

Progress in Sustainability KPI (Targets) FY2023

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Materiality issues and key initiatives		KPI (target)	Target fiscal year	FY2023 Results	Details of main actions taken	FY2024 Target	Scope			
							DKK	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	100%	-Provided training on respect for human rights.	100%	Y	Y	N	
	Eradication of harassment	Employees attending harassment training sessions: 100%	Continuous target	100%	-Developed our own training materials and provided training based on them (an average score of 92.4 points out of 100 for a post-training comprehension test).	100%	Y	Y	N	
	Hiring diverse human resources; promoting women's empowerment	Ratio of female managers: At least 15%	2024	6.1%	-Provided education on diversity for line managers. -Strengthened recruitment activities. -As a result of the above activities the ratio as of April 1, 2024 was 8.8%.	-Ratio of female managers: At least 10% -Certified with Eruboshi (FY2026) ※Updated sustainability KPIs as we reform the business environment and structure.	Y	N	N	
		Ratio of employees with disabilities: Adhere to legal requirements	Continuous target	2.12% ※legal rate of employment for the disabled: 2.3%	-One new hire in FY2023. -Conducted interviews on how to improve the in-house environment and made improvements based on the findings.	Statutory level or higher	Y	Y	N	
		Establish system to employ ages up to 70	2024	-Explored a new personnel system -Provided education	-Continued to explore the basic concept and reviewed the personnel management architecture toward the scheduled introduction of a new personnel system in October 2024. -Planned to put in place a system for raising the upper age limit for employment after introducing a new personnel system. -Provided investment education to allow employees to have a better understanding of stable asset building and corporate-type defined contribution (DC) pension plans.	Introduction of a new personnel 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	1,865 hours	-Updated our intranet for better operational efficiency. -Responded to the Act concerning Preservation of Electronic Books.	1,800 hour level	Y	Y	N	
Reduction in average total working hours per year to below 1,800 hours		2030	-	-	-	Y	Y	N		
Strengthening corporate governance	Compliance-focused management	Compliance education sessions for officers and division chiefs: At least once every year	Continuous target	3 times	-Held compliance training seminars for all officers and managerial staff of DKK per se and group companies in Japan on such topics as obligations and responsibilities of directors, and laws and regulations, with an attendance rate of 100% for all seminars.	Once a year or more	Y	Y	N	
		Attendance at compliance training sessions: 100%	Continuous target	100%	-Provided training for all employees at DKK and group companies in Japan on DKK Standards including compliance, internal control and legal compliance. -Held three sessions covering an overview to specifics, with an attendance rate of 100% for each session.	100%	Y	Y	N	
	Promotion of communication with stakeholders	Participation of director and outside directors in dialogue with investors	Continuous target	7 times	-Held SR meetings between October and November 2023 on progress in our sustainability activities to promote communication with investors. -Carried an outside director's message in our sustainability report released in September 2023.	-Continuation of dialogue with stakeholders -Enhancement of information disclosure	Y	N	N	
	Ensuring transparency of management	Board of Directors effectiveness evaluation: Once every year	Continuous target	Once	-The Board of Directors Meeting deliberated on the contents of the effectiveness evaluation conducted in FY2023 and set forth targets for FY2024. -Took measures to enhance business strategy discussions that help improve our corporate value, and to expedite decision-making.	Once	Y	N	N	
		Rate of Directors' attendance at Board meetings in a year: 100%	Continuous target	DKK only: 100% Including DKK domestic group companies: 98%	-The attendance rate of directors at Board of Directors meetings at DKK and group companies in Japan was 98% for FY2023. It was 100% for DKK.	100%	Y	Y	N	
	Enhancing information security	Obtaining ISO27001	2024	100% certification acquisition at non-consolidated DKK	-In FY2023, acquired ISO 27001 certification for all divisions of DKK per se as we had aimed for. -Started preparations for such acquisition for group companies in Japan.	Acquisition of ISO27001 certification for DKK and domestic group companies	Y	Y	N	
Attendance rate of security training sessions: 100%		Continuous target	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	Strengthening delivery of carrier 5G- and local 5G-related products			-Created an environment for mobile base station vehicles and provided Sub-6 band antennas for image transmission from wireless cameras via local 5G, implemented by NEC Corporation at the NEC Karuizawa 72 Golf Tournament sponsored by NEC. Details: Press release issued on August 14, 2023, "DKK's portable solution adopted for image transmission via local 5G at the NEC Karuizawa 72 Golf Tournament" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/08/2308142.pdf (Japanese version)		Y	Y	N	
		Promoted the sale of products for defense	2025		-Won a basic design contract for putting in place a new transmission facility for the submarine broadcast system to replace the aging Transmitting Station Ebino (Ebino City, Miyazaki Prefecture), a broadcasting facility for submarines that is operated by the Maritime Self Defense Force. Details: Press release issued on November 29, 2023, "DKK wins a basic design contract from the Ministry of Defense for the basic design for transmission equipment for the submarine broadcast system for FY2023" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/11/231129-1.pdf (Japanese version)	Net sales from projects for communication equipment, reinforcing disaster-prevention functions, and induction heating equipment for safety device systems: at least 35% FY2023 ratio (FY2026) ※Updated sustainability KPIs as we reform the business environment and structure.	Y	Y	N	
	Secure safety through promotion of disaster prevention business	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	Implemented measures to win orders for projects strengthening disaster prevention functions			-Participated in the project for establishing an early disaster warning system and strengthening disaster resilience architecture in the Kingdom of Tonga. Completed the design, production, and local construction of medium-frequency antenna equipment by leveraging our track record and know-how. Details: Press release issued on July 5, 2023, "DKK constructs medium-frequency antennas for the establishment of an early disaster warning system in the Kingdom of Tonga" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/07/230705.pdf (Japanese version)		Y	Y	N
			Worked on cultivating demand for next-generation vehicles such as EVs and PHVs and new orders			-Received 64 orders in FY2023 for paid prototyping of heat treated parts using a high-frequency induction heat treatment facility. -Started preparations for establishing the Tokai Heat Treatment Research Center, a new research facility for high-frequency induction heating designed to accommodate requests for prototypes produced with high-frequency induction heating. Details: Press release issued on January 29, 2024, "Notice on the establishment of the Tokai Heat Treatment Research Center" URL: https://denkikogyo.co.jp/wp-content/uploads/2024/01/240129.pdf (Japanese version)		Y	Y	N
	Reinforce safety of car society	Secure safety and quality	Percentage of our engineers holding government certification related to business evaluation application: at least 70%	2025	67%	-Held multiple meetings to study and exchange information on each subject of the qualification examination for construction managing engineers as part of efforts to increase the percentage of technically qualified employees. -Interviewed employees who had failed the second part of the exam and reflected their input into the study meetings.	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	DKK only: 48.6% Including DKK domestic group companies: 19.3%	-Progressively replaced company-owned cars at DKK per se and group companies in Japan with advanced safety vehicles (ASVs).	Continuation of efforts to replace company-owned cars with ASVs	Y	Y	N

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Materiality issues and key initiatives	KPI (target)	Target fiscal year	FY2023 Results	Details of main actions taken	FY2024 Target	Scope			
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Promoting environmental management	Scope 1 & 2 greenhouse gas emissions: At least a 30% reduction from FY 2019 levels	2030	-Identified major emission sources -Developed draft reduction measures -Initiated efforts to acquire SBTi certification	-Identified major sources of Scopes 1 and 2 emissions and then developed draft reduction measures based on four assessment criteria: the impact of GHG emission reduction, the introduction cost, technological hurdles for introduction, and time needed for introduction. -Submitted to the SBTi secretariat a commitment letter declaring our commitment to acquiring SBTi certification within two years as part of our acquisition efforts.	Consideration of targets and plans to reduce Scopes 1 and 2 emissions in alignment with SBTi certification acquisition and SBTi requirements	Y	Y	Y	
	Scope 3 greenhouse gas emissions: At least a 15% reduction from FY 2019 levels	2030	Completing calculation of emissions for FY2019 to FY2021	-Completed the calculation of our Scope 3 GHG emissions for up to FY2021 in cooperation with a consulting firm. -Continued the calculation of such emissions from fiscal 2022 onward. Explored ways to develop architecture to do such calculations in-house as well. -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 FY2022 to FY2023 -Consideration of targets to reduce Scope 3 emissions, architecture development, and measures in alignment with SBTi certification acquisition and SBTi requirements	Y	Y	Y	
	Promoting use of renewable energy: No quantitative target (follow-up item)	—	Studied the feasibility of the plan to reduce GHG emissions with the introduction of a CO2-free electricity plan	-Conducted a study on the cost impact of a switch to a Co2-free electricity plan (renewable energy) at two of the major sources of our Scopes 1 and 2 emissions (our bases): Denko Techno Heat Co., Ltd. and the DKK Atsugi Plant. -Studied, based on the study findings, the probability that the introduction of a CO2-free electricity plan would significantly reduce our GHG emissions, and then developed draft reduction measures for each base.	Finalization and implementation of a plan to introduce renewable energy	Y	Y	N	
	Promotion of realizing circular society	Ratio of total emissions recycled into resources: At least 96%	Continuous target	Currently tabulating emissions for FY2023	-Pushed ahead with both the reduction of waste disposal costs and the control of the falling recycling rate through strict separate collection in relation to a large amount of waste generated by the dismantling of an old plant to reconstruct the building of our Kawagoe Office in Saitama Prefecture.	96% or higher	Y	Y	N
		Waste emissions (t): No quantitative target (follow-up item)	—		-Pushed ahead with waste reduction by forgoing paper-based information and by registering used work clothes, safety shoes, helmets, etc. to a collection system.	Continued the reduction of disposable packing materials by, for example, reusing them	Y	Y	N
	Expansion of environmental products	Develop products that reduce environmental impact by 10%: more than 16 items	2030	-Formulated green procurement guidelines -Explored measures to reduce our environmental impact by 10%	-Established the DKK Group Green Procurement Guidelines in January 2024 and provided training for field employees. -Explored measures to develop products that reduce the environmental impact by 10% and assessed their reduction impact.	-Ensuring that the green procurement guidelines take root -Enhancement of products that reduce environmental burden	Y	N	N
Creation of new businesses	Using wireless and radio frequency technologies in new areas; Entry into service business At least five new projects initiated each year Total of At least five projects executed	2025 2030	Solved social issues with AI solutions	-Implemented a project to develop a system for analyzing people and traffic flows in the city center of Morioka by combining our technology with the AI-based image analysis and cloud technologies of Cybercore Co., Ltd. Details: Press release issued on May 30, 2023, "DKK develops a system for analyzing people and traffic flows in Morioka City, helping to revitalize the city center" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/05/0530.pdf (Japanese version) -Acquired a controlling stake in Cybercore Co., Ltd., a pioneer in imaging AI specializing in image processing, image recognition, and AI algorithm development (our first subsidiary in the field of AI), thereby forging a strong partnership with the synergy of telecommunications, sensing, and AI. Details: Press release issued on August 25, 2023, "DKK decides to acquire a controlling stake in Cybercore Co., Ltd., to upscale its solution business centering on AI" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/08/2308251.pdf (Japanese version)	Continuation of the development and implementation of business plans for new products	Y	N	N	
			Set up an open lab for local 5G systems at our Kanuma plant	-Set up an open laboratory in our Kanuma Plant in Kanuma City, Tochigi Prefecture, that allows visitors to experience local 5G systems, antennas, and various solutions, with a view to providing local 5G-based solutions. Details: press release issued on August 8, 2023, "DKK sets up an open lab for local 5G systems at Kanuma Plant" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/08/230808.pdf (Japanese version)		Y	N	N	
			Created a business that leverages the superheated steam technology, which applies high-frequency induction heating, to provide sustainable value	-Displayed the superheated steam equipment "D-Rapid®" at exhibitions and produced PR videos to develop customers and applications. Details: Press release issued on December 5, 2023, "Notice of the completion of three promotional videos: an introduction of our superheated steam equipment "D-Rapid™," an interview with the product developer, and an introduction of our Induction Heating Division" URL: https://denkikogyo.co.jp/wp-content/uploads/2023/12/231205.pdf (Japanese version) -Contributed to the realization of a sustainable society by diversifying the uses of "D-Rapid®", which enables the reduction of industrial waste and the sterilization of various foods.	Support for the development of the new business based on superheated steam that applies high-frequency induction heating	Y	N	N	
			Explored measures to increase the number of our applications for patents, etc.	-Checked the number of applications we had made for patents, etc. and conducted an in-house questionnaire survey, etc. to explore measures to increase the number of such applications. -Revised our internal rules and developed an in-house flow chart for applying for intellectual property rights based on the survey findings.	Exploration of measures to increase the number of our applications for patents, etc.	Y	N	N	
			Provided creativity development training titled "Design and Production Project"	-Conducted the Design and Production Project aimed at nurturing in-house talent for a total of 46 employees. -Launched a high-level design and production project for managerial staff.	Collection of ideas that lead to new businesses and their actual development into such businesses	Y	N	N	