Make People Happy

Issue of materiality	Our major initiatives	Key performance indicators (KPIs)	
		KPIs	Targets
(1) Foster human resources and create a corporate culture where employees can feel their growth	Building mechanisms that allow employees to take up new challenges and act on their own initiative	Work-employee engagement standard score	50 or above (FY2025)
(2) Create a comfortable working environment	Improving the working environment (in terms of atmosphere and time) Creating a vibrant workplace environment Promoting diversity	No. of people working long hours (over 60 hours per month) No. of injuries/deaths requiring 4 or more days off work No. of days of lost work Percentage of new hires with experience (experienced hire ratio) Percentage of female employees among core personnel Percentage of female employees among managers Percentage of employees taking annual paid leave Percentage of male employees taking parental leave	0 people/year (FY2030) 0 people/year 0 days/year 20% or more 20% or more (FY2030) 10% or more (FY2030) 80% or more (FY2025) 50% or more (FY2025)
(3) Contribute to local communities	Having close dialogue with local communities Supporting or participating in local associations	Participating in social contribution activities at cooperating membership groups	Implementing social contribution activities

Protect the Global Environment

Issue of materiality	Our major initiatives	Key performance indicators (KPIs)	
		KPIs	Targets
(4) Manage chemical substances appropriately, reduce environmental impact, and implement measures to improve product safety	Promoting energy conservation Transitioning to renewable energy Recovering and reusing useful substances	Scope 1 and Scope 2 CO_2 emissions reduction rate (versus FY2013 level) Ascertaining Scope 3 CO_2 emissions No. of serious environmental accidents	30% (FY2030) Determining scope and calculating values 0 cases/year
(5) Reduce industrial waste emissions	Promoting the 3Rs ("reduce," "reuse" and "recycle") Reconsidering raw materials, fuels, and the manufacturing processes Recycling industrial waste	Industrial waste reduction rate (versus the FY2021 level)	50% (FY2030)
(6) Give consideration to biodiversity	Reducing water usage and purifying wastewater	Reducing rate of water usage (compared to FY2021)	25% (FY2030)

Solve Social Issues through Manufacturing

Issue of materiality	Our major initiatives	Key performance indicators (KPIs)	
		KPIs	Targets
(7) Create products and services that help solve environmental and social issues	Specific examples of microplastic bead alternative products, ammonia synthesis catalysts, and carbon recycling catalysts (all-solid-state battery materials, 5G-related materials, antibacterial and antiviral materials, etc.) Reducing environmental impact through continuous production	No. of developed products and services certified as Smart Material®	Launch five Smart Material products by FY2030
(8) Promote responsible procurement	Providing information to suppliers and asking for their cooperation; auditing business partners;, etc.	Holding CSR procurement surveys for business partners	Implementing CSR procurement surveys and improvements

Build a Transparent and Strong Management System

Issue of materiality	Our major initiatives	Key performance indicators (KPIs)	
		KPIs	Targets
(9) Increase the effectiveness of the Board of Directors	Implementing an annual questionnaire to evaluate the effectiveness of the Board of Directors Making improvements based on the questionnaire results Formulating plans to develop management human resources Operating the Nomination and Compensation Committee	Based on the results of the questionnaire on the effectiveness of the Board of Directors (1) No. of challenges identified (2) No. and total hours of discussion sessions on each challenge (3) No. of countermeasures devised (4) No. of countermeasures implemented	Identify challenges based on the results of the questionnaire on the effectiveness of the Board and make necessary improvements *Sakai Chemical Industry (non-consolidated)
(10) Understand risks and take countermeasures	Conducting risk and compliance education, training and awareness-raising activities Operating committees and subcommittees effectively	Number of serious compliance violations Ability to maintain a Company-wide risk management system	Achieve zero serious compliance violations throughout the year Maintain the effectiveness of the system
(11) Ensure timely and appropriate information disclosure	Stimulating IR and PR activities; enhancing PR for crisis management	Compiling and providing an integrated report or information equivalent to the content of such a report	Provide an integrated report or information equivalent to the content of such a report from FY2023

About SAKAI

Value creation strategy

Value Created by the Sakai Chemical Group

Value creation method (business)

Source of value creation (capital)