



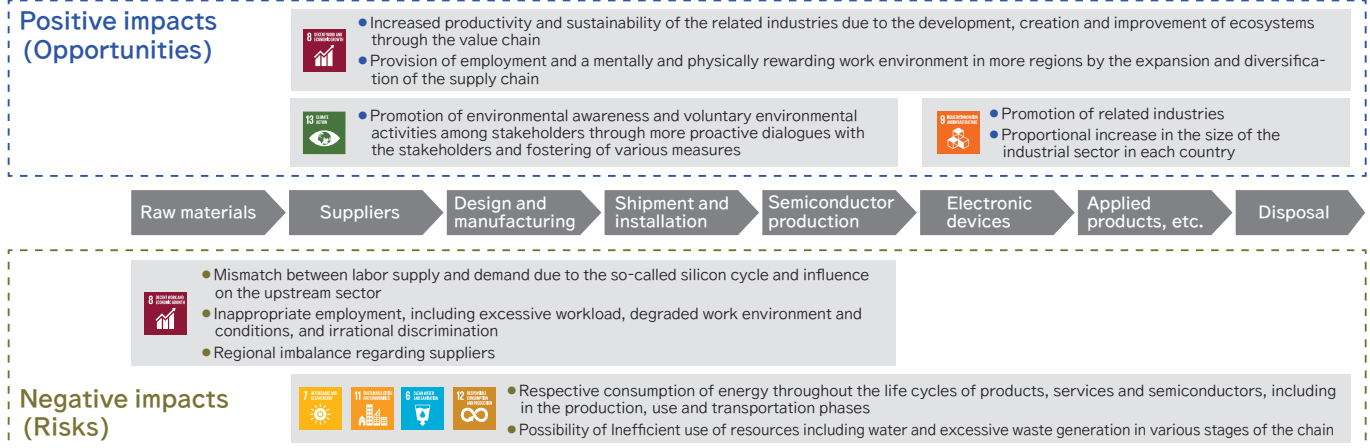
KOKUSAI ELECTRIC's Value Creation

By collaborating with stakeholders, we will develop and create ecosystems with the aim of creating a sustainable future.

Business Reforms to Be Made by the Company in Line with the SDGs*

Risks and Opportunities Posed to the Semiconductor Value Chain

The Group deals with semiconductor manufacturing equipment, which functions to produce semiconductors. Throughout the life cycle of semiconductors, they offer tremendous opportunities for the sustainable development of our society, but may also pose risks that can have negative impacts.



* The Sustainable Development Goals (SDGs) are composed of the 17 goals and 169 targets to be attained by 2030, for which governments and companies are expected to take measures immediately.

Direction of the Company's Business Reforms to Be Taken in Line with the SDGs

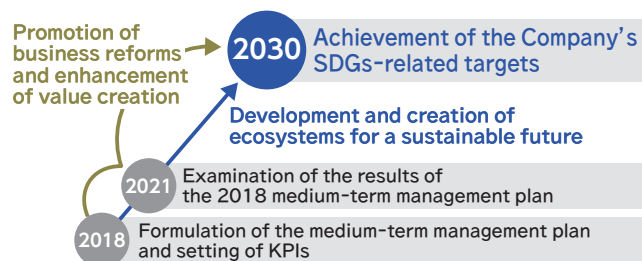
We have delved into the relevant SDGs that are related to the Group's risks and opportunities and therefrom extracted the direction to be taken by the Company and the business reforms to be made to this end. We thus took an "outside-in approach" to decide on our business targets based on the social needs to be met.

Moreover, in order to evaluate the progress made with the reforms and set specific targets, we have identified the key performance indicators (KPIs) as quantitative indexes. We will use these for progress management and proactively disclose the related information as much as possible through this report and other media.

Related SDGs	Direction to be taken	KPI	Business reform
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Develop and produce devices, materials and services in each related country, and contribute to the industrialization/substantial improvement of productivity in each of the regions	- Operating profit margin (consolidated, undisclosed) - Sales by region - Procurement cost by region (undisclosed)	Collaboration/enhancement of collaboration across the value chain
Goals 7 and 12	Build an inclusive and sustainable ecosystem in relation to the manufacture of semiconductors	- Various diversity indicators, such as employment rate of people with disabilities (including undisclosed ones)	
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Collaborate with suppliers, labor unions and local governments, and establish policies and procedures to protect whistleblowers, mechanisms for dealing with complaints, and relevant support systems	- Rate of suppliers having a whistleblowing system in place (undisclosed)	Collaboration with stakeholders
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all	Promote efficient use of resources, including energy and water, in the semiconductor-related industry and the electronic device industry as well as in the use phase of electronic devices by enhancing collaboration across the value chain, thereby reducing environmental impact	- Consolidated sales - Environmental indicators, such as GHG emissions across the value chain including both the upstream and downstream sectors (including undisclosed indicators) - Practical cases of collaboration with customers and suppliers (undisclosed in principle)	Reduction of environmental impact
Goal 6. Ensure availability and sustainable management of water and sanitation for all	Reduce waste and environmental impact throughout the life cycles of products	- Per-unit use/emissions of chemical substances - Per-unit use/discharge of water and its recycling rate - Estimates for these environmental indicators across the value chain (undisclosed)	
Goal 12. Ensure sustainable consumption and production patterns	Foster zero emissions	- Amount of waste sent to landfills	Employee awareness-raising for sustainability
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	Promote volunteer activities to contribute to the revitalization of regions, such as those to protect local nature and culture, promote tourism, and develop human resources	- Total number of participants in volunteer activities	
Goal 13. Take urgent action to combat climate change and its impacts	Provide employees with training for the mitigation of, adaptation to, reduction of the impact of, and earlier warning against climate change	- Percentage of employees receiving relevant training	

Roadmap to Achieve the SDGs through Business Reforms

We decided on the direction of the Group's value creation process in line with the SDGs to be achieved for the creation of a sustainable society by 2030 and then formulated the medium- to long-term business strategies with a focus on implementing business reforms.



What the Company considers important

The Company's Business Management and CSR

The Company regards it as its corporate social responsibility (CSR) to meet the trust and expectations of society through-out our business activities in cooperation with Group companies.

By examining and discussing what society expects from us and what is important for the management of the Group, we have created the Corporate Statement, which describes how our Group should function and significance of its existence, the KOKUSAI ELECTRIC Way, which describes basics of the corporate management, the will and value of the Group, and the Guidelines and Commitments, which indicate what is considered important in conducting business activities.

We will implement the basic principles described in the Corporate Statement and the KOKUSAI ELECTRIC Way by continuing to act in accordance with the Guidelines and Commitments, regarding them as our CSR policy. As mentioned above, based on our medium- to long-term strategies, we establish the medium-term management plan and set KPIs to manage progress with the plan. We also share our priority measures and approach across the Group based on our annual business management policy.

We disclose our CSR activities and the results in this report and on our official website with a view to broadly engaging in dialogue about our business management with all stakeholders.



Pursuing Quality

In accordance with the Basics and Ethics, we think and act from the customer's point of view and work hard to continuously improve each business process.

For quality management, we report on the specific measures and enhancement of the related systems on our website.

Pursuing quality (online information):

<https://www.kokusai-electric.com/en/csr/quality/>

Corporate Statement, KOKUSAI ELECTRIC Way, and Guidelines and Commitments

Corporate Statement

The KOKUSAI ELECTRIC Group strives to create value through technology and dialogue to realize a sustainable society that is safe, comfortable and vibrant.

KOKUSAI ELECTRIC Way

1. Striving for Social Issues: By pursuing *Monozukuri*, the KOKUSAI ELECTRIC Group creates value to contribute to the resolution of social issues jointly with customers.
2. Optimization by Collaboration: By collaborating with stakeholders, it develops and creates ecosystems as a world pioneer with the aim of creating an affluent and sustainable future.
3. Human Assets: It respects the diversity of its human resources and provides them with the opportunity and environment to enhance and perform their abilities.
4. Basics and Ethics: It respects human rights, observes laws and ethics and establishes a clean corporate culture that is admired by society.

Note: *Monozukuri* is defined as all creative activities carried out by the KOKUSAI ELECTRIC Group, including the development and provision of products and services, among others.

Guidelines and Commitments

For the purpose of implementing the Corporate Statement, in accordance with the KOKUSAI ELECTRIC Way, the KOKUSAI ELECTRIC Group pledges to the dissemination of the following Guidelines and Commitments and to the establishment of effective corporate governance.

1. Through innovations, develop and provide socially useful products and services in which the emphasis is on safety, quality and environmental soundness, thereby promoting business and solving social issues.
2. Engage in fair and free competition, business activities that are based on a commitment to high ethical standards, and responsible procurement, and observe the spirit as well as the letter of international rules and national laws and regulations.
3. Realize work practices that provide employees with opportunities for further training and growth, and that respect their diversity, character and individuality, and provide a mentally and physically rewarding, safe and healthy work environment.
4. Disclose corporate information and information related to products and services proactively, effectively, fairly and sincerely, and engage in constructive dialogue with a wide range of stakeholders of the KOKUSAI ELECTRIC Group for the creation and expansion of corporate value.
5. Regard environmental problems as issues affecting all people and endeavor to protect the global environment, local living environments and biodiversity as a precondition to continuing business activities.
6. Conduct business that respects the human rights of all persons.
7. As a good corporate citizen, engage in community proactively and contribute to its development.
8. Protect and manage business technology information, individual and customer information and other confidential information in a strict manner, and conduct thorough and organized crisis management by making preparations against terrorism, cyber attacks, actions taken by antisocial forces and natural disasters.
9. Comply with trade-related laws and regulations in order to contribute to the maintenance of international peace and security.
10. Encourage behavior based on these Guidelines and Commitments within the Group's supply chain. Should a situation arise that runs counter to these Guidelines and Commitments and causes the Group to lose the trust of society, the top management shall fulfill their responsibility by endeavoring to resolve the matter, establish the cause and take steps to prevent a reoccurrence.