors) as of June 30, 2024, and their terms are one year, the same as for Executive Directors. There are currently zero female Executive Officers.

○Executive Committee

The Executive Committee is chaired by the Director and President, with members drawn from internal Directors and Executive Officers, and meets twice a month in principle. In accordance with the basic policies, plans, and strategies decided by the Board of Directors, it deliberates policy on important matters for the execution of business by Executive Officers.

○Nomination Committee and Compensation Committee

The Committee, a majority of which consists of external Directors, deliberates on the appointment and dismissal of Executive Directors and Audit and Supervisory Board Members as well as their remuneration, furnishes their opinions to the Board of Directors, and gives advice and recommendations as an advisory body to the Board of Directors, with the aim to contribute to the development of appropriate corporate governance and to help ensure the transparency of management. After being established in July 2023, the Committee met five times in the fiscal year under review.

○Sustainability Committee

The Sustainability Committee consists of internal Directors and division managers. It works to improve business activities from the standpoints of reducing risk and creating opportunities with the goal of long-term growth for the Company and society as a whole. The Sustainability Committee works alongside each committee to minimize the risks of managerial 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.

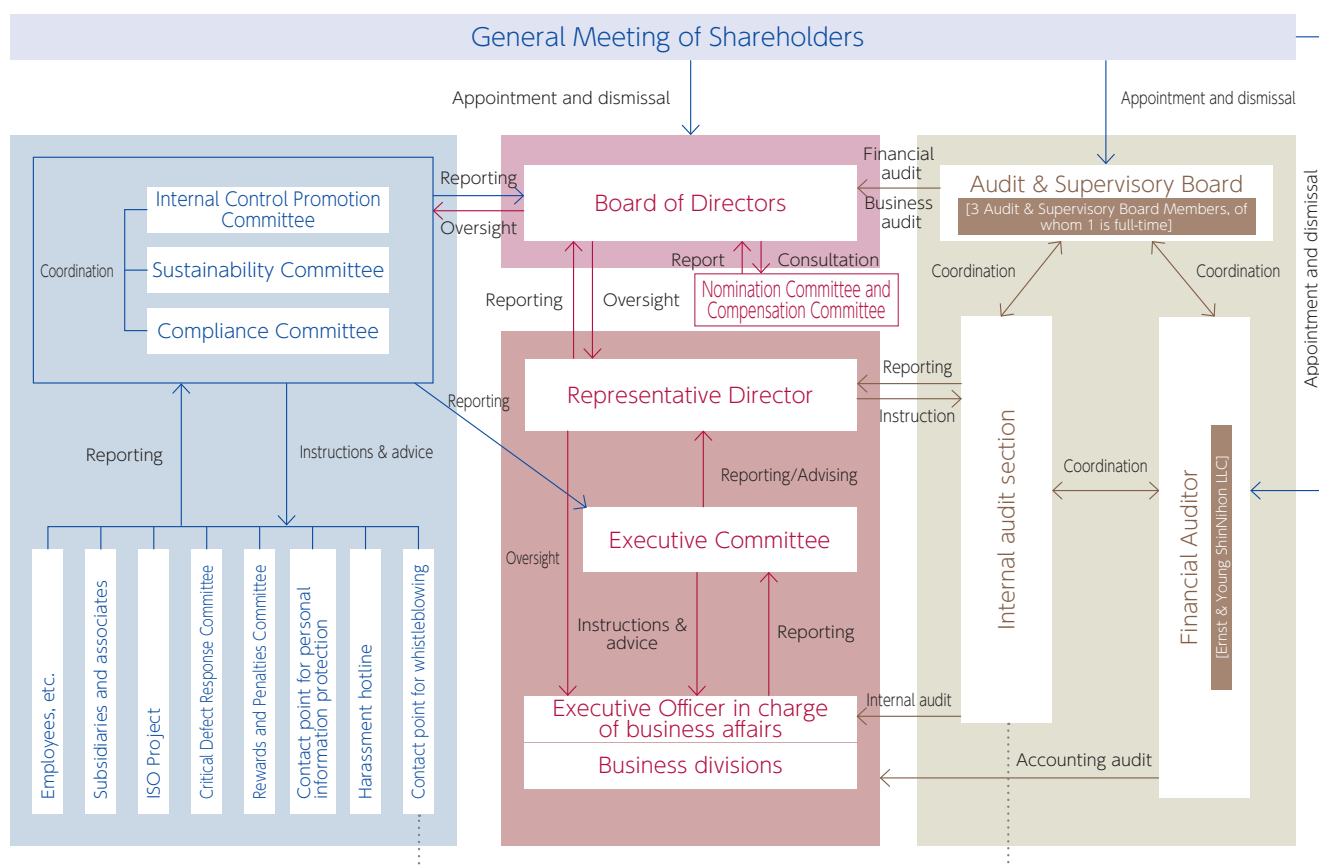
○Quarterly Business Meeting

Attended by internal Directors including the Representative Director and President, the Quarterly Business Meeting is held so that managers of the Sales Division can quarterly 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.

■ Corporate governance framework (as of June 30, 2024)



Roles of the Board of Directors

ELECOM positions the Board of Directors as a body to decide basic policy and strategy for group management, to decide items related to important business execution, and to oversee business execution. In principle, the Board of Directors holds regular meetings once a month and extraordinary meetings as necessary. It makes decisions on matters stipulated by law and on important matters related to management, and supervises business execution. The Board of Directors is currently composed of eight members, of which four are external Directors (as of June 30, 2024), and chaired by the Representative Director and President.

In addition, important business transactions between ELECOM and its Executive 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 and the Executive 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 Executive Directors

Executive Directors are elected by a resolution of the General Meeting of Shareholders, and their term of office runs until the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within one year of their election. With respect to appointment and dismissal of Executive Directors, the company appoints Executive Directors who strive to achieve ideals of our purpose, 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.

In addition, a new Nomination Committee has been established as an advisory body to the Board of Directors, which deliberates the following: (1) Matters related to the appointment and dismissal of Executive Directors and Executive Officers, and (2) Matters, etc. related to the selection and dismissal of Representative Directors and Directors with Specific Titles. This advisory body will continue to operate from an objective perspective as it works to enhance the transparency of the process for deciding nominations, as well as considering the selection of candidates.

Diversity of Executive Directors

As of June 30, 2024, ELECOM has eight Executive Directors, of whom four are external Directors (50% of the Executive Directors) and one is a woman (12.5% of Executive Directors).

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 30, 2024). In principle, the Audit & Supervisory Board meets once per month and extraordinarily as necessarily. 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 Executive Directors and the internal audit section, conducting investigations of important approval documents and financial statements, and auditing the adequacy and legality of Executive 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.

Furthermore, while taking into consideration the basic policy on the appointment and dismissal of Audit & Supervisory Board Members, to be formulated and proposed by the Nomination Committee (planned to be established in August 2023), and the abundant experience of the Audit & Supervisory Board Members, we are promoting efforts to ensure the establishment of an organization that can be expected to conduct audits from a neutral and objective perspective and based on a company-wide view.

Assessments regarding Board of Director effectiveness

In order to analyze and evaluate the effectiveness of the Board of Directors, ELECOM has been implementing the following process since April 2023.

○ Assessment method

Self-assessment questionnaires are completed every quarter by all Executive Directors and Audit & Supervisory Board Members, with the results reported to and discussed by the Board of Directors. (Four times per year)

<Questionnaire items> A 5-point scale evaluation method is used for each question, and space for free expression of opinion is provided for each
Contents of questions: Composition of Board of Directors; operational status of Board of Directors; status of discussions by the Board of Directors; role and function of the Board of Directors; Execution of duties by Executive Directors and Audit & Supervisory Board Members themselves; support to Executive Directors and Audit & Supervisory Board Members; overview

○ Initiatives to enhance effectiveness

Particularly in the fiscal year ended March 31, 2024, continuous efforts were made to address operational issues (agenda selection and agenda management), especially those that emerged from the results of each meeting's questionnaire.

○ Further initiatives

To continuously enhance fuller and more efficient Board deliberations, we will address issues requiring improvements in the medium to long term. Questionnaires are revised on a half-yearly basis, and the progress of improvements will be monitored.

Remuneration, etc. of Executive Directors and Audit & Supervisory Board Members

○ Policy for making decisions

With respect to remuneration for Executive 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 Executive 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 an Executive 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.

Furthermore, the Company plans to establish a Compensation Committee as an advisory body to the Board of Directors (planned for August 2023).

Based on policies, etc. on the design and management of the remuneration system formulated and proposed by the Compensation Committee, we will work to promote a system for ensuring transparency that is more objective.

○ Decision-making procedure

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

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.

Corporate ethics and compliance

Basic views

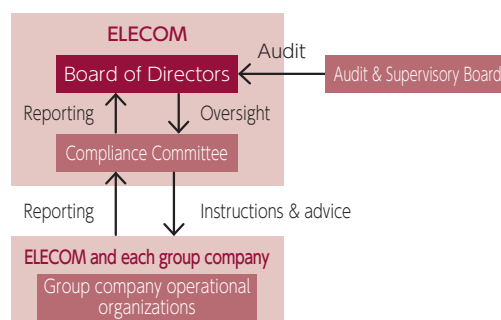
In order to achieve sustainable growth in a manner that earns the trust of its customers and society, the ELECOM Group believes that it is necessary to engage in honest and ethical practices, in addition to obeying the law. We have accordingly established Code of Conduct that clearly stipulates the actions 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.

Fiscal year	Initiatives
2023	Formulated Compliance Code of Conduct Formulated Guidelines on Bribery and Corruption Prevention and Business Entertainment and Gifts
2022	Started compliance training
2005	Established Compliance Committee

Compliance management system

ELECOM has formulated a "Compliance Code of Conduct," and by strengthening activities to create awareness among our employees, we aim to prevent violations from occurring. In the event of a violation, the Compliance Committee, other reporting channels, and the internal audit team work together to identify the case and consider measures to prevent recurrence in order to maintain compliance.

In the fiscal year ended March 31, 2024, there was one serious violation. (Note)
"Serious violation": a legal violation that is subject to criminal penalties.



Ensuring corporate ethics and compliance

Compliance is the basis for putting into practice the purpose of the ELECOM Group, which is "Better being." 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.

Notification of Compliance Code of Conduct

ELECOM has organized its "Compliance Code of Conduct" in May 2023 to strengthen its compliance system and ensure even more thorough compliance.

- ▶ Compliance Code of Conduct: <https://www.elecom.co.jp/ir/compliance/> (in Japanese)

Compliance education

ELECOM implements compliance training and harassment training with the objective of raising compliance awareness for employees as appropriate, such as when they join the company or gain promotion, and once a year for executives. In FY2023, we introduced the UN's Guiding Principles on Business and Human Rights for compliance training to deepen understanding of compliance within the company. In FY2024 we will expand compliance training to Group companies and strengthen it further.

Anti-corruption initiatives

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. In the fiscal year ended March 31, 2023, ELECOM created standards on business entertainment and gift giving and engaged in activities to create internal awareness. Furthermore, as of May, 2023, we plan to release our "Guidelines on Bribery and Corruption Prevention and Business Entertainment and Gifts." We are committed to ensuring a sound business environment and corporate activities which involves preventing occurrence of corruption by enhancing our internal structures equipped to address the risk of corruption appropriately. We furthermore thoroughly take resolute action with respect to shunning any and all relations with antisocial organizations.

- ▶ Guidelines on Bribery and Corruption Prevention and Business Entertainment and Gifts: <https://www.elecom.co.jp/ir/compliance/> (in Japanese)

Internal reporting point

The ELECOM Group has established a contact point for whistleblowing so that all employees can report or consult on violations including legal violations and violations of the Compliance Code of Conduct. The Company has not only set up an internal whistleblowing system but also established in February 2024 a whistleblowing system at an external legal firm to reduce the psychological barriers for whistleblowers, so that it now provides both external and internal points of contact. Operating the whistleblowing system has involved establishing regulations on whistleblower protection to ensure that whistleblowers are not subject to disadvantageous treatment, and conducting investigations and corrective action well ensuring whistleblower protection and strict confidentiality. In addition to notifying all employees, we are using the intranet to raise awareness. Results of whistleblowing in the fiscal year ended March 31, 2024: whistleblowing cases 0; harassment cases 14

■ Tax transparency

Basic views

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.

Tax policy

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.

Tax management system

ELECOM's Chief Financial Officer (CFO) provides instructions on the basic policy for appropriate performance of tax obligations, and the General Manager of Accounting Department and the Accounting Department coordinate with related departments in performance of tax affairs in accordance with the instructions from the CFO. In cases where a material tax-related event or risk is recognized, the General Manager of Accounting Department and the Accounting Department provide timely reports to the CFO, the Executive Committee, and the Board of Directors.

○ Tax amounts by country ELECOM Group in FY2023

Japan: 3,270 million yen

Overseas: 280 million yen

■ Risk management

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.

Risk response at logistics locations

The ELECOM Group has logistics centers in the east and the west of Japan that support the Group's supply chain, with optimal locations for the logistics centers selected from the standpoint of the BCP, including climate change and earthquake risk.

In March 2022, we began relocating the West Japan Logistics Center owned by ELECOM and DX Antenna from the Osaka Prefecture's coastal region to the interior of Hyogo Prefecture, and the Center began real operations in April 2022. At this facility, we focus on labor-saving and automation to address the reduced labor force. With the introduction of our shuttle-type multi-level automated warehouse system "Systema Streamer SAS-R System," which includes the automation of product sorting using a cross-belt sorter, we succeeded in realizing the "Goods to Person (GTP)" concept whereby goods are brought to where people are, and we worked to reduce the workload for laborers and greatly increase productivity through ultra-high-speed picking. This technology enables "logistics without walking" and represents innovation in logistics from a labor-intensive style to a process-industry style. This innovation also ensures greater safety for warehouse workers than ever before, resulting in a more pleasant working environment. Furthermore, to respond to rapid changes in the market including the increase in e-commerce demand, we have expanded our logistics capabilities including strengthening small-scale deliveries in conjunction with the logistics center.

We will continue to position logistics as one of our management strategies, and in addition to working with each division to pursue operational efficiency, we will address each issue surrounding the logistics industry starting with the 2024 issue with a sense of urgency.



Hyogo Logistics Center, ELECOM



Cross-belt sorter

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

Measures for personal information protection

As a business operator handling personal information, the ELECOM Group has a duty to ensure that it is appropriately protected, and it has set out a policy for handling and appropriate protection of personal information that applies to all individuals, whether customers or business partners, who provide personal information to the company.

▶ <https://www.elecom.co.jp/privacy/> (in Japanese)

Education on information security

Every year, we provide training on the theme of information security for new graduates. We also regularly provide training on information security for all employees.

Acquisition of official certifications

The state of acquisition of the information security management system ISO/IEC 27001 is as follows.

Management system	Company name	Date of initial registration	Business offices	Description
ISO/IEC 27001	Logitech INA Solutions	September 22, 2008	Data Recovery Technology Center	
ISO/IEC27001	groxi	December 16, 2013	Head office	

Initiatives of the internal audit

The ELECOM Group has established an internal audit team within ELECOM, which draws up annual audit plans and implements internal audit processes that cover the Group as a whole. The internal audit team 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 internal audit team is in charge of the Secretariat of the Internal Control Promotion Committee and the contact point for whistleblowing with respect to internal control systems.

The team conducts internal audits from the perspective of compliance and appropriateness regarding laws and regulations, and internal rules from the perspective of operational effectiveness and efficiency. The team 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 Representative Director and 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 cooperation with the Audit & Supervisory Board. Moreover, ELECOM 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.

GRI content index

Statement of use	ELECOM Group has reported the information cited in this GRI content index for the period 1 April 2023 - 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

No.	DISCLOSURE	LOCATION
2	General Disclosures 2021	
2-1	Organizational details	4~5
2-2	Entities included in the organization's sustainability reporting	4
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Environment

Amount of electricity, gas, and gasoline consumption, and CO₂ emissions

Changes in disclosure from the previous fiscal year: Added Scope 3 for fiscal years from the fiscal year ended March 31, 2022 onward, and changed to a market-based calculation of Scope 2 from the fiscal year ended March 31, 2024 onward. Also, in the fiscal year ended March 31, 2021, we added one location, the product returned center of ELECOM, that had been inadvertently omitted.

	Targeted companies	Unit	FY2020	FY2021	FY2022	FY2023
Electricity consumption	ELECOM Group (Japan) *2	MWh	4,493	4,793	5,106	4,662
Gasoline consumption	ELECOM Group (Japan) *2	kL	302	319	293	278
Gas consumption	ELECOM Group (Japan)	Thousand m ³	38	29	30	37
CO ₂ emissions						
Scope 1	ELECOM Group (Japan) *2	t-CO ₂	786	805	748	727
Scope 2	Location-based	ELECOM Group (Japan) *2	t-CO ₂	1,999	2,045	2,153
	Market-based	ELECOM Group (Japan) *2	t-CO ₂	—	—	1,545
Scope 1/Scope 2 total *1	ELECOM Group (Japan) *2	t-CO ₂	2,785	2,850	2,901	2,272
Emissions intensity compared to the base fiscal year	ELECOM Group (Japan)	t-CO ₂ /Sales (Millions of yen)	1.00	1.04	1.08	0.80
Scope 3	ELECOM	t-CO ₂	—	248,108	255,707	255,355

*1. For the calculation of the Scope 1/Scope 2 total, Scope 2 has been calculated on a location basis until FY2022 and on a market basis from FY2023.

*2. The figures for groxi, Tescom and Tescom Denki, which joined the Group during FY2023, are not included in the table above. The figures will be added as applicable data for the full year beginning in the next fiscal year.

Targeted companies *We intend to make adjustments in terms of applicable data for ELECOM Group companies outside of Japan beginning in the next fiscal year	Scope 1, Scope 2	ELECOM and ELECOM Group companies in Japan (Coverage *1: 98.5%)
	Scope 3	ELECOM (Coverage *1: 75.2%)
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

*1. Coverage is calculated based on net sales.

<Breakdown of Scope 3>

		Targeted companies	Unit	FY2023		Calculation method
				Emissions	Percentage of Scope 3	
Scope 3 total		ELECOM	t-CO ₂	255,355	100.0%	
1	Purchased goods and services	ELECOM	t-CO ₂	236,104	92.5%	Σ (Value supplied and value of purchased goods and services by product category × Emissions intensity) Value supplied is calculated by linking to the nearest industry code for each L2 category in our own products
2	Capital goods	ELECOM	t-CO ₂	6,750	2.6%	Σ (Capital goods purchased in the fiscal year under review × Emissions intensity)
3	Fuel and energy-related activities	ELECOM	t-CO ₂	304	0.1%	Σ (Gas/gasoline consumption × Emissions intensity (IDEA V2.3) + Electricity consumption × Emissions intensity) Calculated based on amounts consumed for Scope 1 and 2 respectively
4	Upstream transportation and distribution	ELECOM	t-CO ₂	10,872	4.3%	Σ (Storage expenses associated with supply and delivery and transportation costs by transportation method × Emissions intensity)
5	Waste generated in operations	ELECOM	t-CO ₂	140	0.1%	Σ (Disposal expenses by waste disposal method × Emissions intensity)
6	Business travels	ELECOM	t-CO ₂	99	0.0%	Σ (Number of regular employees × Emissions intensity)
7	Employees commuting	ELECOM	t-CO ₂	248	0.1%	Σ (Total value of commuting allowances × Emissions intensity) (assumed to be all railway travel)
8	Upstream leased assets	ELECOM	t-CO ₂	Out of scope	—	
9	Downstream transportation and distribution	ELECOM	t-CO ₂	Calculation not possible	—	
10	Processing of sold products	ELECOM	t-CO ₂	Out of scope	—	
11	Use of sold products	ELECOM	t-CO ₂	Not yet calculated	—	
12	End-of-life treatment of sold products	ELECOM	t-CO ₂	Not yet calculated	—	
13	Downstream leased assets	ELECOM	t-CO ₂	837	0.3%	Σ (Floor space of assets leased by ELECOM to third parties × Emissions intensity)
14	Franchise	ELECOM	t-CO ₂	Out of scope	—	
15	Investments	ELECOM	t-CO ₂	Out of scope	—	

*Emissions factors not given in the above table are calculated using the Ministry of the Environment's Database on Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain Ver 3.4

Water withdrawal/discharge

	Targeted companies	Unit	FY2021	FY2022	FY2023
Water withdrawals total	· DX ANTENNA PHILIPPINES, INC. · Logitec INA Solutions, Ina Factory · Tescom Denki Matsumoto Factory · ELECOM Hyogo Logistics Center · ELECOM Kanagawa Logistics Center	m³	5,487	3,996	7,834
Fresh surface water (including rain, water from wetlands, rivers, and lakes)		m³	0	0	0
Brackish surface water/seawater		m³	0	0	0
Groundwater (renewable)		m³	0	0	0
Groundwater (not renewable)		m³	0	0	0
Produced water		m³	0	0	0
Water supply		m³	5,487	3,996	7,834
Water discharges total		m³	5,487	3,996	7,834
Fresh surface water	(Coverage *1: 14.7%)	m³	0	0	0
Brackish surface water/seawater		m³	0	0	0
Groundwater		m³	0	0	0
Sewage		m³	5,487	3,996	7,834
		m³	5,487	3,996	7,834

*1. Coverage is calculated based on the number of employees.

Control of substances subject to the PRTR system at production sites

PRTR Act Management Number	Name of substance	Targeted companies	Unit	FY2020	FY2021	FY2022	FY2023	Application
448	4,4'-diphenylmethane diisocyanate	ELECOM Group	kg	490	70	70	0	Not currently used

Waste

	Targeted companies	Unit	FY2020	FY2021	FY2022	FY2023
Amount of waste generated	· ELECOM · Logitec INA Solutions, Ina Factory · DX ANTENNA PHILIPPINES, INC.	t	188	329	1,557	1,509
Hazardous waste *1		t	11	9	5	5
Final disposal amount		t	188	237	314	340
Recycled amount		t	—	92	1,243	1,169
Materials recycling		t	—	92	65	71
Materials recycling (logistics materials)		t	—	—	1,163	1,083
Thermal recycling *2		t	—	—	15	16
Recycling ratio		%	—	28.0%	79.8%	77.5%

*1. Solder scrap, fluorescent lamps, and printed circuit boards in the DX ANTENNA PHILIPPINES, INC. (Philippines) are considered hazardous waste.

*2. This recycling process produces high-grade solid fuel primarily from waste paper and plastics, which are not suitable for material recycling.

Environmentally related fines

	Targeted companies	Unit	FY2020	FY2021	FY2022	FY2023
Number of environmentally related fines	ELECOM	Fines	0	0	0	0
Total monetary amount of environmentally related fines	ELECOM	Yen	0	0	0	0

Employee composition

	Targeted companies		Unit	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024
Executive Directors	ELECOM	Male	Persons	9	9	11	9	7
	ELECOM	Female	Persons	0	0	1	1	1
Full-time employees	ELECOM Group	Male	Persons	1,037	1,063	1,059	1,099	1,321
	ELECOM Group	Female	Persons	372	389	403	434	584
	ELECOM Group	Total	Persons	1,409	1,452	1,462	1,533	1,905
Average age	ELECOM Group	Male	Years old	40.8	41.4	40.7	40.8	39.8
	ELECOM Group	Female	Years old	33.9	34.7	34.8	35.5	33.7
Average length of service	ELECOM Group	Male	Years	10.4	10.4	10.6	10.9	10.3
	ELECOM Group	Female	Years	6.4	6.8	7.3	7.8	7.2

*1. Executive Directors include external Directors.

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

*3. D-CLUE Technologies Co., Ltd., which was a Group company from March 31, 2018 to March 31, 2021, is included.

*4. Force Media, Inc. became a member of the Group in the fiscal year ended March 31, 2022, and groxi Inc., Tescom Denki Co., Ltd., and Tescom Co., Ltd. became members of the Group in the fiscal year ended March 31, 2024.

Composition of employees by age

	Targeted companies		Unit	End of March 2022		End of March 2023		End of March 2024	
Up to 19	ELECOM Group	Male	Persons	0	0.0%	1	0.1%	1	0.1%
	ELECOM Group	Female	Persons	0	0.0%	0	0.0%	3	0.2%
Up to 29	ELECOM Group	Male	Persons	224	15.3%	223	14.5%	266	14.3%
	ELECOM Group	Female	Persons	152	10.4%	140	9.1%	176	9.5%
Up to 39	ELECOM Group	Male	Persons	250	17.1%	269	17.5%	333	18.0%
	ELECOM Group	Female	Persons	132	9.0%	158	10.3%	198	10.7%
Up to 49	ELECOM Group	Male	Persons	308	21.1%	324	21.1%	382	20.6%
	ELECOM Group	Female	Persons	81	5.5%	93	6.1%	118	6.4%
Up to 59	ELECOM Group	Male	Persons	273	18.7%	275	17.9%	306	16.5%
	ELECOM Group	Female	Persons	38	2.6%	43	2.8%	60	3.2%
Up to 69	ELECOM Group	Male	Persons	4	0.3%	7	0.5%	11	0.6%
	ELECOM Group	Female	Persons	0	0.0%	0	0.0%	0	0.0%

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

Composition of employees by area

	Targeted companies		Unit	End of March 2022		End of March 2023		End of March 2024	
Japan	ELECOM Group	Male	Persons	977	76.7%	1,009	75.6%	1,244	73.3%
	ELECOM Group	Female	Persons	297	23.3%	326	24.4%	446	26.7%
Outside of Japan	ELECOM Group	Male	Persons	82	43.6%	90	45.5%	97	41.3%
	ELECOM Group	Female	Persons	106	56.4%	108	54.5%	138	58.7%

Composition of employees by type of employment

	Targeted companies		Unit	End of March 2022		End of March 2023		End of March 2024	
Full-time employees	ELECOM Group	Male	Persons	1,059	72.4%	1,099	71.7%	1,321	69.3%
	ELECOM Group	Female	Persons	403	27.6%	434	28.3%	584	30.7%
Contract employees Part-time employees	ELECOM Group	Male	Persons	187	36.6%	173	34.3%	155	33.0%
	ELECOM Group	Female	Persons	324	63.4%	331	65.7%	315	67.0%
Temporary employees	ELECOM Group	Male	Persons	—	—	13	16.5%	18	18.4%
	ELECOM Group	Female	Persons	—	—	66	83.5%	80	81.6%

*In the columns for numerical data, "—" indicates fiscal years before the company started collecting data.

Composition of non-Japanese national employees

		Targeted companies		Unit	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024
Recruitment of non-Japanese nationals in Japan	Managers	ELECOM Group (Japan)	Male	Persons	0	0	1	0	2
		ELECOM Group (Japan)	Female	Persons	0	0	0	0	0
	Non-manual positions	ELECOM Group (Japan)	Male	Persons	9	10	12	15	23
		ELECOM Group (Japan)	Female	Persons	1	2	3	8	7
	Full-time employees	ELECOM Group (Japan)	Male	Persons	9	10	13	15	25
		ELECOM Group (Japan)	Female	Persons	1	2	3	8	7
	Temporary or part-time employees	ELECOM Group (Japan)	Male	Persons	5	4	0	1	1
		ELECOM Group (Japan)	Female	Persons	1	1	2	6	10
	Total (Full-time + temporary or part-time employees)	ELECOM Group (Japan)	Male	Persons	14	14	13	16	26
		ELECOM Group (Japan)	Female	Persons	2	3	5	14	17
Local recruitment of managers overseas	Managers	ELECOM Group (overseas)		Persons	—	—	—	—	18
		ELECOM Group (overseas)		%	—	—	—	—	81.8%

*In the columns for numerical data, "—" indicates fiscal years before the company started collecting data.

Promotion of female participation

		Targeted companies	Unit	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024
Ratio of women in managerial positions		ELECOM	%	0.0	0.0	0.0	2.2	2.0
		Other than ELECOM	%	5.6	5.5	7.4	9.8	9.7
		ELECOM Group	%	2.4	2.3	4.0	6.3	5.9
Ratio of women in supervisory positions ^{*1}		ELECOM	%	3.6	4.4	6.3	11.4	16.1
		Other than ELECOM	%	—	—	—	10.7	12.2
		ELECOM Group	%	—	—	—	11.1	14.5
Male/female wage difference ^{*2}	Full-time employees	ELECOM	%	—	—	—	78.3	79.7
		DX Antenna	%	—	—	—	72.9	74.6
	Temporary or part-time employees	ELECOM	%	—	—	—	77.5	80.8
		DX Antenna	%	—	—	—	59.8	64.0

*1. Supervisory positions consist of the company's leadership roles and sales managers.

*2. Male/female wage difference percentage = the average annual salary of female employees ÷ the average annual salary of male employees

*3. In the columns for numerical data, "—" indicates fiscal years before the company started collecting data.

Annual paid leave: average number of days taken and usage ratio

	Targeted companies	Unit	FY2019*1	FY2020*2	FY2021	FY2022	FY2023
Annual paid leave: average number of days taken	ELECOM Group	Days	12.1	10.1	10.1	9.1	9.7
Annual paid leave: average usage ratio	ELECOM Group	%	67.1	50.5	56.8	57.6	62.5

*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.

Use of childcare leave system

	Targeted companies		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees who start using childcare leave system ^{*1}	ELECOM Group	Male	Persons	4	2	3	12	16
	ELECOM Group	Female	Persons	18	28	26	30	28
Employees who qualify to take childcare leave	ELECOM Group	Male	Persons	—	—	—	29	45
	ELECOM Group	Female	Persons	—	—	—	30	28
Childcare leave usage ratio ^{*2}	ELECOM Group	Male	%	—	—	—	41.4	35.6
	ELECOM Group	Female	%	—	—	—	100.0	100.0
Return-to-work ratio from childcare leave ^{*3}	ELECOM Group	Male	%	100.0	100.0	100.0	100.0	100.0
	ELECOM Group	Female	%	94.7	88.2	100.0	93.9	95.0
Remain-in-work ratio from childcare leave ^{*4}	ELECOM Group	Male	%	—	100.0	100.0	100.0	90.9
	ELECOM Group	Female	%	87.5	100.0	100.0	94.4	85.7
Number of users of system of reduced working hours for childcare	ELECOM Group	Male	Persons	0	0	1	1	1
	ELECOM Group	Female	Persons	21	33	39	57	67

*1. For the number of employees who start using childcare leave system, in cases where the leave taken for a single child covers more than one fiscal year, the leave is counted as one person only for the fiscal year in which the leave started.

*2. Usage ratio: number of employees who start using childcare leave system divided by employees who qualify to take childcare leave

*3. 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.

*4. 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

*5. In the columns for numerical data, "—" indicates fiscal years before the company started collecting data.

Occurrences of occupational accidents

		Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of incidents	Japan	ELECOM Group	Incidents	0	1	0	0	2
	Outside of Japan	ELECOM Group	Incidents	0	0	0	0	1
Lost time injury frequency rate (LTIFR)* ¹		ELECOM Group	%	0.00	0.56	0.00	0.00	0.63
Occupational accident severity rate* ²		ELECOM Group	%	0.00	0.02	0.00	0.00	0.04
No. of fatal accidents		ELECOM Group	Accidents	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 days 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, 2023, with the annual working hours per person calculated by multiplying the number of business days by eight hours.

Number of hires/employee turnover

Changes in disclosure from the previous fiscal year: Revised the number of employees recruited in the fiscal year ended March 31, 2023 (prior to revision: 206); the number of mid-career hires (prior to revision: 142); the mid-career hire ratio (prior to revision: 68.9).

	Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of hires	ELECOM Group	Persons	—	153	166	200	219
Number of mid-career hires	ELECOM Group	Persons	—	80	112	136	139
Mid-career hiring ratio* ²	ELECOM Group	%	—	52.3	67.5	68.0	63.5
Employee turnover for those leaving voluntarily	ELECOM	%	—	—	—	—	6.2

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

*2. Mid-career hiring ratio is the number of mid-career hires divided by the number of hires

*3. In the columns for numerical data, "—" indicates fiscal years before the company started collecting data.

Results of training

	Targeted companies		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Total annual training time	ELECOM	Male	Hours	11,144	5,586	7,109	8,689	10,086
	ELECOM	Female	Hours	3,105	3,344	2,545	3,806	4,522
	ELECOM	Total	Hours	14,249	8,930	9,654	12,494	14,608
Average annual training time per employee	ELECOM	Male	Hours	22.9	11.0	13.9	15.5	17.8
	ELECOM	Female	Hours	20.4	22.0	14.9	18.0	16.3
	ELECOM	Total	Hours	22.3	13.5	14.4	16.7	17.1
Training expenses	ELECOM		Thousands of yen	—	45,435	46,663	83,746	113,170
	ELECOM Group (Japan)		Thousands of yen	—	57,610	59,638	112,450	163,417

Design and trademark applications and acquisitions of intellectual property rights

			Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of design applications and number of rights acquired	Japan	Filing	ELECOM	Applications/ rights	110	108	106	31	21
		Registration	ELECOM	Applications/ rights	99	68	115	77	16
	Excluding Japan	Filing	ELECOM	Applications/ rights	11	3	19	7	7
		Registration	ELECOM	Applications/ rights	9	6	2	7	3
Number of trademark right applications and number of rights acquired	Japan	Filing	ELECOM	Applications/ rights	31	39	29	26	20
		Registration	ELECOM	Applications/ rights	39	17	39	29	28
	Excluding Japan	Filing	ELECOM	Applications/ rights	5	11	12	19	19
		Registration	ELECOM	Applications/ rights	6	4	9	10	8

Responsible procurement initiatives

	Targeted companies	Unit	FY2022	FY2023
Ratio of conclusion of CSR procurement MOUs	ELECOM	%	99.6	100.0
	ELECOM Group (Japan)	%	77.2	88.3
Response rate for self-assessment questionnaires (SAQs)	ELECOM	%	100.0	91.3
Number of second-party CSR audits implemented	ELECOM	Companies	—	3 ^{*1}

*1. Carried out online, with a particular focus on key suppliers.

*2. In the columns for numerical data, "-" indicates fiscal years before the company started collecting data.

Social contribution

	Targeted companies	Unit	FY2022	FY2023
Social contribution expenses	ELECOM Group	Millions of yen	108	119

Governance

Please see the report below for data disclosure on governance.

Corporate Governance Report ▶ <https://www.elecom.co.jp/ir/library/material.html> (in Japanese)

Annual Securities Report ▶ <https://www.elecom.co.jp/ir/library/english.html>

Diversity of Executive Directors

	Targeted companies		Unit	End of March 2021		End of March 2022		End of March 2023		End of March 2024	
Executive Directors	ELECOM	Internal	Persons	6	66.7%	7	58.3%	6	60.0%	4	50.0%
	ELECOM	External	Persons	3	33.3%	5	41.7%	4	40.0%	4	50.0%
Executive Directors	ELECOM	Male	Persons	9	100.0%	11	91.7%	9	90.0%	7	87.5%
	ELECOM	Female	Persons	0	0.0%	1	8.3%	1	10.0%	1	12.5%
Executive Officers	ELECOM	Male	Persons	—	—	—	—	—	—	9	100.0%
	ELECOM	Female	Persons	—	—	—	—	—	—	0	0.0%

*In the columns for numerical data, "-" indicates fiscal years before the company started collecting data.

Remuneration of Executive Directors and Audit & Supervisory Board Members

	Targeted companies		Unit	FY2021			FY2022			FY2023		
				Executive Directors ^{*1}	Audit & Supervisory Board Members ^{*2}	External Officers	Executive Directors ^{*1}	Audit & Supervisory Board Members ^{*2}	External Officers	Executive Directors ^{*1}	Audit & Supervisory Board Members ^{*2}	External Officers
Total remuneration		ELECOM	Millions of yen	248	—	61	234	—	56	195	—	55
	Basic remuneration	ELECOM	Millions of yen	227	—	55	197	—	54	163	—	55
	Stock options	ELECOM	Millions of yen	—	—	—	5	—	—	8	—	—
	Restricted share remuneration	ELECOM	Millions of yen	20	—	—	17	—	—	13	—	—
	Retirement benefits	ELECOM	Millions of yen	0	—	5	13	—	2	10	—	—
Number of eligible officers		ELECOM	Persons	8	—	9	7	—	10	6	—	7

*1. Executive Directors (excluding external Directors)

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

*3. Rounded down to the nearest million yen

Compliance

	Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Harassment contact point record	ELECOM Group (Japan)	Instances	—	—	—	11	14
Reports received at contact point for whistleblowing	ELECOM Group (Japan)	Instances	—	—	—	0	0
Serious infringements of compliance ^{*1}	ELECOM Group (Japan)	Instances	—	—	—	1	1
Anti-corruption-related fines	ELECOM	Yen	—	—	—	0	0
Political contributions	ELECOM	Yen	—	—	—	—	0

*1. Serious violation means a legal violation that is subject to criminal penalties.

*2. In the columns for numerical data, "-" indicates fiscal years before the company started collecting data.

Taxes paid

		Targeted companies	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Taxes paid by country	Japan	ELECOM Group	Millions of yen	—	—	—	3,138	3,270
	Excluding Japan	ELECOM Group	Millions of yen	—	—	—	270	280

*In the columns for numerical data, "-" indicates fiscal years before the company started collecting data.



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

