




# Materiality

Materiality	Response
 <p><b>Establishment of a robust business foundation</b></p> <ul style="list-style-type: none"> <li>• Appropriate financial management</li> <li>• Optimization of business portfolio by pioneering new domains</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen investment for growth in four new areas</li> <li>• Established structure consists of four Internal Companies and one Advanced Research Laboratory</li> <li>• Established the Environmental Measurement Company</li> <li>• Strengthen alliances with third parties</li> <li>• Operate business with optimal capital structure</li> <li>• Capture growth opportunities through M&amp;A</li> </ul>
 <p><b>Building and maintaining of strong relationships of trust with customers</b></p> <ul style="list-style-type: none"> <li>• Sincere attitude towards testing</li> <li>• Accurately identifying customer needs</li> <li>• Dealing directly with global customers</li> <li>• Provision of solutions suitable for the latest technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Develop solutions that respond to the customer needs</li> <li>• Building and strengthening customer support systems</li> <li>• Participate in the activities of industry organizations, especially those that establish standards</li> <li>• Secure and maintain human resources capable of building relationships of trust with customers promoting leading-edge technologies</li> </ul>
 <p><b>Acquisition and utilization of leading-edge technologies</b></p> <ul style="list-style-type: none"> <li>• Utilization of new domains which contribute to the optimization of our business portfolio</li> <li>• Development of services which can resolve social issues</li> <li>• Next-generation technologies (6G, NEMS, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of the Advanced Research Laboratory</li> <li>• Utilize open innovation</li> <li>• Promote M&amp;As and alliances for technology acquisition</li> <li>• Organizational activities to acquire the latest technology</li> <li>• In-house production of key devices</li> <li>• Secure and maintain human resources capable of catching up with leading-edge technologies</li> </ul>
 <p><b>Diverse human resources</b></p> <ul style="list-style-type: none"> <li>• New ideas, innovation generation</li> <li>• Wide acquisition of outstanding capabilities in human resources</li> <li>• Utilization of human resources without regard for race, gender, or age, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of global (e.g., Philippines) recruitment</li> <li>• Establish a working environment that responds to the diversity of values</li> <li>• Establishment of an education and training system which supports employees' autonomous growth</li> <li>• Create a comfortable work environment where employees can demonstrate their abilities</li> </ul>
 <p><b>Creation of a global organization</b></p>	<ul style="list-style-type: none"> <li>• Establish an organization and human resource system in which diverse human resources can play an active role</li> <li>• Establishing a global R&amp;D system</li> <li>• Enhancement of internal controls at overseas subsidiaries</li> </ul>
 <p><b>Development of environmentally conscious solutions</b></p> <ul style="list-style-type: none"> <li>• Environmentally friendly products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Developing solutions in support of requirements for reduction of greenhouse gases (development of solutions with less power consumption)</li> <li>• Use of parts with low environmental burden</li> </ul>
 <p><b>Socially and environmentally conscious production systems</b></p>	<ul style="list-style-type: none"> <li>• Corporate facilities aimed at reducing greenhouse gas emissions</li> <li>• Safety-conscious production sites</li> </ul>

Capital and Stakeholders	Stakeholder needs	KPI
<ul style="list-style-type: none"> <li>• Capital: financial, intellectual, human</li> <li>• Stakeholders: shareholders, investors, employees</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate growth</li> <li>• Adequate shareholder returns</li> <li>• Work satisfaction</li> <li>• Wage increase</li> </ul>	<ul style="list-style-type: none"> <li>• Rating</li> <li>• Net sales and operating income</li> <li>• TSR</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: intellectual, human, society and relationships</li> <li>• Stakeholders: customers, employees</li> </ul>	<ul style="list-style-type: none"> <li>• Provide on-time solutions</li> <li>• Provide on-time support</li> <li>• Initiatives for leading-edge technologies</li> <li>• Participation in industry organizations</li> <li>• Highly accurate and stable measurement results</li> </ul>	<ul style="list-style-type: none"> <li>• Number of new products</li> <li>• Number of support sites</li> <li>• Customer satisfaction</li> <li>• Participation and contribution to the organization</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: intellectual, human</li> <li>• Stakeholders: employees and subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives for leading-edge technologies</li> <li>• Innovation through collaboration with third parties</li> </ul>	<ul style="list-style-type: none"> <li>• R&amp;D investment</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: human</li> <li>• Stakeholders: employees, suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Comfortable work environment</li> <li>• Skill improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Number of employees by region, ratio of female employees, ratio of female managers</li> <li>• Employment rate of people with disabilities, ratio of engineers (of new graduate hires)</li> <li>• Paid leave utilization ratio, Employee turnover rate</li> <li>• Training costs per employee</li> <li>• Kurumin mark accreditation grade, good standing company certification, etc.</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: human</li> <li>• Stakeholders: employees, cooperating companies</li> </ul>	<ul style="list-style-type: none"> <li>• Global work environment</li> </ul>	<ul style="list-style-type: none"> <li>• Global human resource system</li> <li>• Global human resource recruitment</li> <li>• Number of global R&amp;D sites</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: human, social relationships</li> <li>• Stakeholders: customers, employees, suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Providing on-time solutions</li> <li>• Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions (Scope 3)</li> <li>• Number of new environmentally friendly products</li> </ul>
<ul style="list-style-type: none"> <li>• Capital: financial, human, manufacturing</li> <li>• Stakeholders: global environment, local communities, employees, suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure plant</li> <li>• Stimulation of local economy</li> <li>• Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions (Scope 1, 2, 3)</li> <li>• Solar power generation/consumption, in-house power generation ratio</li> <li>• Capital expenditures</li> <li>• Numbers of accidents at work</li> </ul>