SMIC CSR Sustainability Report 2024

SMIC

CSR Sustainability Report 2024



SMIC

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CONTENTS

SECTION 01 **Discover SMIC**	Discover Solder	03
	The Journey of the SMIC Group	05
	SMIC Group Businesses	07
	Supporting our Daily Lives SMIC Group Products	09
	SMIC Group by the Numbers	11
SECTION 02 **Aiming for Further Value Creation**	Message from the President	13
	SMIC Group: Our Vision	15
	SMIC Group Materiality	17
	Special feature Eco-Friendly SMIC Group Businesses	19
SECTION 03 **Foundation for Value Creation**	SMIC Group Sustainability	23
	Message From an Operating Officer	25
	Governance	26
	Society	32
	Topics Satoh Artcraft Research & Scholarship Foundation	41
	Environment	43
	List of Data	49
	Company Profile and Network	51

Editorial Policy

The Senju Metal Industry (SMIC) Group strives to report on important issues and items of high social demand and identifies materiality. This report is produced in accordance with the requirements of the GRI Standards and is subject to review and approval by the board of directors, and provides case study results of our efforts to solve social problems through our business practices.

Period covered	January 1, 2023, to December 31, 2023 (Includes some information from January 2024 onwards)
Report scope	24 group companies listed in the list of major affiliated companies (p. 52) (includes non-consolidated subsidiaries and associated companies) Note that SMIC's social contribution initiatives are listed separately.
Key changes	Reduction of one consolidated subsidiary
Membership	RBA, JWES, JIEP, JAPIA, SEMI, TEA, CCI
Publication history	Current Issue: October 2024 (Previous Issue: June 2023)
Next issue	June 2025
Reference guidelines	GRI Standards, Environmental Reporting Guidelines, ISO26000 Note: The GRI standards comparison table will be posted on our CSR website.

Disclaimer

This report contains descriptions of plans and strategies pertaining to the future activities of SMIC, as well as predictions and forecasts related to its business performance. Such descriptions include estimates and forecasts formed with information gathered and analyzed based on what is available at the time of creation. In addition, due to a review of data from the past following changes in calculation methods, locations covered, and periods covered in the report, some parts of the data may differ from past data disclosures. Please be aware that SMIC and its related companies assume no responsibility whatsoever for damages or losses occurring either directly or indirectly from the use of the information or content included in this report. Furthermore, the original text of this report was written in the Japanese language and has been translated into English and Chinese languages for reference. If there are any discrepancies between the Japanese version and the English or Chinese versions, the Japanese version shall supersede the other versions. Please be aware that SMIC assumes no responsibility whatsoever for any and all damages occurring from misunderstandings caused by translated versions of this report.



Discover Solder

When asked, "Do you know Solder?" many people would probably answer “Yes.”
But how about, “What is solder?”
Solder, the flagship product of the SMIC Group, is essential to our daily lives. However, it is a material people think they know, but do not actually understand.
So, let’s discover more about solder!



What is Solder?

Solder refers to an alloy, primarily composed of tin, used for joining metals together. Joining metals using molten metal is called brazing and joined with solder alloys that have a melting point below 450°C is specifically referred to as soldering.
The metals combined with tin are not only limited to lead, which has been used since ancient times, but also silver and copper, which are currently used in the most common solder, bismuth for low-temperature solder, and antimony for high-temperature solder, among others. Although we use the term "solder," there are various types of alloys, each with different characteristics.

History of Solder

The Emergence of Solder

Solder has a very long history, dating back 5000 years to the Bronze Age. Tableware made in ancient Mesopotamia, the world’s oldest civilization, had handles that were attached with solder. Soldered ornaments were also discovered in the tomb of King Tutankhamun of the ancient Egyptian civilization. In ancient Rome, records show that lead pipes used for plumbing were connected with solder, demonstrating that solder has supported people’s daily lives for more than 2,000 years. In Japan, there are references to solder in documents from the Heian period, and it is said that solder was used in the construction of the Great Buddha of Nara.
In the modern era, solder began to take on the role of connecting electricity, in addition to connecting metals, as electric power was introduced to Japan. Japan’s electronics industry developed rapidly during the period of high growth following World War II. With this, Japan’s soldering evolved into a sophisticated, world-class mounting technology. As solder evolved, it went from being a mere joining material to being an electronic material that supported electronic technology.

Reference: Katsuaki Suganuma [Soldering Technology] Hajimete no Handatsuke Gijutsu (in Japanese)



The Great Buddha Statue of Tōdai-ji in Nara



The Development of Electronics Goes Hand in Hand with Solder

Even today, electronics continue to evolve at a rapid pace. Many of their functions are controlled by internal electronic circuit boards. The advancement of electronics toward higher functionality, as well as smaller and thinner designs, is directly connected to the increasing sophistication of mounting technologies.
In the early days of household electronics, the vacuum tubes of black-and-white televisions, the most popular household electronics after the war, were soldered together directly. By the next time of color televisions, circuit board mounting became common. Hand soldering using flux-cored solder evolved into flow soldering, where through-hole components were soldered with molten solder. The introduction of personal computers in the 1980s spurred further advancements in the sophistication and miniaturization of electronic components. As a result, surface mount technology (SMT), reflow soldering using solder paste—a mixture of powdered solder and flux—became mainstream. As electronic components have continued to evolve, land sizes on circuit boards soldering with solder paste have become smaller each year. Today, solder paste is being developed that can be used to soldering lands smaller than 0.1mm. On the other hand, high-quality solder preforms are used for large lands, several milllimeters in size, where void-free soldering is required. Thus, solder products have been developed to meet the needs of various mounting thechnologies.

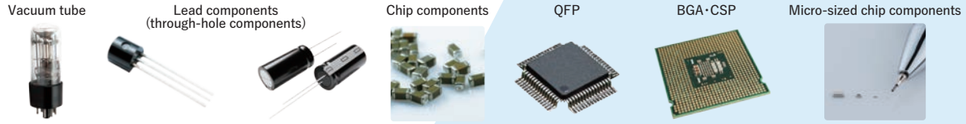
The evalution of electronics and solderling

Soldering

Direct connection	Circuit board mounting	Surface mount technology	Microsoldering
•Flux-cored solder and hand soldering		•Molten solder and flow soldering	•Solder paste and reflow soldering

Electronic components

Vacuum tube | Lead components (through-hole components) | Chip components | QFP | BGA・CSP | Micro-sized chip components



Land size

3mm～	2mm～	0.5mm～	0.2mm～	0.1mm～	0.05mm～

1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020

Electric devices



Solder’s Major Turning Point: Going Lead-Free

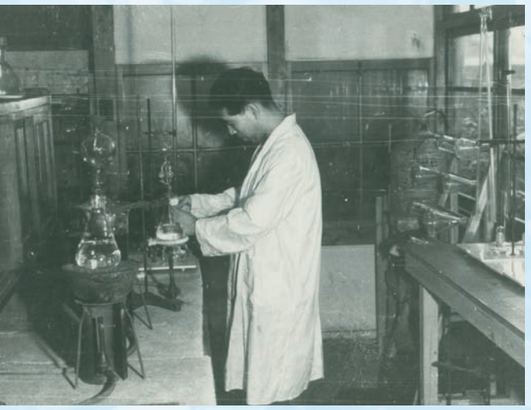
A major turning point in solder’s long history came in the late 1990s to early 2000s, with the global transition to lead-free solder. Until then, the term solder typically referred to tin-lead solder. Tin-lead solder, known as "eutectic solder" (63% tin, 37% lead), has a melting point of 183°C, which is extremely low for a metal, making it easy to handle and offering excellent bonding with other metals. This type of solder had been in use for thousands of years without being replaced by other alloys. However, with the increasing disposal of electronic devices as a result of mass consumption, concerns arose about toxic lead in solder leaching and accumulating into ecosystems due to acid rain. Consequently, the EU introduced regulations (the RoHS directive) restricting the use of lead in 2003. This marked the beginning of accelerated global efforts to transition to lead-free solder. In Japan, a national project was launched to select a lead-free solder standard for the electronics industry, with collaboration between industry, government, and academia to evaluate various lead-free solders. The tin-silver-copper (Sn-Ag-Cu, also known as SAC) which was selected through rigorous evaluation, was proposed and adopted as the international industry standard at global conferences, and today SAC has become the global standard for lead-free solder. Twenty years after this major shift, lead-free soldering is now the world standard. Furthermore, the move towards lead-free soldering broke the conventional norms of mounting that were based on tin-lead solder. It has also led to the development of new types of solder with enhanced properties, such as high-strength solder. With this, environmental considerations opened new pathways for the future of solder.



The Journey of the SMIC Group

Since its founding as Senju Lead Works Co., Ltd. in 1938, the SMIC Group has worked to create societal value by providing universally beneficial products mainly from the infrastructure and electronics industries. As we approach the 86th anniversary of our founding, we will continue to tackle social challenges, meet the needs of our customers, and take on the challenge of creation and innovation.

Founding Period



1938
Established Senju Lead Works Co., Ltd.

1944
Changed the Company Name to Senju Metal Industry Co., Ltd.

1950
Established the Research and Analysis Department

At the time, it was rare for companies to have a research and analysis department. We developed and published a method for determining the tin-to-lead ratio in solder so that our customers could use our products with confidence.

Growth Period

1960
Announcement of our Management Philosophy

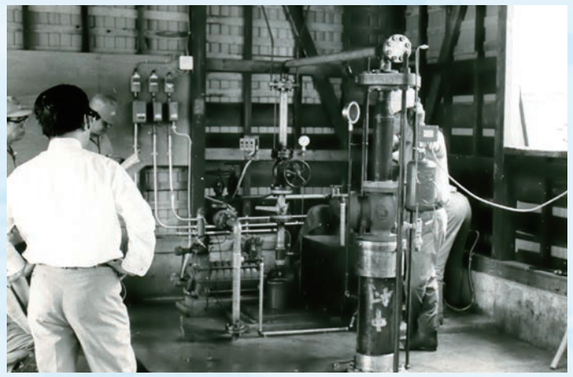
Implemented organizational reforms to transform into a modern corporate structure. (Lifetime employment, profit-sharing system, and enrollment in group insurance.)

Perform our mission as a socially valued institution via providing universally beneficial products.

Published by the late
Mr. Senju Sato, Honorary Chairman in June 1960

1963
First Acquired Type Approval for Japan-Made Sprinkler Head

At the time, U.S.-made sprinkler heads were common, but in Japan, a country prone to earthquakes, there were concerns about their ability to withstand earthquakes. Recognizing the social value of developing sprinkler heads suited to Japan's environment, we began development in 1961, utilizing our expertise in solder materials. A prototype was completed in 1963, first acquiring type approval for Japan-Made Sprinkler Head.



1972
Chemical Substance Analysis Department Spun Off

Driven by our belief that companies should fulfill their social responsibilities, we utilized 22 years of expertise in non-ferrous metal analysis and established Industrial Analysis Service Ltd. as a separate entity. In response to growing concerns over environmental pollution, the new company began offering air and water quality analysis services.

Development Period

2001
Global-Standard Lead-Free Solder

From the 1990s, lead contamination in groundwater became a growing concern. President at that time, Issaku Sato, who had been assigned to Germany during his early years witnessed firsthand how the lush trees of the Black Forest were dying due to acid rain caused by industrial development. Sato believed that industrial development should not come at the cost of environmental destruction. As a company handling heavy metals, and with a strong commitment to addressing environmental issues, SMIC developed the highly reliable tin-silver-copper lead-free solder M705 ahead of the global competitors and obtained a patent for it. The unveiling of the patent made M705 the world standard, accelerating the adoption of lead-free solder and making a significant contribution to environmental conservation. This breakthrough marked the turning point for SMIC's evolution into a company with a global presence.



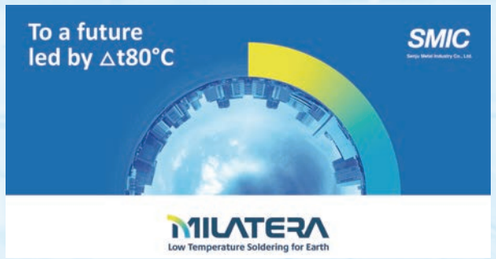
2011
Joining the Responsible Business Alliance

Since 2009 we have been regularly auditing smelters to ensure that conflict minerals are not used and that we are not complicit in human rights violations caused by conflicts. In January 2011, we joined the Responsible Business Alliance (RBA, formerly EICC), the world's largest coalition of companies promoting social responsibility in the global supply chain. Since 2014, we have been dedicated to eliminating conflict minerals and advancing responsible mineral sourcing as a member of the Responsible Minerals Initiative (RMI, formerly CFSI). We are firmly committed to upholding fair and ethical business practices in all aspects of our operations, and since 2012, we have been publishing our CSR Report to keep our stakeholders informed about our ongoing corporate social responsibility initiatives.

Responsible Business Alliance
Advancing Sustainability Globally

2023
Low-Temperature Soldering Solutions MILATERA Launched

We launched a new brand, "MILATERA", offering low-temperature soldering solutions that contribute to carbon neutrality. By using solder with a melting point approximately 80°C lower than conventional lead-free solder, this technology enables low-temperature mounting, helping to reduce CO_2 emissions. With a strong commitment to creating a future that is both environmentally friendly and beneficial to people, this innovation is aimed at supporting the realization of carbon neutrality.



2038
Toward our
100th Anniversary

SMIC Group Businesses

At the SMIC Group, we are developing various businesses, focused on our solder business, which has the largest level market share in the industry. Here we will introduce the businesses and products of the SMIC Group that are supporting people's lives.

Solder Business

Electricity is essential in our modern society. Solder plays a key role in enabling us to use electricity. The applications of solder have rapidly expanded together with the development of electronics. We are contributing to the development of society by providing a wide range of solder materials tailored to various applications.

Solder Paste and Solder Balls

Solder paste and solder balls are used in a wide range of areas, including household appliances and electronic devices such as smartphones and computers, electronic components such as semiconductors embedded in electric devices, and infrastructure such as solar panels, wind turbines, and base stations. Solder paste and solder balls support the increasingly sophisticated functionality in all kinds of electric devices.



Solder Preforms

Solder preforms are used in power modules for large-scale power conversion in electric vehicles and bullet trains. These materials are essential for the electrification and automation of mobility and the effective supply of renewable energy.



Solder Bars and Plating Anodes

Solder bars are used for flow soldering in circuit boards for household appliances. These materials have supported the electronics industry since the early days of mounting technology. Furthermore, tin anodes are used in the plating process of printed circuit boards, improving productivity in the mounting process.



Flux-Cored Solder

Flux-cored solder is mostly used in soldering large through-hole components found in the power sections of household appliances. We provide products tailored to various soldering methods, including hand soldering, robotic soldering, and laser soldering.



Flux

Flux is a material that supports the soldering process. It is used in soldering solder balls and plays a vital role in the manufacturing of semiconductor components. It is also used in flow soldering.



Industrial Products Business

In the industrial products business, we focus on the manufacture and sale of soldering equipment, while also handling various auxiliary materials related to mounting.

Soldering Equipment

For surface mount technology (SMT), which is the mainstream in electronic board manufacturing, reflow ovens that use solder paste are employed. For through-hole mounting of large components, flow soldering machines that use molten solder are used. We provide equipment with functions optimized to suit the mounting process used.





Sintering Materials and Special Alloys Business

The sintering materials and special alloys business began with the production of bearing products that utilize the slippery properties of copper-lead alloys. In addition to providing bearing products in line with changes in the times, we are creating new value for the future through special alloy materials that leverage our expertise in metal processing.

Plain Bearings

Plain bearings are used in the shock absorbers of automobiles, as well as the undercarriages of construction machines. They are also used in hydraulic pumps and motors for agricultural machinery, contributing to the solution of global food issues. These products support the foundation of our daily lives.



Special Alloys

Special alloy materials are products made using metals that are difficult to alloy or shape.
These include zinc-tin-magnesium alloy wire used for anti-corrosion surface treatments that double the lifespan of cast iron water pipes, and copper-based alloy powder, a key technology used to improve the efficiency of hybrid car engines. These materials are being applied to technologies that will shape the future.



Analysis Business

At the SMIC Group company, Industrial Analysis Service, we are developing techniques in the analysis of solder materials cultivated since our founding and applying them to a wide range of areas. As the impact of chemical substances on the environment is becoming a global issue, we are supporting responsible production and consumption through the power of analysis.

Material Analysis and Regulated Substance Analysis Inspections

We conduct analysis related to harmful substances including in various products and materials and regulated substances as represented in the EU RoHS Directive. Leveraging the expertise we have cultivated as the SMIC Group, we also conduct investigative analyses of the causes of assembly failures.



Environmental Analysis Inspections

We conduct analysis inspections of contaminants in water, air, and soil. Demand for these services is increasing together with the increasing awareness of environmental issues.

P19 → Special Feature: Eco-Friendly SMIC Group Businesses



Firefighting Equipment Business

At SMIC Group company, Senju Sprinkler, we have led the market with our low-temperature-solder sprinkler heads since we first acquired type approval as a Japan-made product. As a result, we have protected lives and property from fires for over half a century.

Fire Sprinklers

Our fire sprinkler heads are used in firefighting equipment around the world, including housing, buildings, underground parking lots, and public facilities. We also manufacture alarm valves that control water flow during fire suppression sprinkling.



Fire Extinguishing Agents

Traditional foam extinguishing agents contain perfluoroalkyl and polyfluoroalkyl substances (PFAS), which have been pointed out as an issue due to their environmental impact. At SMIC, we developed the world's first PFAS-free foam fire extinguishing agent, which was officially approved in 2024.

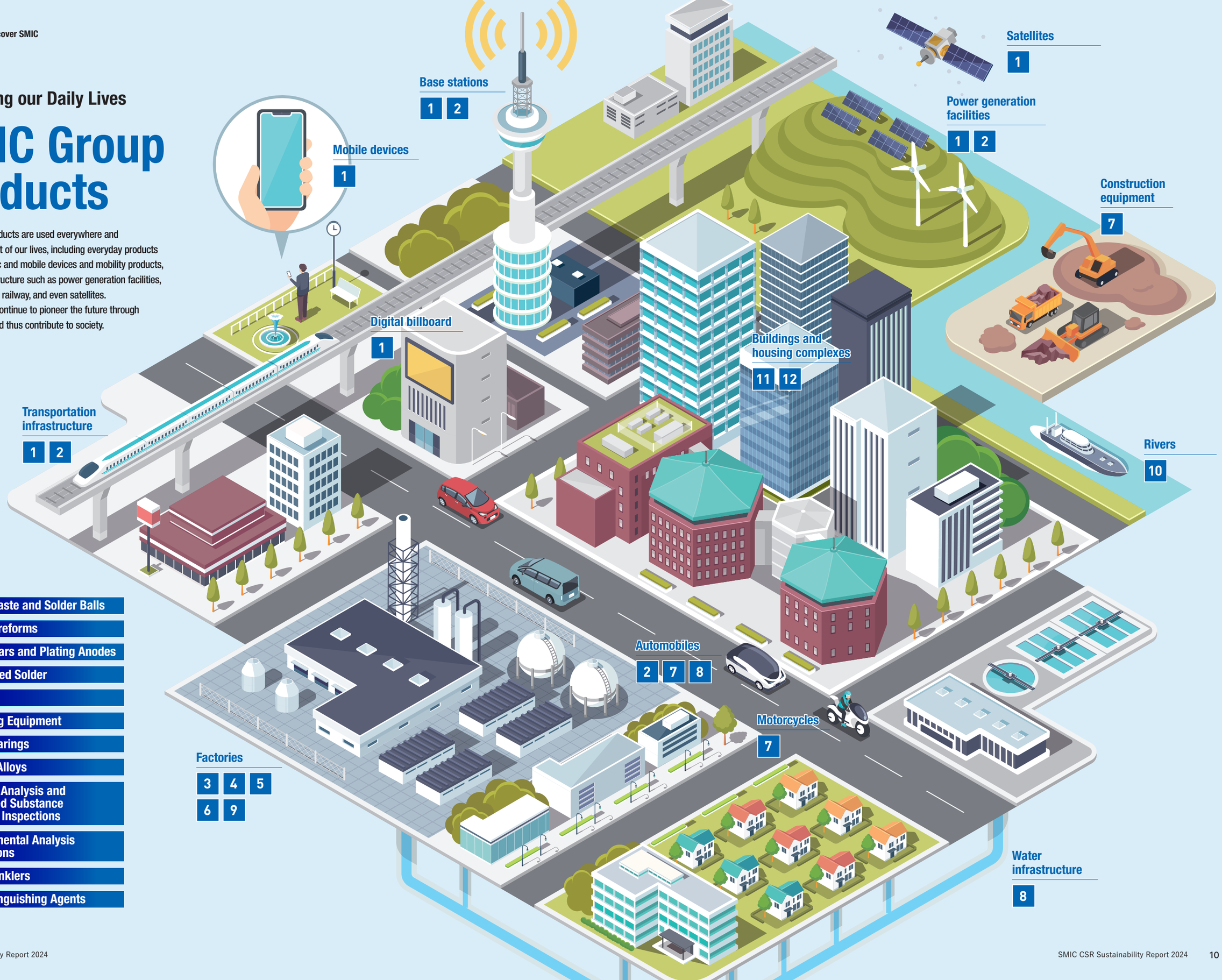
P19 → Special Feature: Eco-Friendly SMIC Group Businesses



Supporting our Daily Lives

SMIC Group Products

SMIC Group's products are used everywhere and support every part of our lives, including everyday products such as electronic and mobile devices and mobility products, as well as infrastructure such as power generation facilities, base stations and railway, and even satellites.
SMIC Group will continue to pioneer the future through total solutions, and thus contribute to society.



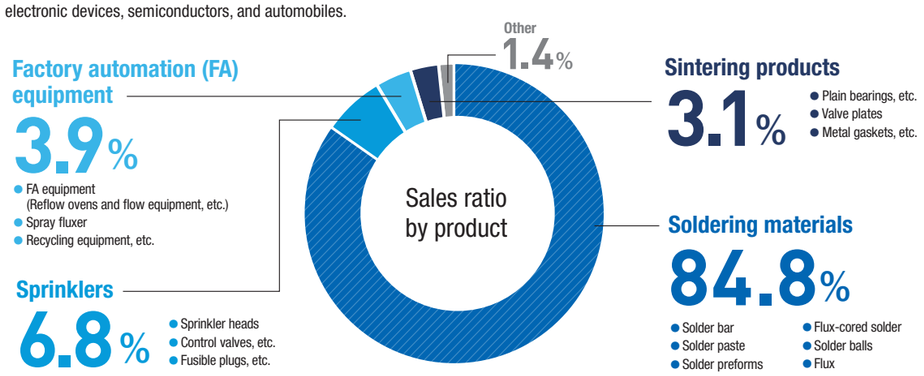
1 Solder Paste and Solder Balls
2 Solder Preforms
3 Solder Bars and Plating Anodes
4 Flux-Cored Solder
5 Flux
6 Soldering Equipment
7 Plain Bearings
8 Special Alloys
9 Material Analysis and Regulated Substance Analysis Inspections
10 Environmental Analysis Inspections
11 Fire Sprinklers
12 Fire Extinguishing Agents

At a Glance

SMIC Group by the Numbers (As of December 2023)

Electronics × Chemicals × Mechanics × Metallurgy

Creating synergy through combining our four core technologies. We are supporting the advancement of technology in many areas including electronic devices, semiconductors, and automobiles.



Manufacturing sites

25 locations

(Japan, 11; Overseas: 14)

Sales location

27 locations

(Japan, 9; Overseas: 18)

Developed the world's first lead-free solder

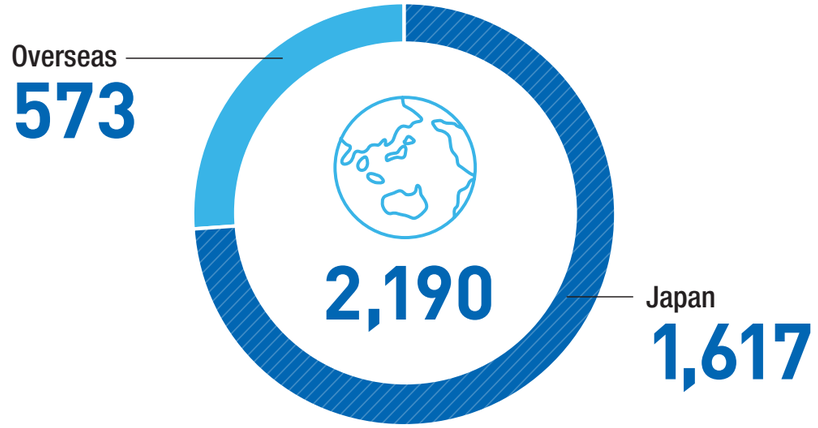
1st

Number of patents held

2,615

(Japan, 510; Overseas: 2,105)

Number of employees



Ratio of men to women

Men
63.7%

Women
36.3%

Percentage of women in managerial positions

Overseas
37.6%

Japan
11.2%

Childcare leave (non-consolidated)

Return-to-work rate
88%

Percentage of men taking paternity leave
22%

Scope 1 and 2 reduction rate

73% Reduction (compared to FY2013)

(Japan group)

Renewable energy usage rate

86%

(Japan group)

Message from the President



From Legacy to Challenge

PRESIDENT **Ryoichi Suzuki**

We are pleased to present the SMIC Group's CSR Sustainability Report for FY2024.

We have been publishing our CSR Report to inform our stakeholders about our social and environmental initiatives. Today, we face a rapidly changing world shaped by the global climate, pandemics, climate change, and natural disasters. To navigate these turbulent times, we believe that it's not enough to simply report on our initiatives and achievements—we must also create new value and indicate the direction we aim to take in the future. For this reason, we have adopted the title of CSR Sustainability Report.

In the various areas we are involved in, such as electronics, electrical devices, semiconductors, infrastructure, and mobility, there is an increasing demand for eco-friendly products that can be provided for the same cost as existing products. Technological innovation is essential to create such products, and I believe that it is crucial not to just rely on the technologies we have inherited, but also to keep challenging ourselves and evolving.

BCP measures to continue fulfilling our responsibility to supply customers

In recent years, there has been a significant increase in the frequency and severity of natural disasters, such as earthquakes and floods. That is BCP measures have become an important policy for our company.

Regarding manufacturing-related BCP measures, we have further decentralized our manufacturing sites. This ensures that if one manufacturing site is unable to operate, other sites in Japan or international sites can step in, creating a backup system for all our solder materials. Looking ahead, we plan to address the BCP for material inventories by decentralizing the storage of key raw materials, such as metal ingots, with the introduction of automated warehouses to multiple manufacturing sites.

Additionally, to ensure continuous production even in the event of a natural disaster, we are promoting automation and the use of robots, such as automated solder billet manufacturing robots, automated packaging robots, and AGVs (Automated Guided Vehicles). These advancements are helping to reduce reliance on human labor for these tasks.

For BCP measures at our headquarters, we've taken measures to mitigate flood risks from the nearby Arakawa River, a class-A river, as in the event of flooding depths are expected to reach up to 5 meters. Furthermore, we have relocated key infrastructure, such as power supply systems, to the upper floors. In addition, we are also in the process of installing flood protection measures, including floodproof doors and shutters.

Further, we are implementing a teleworking system that allows employees to do the same work from home as they can in the office. This is to ensure that business operations can continue, even in the event of a situation where employees are unable to come into the office.

Creating a workplace where employees work with peace of mind

I believe that to create a sustainable organization it is essential to create a workplace where employees work with peace of mind as the company grows. Regarding workplace safety, in addition to the public-water-supply-connected sprinklers installed at our manufacturing sites in Japan, we have also installed environmentally friendly foam fire suppression systems developed in collaboration between Senju Metal Industry and Senju Sprinkler. These systems are to ensure that employees can evacuate safely in an emergency.

Regarding employee benefits, in addition to annual raises and bonuses, in 2024, we provided a base salary increase and special bonuses based on the previous year's profits. We also issued a special dividend, separate from the regular dividends paid to our employee stock ownership program. Moving forward, we will continue to explore appropriate ways to fairly distribute profits to employees and ensure that they are equitably rewarded.

Eco-friendly SMIC Group business activities

As a manufacturing company that uses natural resources as raw materials, we continuously consider what we can leave for future generations. We are advancing environmentally conscious business activities that address global issues such as carbon neutrality and the circular economy.

In terms of carbon neutrality, we are promoting the shift to renewable energy for the electricity used at our manufacturing sites in Japan, including our group companies. Currently, nearly 100% of the electricity we purchase has been converted to renewable energy. Additionally, as part of our efforts to generate energy, we are introducing hydrogen power generation equipment that utilizes hydrogen produced from ammonia, a technology we have long used in the production of sintered materials.

In the area of circular economy activities, we have been increasing the use of reused and recycled materials in our solder recycling processes. This includes both materials recycled internally and those purchased from smelters, and we plan to further expand this in the future.

As for environmentally friendly products, we have developed a new PFAS-free foam fire extinguishing agent. Some foam fire extinguishing agents used to combat petroleum-based fires, such as gasoline fires, contain specific PFAS compounds that are considered carcinogenic and harmful to the environment and human health and are now subject to regulatory restrictions. Addressing this issue has been a priority for us at the SMIC Group as we are committed to addressing environmental issues. As a result, we have successfully developed a PFAS-free general-purpose foam extinguishing agent in collaboration with group company, Senju Sprinkler.

Furthermore, we have released eco-friendly products, such as MILATERA, a low-temperature soldering solution that helps reduce CO_2 emissions. Moving forward, we aim to continue performing our mission as a socially valued institution.

The SMIC Group will engage earnestly in business activities to meet your needs while contributing to the realization of a sustainable society. We look forward to your continued support and encouragement.

SMIC Group: Our Vision

The SMIC Group develops ESG (Environment, Society, and Governance) friendly business activities and provides high-quality, reliable products. As a socially responsible company, we are also committed to the health and safety of our employees, collaboration with local communities, and activities that make a social contribution. To realize a sustainable society, we will contribute to the future through our business activities by reviewing our manufacturing processes and manufacturing and selling eco-friendly products.

SMIC Group Business Activities

Materiality

- Response to climate change
- Implementation of resource recycling
- Promotion of CSR procurement (Responsible mineral procurement)
- Human resource development
- Creation of a comfortable work environment
- Contribute to the realization of Society 5.0, and DX
- Realization of stable supply
- Intellectual property protection, personal information management, and other risk management

INPUT

- Well-equipped manufacturing facilities
- Strong collaboration with stakeholders
- Establishment of a global network
- Continuously evolving technological capabilities
- Solid financial base
- Strong organization and human resources
- Effective use of natural resources

Value Chain



Business Foundation

Core Competence

- Advanced technological capabilities of materials, equipment, and construction methods and a proven track record
- High level of ability to respond to customer requests and resolve their issues by sincerely listening to customers' requests
- Human resources with a high degree of loyalty

OUTPUT

Solder products

- Solder bar
- Flux-cored solder
- Solder paste
- Solder balls
- Solder preforms

MILATERA D-SOL ECO SOLDER

Flux

- Post flux
- Semiconductor flux

FA equipment

- Reflow oven
- Flow soldering machine
- Spray fluxer
- Solder recycle machine

Sintering products

- Metal-based plain bearings
- Multilayer plain bearings

Special alloys

Fire sprinkler systems

Metals, environmental, and regulated substance analysis

Management Philosophy

- Ability, integrity, and fighting spirit
- Pioneering spirit that is new day-to-day

Megatrends

- Transition to a decarbonized society
- Transition to a circular economy
- Change in workstyles and lifestyles
- Increased geopolitical and climate risks
- Shift to a more diverse society

Convert management resources to the next source of value creation

Environmental, Social, and Corporate Governance to Achieve Sustainable Development

Achievement of Our Environmental Vision 2050

Expanding the significance of our existence as a socially valued institution

OUTCOME

- Contribute to carbon neutrality in the environment
- Realization of resource recycling and energy savings
- Correcting disparities through fair trade
- Promotion of technological innovations
- Development of industries and markets
- Development of automation technologies
- Realization of diverse lifestyles

A corporate culture that allows employees' lives to blossom and come to fruition

- Improvement of employee engagement
- Enhancement of financial base
- Improvement of corporate brand
- Improvement of customer trust

SMIC Group Materiality

At the SMIC Group, we have set materiality and material topics in line with the below chart, and we have identified matters that we need to address with priority.

Identification process

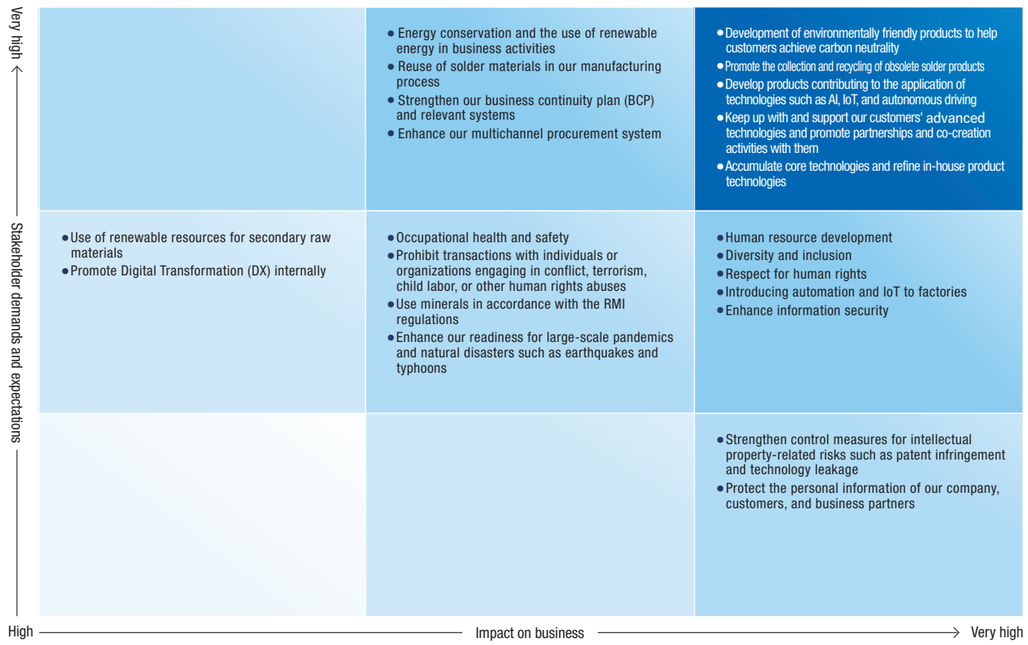
STEP 1 Identify risks and opportunities	Identify risks and opportunities, and their impact on the SMIC Group, based on societal megatrends, international frameworks such as the RBA (Responsible Business Alliance) Code of Conduct and GRI Standards, various indicators such as sustainability surveys, societal demands, and the business environment.
STEP 2 Identify key issues and matters	From the identified risks and opportunities, identify SMIC Group materiality and material topics in line with ESG (Environmental, Social, and Governance).
STEP 3 Prioritize material topics	Evaluate the importance of the identified material topics based on stakeholder demands and expectations, and their impact on the business.
STEP 4 Confirmation and approval	Confirmation, evaluation, and approval by management of the scope, impact, and timeframe of the identified materiality and material topics in relation to the GRI standards
STEP 5 Review	Analyze and report feedback on the identified materiality and material topics at the monthly CSR Committee, review them, and utilize the findings for future action.

Identify risks and opportunities

Social issues	Risk
Compliance with environmental laws, regulations, and industry codes of conduct	●Potential impact on business, including the group , suppliers, and customers, if compliance is not achieved and results in decreased product competitiveness, loss of social credibility, and other negative outcomes ●Impact on business due to natural disasters caused by climate change or depletion of natural resources
Supplier procurement	●Decline in social credibility due to the use of minerals associated with human rights violations, such as conflict, terrorism, and child labor ●Impact on the stable procurement of raw materials
Outbreak of major infectious diseases	●Impact on the entire industry due to business interruptions
Natural disasters, including earthquakes and typhoons	●Impact on the entire industry due to business interruptions
Respect and protection for intellectual property, including patents	●Impact on product sales due to infringement of group technologies ●Loss of social credibility due to infringement of other companies' technologies
Improve digital literacy	●Loss of social credibility due to leaking of personal or corporate information ●Shutdown of business operations due to cyberattack
Securing and developing human resources	●Impact of workforce shortages on business continuity ●Loss of expertise within the group ●Impact on maintaining consistency in terms of skills and quality

Social issues	Opportunities
Transition to a low-carbon or decarbonized society	●Increasing adoption of EVs and growing demand for reducing environmental impact driving greater demand for new low-carbon and decarbonization technologies
Transition to new energies	●Promote the use of renewable energy ●Increased demand for products that contribute to carbon neutrality
Transition to a next-generation information society	●Increased diffusion of electronic devices due to technological innovations, such as AI and IoT, etc.
Securing and developing human resources	●Securing and empowering a diverse global workforce
Technical development	●Accurately responding to diversified product demands and societal expectation

Material topics evaluation matrix



Materiality and material topics

ESG	Materiality	Material topics	Applicable SDGs
E	●Response to climate change	●Energy conservation and the use of renewable energy in business activities ●Development of environmentally friendly products to help customers achieve carbon neutrality ●Use of renewable resources for secondary raw materials	7 Affordable and clean energy 8 Decent work and economic growth 9 Industry, innovation, and infrastructure 13 Climate action 17 Partnerships for the goals
	●Implementation of resource recycling	●Promote the collection and recycling of obsolete solder products ●Reuse of solder materials in our manufacturing process	9 Industry, innovation, and infrastructure 12 Responsible consumption and production 17 Partnerships for the goals
S	●Promotion of CSR procurement (Responsible mineral procurement)	●Prohibit transactions with individuals or organizations engaging in conflict, terrorism, child labor, or other human rights abuses ●Use minerals in accordance with the RMI regulations	8 Decent work and economic growth 16 Peace, justice, and strong institutions 17 Partnerships for the goals
	●Human resource development	●Develop human resources that strive to acquire new knowledge and make rational decisions from a broad perspective	4 Quality education 17 Partnerships for the goals
	●Creation of a comfortable work environment	●Diversity and inclusion (Create a comfortable work environment that accommodates diverse lifestyles and human resources) ●Respect for human rights (Show respect and understanding for all cultures and religions when conducting global business) ●Occupational health and safety	5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities 17 Partnerships for the goals
	●Contribute to the realization of next-generation technology	●Develop products contributing to the application of technologies such as AI, IoT, and autonomous driving ●Keep up with and support our customers' advanced technologies and promote partnerships and co-creation activities with them ●Accumulate core technologies and refine in-house product technologies	8 Decent work and economic growth 9 Industry, innovation, and infrastructure 17 Partnerships for the goals
G	●Realization of stable supply	●Enhance our readiness for large-scale pandemics and natural disasters such as earthquakes and typhoons ●Strengthen our business continuity plan (BCP) and relevant systems ●Enhance our multichannel procurement system ●Introducing automation and IoT to factories ●Promote Digital Transformation (DX) internally	
	●Intellectual property protection, personal information management, and other risk management	●Strengthen control measures for intellectual property-related risks such as patent infringement and technology leakage ●Enhance information security ●Protect the personal information of our company, customers, and business partners	

Special feature

Eco-Friendly SMIC Group Businesses

We have provided eco-friendly products based on our management philosophy, “perform our mission as a socially valued institution via providing universally beneficial products.” Below is an introduction to the current initiatives of the SMIC Group, aimed at realizing a sustainable cyclical society.

History of SMIC Group Eco-Friendly Products

In response to concerns over environmental pollution, which intensified during the period of high economic growth in the late 1960s, we established Industrial Analysis Service, to analyze air and water quality. This marked the beginning of the SMIC Group's environmental initiatives. In the solder business, starting with no-clean solder paste for CFC-free to address the issue of ozone layer depletion 40 years ago, we have developed products such as lead-free solder, ECO SOLDER®, in response to lead contamination caused by acid rain, a halogen-free series to prevent health-risks from dioxins, and the low-temperature soldering solutions, MILATERA, to tackle climate change through technology. Throughout the years, we have quickly recognized the environmental issues of each era and reflected the necessary measures in our products. As such, we will continue to pursue the question of “What can we do for the environment today?”

Environmental Trends Related to the SMIC Group

Further Action on Climate Change

Global warming is continuing to intensify, and large-scale disasters caused by irregular weather are occurring frequently. The reduction of GHG emissions as part of climate change measures requires more concrete and quantitative actions.

Tackling Environmental Pollution Caused by Chemical Substances

While chemical substances make our lives more convenient, they can also pose significant environmental risks. Companies are expected to make efforts to minimize the impact of chemical substances generated by their business activities on the environment.

Providing High-Performance, Eco-Friendly Products

In the past, companies prioritized maximizing the attributes of high-performance, special-use products. However, now with the strong demand for eco-friendly products, companies are required to provide products that are both high-performance and eco-friendly.

Stricter Regulations on Environmentally Hazardous Substances

With the expansion and tightening of regulations on environmentally hazardous substances worldwide, such as the RoHS Directive and the POPs Convention in Europe and the US, chemical substance management is becoming increasingly important as part of companies’ responsible production.

New Eco-Friendly Products

Achieving Both High Reliability for the EV Era and Environmental Contributions through GHG Emission Reductions

As part of environmental considerations, automotive power sources have evolved from internal combustion engines to hybrid vehicles (HV), battery electric vehicles (BEV), and even fuel cell electric vehicles (FCEV). As electronic components make up an increasing proportion of automobile parts, this is leading to the importance of solder materials, which bond electronic components together, to also increase.
One of the most critical requirements for automotive solder paste is high electrical reliability. Electrical malfunctions, such as short circuits or leakage currents, can lead to errors in automotive control, potentially causing serious accidents. The key to preventing such electrical issues lies in the flux residue around the solder joints. In harsh environments, such as automotive engine compartments, ensuring that the flux residue does not crack is essential for preventing water intrusion into electrical circuits and maintaining high electrical reliability. Products with these characteristics are known as crack-free residue solder paste.

SMIC Group Products

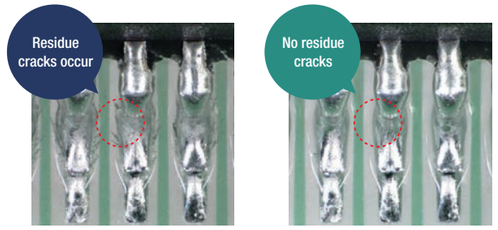
Air-Reflow Compatible High-Reliability Paste

M705-S280-T: Senju Metal Industry Co., Ltd.



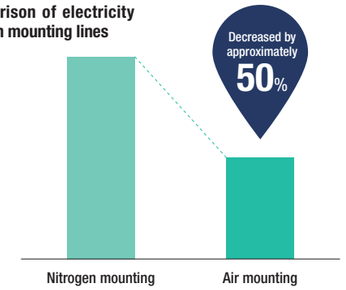
Most crack-free residue solder paste on the market has been limited to nitrogen-reflow. This is because the presence of oxygen during high-temperature reflow would reduce its crack-free performance and fundamental solderability. In nitrogen reflow, large amounts of nitrogen need to be supplied, requiring nitrogen generators, and increasing the energy consumption of the mounting process compared to air reflow. However, until now, this was considered essential to maintain the level of electrical reliability required for automotive applications.
To address environmental concerns, at Senju Metal Industry, we sought to overcome these “essential” processes by developing a crack-free residue solder paste that could be used in air reflow. Focusing on the main materials of rosin and resin, we applied innovative proprietary technology to develop the high-reliability paste, M705-S280-T, which combines excellent crack-free-residue properties with good solderability, even in air reflow. By breaking with conventional wisdom and making it possible to use high reliability paste in air reflow we will greatly reduce the amount of energy used on the mounting line, and contribute to carbon neutrality in the automotive industry.

Heat cycle test after air reflow



Previous product　　S280-T

Comparison of electricity used on mounting lines



SMIC Group Initiatives and Eco-Friendly Products

Response to Regulations on Environmentally Hazardous Substances

Responding to Expanding PFAS Regulations:

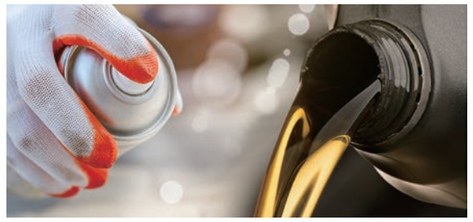
Supporting the Management of Regulated Chemical Substances

In Japan, there has also been growing concern over Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), highlighted by reports of contaminated well water. Specific PFAS, such as PFOS and PFOA, which have significant environmental impacts, are regulated in countries around the world, and it is expected that the scope of these regulations will continue to expand. Companies, as part of "responsible production," are required to implement strict chemical substance management to comply with these regulations.

Analysis of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

Chemical Substance Analysis at Industrial Analysis Service Ltd.

Among the many chemical substance regulations, PFAS regulations are particularly stringent, with concentration limits set at 1/40,000 of the typical regulatory levels for general industrial products. Additionally, there are more than several thousand similar substances to regulated substances, extremely advanced analysis is required for chemical substance management. Industrial Analysis Service, a SMIC Group company, uses its advanced analytical capabilities and outstanding interpretive skills to provide comprehensive evaluation results that go beyond mere data analysis, based on information provided by customers and analytical findings. Industrial Analysis Service uses its analytical capabilities to support increasingly complicated regulation substance management. In doing so, it is contributing to reducing the burden on the environment and bringing about a cyclical society.



TOPICS

What are Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)?

Organo-fluorine compounds are compounds with a carbon skeleton containing a carbon atom bonded to fluorine. Among them, those that contain fully fluorinated carbon atoms are collectively referred to as Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), and there are said to be over 4700 types of such compounds.

PFAS have been widely used in various areas, from everyday products to industrial goods, due to their water- and oil-repellent properties and heat resistance. However, in recent years it has been discovered that PFAS are difficult to break down in nature, remain in the environment for a long time, and accumulate in living organisms through environmental pollution. Some specific PFAS have been found to be carcinogenic, and this has become a significant concern. Countries around the world have moved toward regulation, since PFOS, as one of the specific PFAS, was first regulated in 2009.



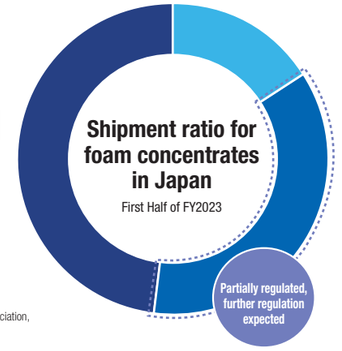
New Eco-Friendly Products

Responding to Expanding PFAS Regulations:

Achieving Both PFAS-Free and High Extinguishing Performance

In fires caused by petroleum-based fuels like gasoline, foam extinguishing agents are used as it is difficult to extinguish with water. Aqueous Film-Forming Foam (AFFF) which has high extinguishing efficiency and fluidity and is widely used in places like parking lots, specific PFAS, raising concerns about its environmental impact. As a result, foam extinguishing agents that contain certain PFAS are now regulated. Furthermore, there is a growing movement to expand the scope of these regulations. Other types of foam extinguishing concentrates include protein foam concentrate and synthetic surfactant foam concentrate, but each has its pros and cons. Finding a substitute for the highly versatile AFFF has proven difficult, making it an urgent issue to address.

Protein foam concentrate
- Fire-extinguishing performance: High
- Fluidity: Low
- Applications: Petroleum storage tanks, etc.
- Main component: Naturally occurring material



Synthetic surfactant foam concentrate
- Fire-extinguishing performance: Somewhat low
- Fluidity: High
- Applications: Warehouses, lumber, etc.
- Main component: Hydrocarbon-based surfactants

Aqueous Film-Forming Foam
- Fire-extinguishing performance: High
- Fluidity: High
- Applications: Parking lots, aircraft, etc.
- Main component: Fluorine-based surfactants (contains PFAS)

Source: Japan Fire Extinguishing Systems Manufacturers Association, Kogyokai News (Industrial News) No. 545

SMIC Group Products

PFAS-Free Foam Extinguishing Concentrate

AwaAwa10: Senju Sprinkler Co., Ltd. and Senju Metal Industry Co., Ltd.

At the SMIC Group, we have been focused on the movement to regulate PFAS in foam extinguishing concentrates for a long time. As a countermeasure to this, we have been working on developing a new type of foam extinguishing concentrate. As a result, we developed AwaAwa10, a completely PFAS-free synthetic surfactant foam concentrate with high extinguishing performance and minimal impact on people's health and the environment. We developed AwaAwa10 together with Senju Metal Industry, which has expertise in surfactants gained through its development of the soldering material, Flux, and Senju Sprinkler, which possess knowledge of fire extinguishing mechanisms. The combined strengths of the diverse businesses within the SMIC Group have made it possible to produce solutions that address fire safety and environmental pollution.

In March 2024, AwaAwa10 obtained certification from the Fire and Disaster Management Agency for factory fires, and testing is being conducted as part of a fire extinguishing system in combination with sprinklers, with procedures underway for further certification.



Fire extinguishing test using AwaAwa10



Fire extinguishing concentrate certification

SMIC Group Sustainability

At the SMIC Group, we have established the CSR Basic Policy and CSR Goals, internal standards of conduct, based on our Management Philosophy. These serve as internal guidelines for becoming a company that maintains honest relationships with stakeholders and promotes sustainability activities that realize sustainable environment, society, and governance. We regularly review the CSR Basic Policy and CSR Goals.



Management Philosophy
Our vision, which lies at the heart of everything we do

CSR Basic Policy
Based on our Management Philosophy, this serves as a specific policy for constantly maintaining honest relationships with stakeholders.

CSR Goals
To implement our CSR Basic Policy in our business activities, we have set forth specific standards of conduct for each of the items below.

Human Rights and Labor

1 Prohibition of forced labor
2 Prohibition of child labor
3 Working hours
4 Wages and benefits
5 Prohibition of discrimination and harassment/humane treatment
6 Freedom of association and collective bargaining

Health and Safety

1 Occupational health and safety
2 Emergency preparedness
3 Prevention of occupational injuries and illnesses
4 Industrial hygiene
5 Physically demanding work
6 Machine safeguarding
7 Sanitation, food and housing
8 Health and safety communication
9 Prohibitions of drugs and other substances in the workplace

Environment

1 Environmental permits and reporting
2 Pollution prevention and effective use of resources
3 Hazardous substances
4 Waste
5 Emission of substances into the atmosphere
6 Restrictions on substances used
7 Water management
8 Energy consumption and greenhouse gas emissions

Fair Trade and Ethics

1 Business integrity
2 Prevention of corruption
3 Disclosure of information
4 Intellectual property
5 Fair business activities
6 Protection of anonymity and prohibition of retaliation
7 Responsible mining activities (Mineral procurement)
8 Protection of privacy
9 Export control

Product Quality and Safety

1 Products and services
2 Stability of supply

Information Security

1 Securing computer and networks
2 Use of social media

Management Systems

1 Responsibility and commitment
2 Risk management
3 Grievance mechanism

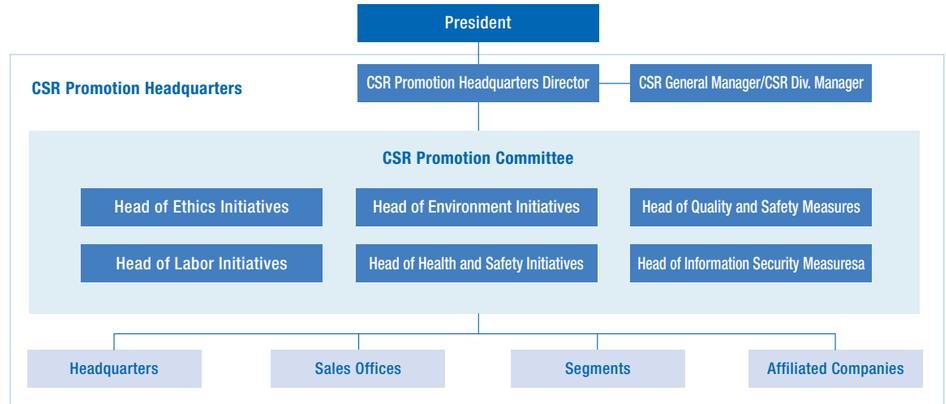
Social Contributions

1 Social contributions
2 Biodiversity

Our CSR Basic Policy and CSR Goals are based on RBA's latest Code of Conduct and the Japan Electronics and Information Technology Industries Association's (JEITA) Responsible Business Conduct Guidelines.

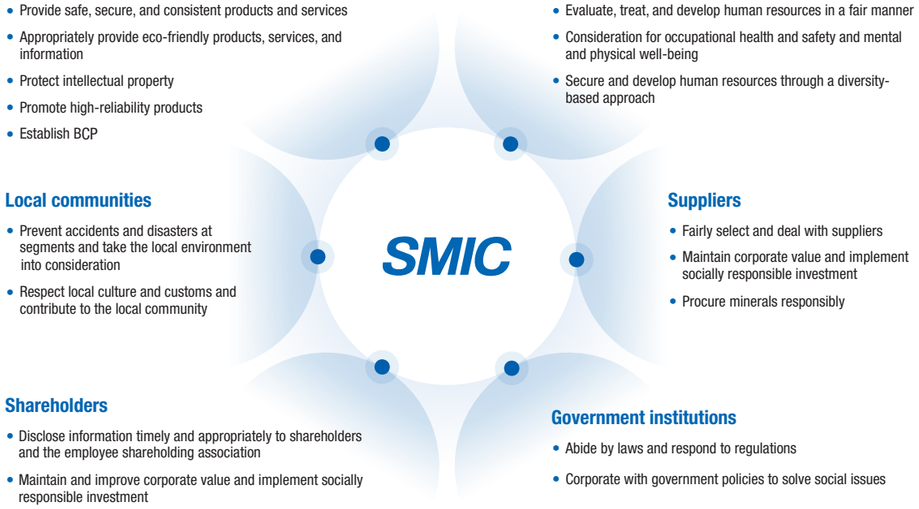
CSR Promotion Framework

The CSR Promotion Headquarters has been established under the direction of the President and will promote sustainability activities across the entire group . The respective members of the CSR Promotion Committee are responsible for implementing initiatives regarding specialized issues, such as ethics, labor, and the environment.



Coordination with Stakeholders

At the SMIC Group, we are constantly aware that we are appreciated and supported by stakeholders including our customers, suppliers, and employees. Through proactive information disclosure and continuous dialog, we will solve issues by working to foster a common understanding and sharing of issues.



Customers
- Provide safe, secure, and consistent products and services
- Appropriately provide eco-friendly products, services, and information
- Protect intellectual property
- Promote high-reliability products
- Establish BCP

Employees
- Evaluate, treat, and develop human resources in a fair manner
- Consideration for occupational health and safety and mental and physical well-being
- Secure and develop human resources through a diversity-based approach

Local communities
- Prevent accidents and disasters at segments and take the local environment into consideration
- Respect local culture and customs and contribute to the local community

Suppliers
- Fairly select and deal with suppliers
- Maintain corporate value and implement socially responsible investment
- Procure minerals responsibly

Shareholders
- Disclose information timely and appropriately to shareholders and the employee shareholding association
- Maintain and improve corporate value and implement socially responsible investment

Government institutions
- Abide by laws and respond to regulations
- Corporate with government policies to solve social issues



Message From an Operating Officer

The Accounting Department Aims for Sustainable Growth by Recognizing Changes in the Business Environment as Opportunities to Make Breakthroughs

Deputy Director, Operating Officer,
Accounting Department General Manager **Makoto Imai**

Working to maintain a robust financial standing and enhance risk management in order to be a company that continues to take on challenges

As a manufacturer that provides bonding solutions, the primary business of the SMIC Group is the manufacture and sale of soldering materials. We are developing our business activities as one of the world's top manufacturers of soldering materials while supporting technological advancement in many industries, including electronics, semiconductors, and automobiles.

The market environment surrounding the SMIC Group is expected to show an overall upward trend, particularly for semiconductors (driven by demand for generative AI and data centers) and automotive (EVs and automation). It is essential for us to establish a manufacturing system that can reliably meet increasing demand and a backup system capable of responding to unexpected situations. In the Accounting Department, we aim to always have financial resources ready for swift investment when necessary. Therefore, we are supporting business activities to enhance cash flow generation and promoting proper cash management to maximize cash on hand.

At the SMIC Group, our business structure is susceptible to risks from fluctuations in metal prices and exchange rates. That is why we are working on maintaining a robust financial standing and enhancing our risk management.

To improve our capability to generate cash flow, we will adjust sales prices in line with metal price fluctuations and focus on maximizing added value which is the source of our competitiveness. Through doing so we will improve our profitability. To address exchange rate fluctuation risks, our headquarters is developing a system to centrally control exchange risks, including those of overseas subsidiaries. We focus on managing currencies primarily in US dollars and Japanese yen, utilizing forward exchange contracts to hedge against yen appreciation risks.

To maximize cash on hand, we have set appropriate inventory management levels for Japan and have established suitable cash and deposit levels for overseas subsidiaries, which are continuing to achieve high profitability. Through this, we are consolidating funds at the headquarters.

Regarding tax, we continuously strive to fulfill our tax obligations appropriately and fairly at all our global locations while optimizing tax expenses. In accordance with the spirit of the law, we will fulfill our tax obligations properly and fairly.

Regarding accounting, we have established a system that enables the timely preparation of financial statements based on statutory accounting and reporting to management. To further enhance our risk control capabilities through more accurate and stable internal controls, we are preparing to engage an auditing firm for statutory audits.

At the SMIC Group, while preparing for various risks, we will take on the challenge of achieving solid growth by recognizing changes in the business environment as opportunities to make breakthroughs. By doing so we will aim for sustainable growth. The Accounting Department will swiftly address various issues and implement solutions so that the SMIC Group can continue to achieve further growth.

Governance

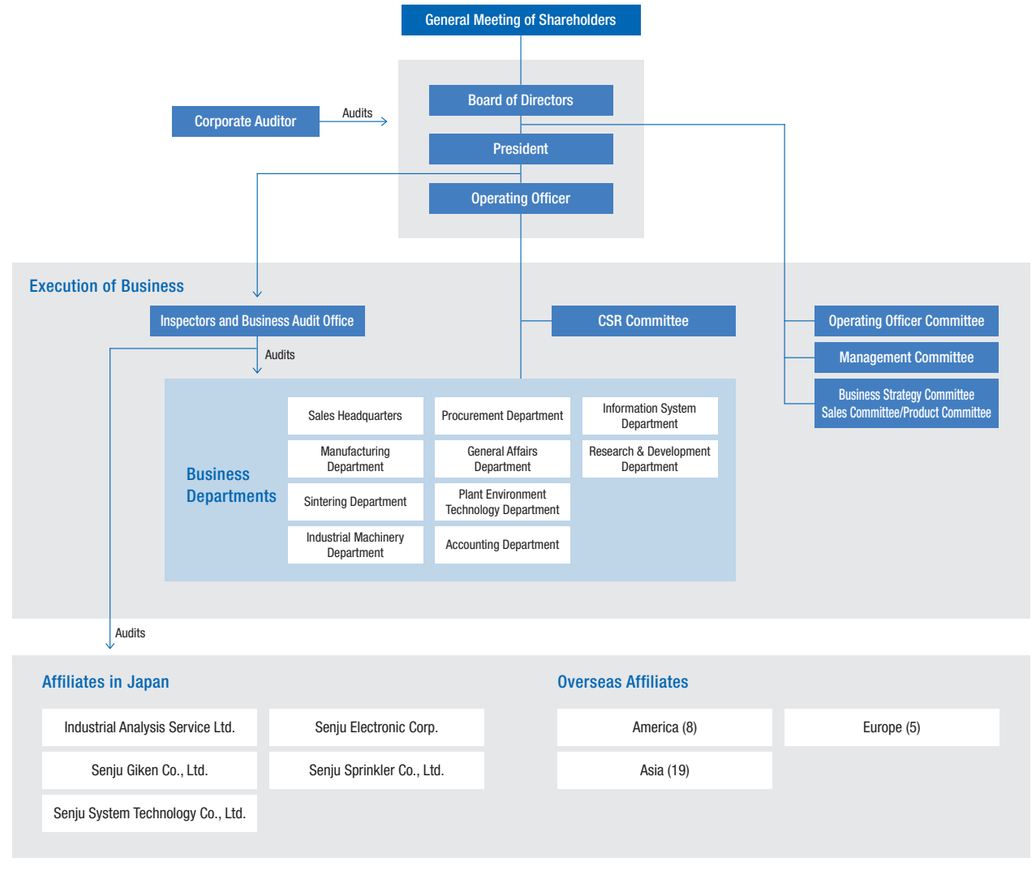
Corporate Governance

Basic policy

We will develop and operate our management system and construct our corporate governance system while maintaining sound, fair, and highly transparent management, and adapting to the changing times. The basic policy of the group is to fulfill its accountability by disclosing information in a fair manner to all stakeholders.

Corporate Governance System

In accordance with the law, we have the General Meeting of Shareholders and the Board of Directors in place. In addition, we have strengthened our corporate governance system by appointing auditors and establishing the Operating Officer Committee, the Management Committee, and the Business Strategy Committee. We also conduct risk assessments through internal audits by inspectors and the Business Audit Office as well as by reporting and discussing sustainability concerns at the CSR Committee.



Governance

Company Officers



President	① Ryoichi Suzuki
Representative Director	② Tomohide Hasegawa
Executive Director	③ Yuji Kawamata
Board of Director	④ Yuka Sato
	⑤ Tetsuya Okuno
Corporate Auditor (External)	Shoju Sato*
	⑥ Reiko Sato
Inspector	⑦ Kazutoshi Sakaguchi
Assistant Corporate Auditor	⑧ Yasuhiro Ishi
Counselor	⑨ Setsuo Tanaka
	⑩ Satoru Akita
Deputy Director	⑪ Toshimaru Sumiyashiki
	⑫ Makoto Imai

*Absent due to personal reasons at the time of filming

Board of Directors and Business Execution System

Board of Directors

They consist of five directors, two corporate auditors, and one inspector. As the highest and final decision-making body of SMIC management and administration, it is chaired by the Chairman of the Board (or President) and is responsible for the appointment and dismissal of operating officers and the resolution and approval of important matters such as submissions from the Management Committee, in accordance with the provisions of related laws and regulations and the Articles of Incorporation. A separate Code of Ethics and Disclosure Rules have been established as indicators of the Board's deliberations and decisions.

Management Committee

The Management Committee consists of directors and operating officers. It deliberates on legal matters and determines or approves important matters in the execution of business. It also submits matters related to business execution to the Board of Directors that are important to be deliberated or decided on by the Board of Directors. We have established various regulations, including BCP management regulations, crisis management regulations, and information security regulations, which are defined separately as indicators for deliberations and decisions by the Management Committee.

Operating Officer System

We have introduced an operating officer system, and the operating officer general managers appointed by the Board of Directors manage the division of duties among the departments they oversee. Based on the business plan of the company, they formulate and execute the business plan of the departments they oversee. As officers in charge, they give direct orders on important matters in the guidance of the department they oversee.

Appointment of Officers

	Term of Office	Method of Appointment
Board of Director	1 year	Appointed at the General Meeting of Shareholders
Corporate Auditor	4 year	
Inspector	1 year	Appointed at the Board of Directors
Operating Officer	1 year	
Counselor/Deputy Director	–	Appointed at the Management Committee

*By appointment of the President, he or she may remain in office one year at a time

Audit Supervision System

Auditors and Inspectors

We have appointed two auditors and one inspector. These officers carry out audits of daily management activities, including the execution of duties by directors. Corporate auditors and inspectors attend the Board of Directors, where they fulfill their duty to prevent illegal or exceedingly unjust resolutions from being made, as well as to ensure the conduct of activities according to the law.

Directors, Auditors, and Operating Officers

	Name	Operating Officer	Area of Responsibility
President	Ryoichi Suzuki		
Representative Director	Tomohide Hasegawa	●	Sales
Executive Director	Yuji Kawamata	●	Research & Development
Board of Director	Yuka Sato		
Board of Director	Tetsuya Okuno	●	Manufacturing, procurement
Corporate Auditor (External)	Shoju Sato		
Corporate Auditor (External)	Reiko Sato		
Inspector	Kazutoshi Sakaguchi		
Assistant Corporate Auditor	Yasuhiro Ishii		
Counselor	Setsuo Tanaka	●	Plant environment technology
Counselor	Satoru Akita	●	General affairs, information, sales
Deputy Director	Toshimaru Sumiyashiki	●	Industrial machinery, sales
Deputy Director	Makoto Imai	●	Accounting

Risk Management

Basic policy

Taking responsibility as a company located upstream in the supply chain, the SMIC Group has established specialized departments and committees to deal with the following possible risks and has implemented measures to prevent risks and minimize losses.

Anticipated Risks

- Natural disasters such as earthquakes and typhoons
- Information security risks such as information leaks and unauthorized access
- Intellectual property risks such as patent infringement and technology leakage
- Risks concerning human rights and labor rights such as harassment
- Infectious diseases such as novel influenza and COVID-19
- Export management risks including safety assurance trade
- Environmental risks such as climate change problems and waste contamination, etc.

Business Connuity Initiatives

We evaluate, analyze, and implement measures for various risks, establishing a risk management framework for minimizing potential damage and enhancing our business continuity capabilities, including the creation of a production backup system to ensure stable supply. We have also developed action plans such as the Facility Disaster Recovery Plan, to promote the quick recovery of production systems. Additionally, we will strengthen the backup system so that production can continue through coordination with sites in Japan and overseas, in the event of an emergency such as a disaster that makes production difficult at one site.

Production Backup System to Ensure Stable Supply



Pandemic Response

At the SMIC Group, we place the utmost importance on the protection of the health and lives of our employees, their families, the local community, our business partners, and visitors.
Regarding infectious diseases, we will implement measures based on our prevention manual intended to prevent the infiltration and spread of infections within the company and protect employees, their families, and visitors such as business partners from infection.

Natural Disaster Response

We conduct evacuation drills, firefighting drills, and first aid courses (AED courses) with guidance from fire departments and security companies, in order to protect the life and limb of employees from disasters such as earthquakes and fires. We also participate in comprehensive fire drills conducted by fire departments with jurisdiction, in an effort to strengthen collaboration with local communities.
Regarding flood protection against flood damage, we have relocated key infrastructure, such as power supply systems, to the upper floors of the headquarters as a measure to protect company infrastructure in the event of the flooding of the nearby river. In addition, we are also in the process of installing flood protection measures, including floodproof doors and shutters.

Promotion of Automation, Robotics, and DX at Factories

At the SMIC Group, for business continuity and to improve safety, we are promoting automation and the use of robots, such as automated solder billet manufacturing robots, automated packaging robots, and AGVs (Automated Guided Vehicles). Further, we are implementing a teleworking system that allows employees to do the same work from home as they can in the office. This is to ensure that business operations can continue, even in the event of a situation where employees are unable to come into the office.

Promotion of a Multi-Purchasing System in Raw Materials

In order to comply with the BCP, we have also established a multiple purchasing system for chemical synthetics raw materials (e.g. flux) for which multiple purchases were previously considered challenging for our company in the past.
For raw materials for existing products, we have secured multiple purchasing channels after repeated careful research and performance verification.
For new products, a system for stable supply has been established by selecting raw materials for which multiple purchasing is possible from the product design stage.

Governance

Safety Assurance Export Management

We acknowledge issues such as the proliferation of weapons of mass destruction, preventing excess accumulation of conventional weapons, and trade wars between countries. In response, we have placed restrictions on exports to maintain order in states of tension and comply with laws for maintaining international peace and safety, as well as upholding the Foreign Exchange and Foreign Trade Act by the Japanese government. In order to properly implement export management, we have appointed the president of the company as the person in charge of export management from a national security perspective and established the Safety Assurance Export Management Office directly under his purview.

CLASSIFICATION
The Development Department classifies items by checking against a cargo list (export regulation list) regulated by export control-related laws including the Foreign Exchange and Foreign Trade Act.

TRADE INSPECTIONS
The Sales Department checks applications and end users of exported cargo.

SHIPMENT MANAGEMENT
When shipping using logistics, we check that classification and trade inspections are complete and confirm that the cargo upon delivery matches the shipping cargo and leave documentation.

By conducting annual internal audits in line with the role of each department (classification, trade inspections, export management) and making notifications on regulations and training, we maintain regulatory compliance and have achieved recognition from METI (Ministry of Economy, Trade and Industry) as a company that has developed a voluntary management system for safety assurance trade management.

*From "Official Announcement of Companies Producing Export Management Internal Regulations" https://www.meti.go.jp/policy/anpo/compliance_programs_pdf/20240716_kouhyougenkou.pdf (Latest version as of the time this document was made)

Safety Assurance Export Management Training

We conduct export management training annually for employees in charge of classification, trade inspections, and export management to enhance the capabilities of each department. (In FY2023: Conducted at 48 business units.)
We also conduct training for top management, produce training materials that easily explain relevant laws, and provide training to various business units.

Intellectual Property

Many inventions, know-how, trademarks, etc. are produced by the SMIC Group from its Research and Development Department, Manufacturing Department, and Public Relations Departments. In order to protect and utilize these intellectual properties, the intellectual property rights system is being effectively used to protect and anonymize the rights. We also focus on developing our own technologies while respecting the intellectual property rights of others.
These intellectual property activities support the SMIC Group's business and continue to contribute to the realization of the sustainability of our society.

Intellectual Property Education

We hold study groups and lectures on each theme of patents, trademarks, and copyrights, and work on rights acquisition, know-how management, and rights protection for enhanced management protection against development, manufacturing, and sales risks.

Patent Holdings

We actively apply for and obtain rights to domestic and overseas patents.

Number of registrations in Japan	Number of overseas registrations
510	2,105

(As of December 2023)

Corporate Secret Management/ Personal Information Protection

We have established Corporate Secret Management Regulations and Personal Information Management Regulations and are working to prevent leaks of confidential information by managing personal information held by the company, as well as the information of customers and suppliers. Furthermore, we act appropriately to laws and regulations including the EU GDPR (European Union General Data Protection Regulation).

Information Security

In light of damages suffered due to cyberattacks in recent years, we are further augmenting the management and operation of information security. Our Information System Department has developed a basic action plan to improve its ability to contain and detect threats in the event of damage and to recover quickly. Methods of cyberattacks change daily, so we conduct regular training about rules and threats for employees and raise awareness of the importance of information security.

Compliance

Basic policy

We consider our philosophy of management to be essential to compliance, and so have defined our basic compliance policy and practical goals based on the CSR Basic Policy. We have also explicitly stated the importance of compliance with our employee work rules. Employees faithfully follow these policies, goals, and rules, and work to maintain order within the company. The SMIC Group's CSR Basic Policy and CSR Goals serve to operate our companies in compliance with fair trade ethical principles.

Status of Compliance Activities

We conduct various types of training (CSR training, environmental training, procurement policy for supplier training, safety assurance export management training), as well as internal audits and audits of suppliers in order to comply with various laws relating to our business activities.
In our internal audits, the Business Audit Department conducts safety assurance export audits in accordance with the Foreign Exchange and Foreign Trade Act, to maintain sound corporate compliance, CSR internal audits, which are based on the RBA Code of Conduct, using the CSR Basic Policy and CSR Goals as audit criteria, and information security audits regarding the handling of confidential internal and external information for all sites in Japan and overseas.
In FY2020 and FY2021 remote audits were conducted due to COVID-19. However, in FY2022, in-person audits were partially resumed, and by FY2023, in-person audits were conducted at all sites in Japan. Corrective actions that were required based on each audit are promptly addressed by each department, leading to continuous improvement of the management system. As a result of this training and audits, no serious legal violations occurred in FY2023.

Audit Results in FY2023 (Unit: number of cases)

Audit Target	Business Audits	Safety Assurance Export	Specified Shippers
Senju Metal Industry	68	35	19
Affiliates in Japan	34	3	3
Overseas Affiliates	0	0	0
Committees, etc.	1	0	0
Total	103	38	22

CSR Audits

Our CSR audits include RBA-VAP audits, CSR audits by customers, and internal CSR audits. By conducting audits based on customer requirements and RBA standards, we have established a system that will enable us to maintain global standards in labor, health and safety, environment, ethics, and management systems.

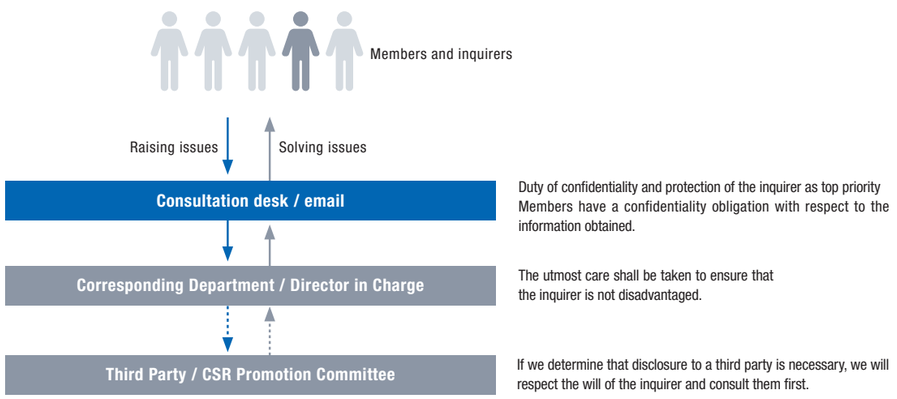
	Frequency	Target Sites	Content
RBA-VAP audits	Every 2 years	Priority target locations based on the medium-term plan	VAP (Validated Assessment Program) audits by RBA
CSR audits by customers	Upon customer request	Locations requested by customers	Conducted in accordance with customer audit standards
Internal CSR audits	Annually	All sites including group companies	CSR Basic Policy and CSR Goals based on the RBA Code of Conduct are implemented by the Business Audit Department as audit standards

Governance

Internal Reporting Contact System (Smile Mail) and Establishment of an External Consultation Service

We have established a dedicated internal reporting hotline (Smile Mail) to discover misconducts and take corrective actions early on, which enables employees to anonymously report and consult about problems involving all employees' human rights (harassment, etc.) and problems involving compliance (violations of laws and internal regulations, problems with corporate ethics and social norms, etc.). In addition, we have set up an external consultation service on our website where stakeholders can submit their opinions, requests, and complaints.
In FY2023, the service was used 13 times across the SMIC Group (including consultations that were not compliance violations), indicating that the consultation service is being put into effective use. The content of all consultations are carefully investigated based on internal regulations, and appropriate measures are taken.

Proposal	Complaints	Requests	Opinions
Consultation	Information	Bullying	Harassment



Working with Customers

Securing the Quality and Safety of Our Products

Basic policy

We have defined a Quality and Safety Policy, and in order to enable customers to use our products with peace of mind, we strive to improve the quality of our products throughout the product lifecycle.

Quality and Safety Policy

1. We shall comply with related laws and regulations as well as customer demands and improve customer satisfaction by supplying products and services with consideration for quality and safety.
2. We shall construct, implement, and maintain a quality management system in accordance with our established quality manuals, and continuously improve the effectiveness of this system.
3. We shall set quality policies and targets for activities, conduct regular reviews as necessary, and evaluate opportunities for improvement (intervals, frequency, and circumstances) of the management system.
4. We shall evaluate the necessity of changes to our quality management system, and if changes are necessary, we shall review our system to maintain its adequacy in light of our management philosophy.

Obtained Quality Management System Certification

We have obtained international standards and certificates at our sites in Japan and overseas.

- ISO9001 (22 sites)
- IATF16949 (18 sites)

Initiatives to Improve Quality

To eliminate defects in our deliveries, processes, and acceptances, SMIC has formulated annual quality activity plans and requires each business unit to set its own goals to work towards reducing defects. In case of a defect, we compile recurrence countermeasures, incorporate analysis results into our improvement plans for the following fiscal year, and make quality improvements continuously according to the PDCA cycle. We implement regular quality audits of overseas factories to improve the quality level of the group as a whole.

Product Chemical Management

We manage chemical substances as per our Environmental Management System in order to comply with the RoHS directives and REACH rules, which are European chemical substance regulation laws made to protect human health and the environment. We have laid out a dedicated team system and are complying with chemical inspections of our products.
Per REACH rules, we have completed full registration of the chemical substances we handle and acquired SDS from our suppliers, to relay information to customers based on Articles 31 and 32. We supply customers with SDS and GHS labels, compliant with GHS (Globally Harmonized System of Classification and Labelling of Chemicals).

Quality Audits

We conduct internal quality audits based on IATF 16949 certification at our manufacturing and sales locations in Japan, including group companies, twice a year for the solder and sintering divisions, respectively. In addition, periodic quality audits are conducted once a year at all our manufacturing sites in Japan and overseas.

Preventing Defects in Quality Control Management

We established our affiliate company IAS in 1972 for defect prevention purposes. IAS, a third-party institution, conducts inspection and analysis processes that are typically done internally. We decide on pass or failure results based on the results of that analysis, which helps to prevent cheating and false pretenses in the inspection process.

Initiatives to Improve Customer Satisfaction

At the SMIC Group, we are working to improve customer satisfaction. We are conducting activities such as making proposals to customers, joint development, technical seminars, technology exchange meetings, sales activities, and enhancing technological innovation. As a result of these efforts, we received the following awards in FY2023.



Intel Corporation：EPIC Outstanding Supplier Award



DENSO CORPORATION: Excellent Performance Award



Panasonic System Networks Malaysia Sdn. Bhd. : Best Supplier Award

Working with Suppliers

Procurement Activities

Basic policy

We are observing procurement compliance and working towards establishing a safe and secure supply chain to contribute to society through procurement and build good relationships with our suppliers.

CSR Sourcing Policy

We comply with laws relating to procurement and automotive industry fair trade guidelines set forth by METI (the Japanese Ministry of Economy, Trade and Industry) in order to define the basic stance of our purchasing policy (practice fair and faithful procurement with an emphasis on respect for suppliers), as well as our CSR procurement policy when conducting transactions with suppliers.

1	Senju Metal Industry Co., Ltd. "Quality and Safety Policy"
2	Senju Metal Industry Co., Ltd. "Environmental Policy"
3	Senju Metal Industry Co., Ltd. "Purchasing Policy"
4	Senju Metal Industry Co., Ltd. “Basic Approach Towards Suppliers”
5	IATF 16949 requirements that must be considered for deliverables
6	Environmental management requirements that must be considered for deliverables

CSR Procurement Initiatives

Our Procurement Department and the related Development and Manufacturing Departments conduct audits of suppliers both in Japan and overseas, according to yearly plans. In FY2023, as in previous years, our suppliers in Japan and abroad cooperated with our supply chain assessment, and no problems were found. Furthermore, we are communicating actively with our suppliers in bilateral visits, explanation sessions, and online meetings.

Basic Approach Towards Suppliers

To build a sustainable supply chain and eliminate risks throughout the entire supply chain, we ask our suppliers to comply with the 14 items of the “Basic Stance Toward our Suppliers," which include compliance with laws and social norms, business continuity and recovery plans in the case of emergency. These requests are based on the requirements of IATF16949, ISO9001, ISO14001, and the supply chain assessment guidelines set by the RBA.

1	Compliance with laws and social norms
2	Considerations towards human rights and manual labor
3	Considerations towards safety and hygiene
4	Prohibition of corruption and promotion of fair trade
5	Sound business management
6	Quality, delivery dates and stable supply
7	Preparedness for emergencies and continuation of projects
8	Environmental considerations
9	Promotion of responsible mineral supply
10	Emphasis on VE (Value Engineering) activities
11	Emphasis on provision of information
12	Information security
13	Elimination of relationships with criminal groups and individuals
14	Social contribution

Initiatives in Responsible Mineral Procurement

In January 2011, we joined the RBA (Responsible Business Alliance) and have built close relationships with customers in the electronics industry.

Since 2014, we have been a member of the RMI (Responsible Minerals Initiative) and have urged our refineries to submit to the RMAP (Responsible Minerals Assurance Process) and obtain third-party certification. In February 2015, all our supplier refineries received RMAP certification. In response to the EU Conflict Minerals Regulation, our European group companies, Senju Metal Europe GmbH, and Senju Manufacturing Europe s.r.o., have established a supply chain policy and are taking appropriate measures.

At the SMIC Group, for the responsible procurement of minerals, we prohibit transactions with individuals and groups who are contributing to human rights abuses such as conflict, terrorism, and child labor. We will continue to call on all our supplier refineries to renew their RMAP certification, to sustain a safe and secure supply chain for SMIC products.

Responsible Business Alliance
Advancing Sustainability Globally

RESPONSIBLE MINERALS INITIATIVE

Working with Employees

Our Principle on Human Resources

Basic policy

We consider our employees to be important assets. In light of this, we respect the human rights and personality of each individual employee and are striving to build workplace environments where a diverse range of human resources can realize their potential.

Respect for Human Rights

Basic Policy on Human Rights and Labor

We define our policy and goals for human rights and labor in our CSR Basic Policy and CSR Goals, respectively. Embracing the principles of Ability, Integrity, and Fighting Spirit noted in our management philosophy, we are striving to build an environment where employees can work enthusiastically.

Based on the belief that harassment and discrimination must not be tolerated, we conduct harassment prevention training to better educate our employees.

Fair Evaluation and Our Personal Statement System

We conduct human resource evaluations, and meetings with supervisors to review performance and challenges related to goals twice a year in order to apply the results to proper guidance for capacity development and human resource training. Through this process, we fairly and justly evaluate the work performance abilities of employees and reflect our findings in promotions, raises, and bonuses. We have also established a personal statement system. Individual employees answer an annual questionnaire about what they think about their jobs and workplace environments and what they want from them. Through these initiatives, we are working to make improvements that will enable employees to better fulfill their potential.

Human Resource Training

We encourage all employees to constantly work to obtain new knowledge, to cultivate professionals who are capable of making rational decisions from a broad perspective. We conduct appropriate training at every level and separate training for all employees, having examined effective methods based on the implementation of training regulations.

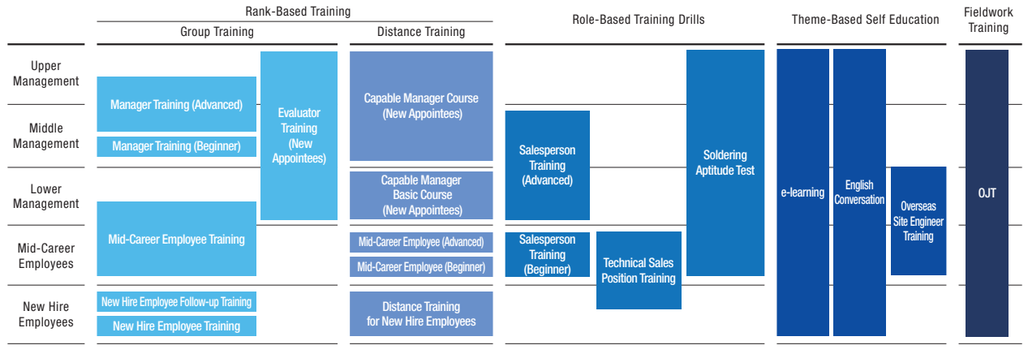
Since FY2020, we have implemented the Soldering Aptitude Tests. The aim of which is to increase employee engagement and understanding of our products by having them learn about the quality and techniques of soldering. As a result, we also hope this will lead to new product development. We aim to expand training to include a soldering school for our customers as well, as an effort to establish the new culture of SMIC Group firmly.



Soldering Aptitude Test

Education Support System

We support motivated employees in acquiring advanced and cutting-edge knowledge and skills, to contribute to the development of innovative products. This is done through a scholarship program that provides financial assistance for employees pursuing higher education at universities or graduate schools. In order to encourage employees to engage in voluntary self-improvement and support them as they obtain more sophisticated skills and knowledge, we also offer Assistance for Acquiring Special Skills.



Working with Employees

Occupational health and safety

Basic policy

We have clearly stated the basic steps necessary to prevent workplace accidents, to enrich our health and safety activities. We have also established a Health and Safety Policy and health and safety management regulations, to ensure the health and safety of our employees and promote the formation of comfortable workplace environments.

Health and Safety Policy

1. We strive for providing comfortable working environment by satisfying safety and health activity based on the Labor Standards Act and the Industrial Safety and Health Act.
2. We establish safety and health control system and positively promote the necessary actions through the organization and job function in order to prevent industrial accident.
3. The employee complies with the regulations defined by the law and company to prevent industrial accident and to pursue health maintenance.

Labor Health and Safety Management

Based on the law, we have established health and safety management systems proportional to the scale of each site. We prepare annual activity plans that define activity goals and priority activities and conduct health and safety activities based on these plans.

Incidence of Serious Labor Accidents

	2019	2020	2021	2022	2023
Accident Rate	0	0	0	0.62	0

Frequency Rate of Labor Accidents: Number of labor accidents (accidents resulting in death, or injuries causing loss of work for one or more days or loss of partial bodily functions)/Total working hours × 1,000,000

Health and Safety Training

We regularly conduct the following training for employees, so that they can learn knowledge and skills relating to health and safety.

- Training at the time of hiring
- Education and training when responsibilities are changed
- Special training for employees doing hazardous or harmful work
- Foreman training (including refresher training for employees who have not been in training for foreman for five years)
- Other health and safety training for supervisors
- Health and safety training to improve health and safety standards for employees doing hazardous or harmful work
- Training for qualified personnel (forklift drivers, etc.)

Health Maintenance

We conduct health examinations and have established a consultation counter in accordance with the law. In order to reduce the burden of personal injury and illness suffered by employees, we have established a system for employees to enroll in cancer insurance at the company's expense. We also have a system for the company to bear part of medical expenses incurred at a medical institution for one month. This helps to relieve the individual burdens for employees.

PFAS Response

At the Tochigi Segment, in order to prevent organic fluorine compounds from harming workers' health in the manufacturing process, we isolate work areas where organic fluorine compounds are used, monitor the work environment, and conduct blood tests for workers. The results of the workplace monitoring and blood tests were within the safe limits according to European and US standards. We strive to protect workers' health and safety by conducting regular monitoring and testing.

Support Suited to Each Workplace

At our factories, we supply employees with salt-fortified foods as a preventive measure against heat stroke in summer, and also milk as a health measure, in order to maintain their health and to support their ability to work safely.

Various Systems		Frequency/Period	Content
Health Management	General Health Examinations	1 time/year	Implementing general health or medical examinations to prevent lifestyle-related diseases for employees. Implementing guidance on lifestyle improvements for those who desire it.
	Medical Examination for the Prevention of Lifestyle-Related Disease	2 times/year	
	Special Health Examination	2 times/year	We conduct health examinations with special items for employees engaged in hazardous work as stipulated by law.
	Stress Checks	1 time/year	Conduct questionnaire surveys and offer advice to encourage individual mental health care awareness and lifestyle changes.
Welfare	Cancer Insurance System	25 years old or older	The company pays the insurance premiums for employees 25 years of age or older who enroll in cancer insurance, thereby reducing the burden of unexpected cancer-related diseases on employees.*
	Medical Expense Reimbursement System	As needed	The company bears part of the cost of medical insurance required for the treatment of illness and injury suffered by employees in their private lives.
Other	Use of Counseling Room	Anytime	Workplace and job counseling with vocational counselors.

Note: Regarding cancer insurance, we have switched to a plan where people who are already suffering from cancer can enroll, and we are switching to a policy that covers outpatient treatment.

Making Worker-Friendly Workplaces

Basic policy

We are working to build workplace environments where employees can work energetically, such as by providing support for work/life balance and conducting activities to improve the welfare and mutual kinship of employees.
In addition, we have taken various measures and made improvements so that employees can work with peace of mind, such as reducing and managing long working hours by tracking working hours and hours in the office with an employee attendance system.

Supporting Work/Life Balance

We provide systems for childcare leave and postnatal childcare leave at birth and a nursing care leave system based on the Child Care and Family Care Leave Act in place so that employees can maintain work-life balance and work with peace of mind. With the revisions to the parental leave system in the Child Care and Family Care Leave Act in October 2022, it has now become possible to take childcare leave in separate intervals. We have established a consultation desk for concerns regarding maternity and paternity leave, and we are creating a workplace environment where both men and women can balance their work and childcare responsibilities. We have also taken measures to reduce working hours at the request of employees. This system is in fact used by employees who have small children so that they can balance childcare with their career.



Golf get-together

Welfare and Social Interaction for Employees

Our in-house organization Senyukai holds group and recreational activities to encourage social interaction among employees. In addition to the Health and Safety Committee, a Labor Relations Committee has been established to represent employees and raise issues such as improvement of the workplace environment and workplace safety within the company, and to contribute to the realization of a safe and comfortable workplace and the development of the company.

TOPICS

After Taking Paternity Leave

Kenta Nakajima | Researcher, Solder Technical Center, Headquarters



I had heard from my colleagues about the challenges of childcare shortly after birth, so I discussed it with my wife and took four weeks of leave. Since I was the first in my department to take paternity leave, I initially felt a bit confused about the system and hesitant to take the leave. However, after consulting with my supervisor, I was encouraged to go ahead, and during the leave, I was able to fully focus on childcare. I feel that the time I spent on childcare during my leave has made it possible for me to balance work and parenting after returning to work. I am grateful for the support I received from my supervisor and colleagues.

Takumi Ikuta | Production Dept, Naka Factory, Kansai Segment

Having not been able to be very involved in childcare with my first and second child, when my third child was born, I wanted to take an active role this time and took four weeks of leave. Unlike work, I wasn't used to childcare, and it was much more challenging than I had imagined, but I was able to spend quality time and truly connect with my family. I also appreciated being able to support my wife during a physically difficult time. I'm grateful to my supervisor and colleagues for welcoming my decision and for creating a system that enabled the smooth handover of my duties.

Working with Employees

Diversity

Basic policy

We respect the diversity of differences between individual employees, such as ethnicity, gender, work history, age, values, family structure, and lifestyle. By utilizing these differences, we can effectively adapt to the constantly changing business environment and diversifying needs of customers, and believe in the potential of each individual employee so that they can demonstrate their abilities. To make this possible, we are addressing diversity, to realize workplaces where employees feel happy, can stay longer, and do rewarding work with peace of mind

Hosting Diversity Study Groups

At diversity study groups, we set themes each time with a focus on differences among employees and have the participants speak with each other about their experiences and circumstances. This allows participants to share their own ideas, advice, and efforts, so they can make new discoveries.
These study groups also offer a chance to build more worker-friendly environments and allow for deeper mutual understanding between employees and between the company and employees.



Diversity Study Groups

Promoting the Advancement of Women

We have formulated a general entrepreneur action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and are working to promote the advancement of women.

Training and Seminars

We regularly host training and seminars according to the needs and circumstances to promote the ambition of our employees.

Employment of Disabled People

We have long worked to employ disabled people and have developed workplace environments where people with disabilities can work enthusiastically and with peace of mind.

Response to Diversity

At Senju Metal Industry, we have established a work environment that accommodates diverse needs, including spaces that can be used for religious practices such as prayer, and lactation rooms for female employees who are breastfeeding. We have also established a contact point for employees to submit requests related to their individual characteristics, such as religion, gender, or disability, ensuring that appropriate accommodations are provided.

Myoko Café

The Adachi-ku organization for people with disabilities Yu-Ai Kai* operates cafés and shops at various facilities in Adachi-ku, Tokyo, and provides people with disabilities with places to work every day. Myoko Café, located in a corner of the main office of SMIC is one of them accepting people with intellectual disabilities using the Adachi-ku welfare facilities for people with disabilities. We provide them with opportunities to connect with society through work. By going to work at Myoko cafe increases their opportunities to move around on public transport for themselves. We support them in fostering positive and independent characteristics by doing each and every detailed operation such as exchanging messages over the telephone, café operations, and bread sales, and acquiring more sophisticated social skills. SMIC affirms the activities. Since 2005 when the former main office building was rebuilt into the current one, we have been supporting their activities by providing café space, paying for their utility costs, and ordering drinks when we have internal meetings.





* This is an organization established about 40 years ago. Its aims are for groups of those who have impaired eyesight, hearing impairment, trouble in arms and legs, intellectual disabilities, and who became disabled in the middle of their lives due to accidents or illnesses, and their families come together to understand each other's disabilities, to promote sociability, and to provide places to work

Activities of Social Contribution

Culture, Education, and Community Outreach

Sacred horse dedication to the Nakamura Hachinman Shrine Festival

Tochigi Segment Sep. 2023



Factory tour and study session about the environment

Tochigi Segment Jul. 2023



Hand soldering lecture at a local high school

Kansai Segment Nov. 2023



Weeding and cleaning of waterways around the factory

Kansai Segment Sept. 2023, 22 people



Guardrail cleaning

Senju Electronic Corp. / Senju Sprinkler Co., Ltd., Jun. 2023, 76 people



Clean up activities around the factory

Senju Giken Co., Ltd., Jun. and Dec. 2023, 39 people



Blood donations

Senju Solder (Phils.) Inc., Feb. 2023



Donation of recycled materials to a school

Senju Solder (Phils.) Inc., Oct. 2023



Community clean-up activities

Senju Metal Korea Co., Ltd., Dec. 2023, 9 people



Helping at a foodbank organization

Senju Electronic (Taiwan) Co., Ltd., Jul. and Aug. 2023, 35 people



Activities of Social Contribution

Culture, Education, and Community Outreach

Blood donations

Senju Electronic (Taiwan) Co., Ltd., Jul. 2023, 5 people



Donation of books and clothes to impoverished communities

Tianjin Senju Electronics Co., Ltd., Jan. to Dec. 2023, 71 people



Work experience study at a junior high school in Tokyo

Headquarters Jul. 2023

Support for the high school student future career development program

Tochigi Segment Aug. 2023

Clean up activities around a local park

Kansai Segment Aug. 2023, 13 people.

Community clean-up activities

Chubu Segment Nov. and Dec. 2023, 10 people

Community clean-up activities

Tianjin Senju Electronics Co., Ltd. Jan. to Dec. 2023, 4 people

Charity activities helping people with disabilities

Senju Electronic (Taiwan) Co., Ltd., Jun. 2023, 20 people



Community clean-up activities

Senju Metal (Shanghai) Co., Ltd., Oct. 2023, 6 people



Soldering lecture at a junior high school in Tokyo

Headquarters Dec. 2023

Clean up activities at Okitama Shrine

Kansai Segment May and Sep. 2023, 109 people

Clean road operation in the Sakamoto District

Kansai Segment Dec. 2023, 8 people

Donation of used wooden pallets for a local event

Senju Electronic Corp. May 2023

Community clean-up activities

Senju Manufacturing Europe s.r.o. Aug. 2023, 21 people

Natural Environment Protection

Activities of Arakawa Waterside Supporters

Headquarters / Soka Segment / Industrial Analysis Service Ltd. Jul. and Nov. 2023, 18 people



Woodland conservation volunteering

Kansai Segment Jul. and Nov. 2023, 16 people



Activities of the Moka Environmental Partnership Conference

Tochigi Segment May 2023, 66 people



Release of landlocked salmon fry into the Satetsu River

Senju Electronic Corp. Oct. 2023, 7 people



Participation in the Mori wa Umi no Koibito (The Forest is the Ocean's Sweetheart) Tree-Planting Festival

Senju Sprinkler Co., Ltd Jun. 2023, 17 people



Cleanup activities in the forest reserve

Senju Comtek Corp. / Senju America Inc. Jul. 2023, 11 people



Fruit tree donation

Senju Solder (Phils.) Inc. Feb. 2023



Tree planting activities

Senju Metal (Huizhou) Co., Ltd. Mar. 2023, 8 people



Participation in the Ishizaki Beach Cleanup

Senju Giken Co., Ltd. Jul. 2023, 11 people



Mangrove planting activities

Senju (Thailand) Co., Ltd. Oct. 2023, 27 people



Beach cleanup activities

Senju Electronic (Taiwan) Co., Ltd. / Senju Metal Industry. Co., Ltd. Kaosiung Branch Apr. 2023, 29 people



Coastline clean-up activities

Tochigi Segment Sep. 2023, 38 people

Beach cleanup activities

Senju (Malaysia) Sdn.Bhd. Dec. 2023, 58 people

Donation Activities

Donations	Site	Date
Donation to the Raicho Fund and the Rare Animal Conservation Fund	Senju System Technology Co., Ltd.	2023.2
Donation to a food pantry	Senju Comtek Corp. / Senju America Inc	2023.11
Donation to an organization supporting poverty relief	Senju Comtek Corp.	2023.12
Donation for Turkey earthquake disaster relief	Senju Metal Industry Co., Ltd. Kaohsiung Branch	2023.2
Donation to an organization supporting people with disabilities	Senju Electronic (Taiwan) Co., Ltd.	2023.5
Donation to an organization supporting women	Senju Electronic (Taiwan) Co., Ltd.	2023.10
Donation for educational program support	Senju Metal (Huizhou) Co., Ltd.	2023.6



The interior of the Sekido Museum of Art, located in a corner of the Senju Metal Industry Co., Ltd. headquarters building, features a chic space with a gray color scheme. The exhibition rooms on the first and second floors are connected by ramps.

Topics

Satoh Artcraft Research & Scholarship Foundation

The power to touch people's hearts, and lead to happiness. Transcend language barriers and physical borders and foster mutual understanding. This is the power of art. It is with this belief, that Honorary Chairman Mr. Senju Sato, founded the Satoh Artcraft Research & Scholarship Foundation in 1979. Since its founding, the foundation has focused on supporting and promoting art and craft culture through grants for research and creation in various fields, both domestically and internationally, managing museums rooted in local communities, and supporting craft artists. Here, we present the 45-year journey of the foundation.

Founded: May 1979
(Certified as a public interest foundation in 2012)

- Promotion, grants, and awards for research and creative activities in arts and crafts
- Collection and public exhibition of arts and crafts and related materials
- Promotion of international cultural exchange, mutual understanding, and the advancement of culture

Grant Projects

Since 1980

The Foundation, established to promote international cultural exchange and mutual understanding, and the advancement of Japanese culture, provides grants for various fields related to fine arts and crafts, including research, dissemination, and creative activities.
The Foundation also provides wide-ranging support for the development of art and crafts culture. This includes the investigation and reproduction of ancient craft techniques, the development of new technologies, sponsorship of exhibitions and symposia, and assistance with the production of craft catalogs and restoration costs.

Award for the Promotion of Young Metalworking Artists: Tansuio Award

Since 1983

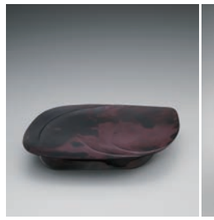
The Foundation has been focused on supporting metalwork crafts due to the fact that Senju Metal Industry is its parent organization. As part of these efforts, the Foundation established the Tansuio Award in 1983 to promote young metalworking artists. The award has garnered attention as a steppingstone to success for aspiring metalworking artists, and as a unique award given to artists from all genres who produce works using metal.



Japan Traditional Kogei Exhibition

Since 2012

The Japan Traditional Kogei Exhibition is an historic exhibition that has been held since 1970 to preserve and promote traditional Japanese metalworking techniques, including casting, forging, and metal engraving. The Exhibition displays works that reflect modern lifestyles for appreciation and review by the public.
Since the 41st exhibition in 2012, the Foundation has co-hosted the exhibition alongside the Japan Kogei Association, and the Sekido Museum of Art is one of the venues for the exhibition.



MEXT Award
Shidomoriki (Copper Vessel)
"Fuki," Yasuyoshi Matsumoto



Sekido Museum of Art Award
Zogankaki (Inlay Flower Vase)
"Kakeru," Kodo Murakami



Tokyo Metropolitan Board of Education Award
Halloween Cauldron, Saki Hannya

Support for Traditional Craft Artists Affected by the Noto Peninsula Earthquake

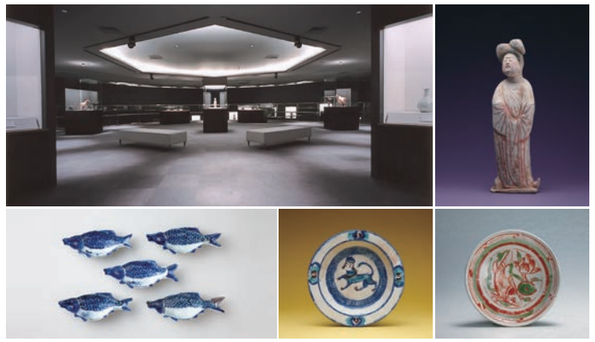
In 2024

The Noto Peninsula Earthquake that occurred in January 2024 brought enormous damage to the Noto region, which still retains various craft cultures. With people unable to return to daily life, the very existence of traditional crafts was at risk. In response to such concerns, we sent relief funds to traditional craftspeople through the Ishikawa Branch of the Japan Kogei Association to protect traditional crafts and ensure the succession of their skills. We will continue to provide support for traditional crafts rooted in the Noto region.

Sekido Museum of Art

Since 2006

The Sekido Museum of Art was opened in April 2006, in one of the buildings of the headquarters of Senju Metal Industry. The museum's collection is built upon a group of works collected by Senju Sato, and the museum is named after Sato's pseudonym, "Sekido." The exhibition rooms are designed with ample space to allow visitors in wheelchairs to move around easily. We regularly hold special exhibitions focusing on ceramics from around the world, tea ceremony kettles, Buddhist statues, lacquerware, bronzeware, and more.



Concert in Museum

The Sekido Museum of Art participates in Concert in Museum (hosted by the Adachi Lifelong Educational Promotion Corporation), which brings concerts and performances to five cultural facilities in the region. The event at the Sekido Museum of Art is very popular because visitors can listen to music while enjoying the art exhibitions.



石洞美術館
SEKIDO MUSEUM OF ART

Address : 23 Senjuhashidocho, Adachi-ku, Tokyo
Opening hours : During exhibitions: 10:00 AM–5:00 PM (Final admission at 4:30 PM)
Admission Fees : Adults: 500 yen, Students: 300 yen
Note : Free for elementary students or younger (with adult supervision), seniors 65 or over, and those with a disability certificate.
Closed : Mondays (If Monday is a public holiday, the museum will be closed the following day)

Efforts to achieve a Zero-Emission society through Our Environmental Vision 2050

It is important for us that we address global environmental issues (such as global warming, acid rain, soil pollution, and water contamination) as critical issues deeply connected to the very existence of humanity, and a common mission for all of us. We will realize a zero-emission society and contribute toward building a sustainable society through our business activities.



Environmental Vision 2050

THE THREE SOCIETIES WE AIM TO REALIZE

1 Realize a LOW CARBON SOCIETY

Taking on the challenge of building a zero-greenhouse gas society

▼

Promoting energy saving in our corporate activities

2 Realize a CYCLICAL SOCIETY

Conserving global resources through recycling

3 Realize a society that exists in HARMONY WITH NATURE

Conserving biodiversity and endeavoring to realize a society with zero use of harmful chemical substances that pose a risk to the environment

Second Environmental Plan

(FY2020 – FY2030)

Efforts toward a carbon-neutral business

Reduce CO_2 emissions compared to FY2013 (17,328 t-CO_2) by 25% by FY2030

Promote product recycling

Develop products using 100% 3R* materials

Cut the use of harmful chemical substances to zero

Zero usage of chemical substances that impact the human body or the environment

Conserve biodiversity

Conserve biodiversity through environmental conservation activities

*3R = Reduce, Reuse, Recycle



Environment

Environmental Policy

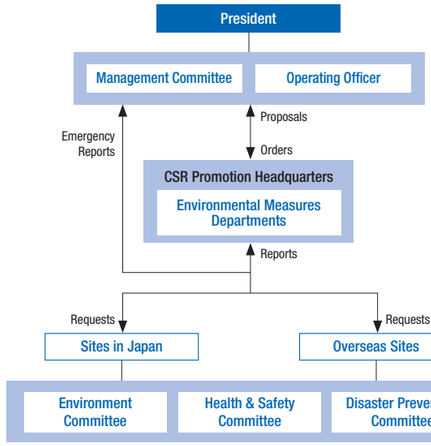
Basic policy

We believe conservation of the global environment is the shared mission of all humanity. Based on our mission and to realize a sustainable society, we strive to harmonize our business activities with the global environment and make every effort to protect our rich nature and diverse ecosystems.

Environmental Administration Structure

We established the Environment Committee as an organization to take measures necessary to reduce our burden on the global environment. The committee deliberates on the formulation and implementation of plans related to pollution prevention and environmental conservation. Every year at the Management Committee, we identify environmental risks and opportunities and decide our environmental activity policies based on items identified.

Environmental Organizational Chart



Environmental Management System

We defined our environmental philosophy and environmental policy, which serve as the guiding principles for environmental activities. A total of 18 sites in Japan and overseas have obtained ISO14001. They have formulated their own environmental management systems and have been conducting PDCA accordingly.
Regarding our four priority themes relating to the environment (reducing greenhouse gases, reducing waste, reducing harmful chemical substances, and nature conservation activities), each site and business unit both in Japan and overseas sets annual goals and action plans and conducts activities aimed at reducing our environmental footprint.

Environmental Risk

We determine various environmental risks such as climate change problems and pollution caused by waste, set strict voluntary administrative standards for preventing environmental accidents and pollution accidents, and take various measures to address these in conducting business. In order to minimize damage expected in the event of an emergency, we conduct emergency response drills once per year.
In FY2023, we did not have a single environmental accident or pollution accident. We will continue to take preventive measures against environmental accidents in the future.

Environmental Training

We conduct various types of environmental training, such as general environmental training (once per year), ISO14001 training (regularly), waste management training (regularly), and emergency response training (during emergency response drills) to raise employee awareness of the environment and to maintain and improve our Environmental Management System.

Environmental Audits

Compliance evaluators work with managers of related departments to conduct environmental law compliance evaluations twice a year, in order to check that environment-related measurements and notifications have been carried out properly, that there are no problems, and that measures required by law have been taken. They also conduct internal audits once a year to confirm the effectiveness of ISO14001.

TOPICS

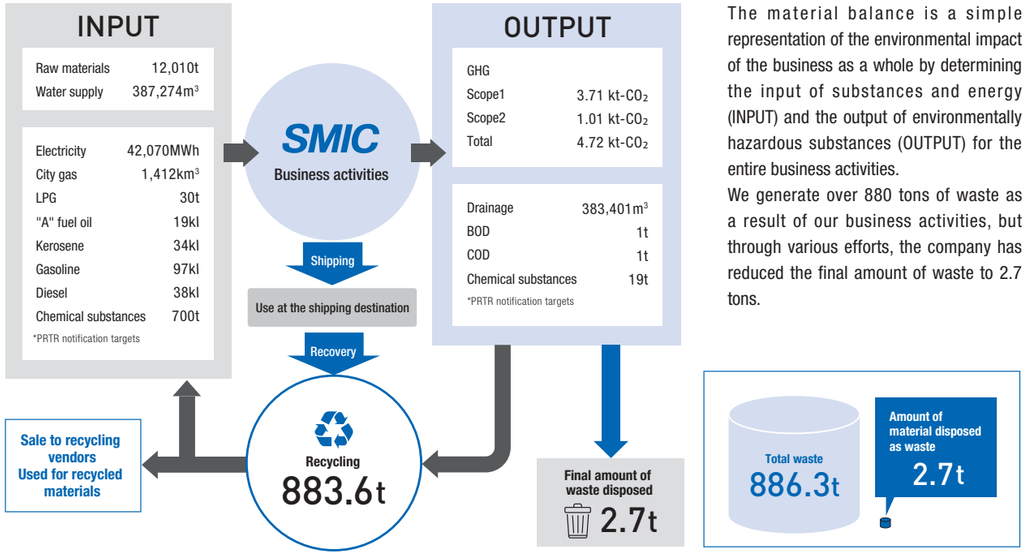
Supplier Environmental Award from TDK Corporation

We received the FY2022 Supplier Environmental Award from TDK Corporation.
Since 2020, TDK has conducted environmental awards for approximately 500 suppliers worldwide, recognizing those who contribute to reducing environmental impact, such as CO_2 and waste reduction, and cooperate in information disclosure.
As a result of an FY2022 survey into environmental initiatives, our adoption of renewable energy, the reasons behind it, our usage ratio, and future plans, were highly rated and led to this award.



Environment

Environmental Footprint Material Balance



The material balance is a simple representation of the environmental impact of the business as a whole by determining the input of substances and energy (INPUT) and the output of environmentally hazardous substances (OUTPUT) for the entire business activities.
We generate over 880 tons of waste as a result of our business activities, but through various efforts, the company has reduced the final amount of waste to 2.7 tons.

Greenhouse Gas Reduction

Basic policy

We track our energy usage and greenhouse gas emissions by quantitatively monitoring and measuring the environmental footprint caused by our business activities and promote energy conservation and CO_2 emissions reduction activities to prevent or mitigate global warming.

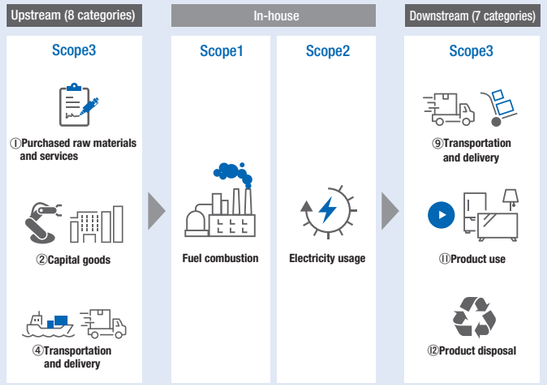
CO_2 Emissions Calculation Mechanism

In order to accurately assess the status of CO_2 emission reduction activities, it is necessary to accurately determine the current emissions of your company.
This is where the use of scope perspectives comes into play. The GHG Protocol, an international standard, defines three types of scopes, depending on the scope of emissions to be measured.

Scope1
In-house fuel usage (e.g., in-house power generation → combustion of heavy fuel oil, etc.; vehicle use → combustion of gasoline or diesel fuel)

Scope2
Indirect emissions associated with the use of electricity, heat, and other energy purchased by the company (e.g., electricity usage generated by power companies)

Scope3
Emissions of other companies related to the company's business activities, such as raw material procurement, logistics, and sales, which occur in the value chain apart from Scope 1 and 2, which are classified into 15 categories.



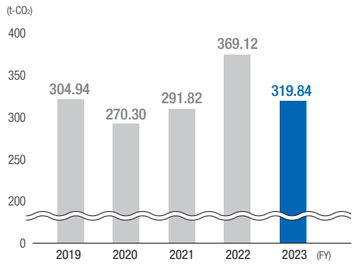
Reduction of Greenhouse Gas Emissions (Scope 1 and 2)

We have improved workplace efficiency in our factories, upgraded machinery such as air conditioners and transformers, and promoted other activities to save energy in our business activities. Additionally, we are promoting the switch to renewable energy sources for purchased electricity.
In FY2023, as a result of energy-saving activities, we achieved a reduction equivalent to 320 t-CO_2. Additionally, we switched to renewable energy sources for purchased electricity at two more sites, and by June 2023, we had completed the transition at all manufacturing sites in Japan. As a result, the renewable energy conversion rate for purchased electricity at all group sales locations in Japan, including sales offices, reached 99.3%. Consequently, FY2023 Scope 1 and 2 emissions were 4.72 kt-CO_2 (third-party verified), a reduction of 2 kt-CO_2 compared to FY2022.

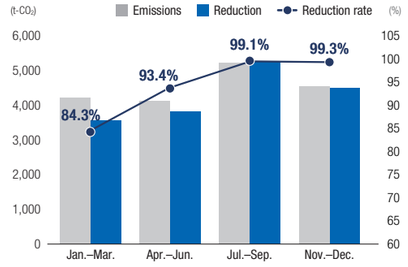
Examples of Key Improvement Initiatives

Site	Initiative	Reduction (t-CO_2)
Headquarters	・Installation of shading nets for outdoor air conditioning units	17
Tochigi Segment	・Review of gas boiler operations ・Conversion to LED lighting	91
Senju Electronic	・Cleaning of air conditioning unit fins ・Review of operations for nitrogen generators and compressors	46
Senju Giken	・Replacement of insulation material in curing tanks ・Cleaning of air conditioning unit fins and sprinkling water around them ・Upgrade of nitrogen generators	134

Reduction in GHGs



2023 Status of the Switchover to Renewable Energy at Sites in Japan

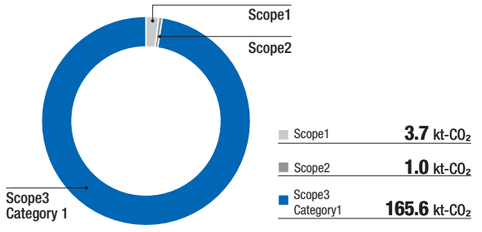




Reduction of Greenhouse Gas Emissions (Scope 3)

We have been working on calculating Scope 3 GHGs and have completed the calculations for Category 1 (purchased products and services) in the Solder and Bearing Departments. Total emissions were 165.65 kt, significantly exceeding the combined Scope 1 and 2 emissions of 4.72 kt.
The two divisions account for 92% of all purchased goods and will calculate emissions for the remaining 8%, which includes the Industrial Machinery Department and secondary raw materials.
The Solder Department produces the majority of emissions, with nearly all emissions originating from raw metal ingots. Therefore, we will place a greater focus on using more recycled materials to reduce emissions from raw metals.

CO_2 Emission by Scope



Environment

Waste Reduction/Recycling

Basic policy

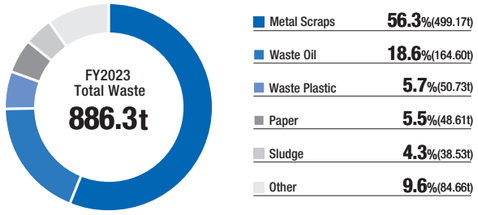
We conduct waste reduction and recycling activities based on the principles of 3R (Reduction, Reuse, Recycling).

Efforts to Reduce Waste Emissions

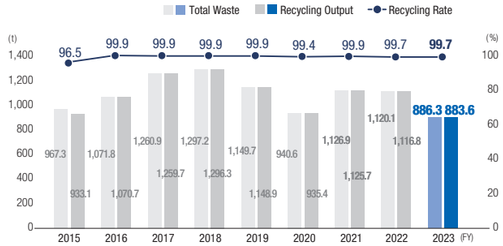
We made efforts to reduce waste emissions since 2013, such as recycling solder, collecting plastic byproducts, and recycling bearing product scraps. We achieved a recycling rate of over 99% every year since FY2016. Until now waste products such as glass bottles and grinding stone scraps have been disposed of as waste. However, in 2023 we recycled 2.7 tons of glass debris because we appointed a recycling vendor.

As for grinding stone scraps and other materials that are disposed of as waste, we will appoint a recycling vendor and aim to further improve our recycling rate.

Breakdown of Waste for Sites in Japan



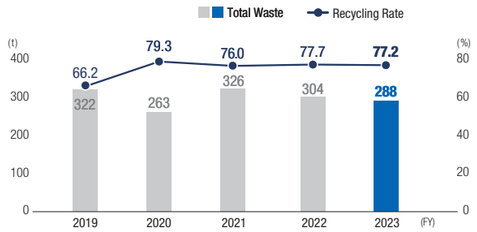
Total Waste Emissions and Recycling Rates for Sites in Japan



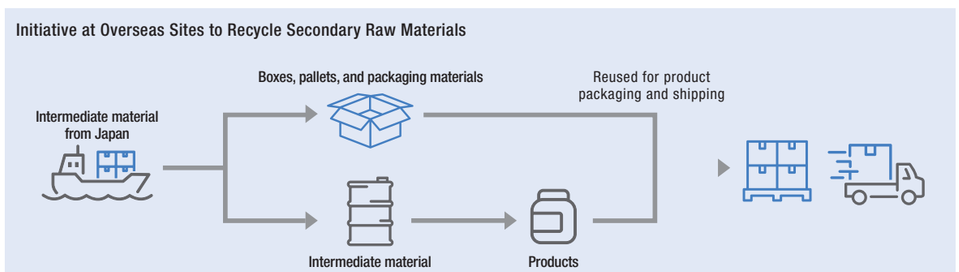
Overseas Site Data and Initiatives

We conduct environmental activities at our sites in Japan and overseas based on four priority themes related to the environment (reducing greenhouse gases, reducing waste, reducing harmful chemical substances, and nature conservation activities). This includes collecting and recycling product containers and packaging, as well as reducing power usage by managing operations of manufacturing equipment. We hold meetings with each overseas site once annually in order to ascertain their annual plan and initiatives, so we can promote initiatives aimed at environmental conservation suitable for their region and circumstances.

Total Waste Emissions and Recycling Rates for Overseas Sites



Initiative at Overseas Sites to Recycle Secondary Raw Materials



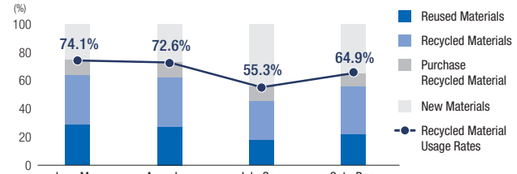
SMIC Group's Solder Recycling System

In cooperation with TAK-G, our affiliate company, we have been recycling solder for about 40 years. With the advent of lead-free solder in the 2000s, solder transitioned from the two-element tin-lead composition to a three-element tin-silver-copper composition. Today, even more elements are used in solder. Because of this development, it was required to install facilities to deal with multiple elements for recycling solder. As a result, we developed a special technology that limited the emergence of hazardous materials to the absolute minimum and a solder recycling system that could reproduce high-purity solder in our own refining method. The importance of recycling solder has increased in recent years, and the amount of recycling has doubled in the last few years. This increase is expected to continue.

We assumed responsibility as a material manufacturer before mineral recycling became popular. We will continue to actively promote investment in human resources and technological innovation toward further development of a system in which we collect the used solder products of our company and recycle them and the realization of recycling solder with multiple elements in order to achieve a sustainable society with effective utilization of limited mineral resources and the control of air pollution.



Usage Rates of Recycled Material (FY2023)



Reduction of Harmful Chemical Substances

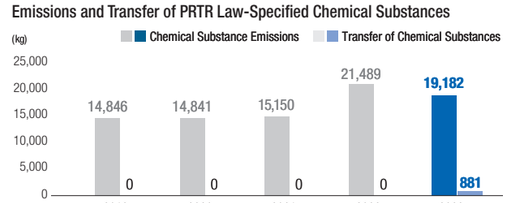
Basic policy

We manage chemical substances as per our Environmental Management System. In particular, for chemical substances with a significant environmental impact, we implement measures such as reducing usage or prohibiting their use, in line with our plans. We also set reduction goals every year and make focused efforts.

Emission and Transfer of PRTR Law-Specified Chemical Substances

We track and annually report the emission and transfer of chemical substances requiring notification in line with the Law concerning Pollutant Release and Transfer Register (PRTR). In April 2023, there were changes and additions to the substances requiring notification, resulting in a recorded transfer of 881 kg.

Emissions and Transfer of PRTR Law-Specified Chemical Substances



Soil and Groundwater Pollution Countermeasures

We are taking the following initiatives as soil and groundwater pollution countermeasures.

We also work to prevent pollution by conducting emergency response drills, as well as risk training to prevent leaks of polluted water.

Soil	Voluntary component analysis (once per year)
Water quality and groundwater	Final drain and groundwater inspections (chlorine residue, pH, etc. conducted daily) Component analysis and measurement of drain water and groundwater (conducted monthly)
Rainwater	Voluntary component analysis (twice per year)

Employee Data

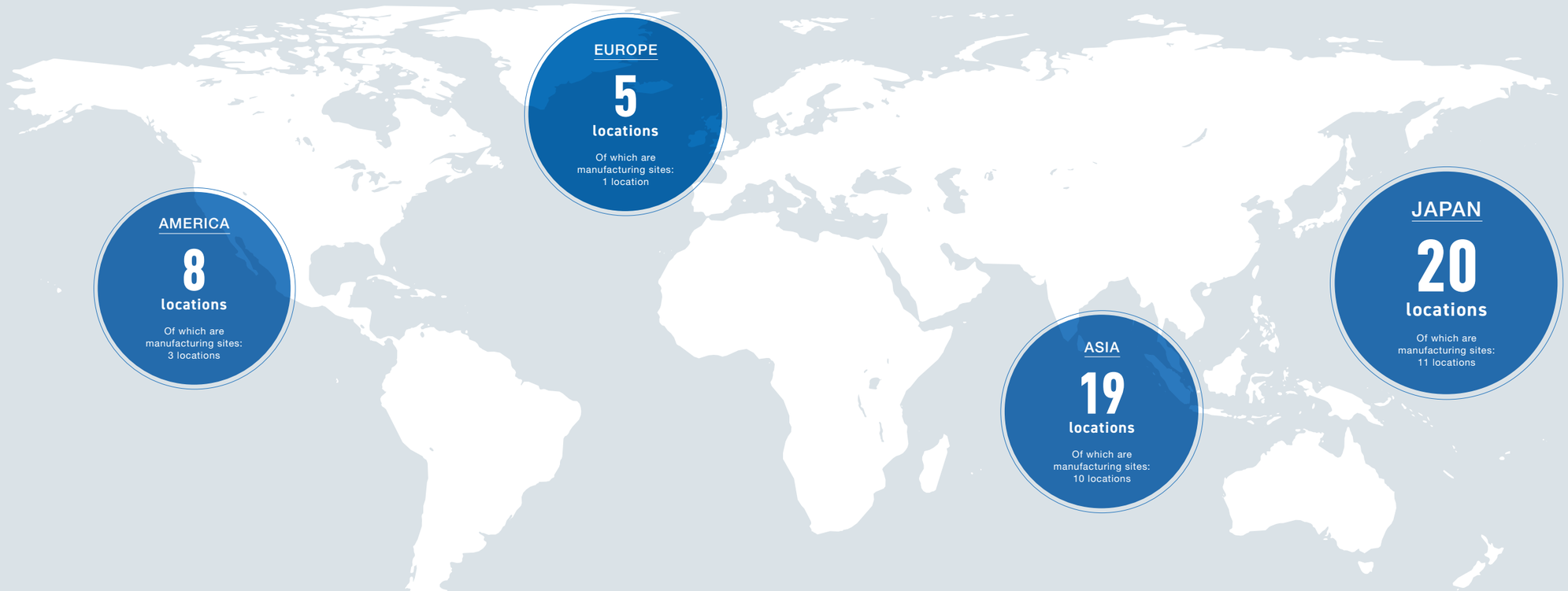
	FY2019	FY2020	FY2021	FY2022	FY2023
Number of Employees					
Japan (Part-time employees in parentheses)	1,747	1,761	1,626	1,638	**1,617**
Men	1,168	1,164	1,113	1,115(1)	**1,103(1)**
Women	579	597	513	523(55)	**514(51)**
Overseas (Part-time employees in parentheses)	631	596	622	566	**573**
Men	336	310	320	285	**293**
Women	295	286	302	281	**280(2)**
Total (Female ratio in parentheses)	2,378(36.8%)	2,357(37.5%)	2,248(36.3%)	2,204(36.5%)	**2,190(36.3%)**
Number of Regular Employees					
Japan	1,259	1,293	1,314	1,341	**1,342**
Men	949	956	971	978	**965**
Women	310	337	343	363	**377**
Overseas	516	438	576	539	**528**
Men	293	245	300	275	**268**
Women	223	193	276	264	**260**
Total (Female ratio in parentheses)	1,775(30.0%)	1,731(30.6%)	1,890(32.8%)	1,880(33.4%)	**1,870(34.1%)**
Number of Contract Employees					
Japan	488	468	312	297	**275**
Men	219	208	142	137	**138**
Women	269	260	170	160	**137**
Overseas	115	158	46	27	**45**
Men	43	65	20	10	**25**
Women	72	93	26	17	**20**
Total (Female ratio in parentheses)	603(56.6%)	626(56.4%)	358(54.7%)	324(54.6%)	**320(49.1%)**
Number of Non-Regular Workers					
Temporary employees	–	–	–	232	**315**
Managers					
Japan	123	128	184	196	**178**
Men	116	119	167	177	**158**
Women	7	9	17	19	**20**
Percentage of women in managerial positions	5.7%	7.0%	9.2%	9.7%	**11.2%**
Overseas	116	85	97	86	**93**
Men	74	47	55	46	**58**
Women	42	38	42	40	**35**
Percentage of women in managerial positions	36.2%	44.7%	43.3%	46.5%	**37.6%**
Hiring					
Men	47	23	60	45	**40**
Women	18	19	25	30	**28**
Total	65	42	85	75	**68**
Turnover rate (3 years after joining)	16.9%	17.6%	13.5%	10.5%	**6.9%**
Utilization of Leave Systems (Non-Consolidated)					
Average number of paid leave days taken per year (days)	8.5	9.1	11.1	13.6	**13.5**
Paid leave utilization rate	62.5%	58.2%	56.9%	77.0%	**76.4%**
Number of employees taking childcare leave	10	22	14	24(8)*2	**8**
Return-to-work rate after childcare leave	100%	100%	93%	100%	**88%**
Childcare utilization rate for male employees*1	–	–	–	10.5%	**22.2%**
Number of employees taking nursing care leave	0	1	1	3(2)*2	**0**
Nursing care leave return rate	100%	100%	100%	100%	**–**
Working Hours (Non-Consolidated)					
Average overtime hours per month (h)	14.4 hrs.	9.0 hrs.	11.5 hrs.	11.2 hrs.	**10.4 hrs.**
Employment of Persons with Disabilities (Non-Consolidated)					
Number of employees with disabilities	16	16	17	14	**16**
Employment rate of persons with disabilities (Legally mandated rate in parentheses)	2.1%(2.2%)	2.0%(2.3%)	2.2%(2.3%)	1.9%(2.3%)	**1.6%(2.3%)**

*1 The calculation for the childcare leave utilization rate from January 1 to December 31 is based on the ratio of male employees who took childcare leave (number of male employees who took childcare leave divided by the number of male employees whose spouse gave birth).

*2 The numbers in parentheses for the number of employees taking childcare leave and nursing care leave refer to those who took leave between April 1 and December 31, 2022.

Environmental Data

	FY2019	FY2020	FY2021	FY2022	FY2023
CO_2 Emissions					
Scope 1 (kt-CO_2)	4.00	3.35	3.57	3.05	**3.71**
Scope 2 (kt-CO_2)	18.15	17.33	17.68	3.75	**1.01**
Total	22.15	20.67	21.25	6.81	**4.72**
Electricity Consumption					
Electricity usage (MWh)	41,233	41,083	42,663	42,437	**46,551**
Self-generated electricity (MWh)	4,409	3,437	3,952	3,053	**4,481**
Purchased electricity (MWh)	36,824	37,646	38,711	39,384	**42,070**
Purchased renewable energy (MWh)	0	0	0	31,543	**40,178**
Renewable energy utilization rate	0.0%	0.0%	0.0%	74.3%	**86.3%**
Amount of Energy Use					
Crude oil equivalent (kl)	6,830	6,665	7,046	6,754	**7,902**
Waste and Recycled Resources					
Japan					
Total waste (t)	1,150	941	1,127	1,120	**886**
Recycled amount (t)	1,149	935	1,126	1,117	**884**
Recycling rate	99.9%	99.4%	99.9%	99.7%	**99.7%**
Overseas					
Total waste (t)	322	263	326	304	**288**
Recycled amount (t)	213	209	248	236	**222**
Recycling rate	66%	79%	76%	78%	**77%**
PRTR Law-Specified Chemical Substances					
Chemical substance emissions (t)	15	15	15	21	**19**
Transferred amount (t)	0	0	0	0	**0.9**



Senju Metal Industry Co., Ltd.

Segments in Japan

Tochigi Segment (Moka, Tochigi)
Matsuyama Factory/Kinugaoka Factory
Soka Segment (Soka, Saitama)
Chubu Segment (Seto, Aichi)
Kansai Segment (Nishiwaki, Hyogo/Taka, Hyogo)
Nishiwaki Factory/Naka Factory

Sales Offices in Japan

Sendai Office (Sendai, Miyagi)
Kitakami Office (Kitakami, Iwate)
Koriyama Office (Koriyama, Fukushima)
Seto Segment (Seto, Aichi)
Matsumoto Office (Matsumoto, Nagano)
Toyama Segment (Toyama, Toyama)
Kusatsu Office (Kusatsu, Shiga)
Himeji Office (Himeji, Hyogo)
Kansai Special Sales Development Dept. (Naka Factory, Hyogo)
Fukuoka Office (Onojo, Fukuoka)

COMPANY PROFILE

SENJU METAL INDUSTRY CO., LTD./SMIC GROUP

DUNS# 690663091

ESTABLISHED	April 15, 1938
HEADQUARTERS ADDRESS	23 Senjuhashidocho, Adachi-ku, Tokyo 120-8555 Japan
PRESIDENT	Ryoichi Suzuki

BUSINESS SCALE

REVENUE (CONSOLIDATED)	119.1 billion yen (Jan. 1 to Dec. 31, 2023)
CAPITAL (NON-CONSOLIDATED)	0.4 billion yen (as of Jan. 1, 2024)
NO. OF EMPLOYEES (CONSOLIDATED)	2,190 (as of Dec. 31, 2023)

BUSINESS PORTFOLIO

- Smelting, alloying, casting, and expansion of metals, manufacture, and sale of processed goods
- Manufacture and sale of metal powders and bearings
- Manufacture and sale of solvents and adhesives for soldering
- Manufacture and sale of soldering equipment
- Manufacture and sale of fire extinguishing equipment (affiliated company business)
- Manufacture and sale of machinery related to the above businesses
- Internal dispatch business

LIST OF MAJOR AFFILIATED COMPANIES

JAPAN

Industrial Analysis Service Ltd.
Senju Sprinkler Co., Ltd.
Senju Electronic Corp.
Senju Giken Co., Ltd.
Senju System Technology Co., Ltd.

AMERICA

Senju America Inc.
Senju Comtek Corp.
Senju Fire Protection Corp.

EUROPE (GERMANY, CZECH REPUBLIC)

Senju Metal Europe GmbH
Senju Manufacturing Europe s.r.o.

ASIA

Senju (Malaysia) Sdn. Bhd.
Senju Trading (M) Sdn. Bhd.
Senju (Thailand) Co., Ltd.
Senju Solder (Phils.) Inc.
Beijing Senju Fire Fighting Equipment Co., Ltd.
Tianjin Senju Electronics Co., Ltd.
Shanghai Senju Business Management Consulting Co., Ltd.
Senju Metal (Shanghai) Co., Ltd.
Senju Metal (Huizhou) Co., Ltd.
Senju Metal (Hong Kong) Limited
Senju Electronic Materials (Hong Kong) Co., Ltd.
Senju Electronic (Taiwan) Co., Ltd.
Senju Metal Industry Co., Ltd. Kaohsiung Branch
Senju Metal Korea Co., Ltd.

Headquarters



Segments in Japan


Tochigi Segment Matsuyama Factory


Tochigi Segment Kinugaoka Factory


Soka Segment



Chubu Segment


Kansai Segment Nishiwaki Factory

Affiliates in Japan


Industrial Analysis Service Ltd.


Senju Sprinkler Co., Ltd.



Senju Electronic Corp.


Senju Giken Co., Ltd.



Senju System Technology Co., Ltd.

SMIC_SNS_OFFICIAL
Official Instagram account

Editor's Postscript

Thank you for reading the SMIC CSR Sustainability Report 2024.
From this issue, we have changed the title from CSR Report to CSR Sustainability Report. We have updated the SMIC Group's efforts toward achieving a sustainable society, aimed at a broad range of stakeholders. In this issue's special feature, we highlight products that address the environmental challenges companies are currently expected to tackle, showcasing the eco-friendly businesses of the SMIC Group. We would be delighted if sharing examples of value creation unique to the SMIC Group leads to the reassurance and trust of our stakeholders.
Moving forward, we will continue contributing to a sustainable society through our ESG (Environmental, Social, and Governance) initiatives. We look forward to your continued support of SMIC Group.

SMIC Group
Senju Metal Industry Co., Ltd. CSR Division