

# Governance

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# Corporate Governance

## Our basic view on corporate governance

The Mitsubishi Belting Group considers the enhancement of corporate governance one of its paramount management priorities in order to secure the trust of its shareholders and fulfill its corporate social responsibilities. Based on this Corporate Philosophy, we will strive to improve our business performance by promptly and flexibly adapting to changes in the business environment and markets. In addition, to maintain and improve management efficiency and transparency, we will engage in initiatives, such as strengthening the function to oversee our business management and internal control systems, in accordance with the basic policies below, thereby ensuring enhanced corporate governance.

## Basic Policy

The Company strives to respect its shareholders' rights and secure its shareholders' equality.

- (1) The Company strives to respect the rights and positions of its stakeholders (including shareholders, customers, employees, and communities), and work properly in harmony with them.
- (2) The Company strives to disclose its corporate information in a timely and proper manner, and thereby secure transparency and fairness.
- (3) The Company strives to ensure that the Board of Directors and other parties properly fulfill their roles and responsibilities, in light of the Company's fiduciary responsibility and accountability to its shareholders.
- (4) The Company strives to have constructive dialogues with its shareholders.

## Strengthening corporate governance

We are a "a Company with a Board of Company Auditors," and have in place the Board of Directors comprising eight members, three of whom are outside directors, and the Board of Corporate Auditors, which consists of four members including three outside corporate auditors. The Board of Directors makes decisions on important matters and oversees the execution of business by directors. Regarding important matters, the Management Council meets prior to a Board of Directors meeting in order to ensure sufficient discussions.

In addition, we have established the Nomination and Remuneration Advisory Committee, which aims to enhance the independence of the Board of Directors' functions as well as its objectivity and accountability concerning matters such as the appointment, removal, and remunerations of senior management members (a voluntary advisory committee consisting of at least three members, a majority of whom are independent outside directors). Furthermore, a restricted stock compensation plan has been introduced with the aim of sharing profits with our shareholders and improving corporate value over a long period of time. In this way, we are committed to enhancing and improving corporate governance. The percentage of outside directors and women among directors and auditors are as shown below.

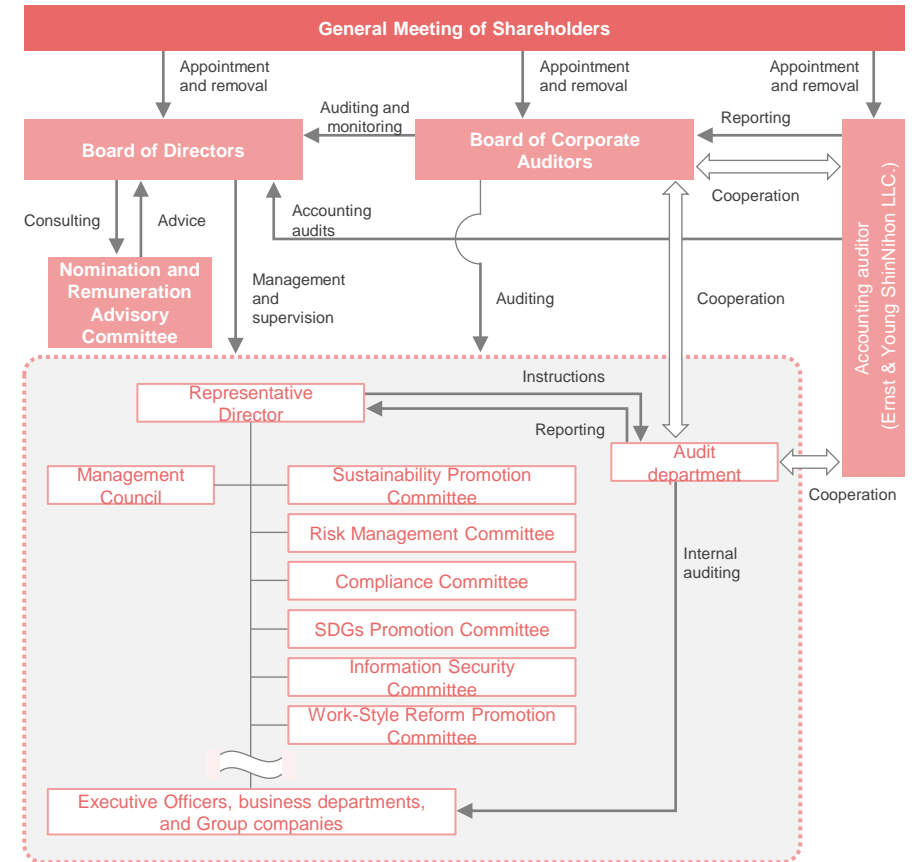
### Ratio of outside directors ( 👤 : Outside directors)



### Ratio of female directors ( 👤 : Female directors)



## Governance structure



## ■ Our view on the appointment of directors

Regarding the appointment of senior management members and the nomination of director candidates, we examine the candidate from various aspects, including diverse experience, knowledge, and competence suitable for promoting further enhancement of the corporate value of the Mitsubishi Belting Group, as well as qualities such as broad perspective and the ability to take action and lead. Our view on the structure of the Board of Directors and selection criteria are as follows:

### ● Our approach regarding the structure of the Board of Directors

1. The diversity of the Board of Directors will be considered in the appointment of directors.
2. In order to fulfill its fiduciary responsibility as a whole, the Board of Directors will strive to ensure that the various knowledge, experience, abilities, insight, and expertise of each member supplement its overall functions, thereby enabling the Board to demonstrate its functions (particularly the function to oversee business management) efficiently and effectively.

### ● Criteria for appointment and dismissal of directors

#### Criteria for appointment of directors

1. Is excellent in terms of personality, knowledge, and insight, and has a strong law-abiding spirit and ethical view
2. Possesses the ability to make objective decisions as well as insight, and foresight
3. Holds sufficient experience and expertise to meet the expectations of stakeholders (including shareholders, customers, employees, and local communities) and to contribute to improving the corporate value of the Group over the medium to long term
4. Is able to make fair judgments from a company-wide, neutral perspective and to demonstrate risk management skills
5. Has time to make efforts required to appropriately fulfill his/her duties, responsibilities, and roles as a director, and be in a state of health that allows him/her to fulfill such duties, responsibilities, and roles
6. Does not fall under any of the grounds for disqualification of a director as stipulated by the Companies Act
7. Has had no involvement with anti-social forces in the past and present

#### - Requirements for independent outside directors

1. Possesses a high level of insight, extensive practical experience, and experience in leadership roles, in areas such as corporate management, international business, financial affairs and accounting, banking and finance, regulatory compliance, legal affairs, public administration, academic studies and research, risk management, human resource development and education, and IT and digital
2. Has abilities such as understanding the entire Group from a bird's-eye view and grasping essential issues and risks, and can be expected to contribute to frank, active, and constructive deliberations at meetings of the Board of Directors and other occasions
3. Is capable of objectively supervising and making decisions on business management, and providing advice and support for the company's sustainable growth from the practical perspective based on his/her extensive experience in corporate management and specialized fields
4. Meets the requirements for outside directors under Japan's Companies Act and the independence standard set by the Tokyo Stock Exchange

#### - Requirements for representative directors and executive officers

1. Is conversant with industry trends and related regulations surrounding the Group as well as the Group's business model, and possesses a wealth of practical experience in his/her respective specialized fields
2. Holds a company-wide perspective and organizational management skills, and is able to execute relevant duties

#### Criteria for dismissal of directors

1. An event has occurred, which reveals that the director has obviously failed to meet the above "Criteria for appoint of directors."
2. A serious fact, such as misconduct or a violation of law, the article of incorporation, or resolutions of a general shareholders' meeting, has come to surface.
3. It is acknowledged that the director has undermined the Group's credibility or has hindered the smooth operation of the Group's business for reasons such as the discovery of a scandal or damage for which he/she is responsible.

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### ■ Skill matrix table for directors (a list of knowledge, experience, abilities, etc.)

	Business administration	Personnel, general, and legal affairs	Finance and accounting	ESG and sustainability	Technology and innovation	Purchasing and production	Sales and marketing	Global experience	Position in Mitsubishi Belting
Hiroshi Ikeda	○	○		○			○	○	President
Masayoshi Nakajima	○				○			○	Director
Toshimi Kumazaki	○		○			○	○	○	Director
Keiji Mataba	○	○					○	○	Director
Shinji Kuramoto	○	○				○	○		Director
Ryuzo Miyao	○		○					○	Director (Independent Outside Director)
Shinya Okuda	○			○			○	○	Director (Independent Outside Director)
Yuka Miyake	○		○	○					Director (Independent Outside Director)

### ● Succession planning (President and Directors)

Appointment of senior management members and nomination of director candidates

Policy:

(1) In light of “improvement of economic value (the ability to generate future cash)” and “pursuit for social value (justification for our existence and mission in society),”

(2) we have defined our stance as a corporation, such as view and direction, in our Management Policy and management strategies (including medium-term management plans, target position, and business risks), and based on this,

(3) candidates will be comprehensively examined from a “right person, right place” perspective. Information taken into account in the selection process includes Our approach regarding the structure of the Board of Directors (including diversity) and the Criteria for appointment and dismissal of directors (requirements that are common and that are specific to Independent Outside Directors, and the President and Executive Officers). In addition to these two, which were deliberated on, defined, and resolved by the Nomination and Remuneration Advisory Committee and the Board of Directors, the “skills by category in the skill matrix table of Directors” and “succession plans for the President and Directors” (a pool of candidates in normal times)” will also be considered.

Process:

A proposal developed in the above process will be submitted to the Nomination and Remuneration Advisory Committee, which was established with the aim of strengthening the independence, objectivity, and accountability of the Board of Directors’ functions concerning matters such as “appointment and removal of senior management members” and “nomination of Director candidates” (a voluntary advisory committee consisting of three or more members (five members since June 2022), a majority of whom are Independent Outside Directors (three members since June 2022). Based on the recommendation of the committee, the Board of Directors will make a resolution.

■ Regarding the 2023 Succession Plan - Normal Time (Process Schedule), the Nomination and Remuneration Advisory Committee deliberated on it, made a decision, and submitted its recommendation (resolution) to the Board of Directors. Based on this, the Plan is implemented (including selecting candidates for next President and Directors with the use of a pool of candidates and other means).

■ With regard to the Succession Plan - Emergencies (personnel who will provisionally fulfill the President’s duties and their order), the Nomination and Remuneration Advisory Committee also has deliberated on it, made a decision, and submitted a recommendation (resolution) to the Board of Directors.

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■ Operation status of the Board of Directors (FY2022)

No. of meetings	14
Average meeting time	79.3 minutes
Average number of agenda items	6.1

In accordance with relevant laws, the articles of incorporations, and the regulations for the Board of Directors, the Board members deliberate on and resolve matters related to our basic management policy and investments, and other matters such as the execution of important business operations (including disposal and transfer of important assets, borrowing in large amounts, establishment and change of organizations, and appointment and dismissal of important employees). The Board also reports on the status of Directors' execution of duties as well as the status of other important business operations.

In FY2022, in addition to regular agenda items (matters for resolution and reporting), the Board of Directors reviewed the Group's medium-term management plan and discussed matters related to corporate governance (such as appointment and dismissal of Directors and succession planning of the President and Directors), investments (related to production, logistics, and businesses), and sustainability (including the development of Materiality concerning ESG challenges, the review of the Group Code of Conduct, and CSR activities).

Regarding the operation of the Board of Directors, briefing sessions for Outside Directors are held prior to Board meetings in order to ensure the effectiveness of the Board, and adequate deliberation and discussion within the limited time available.

● List of key agenda items at Board of Directors meetings (excerpt):

Period	Main agenda items (excerpt)
First half of the year	Financial reporting and business performance
	Review of the Mid-Term Business Plan (FY2021-2023)
	Analysis and assessment of the effectiveness of the Board of Directors
	Identification of Materiality
	Policy on how to address significant risks in FY2022 and countermeasures
Second half of the year	Information disclosure in accordance with TCFD recommendations
	Financial reporting and business performance
	Succession planning
	Introduction of a performance-linked system for executive compensations
	Sale of cross-shareholdings
	Information disclosure in CSR reports

■ Operation status of the Nomination and Remuneration Advisory Committee (FY2022)

No. of meetings	10
Average meeting time	29 minutes

We have established the Nomination and Remuneration Advisory Committee as a voluntary system (consisting of at least three members, a majority of whom are Independent Outside Directors) with the aim of enhancing the independence, objectivity, and accountability of the Board of Directors concerning matters such as the appointment, removal, and remuneration of senior management members.

The Committee deliberates and make decisions (in response to inquiries by the Board of Directors) on matters such as policies and procedures related to the nomination of director candidates, the appointment and dismissal of senior management members, and the determination of Directors' remunerations, as well as succession planning (for normal times and emergencies) for the President and Directors.

In FY2022, the Committee discussed each of the above matters, made decisions, submitted recommendations to the Board of Directors.

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# Compliance

## Our view on compliance

The Mitsubishi Belting Group regards "compliance" as one of the important elements in our initiative to deepen our ESG Management with the aim of sustainable growth. Maintaining good compliance in our business activities is directly linked to gaining the trust of all stakeholders and thereby improving corporate value. We recognize this as a critical matter we must focus and ensure as the Group, which touts itself as a manufacturing company.

In 2022, we made major revisions to our previous Code of Conduct in consideration of the ten principles of the United Nations Global Compact and other factors to ensure that it is compatible even with today's society, in which companies are expected to play a greater role. This Code of Conduct has been translated into a total of five languages, including English and Chinese, and has been disseminated to all employees of the Mitsubishi Belting Group. Also, with the aim of ensuring that each employee correctly understands this Code of Conduct, meetings are also held at each department to read it.

 **P.7**    [Revision of the Mitsubishi Belting Group Code of Conduct](#)

## - Management system

The Mitsubishi Belting Group has established the Compliance Committee, which is chaired by an executive appointed by the President and is comprised of members who are the heads of all departments, for the purpose of the overall management of compliance management activities in our business operations. The Compliance Committee, in principle, meets three times a year to identify significant compliance risks that the Mitsubishi Belting Group must address for each fiscal year, establish response policies with responsible organizations and goals, monitor and evaluate the implementation status of the responsible organizations, and provide instructions as necessary. The details of committee activities are reported to the President and the Board of Directors.

## - Implementation status

In FY2022, no significant compliance risks were identified as in the previous year. The Compliance Committee reviewed its activities with the aim of improving the compliance management system of the entire Mitsubishi Belting Group. In FY2023, the Risk Management Committee monitors the status of responses to serious compliance risks. We plan to develop a system that will allow us to completely identify compliance management activities of all departments, which are currently monitored through internal audits conducted by the administrative department at the head office, and to gather information to identify what we have succeeded and failed, and to roll out continuous improvement activities.

In FY2022, there were no anti-competitive or corrupt practices in the Mitsubishi Belting Group.

(Unit: cases)

Risk type	Scope	2020	2021	2022
Significant compliance risks	Group	1	0	0
Identified anti-competitive practices	Group	0	0	0
Identified corrupt practices	Group	0	0	0

## ● Whistleblowing system

The Mitsubishi Help Line is in place as a system to ensure the proper handling of consultations from or information provided by the Group's executives and employees in Japan and overseas regarding the violation or possible violation of (1) laws, (2) the articles of incorporation, (3) internal rules and regulations, (4) contracts, or (5) social norms. External law firms serve as the point of contact for whistleblowing, and personnel designated as "Person Engaged in the Activity of Dealing with Whistleblowing Disclosures" handle each case. In handling a case, care will be taken to ensure that the act of whistleblowing does not cause disadvantage to the whistleblower, and those who violate this will be subject to disciplinary action. We will continue to ensure the prevention of misconduct and strengthen our compliance management. The number of reports in FY2022 was four.

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# Risk Management

## ■ Our view on risk management

With the aim of becoming a “sustainable company,” the Mitsubishi Belting Group recognizes the importance of risk management and continually works to improve its management systems. As a risk management method, we have adopted the concept of “risk and opportunity,” which is an ISO requirement. Based on that concept, we engage in business activities with strategies, policies, plans, and targets in place and risk management effectively deployed. In addition, as part of the plan for FY2023 and beyond, and for the purpose of ensuring thorough risk management across the Group, our risk management regulations will be revised to clearly define a risk management policy, and risk management systems and processes.

## Our approach to risk management

### 1. Integrating risk management and business activities

The Mitsubishi Belting Group will contribute to the realization of a sustainable society by effectively employing the results of our risk management activities in ensuring an ESG management practice that allows us to respond to any changes in the business environment and to sustain our business in a stable manner.

### 2. Scope of risks

In the Group’s risk management activities, we address negative non-financial impacts concerning human rights, compliance, health and safety, the environment, quality, and other areas in the same way as we handle adverse financial impacts.

### 3. Personnel responsible for implementation

In our risk management activities, personnel responsible for implementation are clearly defined to ensure the execution of activities.

### 4. Personnel implementing risk management activities

Our risk management activities are carried out by all executives and employees, and cover all of our business activities. Additionally, to ensure the effectiveness of our risk management, information related to the business environment is always kept up-to-date, and particular attention is paid to obtaining information from stakeholders.

### 5. Maintaining and improving risk management systems

Effectively functioning risk management systems are in place, maintained, and improved to ensure the execution of risk management activities.

### 6. Information disclosure

Information concerning risk management is disclosed to all stakeholders in a timely and appropriate manner.

## ● Management system

We have a Risk Management Committee\* in place, aiming to monitor and evaluate our risk management activities against issues (significant risks) in our business activities that could have a large impact on our business and that should be addressed by the entire Group, as well as to maintain and develop the risk management systems across the Group.


\*Chairperson: An executive appointed by the President;  
Committee members: Responsible persons of all business divisions and affiliated companies

Every fiscal year, the Risk Management Committee determines major risks and organizations responsible for the respective risks, persons in charge, goals, and plans, and receives reports on the response status from the persons in charge of the responsible organizations twice a year in principle, and deliberates on the contents of the reports. The details of decisions made in the selection of significant risks as well as deliberations regarding the response status are reported to the Management Council each time, which informs the Board of Directors of those details. The Risk Management Committee also plays the role of driving the Mitsubishi Belting Group’s risk management activities from a systemic perspective (such as policies, regulations, and procedures).

Regarding the risk management activities to address the issues (various risks rising in each management environment, including serious risks) that business divisions or affiliated companies have determined to address themselves, the risk management manager of the business division or affiliated company defines the department in charge and the person responsible for each risk along with targets and plans in a policy document for the fiscal year for approval by the President. After approval is granted, risk management activities are carried out with the manager monitoring and evaluating the implementation status on a daily basis. Once a year, in principle, the risk management manager of the business division or affiliated company reports on the status of risk management activities to the Management Council, which deliberates on the report and provides instructions as necessary. The implementation status is also reported to the Board of Directors through the Management Council.

## ● Risk assessment

The Mitsubishi Belting Group assesses risks based on two factors, the degree of impact on business activities and the likelihood of occurrence, in the process of selecting issues (risks) that should be addressed. For example, the Risk Management Committee selects serious risks based on their impact (Large: 1 billion yen or more; Medium: 100 million to 1 billion yen; and Small: less than 100 million yen) and probability (High: once a year or more; Medium: once in two years; and Low: less than once in 10 years). Our business divisions and affiliated companies establish their own assessment criteria based on the scale of their business and use the criteria in their risk assessment.

 P.32 [Integration of climate change-related risk management and overall risk management](#)

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## ■ Implementation status

The Risk Management Committee identified in FY2022 the following significant risks for the Group: (1) Suspension of business activities (production, sales, indirect operations) due to the spread of the new coronavirus infection, (2) Decline in corporate value due to failure to achieve CO<sub>2</sub> emissions reduction targets , (3) Suspension of business activities and the supply of raw materials due to a natural disaster, bankruptcy, large-scale accident, or the like, (4) Information leakage and system outage due to information security incidents, and (5) Soaring costs including raw materials and transportation due to dramatic political and economic changes (decrease in operating income). The Committee has also developed countermeasures; defined organizations, responsible personnel, goals, and plans for each risk; and monitored and evaluated the implementation status.

Identified significant risks	Activities and achievements
(1) Suspension of business activities (production, sales, and indirect operations) due to the spread of the new coronavirus infection	The COVID-19 Task Force, which is made up of directors and the heads of relevant departments, has been keeping track of the infection status across the Mitsubishi Belting Group, and has provided instructions on response measures as necessary. This has enabled the Group to conduct business activities in a stable manner.
(2) Decline in corporate value due to failure to achieve CO <sub>2</sub> emissions reduction targets	We are on track to achieve our CO <sub>2</sub> emissions reduction target for FY2023 (down by 22% from FY2013) by promoting measures such as introducing solar power generation systems and switching to electricity generated by renewable energy and to carbon-neutral gas. Reducing GHG emissions is part of our Materiality, and the progress of each measure is reported to the Sustainability Promotion Committee.
(3) Suspension of business activities and the supply of raw materials due to a natural disaster, bankruptcy, large-scale accident, or the like	A system is in place to mutually complement production operations between our sites. In parallel with this, we are sourcing raw materials and MRO (maintenance, repair, and operations) materials from multiple suppliers and developing a business continuity plan (BCP).
(4) Information leakage and system outage due to information security incidents	We have launched an information security management system at our Kobe Head Office and are currently rolling it out to all Group companies.
(5) Soaring costs including raw materials and transportation due to dramatic political and economic changes (decrease in operating income)	We have successfully minimized the impact of soaring raw material and transportation costs by utilizing DX (digital transformation) to share and discuss information on the purchase of raw materials and inventories among relevant departments.

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## ● Business continuity plan (BCP)

Our Risk Management Committee began its activities in FY2015, and defines "suspension of business activities and disruption of raw material supply due to an incident such as a natural disaster, bankruptcy, or large-scale accident" as a significant risk every year. To address this risk, a "Business Continuity Plan (BCP)" was introduced in FY2016. We recognize that it is a company's responsibility to utilize a BCP to promptly restore business activities since their suspension could cause damage not only to the Mitsubishi Belting Group but also to the society as a whole that collaborates in the value chain.

Site-based contingency plans have been developed and implemented under our quality management and environmental management systems to respond to emergency situations at the respective sites. In addition, to establish a unified approach throughout the Group, a BCP Development Procedure has been developed and implemented with unified BCP policy, purpose, and development and operation processes in place. As a result, a system has been established to systematically manage risks in accordance with this standard. We aim for sustainable corporate activities that will enable us to respond to unexpected accidents and disasters, by continually improving our BCP management system.

### - Management system

As mentioned above, the Mitsubishi Belting Group implements its BCP activities as measures to address the significant risks defined by the Risk Management Committee. The Safety and Environment Management Department appointed as the organization responsible for our BCP maintains the "BCP Development and Implementation Procedure" and monitors the operational status of BCPs deployed at our respective business locations on a monthly basis. The department also provides education and training, disseminates information, and offers assistance in the development of a BCP when necessary. In addition, although our business locations formulate their own BCPs, we review them from a bird's-eye view as the Group to ensure that their BCPs are not too specific to their own situation. The details of our BCP activities are reported to the Risk Management Committee twice a year, and to the President and the Board of Directors after deliberation at the Committee.

### - Implementation status

In FY2022, we reviewed the BCP Development and Implementation Procedure to clearly define a business impact analysis (BIA) process, and switched from the previously implemented cause-based BCP to an outcome-based (all hazards) BCP throughout the Group. The Business Impact Analysis (BIA) is a method of identifying all operations and the most important operations for business continuity, and greatly influences the effectiveness of a BCP. An outcome-based BCP is a plan to restore operations in a situation where resources needed for business continuity have been lost, without limiting to specific types of accidents or disasters. We have adopted this type of BCP to deal with unexpected accidents and disasters.

## ● “Security Export Control”

To ensure proper export control for sustained global peace and safety, security export control systems have been established after the development of the Security Export Control Regulation, which specifies a policy, control systems and processes, and other requirements. We engage in security export control activities under this Regulation and the systems. The global landscape with frequent invasions, civil wars, and terrorism keenly reminds us of the increasing importance of security export control. We will commit ourselves to steadily and swiftly carrying out security export control activities to ensure that our products, raw materials, and the like will never be used in weapons of mass destruction such as nuclear weapons.

### - Management system

The President has the most authority in security export control, and a director appointed by the President serves as Export Control General Manager. The General Manager appoints the persons in charge of the departments that are deemed necessary for export control as Export Control Officers, and forms a Security Export Control Secretariat having the personnel charged with export control in relevant departments as its members. The Manager also provides instructions and information through the secretariat, monitors and assesses the status of the respective departments' activities, and reports the results to the President.

### - Implementation status

In-house training is provided to all employees in order to deepen their understanding of the importance of security export control and its control methods. Additionally, newly appointed Export Control Officers and secretariat members receive more professional training by external specialized organizations to maintain and improve the security export control systems. In FY2022, 80 people, including 17 executives, received training.

We have uploaded the results of our assessment for the applicability of our products to security export control to our website in order to quickly answer increasing inquiries from our customers about the applicability as security export control becomes more pervasive in society.

[https://www.mitsuboshi.com/support/non\\_applicability.html](https://www.mitsuboshi.com/support/non_applicability.html)

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# Risk Management

● Information security

Our current information networks are linked not only within the Group but also to external systems, making it difficult to prevent in-house information security incidents from impacting on society, and the opposite is also true. Each company connected to an information network must take responsibility for managing its own information security and preventing incidents from occurring. Recognizing the importance of information security management, the Mitsubishi Belting Group established the Information Security Committee in 2021 and works to ensure information security for the entire Group based on our information security policy.

The Risk Management Committee defined "information leakage and system outage caused by information security incidents" as a significant risk for FY2022. The details of activities of the Information Security Committee are reported to the Risk Management Committee, and are shared with the responsible personnel of all business divisions of the Group and affiliated companies.

Mitsubishi Belting Group Information Security Policy

The Mitsubishi Belting Group (hereinafter referred to as "the Group") is committed to ensuring information security across the Group based on the policy below in order to protect the information of our customers and business partners as well as the information assets held by the Group from threats such as accidents, disasters, and crimes, and to live up to the trust that society has placed in us.

1. Establishment of information security systems

The Group identifies information assets that need to be protected, and establishes and operates information security systems to protect those assets.

2.Regulatory compliance

The Group will comply with laws and regulations on information security as well as contractual security requirements.

3. Provision of education and training

The group continuously provides education and training regarding information security to our employees.

4. Response to security incidents

In the event of an information security-related incident, the Group will promptly investigate the cause, and strive to minimize damage and prevent recurrence.

5. Continuous improvement

The Group regularly reviews and improves its information security systems in order to adapt to changes in our businesses, society, technology, and other developments.

- Management system

The Mitsubishi Belting Group aims to build an Information Security Management System (ISMS), with the Information Security Committee playing a central role, in order to meet the demands of car manufacturers, which are our important customers.

The Information Security Committee is made up of the Chairperson appointed by the President and the heads of business and administrative divisions designated by the Chairperson. The Committee is responsible for identifying information security challenges that should be addressed as the Group; determining the division responsible for each issue; monitoring, evaluating, and providing instructions on the implementation status; and reporting these details to the Management Council. The contents of deliberations on these reports at the Management Council are reported to the Board of Directors through the Council. Additionally, the Information Security Committee is responsible for developing, promoting, and improving information security management systems for the whole Mitsubishi Belting Group.

- Implementation status

In FY2022, the Information Security Committee launched an ISMS for our Kobe Head Office, which complies with the Trusted Information Security Assessment Exchange (TISAX), an information security standard published by the German Association of the Automotive Industry. After establishing policies, regulations, and procedures, the Committee has appointed information security managers in all departments and trained them to identify information assets, assess risks, provide training, and so on in each department. The implementation status and effectiveness of the System are verified through internal audits with corrective measures instructed as necessary and their completion and effectiveness confirmed. We plan to roll out the ISMS throughout the Mitsubishi Belting Group.

To address cyber attacks on our hardware, we conduct "vulnerability diagnoses," and the introduction of a vulnerability diagnosis tool in FY2022 has provided us with a system that allows for more thorough and prompt management of the Mitsubishi Belting Group as a whole.

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## Risk Management: Compliance

Item	Range	Description	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	Corresponding GRI content index
Risk management	Group	Significant risks identified	Case	7	6	5	6	6	102-34
		Significant compliance risks identified	Case	2	2	1	0	0	205-1
Compliance		Cases of corrupt practice	Case	0	0	0	0	0	205-3
		Cases of anti-competitive practice	Case	0	0	0	0	0	206-1

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