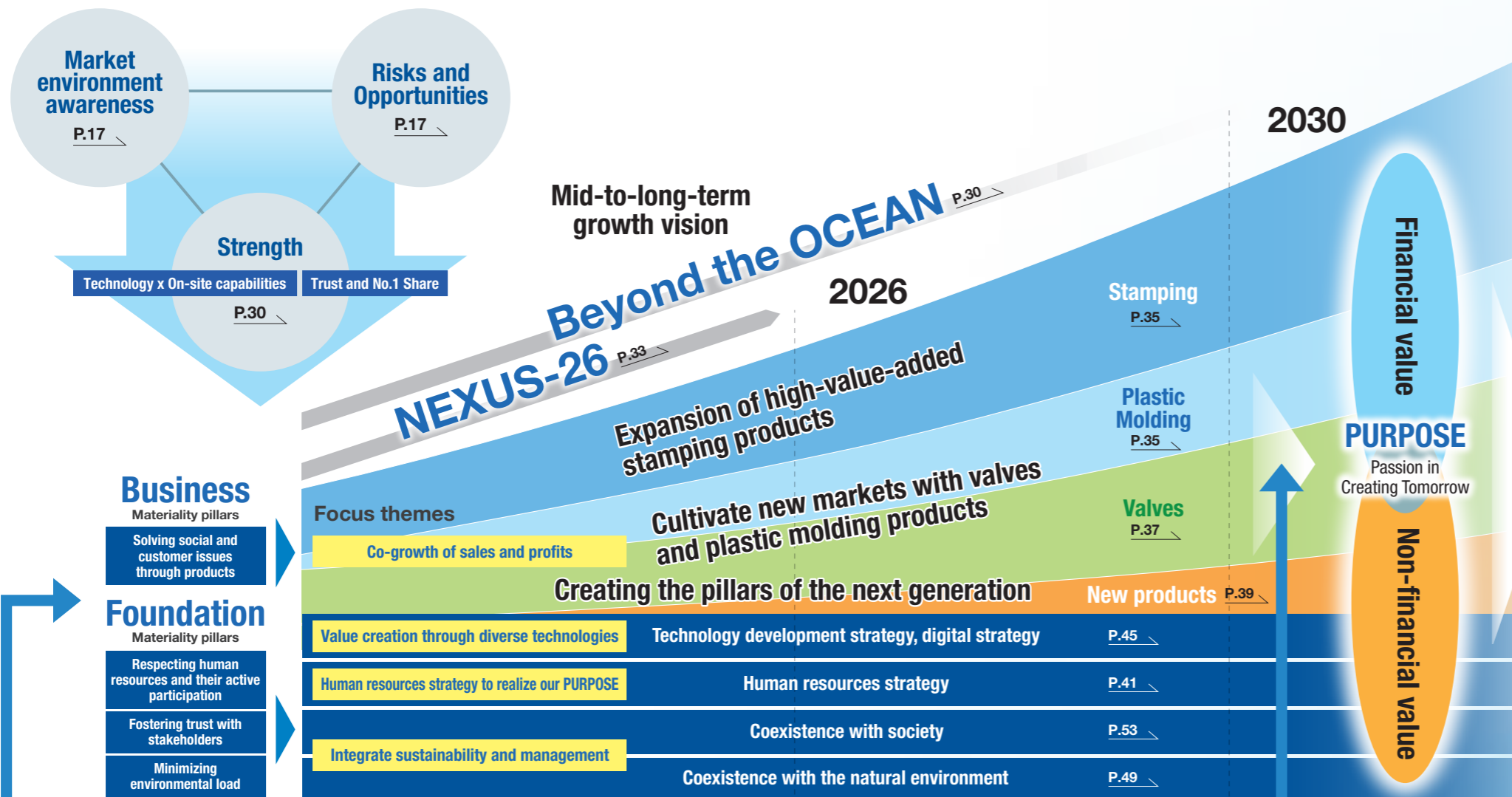


Pacific Industrial Group's Value Creation Model



OUTCOME (Created Value)

FY2022 results

Financial value

Achieving co-growth of sales and profits, provide appropriate returns

Management targets	Sales	191.2 billion yen
Management targets	Ratio of operating income to sales	4.9%
Management targets	ROE	7.0%

Value created by technology and products

Solving social and customer issues through products

Resolving social and customer issues through safety, security, comfort, reduction of environmental impact, creation of social value, etc.

Management targets	Sales ratio for electrified vehicles	29.1%
KPI	Ratio of UHTSS versus all stamping products	24.9%
KPI	No. of TPMS products and TPMS valves sold	106 million
Management targets	No. of new products and services launched	1 case

Value to employees

Respecting human resources and their active participation

Improve employee well-being

Management targets	Employee engagement	Under measurement
KPI	Implementation rate of Human Rights Survey(SAQ)	43%
KPI	Lost-time injury frequency rate	0.64
KPI	Rate of females in management positions	Group 10.3% Pacific Industrial 3.3%

Value to stakeholders

Fostering trust with stakeholders

Coexist and be happy with stakeholders

KPI	Implementation rate of Code of Conduct survey self-assessment	43%
KPI	No. of recalls issued	0
KPI	Company ratio (purchase amount base) for survey of supplier compliance with "Supplier Sustainability Guidelines" (Pacific Industrial)	80% or more
KPI	No. of social contribution activities implemented	112

Value to the natural environment

Minimizing environmental load

Conducting projects to pass on natural environmental riches to future generations

Management targets	CO ₂ emission reduction ratio (compared to FY2019)	18.4% reduction
KPI	Waste emission reduction ratio (compared to FY2019)	13.5% reduction
KPI	Water usage reduction ratio (compared to FY2019)	20.1% reduction

*Refer to the Sustainability Data Book 2023 for details on materiality based KPIs and initiatives.

INPUT (Invested Capital)

		FY2022 results
Financial capital	Trust with financial institutions	
● Capital: 7.3 billion yen ● Total assets: 258 billion yen		
Human capital	Engaged, co-creating employees	
● No. of employees: 4,797 (1,238)* ● Training hours per person KPI: 26.6 hrs/person		
*Average number of temporary employees shown in parentheses (outside number)		
Social and relationship capital	Trusting relationship with stakeholders	
● No. of major customers: About 60 companies ● No. of major suppliers (Japan): About 230 companies ● Operating regions (countries): 8 countries		
Manufactured capital	Plants, equipment, dies and molds	
● No. of production sites: 21 ● Capital expenditure: 22.9 billion yen		
Intellectual capital	IP, technology, know-how	
● R&D expenses: 2.01 billion yen ● No. of patents: 494		
Natural capital	Efficient use of resources	
● Resource input: Organic/inorganic materials 11,113 t Metallic materials 326,299 t		
● Energy usage: Electricity usage 1,673 thousand GJ SASB TR-AP-130a.1 Fuel and others 293 thousand GJ		
● Water usage KPI: 1,394 thousand m ³		

OUTPUT (Products)



Value cycle