

## Progress in Sustainability KPI (Targets) FY2022

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\*The figures for ratio of female managers are as of March 31 of each fiscal year. Target figures are as of April 1 after the end of the fiscal year.

Materiality issues and key initiatives	KPI (target)	Target fiscal year	FY2022		Details of main actions taken	FY2023	Scope			
			Target	Results		Target	DKK	Affiliated companies Japan	Overseas	
Workplace culture and work style reforms	Respect of employee human rights (including those of partner companies)	Employees attending human rights training sessions: 100%	Continuous target	90% or higher	—	-Preparation of training to improve awareness of respect for human rights. Not implemented in FY2022. (Implemented in April and May 2023)	95%	Y	Y	N
	Eradication of harassment	Employees attending harassment training sessions: 100%	Continuous target	90% or higher	100%	-All 1,277 targeted employees completed the training. (average score: 91.8 points)	100%	Y	Y	N
	Hiring diverse human resources; promoting women's empowerment	Ratio of female managers: At least 15%	2024	9.3%	6.8%	-Formulated and implemented a training program targeting female team leaders and their superiors to nurture career mindset in female employees. -Strengthened recruitment activities. -As a result of the above activities the ratio as of April 1, 2023 was 6.5%.	12.2%	Y	N	N
		Ratio of employees with disabilities: Adhere to legal requirements	Continuous target	2.3%	2.09%	-Seven new hires in FY2022. -Conducted interviews regarding improvement of company environment and carried out improvements.	Statutory level or higher	Y	Y	N
		Establish system to employ ages up to 70	2024	Progress in revision of the employment system	Revision of the employment system	-Selected a consulting firm. Studied and promoted development of a new personnel system including revision of retirement benefit plan.	Preparation to introduce system	Y	N	N
	Productivity improvement using digital transformation (DX)	Reduction in average total working hours per year to the 1,800 hour level	2024	1,851 hours	1,851 hours	-Studied and implemented measures for improving operational efficiency. -Formulated the DX promotion policy for the medium-term business plan period; collected and implemented DX-related investment ideas as part of investment strategies.	1,833 hours	Y	Y	N
Reduction in average total working hours per year to below 1,800 hours		2030	—	—	—	—	Y	Y	N	
Enhancing corporate governance	Compliance-focused management	Compliance education sessions for officers and division chiefs: At least once every year	Continuous target	Once a year or more	Once	-Held compliance training seminars by external lecturers for all officers and managerial staff of DKK and group companies in Japan covering topics such as obligations and responsibilities of directors, compliance, and laws and regulations.	Once a year or more	Y	Y	N
		Attendance at compliance training sessions:100%	Continuous target	100%	100%	-Provided training for all employees at DKK and group companies in Japan on DKK Standards including compliance, internal control and legal compliance. Group companies overseas were not included.	100%	Y	Y	N
	Promotion of communication with stakeholders	Participation of director and outside directors in dialogue with investors	Continuous target	Four times	In-house directors: 18 times Outside directors: 6 times	-To promote communication with investors, held SR Meetings with institutional investors twice a year featuring the contents of Medium-Term Business Plan and sustainability and their progress.	Promotion of dialogue and implementation of measures	Y	N	N
	Ensuring transparency of management	Board of Directors effectiveness evaluation: Once every year	Continuous target	Once	Once	-The Board of Directors Meeting deliberated on the contents of the effectiveness evaluation conducted in FY2022 and set forth targets for FY2023. -Deliberations regarding the Medium- and Long-Term Management Strategy will be deepened and the operation of the Board of Directors meetings will be improved.	Once	Y	N	N
		Rate of Directors' attendance at Board meetings in a year: At least 80%	Continuous target	80% or higher	98%	-The attendance rate of directors at Board of Directors meetings at DKK and group companies in Japan was 98% for FY2022. It was 100% for DKK (17 meetings held in total)	100% *Changed the target to 100% from FY2023	Y	Y	N
	Enhancing information security	Obtaining ISO27001	2024	Certification of the head office and four bases (divisions)	Certification of the head office and four bases (divisions)	-In FY2022, the head office, R&D bases, facility management divisions, etc. obtained certification as planned.	100% certification acquisition at non-consolidated DKK	Y	Y	N
Attendance rate of security training sessions:100%		Continuous target	100%	100%	-Provided training regarding information security for all employees of DKK and group companies in Japan.	100%	Y	Y	N	
Contribution to social infrastructure development	Construction of stronger information infrastructure	Sales from communication equipment update/maintenance deals, local governments disaster prevention function reinforcement deals, induction heating equipment for safety device system components, etc.: at least 15% FY2020 ratio	2025	Strengthening delivery of carrier 5G- and local 5G-related products	First shipment of wireless devices for commercial service of 5G -Started delivering 5G radio unit for NTT DOCOMO's commercial services (first radio unit shipped by DKK). Details: press release issued October 31, 2022, "DKK started delivery of 5G radio unit for NTT DOCOMO's commercial services" URL: <a href="https://denkikogyo.co.jp/en/1806/">https://denkikogyo.co.jp/en/1806/</a>	Strengthening delivery of carrier 5G- and local 5G-related products	Y	Y	N	
				Launched all-in-one Outdoor gNB Local 5G System (wireless base station)	-Launched all-in-one Outdoor gNB Local 5G System (wireless base station) whose total costs were significantly reduced compared with conventional system.	Y	Y	N		
	Secure safety through promotion of disaster prevention business	Enhancement of disaster prevention functions through promotion of DKK systems	Implemented measures to win orders for projects strengthening disaster prevention functions	-Held workshops in each prefecture regarding management of information related to disaster-prevention radio systems, enhancement of sales promotion materials, and sales activities. -Orders for 280 MHz radio systems expanded.	Implemented measures to win orders for projects strengthening disaster prevention functions	Y	Y	N		
	Reinforce safety of car society	Sales expansion of induction heating equipment for parts used in automobile safety system	Worked on cultivating demand for next-generation vehicles such as EVs and PHVs and new orders	-Received a new order for motor shaft hardening equipment as we cultivated demand related to next-generation vehicles	Cultivation of demand related to next-generation vehicles such as EVs and PHVs and winning orders	Y	Y	N		
	Secure safety and quality	Percentage of our engineers holding government certification related to business evaluation application: at least 70%	2025	Formulation of measures to improve the percentage of qualified engineers Company-wide implementation	67.7%	-Clarified the situation of engineers holding government certification in each division and prepared the list of certifications. -Held a briefing on initiatives to raise the ratio of employees with certifications.	Implementation of measures to improve the percentage of qualified engineers	Y	N	N
Conversion of company-owned cars to advanced safety vehicles (ASVs): 100%		2030	Formulation of measures Verification of costs	Formulated policy and plan to introduce safety devices	-Decided to introduce the safety device "Safety Support Car S Wide" and drafted the plan. -Held briefings for employees using company vehicles at business bases and affiliated companies.	Initiatives for installation of ASC on company vehicles and implementing a control system	Y	Y	N	

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			Target	Results		Target	DKK	Affiliated companies Japan	Overseas	
Promoting environmental management	Promote carbon neutral	Scope 1 & 2 greenhouse gas emissions: At least a 30% reduction from FY 2019 levels	2030	Calculation of emissions for FY2019 to FY2022 (DKK non-consolidated and domestic and overseas group companies)	Completed calculation for FY2019 to FY2021 About 70% of calculation completed for FY2022	-Completed calculations of Scope 1 and 2 emissions for FY2019 to FY2021 at DKK and group companies in Japan and abroad, and the Information Disclosure in Line with TCFD Recommendations. -Started calculation for FY2022 and completed about 70%. -In cooperation with a consulting company, identified companies and business bases that have major Scope 1 and 2 emissions, studied benchmark reduction initiatives of other companies, and identified measures for reduction of GHG emissions.	Completing calculation of emissions for FY2022 Calculation of emissions for FY2023 (DKK non-consolidated and domestic and overseas group companies) Study and implementation of emission reduction measures	Y	Y	Y
		Scope 3 greenhouse gas emissions: At least a 15% reduction from FY 2019 levels	2030	Calculation of emissions for FY2019 to FY2022 (DKK non-consolidated and domestic and overseas group companies)	About 30% of calculation completed for FY2019 to FY2022	-Started calculating Scope 3 GHG emissions. -Started discussing the policy for measures to reduce GHG emissions with focus on fields with high emissions and high financial impacts.	Completing calculation of emissions for FY2019 to FY2022; calculation of emissions for FY2023 (DKK non-consolidated and domestic and overseas group companies)	Y	Y	Y
		Promoting use of renewable energy: No quantitative target (follow-up item)*	—	Consideration of purchasing renewable energy-generated electricity and selection of target business bases	Studied the impact of GHG emission reduction, introduction cost, and technological hurdles for introduction	-In cooperation with a consulting company, carried out verification for introduction of electricity generated using renewable energies.	Selection of business bases subject to introduction of electricity generated using renewable energies	Y	Y	N
	Promotion of realizing circular society	Ratio of total emissions recycled into resources: At least 50%	2030	Consideration of recycling methods, etc. Starting waste separation and disclosure of the result	Currently tabulating emissions for FY2022	-Calculated the percentage of emissions recycled in the past (from FY2019 to FY2021). (95.8% in 2019, 97.1% in 2020, 97.1% in 2021, and 96.6% for the three years)	Promote the reduction of general waste and mixed waste *Changed the target value to 96% in FY2023 as a continuous target	Y	Y	N
		Waste emissions (t): No quantitative target (follow-up item)*	—	Consideration of methods to control waste generation, implementation of waste generation control, disclosure of the result		-Aggregated waste generated in the past (from FY2019 to FY2021). (197.3t in 2019, 124.6t in 2020, 104.5t in 2021, an average of 142.1t for the three years)	Promote the reduction of disposable packaging through measures such as reusing packaging materials	Y	Y	N
	Expansion of environmental products	Develop products that reduce environmental impact by 10% : more than 16 items	2030	Consideration, selection, and design of environmentally friendly products	Decided to use a control table to confirm progress of environmentally friendly products	-Introduced metrics for initiatives to reduce environmental burden regarding new R&D products. -Started considering formulation of group-wide green procurement guidelines. -Started considering introduction of chemSHERPA as a tool for managing hazardous substances.	Enhancement of products that reduce environmental burden Introduction of chemSHERPA and related education	Y	N	N
Creation of new businesses	Using wireless and radio frequency technologies in new areas; Entry into service business	Increase of joint development, collaborating companies and M&A instances: • At least five new projects initiated each year • Total of at least five projects executed	2025 2030	Solution of social issues through wireless communication technology	Made proposal for development demonstration project for realization of problem solving-type local 5G, etc., which has been adopted  Details: press release issued January 24, 2023, "Demonstration experiment of utilization of local 5G, etc. in flood damage from rivers" URL: <a href="https://denkikogyo.co.jp/wp-content/uploads/2023/01/230124.pdf">https://denkikogyo.co.jp/wp-content/uploads/2023/01/230124.pdf</a> (Japanese version)  Details: press release issued December 12, 2022, "Adopted 'development demonstration towards realization of problem solving-type local 5G, etc.'"—to support acceleration of municipalities' initial response to natural disasters leveraging transmission of high-definition video from drones using local 5G URL: <a href="https://denkikogyo.co.jp/wp-content/uploads/2022/12/221212.pdf">https://denkikogyo.co.jp/wp-content/uploads/2022/12/221212.pdf</a> (Japanese version)	Continuation of drafting and promotion of business plans for new products	Y	N	N	
				Solution of social issues through high-frequency technology	Started working on a new business featuring superheated steam applying high-frequency induction heating  -Launched a new business to efficiently generate superheated steam by applying high-frequency induction heating technology used for metal hardening, with the achievement of SDGs in mind. Details: press release issued November 29, 2022, "Launch of new business to efficiently generate superheated steam by applying high-frequency induction heating" URL: <a href="https://denkikogyo.co.jp/wp-content/uploads/2022/11/221129.pdf">https://denkikogyo.co.jp/wp-content/uploads/2022/11/221129.pdf</a> (Japanese version)	Continuation of drafting and promotion of business plans for new products	Y	N	N	
				Consideration of intellectual property strategy	Carried out intellectual property education	-Distributed textbooks to disseminate basic knowledge of intellectual property and offered e-learning program to all employees.	Continuation of activities for intellectual property-related promotion Promotion of prior research work	Y	N	N
				Collection of ideas that lead to new businesses	Carried out Planning and Production Project training for idea development	-Carried out Planning and Production Project for development of human resources for 23 employees. -Designed a program for managerial staff to be implemented from FY2023.	Collect ideas that lead to new businesses and develop them into businesses	Y	N	N