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## Management Foundation

We believe that strengthening corporate governance is one of the most important management issues. We are thus working to enhance the management structure of the Group, while also strengthening our relationships with stakeholders as we strive to maximize our corporate value. In addition to introducing our corporate governance initiatives, we asked Outside Directors to talk about refining governance as a means of increasing corporate value.

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# Company Officers

(As of June 25, 2024)

## Directors



### Masayuki Nakamura

**Representative Director  
President and Chief Executive Officer**  
● Member of the Nomination Committee  
● Member of the Compensation Committee

Since joining the Company in 1973, he has been engaged mainly in the office furniture-related business. After assuming the office of Director in 1996, he has served as Senior General Manager of Planning Division and Senior General Manager of Production Division, and has been in his current position since 2012.

### Naoki Kono

**Director and  
Senior Managing Executive Officer**  
**Corporate Functional Officer**  
**Furniture Division and Office  
Furniture Sales Division**

Since joining the Company in 1989, he has been engaged mainly in the office furniture-related business. After assuming the office of Director in 2021, he has served as Corporate Functional Officer and Senior General Manager of Office Furniture Division.

### Kenichi Yamaki

**Director and  
Managing Executive Officer**  
**Corporate Functional Officer**

Since joining the Company in 1980, he has been engaged mainly in the production and information system-related businesses. After assuming the office of Director in 2012, he has served as Senior General Manager of Production Division and Corporate Functional Officer.

### Ken Inoue

**Director and  
Managing Executive Officer**  
**Senior General Manager, Store  
Displays Division and Store  
Displays Sales Division**

Since joining the Company in 1979, he has been engaged mainly in the store displays-related business. After serving as Senior General Manager of Store Displays Division, he assumed the office of Director in 2021.

### Kazumi Arakawa

**Director and  
Managing Executive Officer**  
**Senior General Manager,  
Production Division**

Since joining the Company in 1987, he has been engaged mainly in the production and marketing-related businesses. After serving as Senior General Manager of Marketing Division and Senior General Manager of Production Division, he assumed the office of Director in 2023.

### Sakae Fukuda

**Director and  
Executive Officer**  
**Chief Financial Officer**

He joined Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.) in 1990, after which he has served as General Manager at the Marunouchi Branch Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.) since 2017. He joined the Company in 2019 and assumed the office of Director in the same year, as well as the position of Chief Financial Officer.



### Hiroyoshi Ito

**Outside Director** **Independent Officer**

● Chairperson of the Nomination Committee  
● Member of the Compensation Committee

He has served as Representative Director, Executive Vice President of Mitsubishi Estate Co., Ltd. and President and Representative Director of Mitsubishi Real Estate Services Co., Ltd., and has been in his current position since 2017.

— **Significant concurrent position** —  
External Auditor of Keystone Partners Co., Ltd.

### Mari Kano

**Outside Director** **Independent Officer**

● Member of the Nomination Committee  
● Member of the Compensation Committee

She has held positions including General Manager at the Milano Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.), Managing Director of Center for International Exchange of Showa Women's University, and has been in her current position since 2020.

— **Significant concurrent positions** —  
Specially Appointed Professor at Center for University-wide Education of Showa Women's University  
Outside Director of TOKYO ROPE MFG. CO., LTD.  
Outside Director of Tokio Marine Asset Management Co., Ltd.

### Tsutomu Kamiji

**Outside Director** **Independent Officer**

● Member of the Nomination Committee  
● Chairperson of the Compensation Committee

He has successively held positions of President and Representative Director as well as Chairman and Representative Director of Sapporo Holdings Limited, in addition to holding positions including President and Representative Director of Sapporo Beverage Co., Ltd. (current POKKA SAPPORO Food & Beverage Ltd.), and has been in his current position since 2021.

— **Significant concurrent position** —  
External Member of the Board, TAISEI CORPORATION

### Misako Kikuchi

**Outside Director** **Independent Officer**

● Member of the Nomination Committee  
● Member of the Compensation Committee

She has held positions including General Manager of Environmental · Social Contribution Division of Mitsui & Co., Ltd. and President & CEO of Mitsui Bussan Forest Co., Ltd., and has been in her current position since 2022.

— **Significant concurrent positions** —  
Full-time Auditor of St. Luke's International University  
Outside Director of KOMERI Co., Ltd.

### Nobuko Mizumoto

**Outside Director** **Independent Officer**

● Member of the Nomination Committee  
● Member of the Compensation Committee

She has held positions including Executive Officer and Director, Managing Executive Officer of IHI Corporation, and has been in her current position since 2023.

— **Significant concurrent positions** —  
External Director (Audit & Supervisory Committee Member) of Tokuyama Corporation  
Outside Director of The Japan Steel Works, Ltd.

### Hitoshige Tambo

**Outside Director** **Independent Officer**

● Member of the Nomination Committee  
● Member of the Compensation Committee

He has held positions including Managing Executive Officer of Mitsui Sumitomo Insurance Company, Limited and Representative Director, President of Mitsui Sumitomo Aioi Life Insurance Co., Ltd. and MSK Insurance Center Co., Ltd., and has been in his current position since 2023.

## Company Officers

## Auditors

**Noriyuki Nagai**

Auditor

Since joining the Company in 1981, he has been engaged mainly in the office furniture-related business, serving as General Manager of Planning and Research Department. He has been in his current position since 2020.

**Keiichi Hagiwara**

Auditor

Since joining the Company in 1984, he has been engaged mainly in the office furniture business and general affairs, serving as General Manager of Planning and Research Department and General Manager of General Affairs Department. He has been in his current position since 2023.

**Keiko Kishigami**Outside Auditor **Independent Officer**

She is a Certified Public Accountant at Ernst & Young ShinNihon LLC. She has been in her current position since 2019.

— **Significant concurrent positions** —  
Outside Director of Sony Group Corporation  
External Director and Audit and Supervisory Committee Member of Sumitomo Seika Chemicals Company, Limited  
Outside Audit & Supervisory Board Member of DIC Corporation

**Shintaro Miyazaki**Outside Auditor **Independent Officer**

He is an attorney at law, Counsel of Tokiwa-LawOffice. He has been in his current position since 2024.

— **Significant concurrent position** —  
Senior Managing Director and Representative Director, the Corporation for Revitalizing Earthquake-Affected Business

## Executive Officers

President and  
Chief Executive Officer**Masayuki Nakamura**Senior Managing Executive  
Officer**Naoki Kono**

Senior General Manager,  
Office Furniture Division  
and Office Furniture Sales Division

Managing Executive Officer

**Kenichi Yamaki**

Corporate Functional Officer  
[Information Systems Department,  
DX Strategy Department,  
Purchasing Department, and  
Sustainability Promotion Department]

Managing Executive Officer

**Ken Inoue**

Senior General Manager,  
Store Displays Division  
and Store Displays Sales Division

Managing Executive Officer

**Yoshikazu Sato**

Chief HR Officer  
[Corporate Strategies Department,  
General Affairs Department, Human Resources  
Department, Human Development Department,  
Customer Service Office, Corporate  
Communications Department, Secretarial Office]

Managing Executive Officer

**Kazumi Arakawa**

Senior General Manager,  
Production Division

Senior Executive Officer

**Makoto Tajiri**

Senior General Manager,  
Material Handling Systems Division

Senior Executive Officer

**Shinji Sakatoku**

Senior General Manager,  
Retail Solutions Division,  
Store Displays Division

Senior Executive Officer

**Yoshihito Ohno**

Senior General Manager,  
International Sales and Marketing  
Division

Executive Officer

**Sakae Fukuda**

Chief Financial Officer  
[Accounting and Finance Department,  
Legal Affairs and Risk Management  
Department, Internal Audit Department,  
and Shared Services Department]

Executive Officer

**Takefumi Kondo**

General Manager,  
Public Facilities & Solutions Business  
Department,  
Office Furniture Sales Division,  
Office Furniture Division

Executive Officer

**Harunori Sato**

Senior General Manager,  
Tokyo Regional Sales Office,  
Office Furniture Sales Division,  
Office Furniture Division

Executive Officer

**Shinji Ariyoshi**

General Manager,  
Kansai Regional Sales Office,  
Office Furniture Sales Division,  
Office Furniture Division

Executive Officer

**Iku Teranishi**

Senior General Manager,  
Tokyo Regional Sales Office,  
Store Displays Sales Division,  
Store Displays Division

Executive Officer

**Tatsuya Kato**

General Manager, Plant Department II,  
Production Division

Executive Officer

**Hiroyuki Hishinuma**

General Manager, Plant Department I,  
Production Division

Executive Officer

**Hiroyuki Sanada**

Senior General Manager, Marketing  
Division,  
Office Furniture Division

# Corporate Governance

To remain a company trusted and loved by stakeholders, we must always perform sound and highly-transparent management. The Okamura Group, deeming corporate governance enhancement as one of its top priority issues, works to strengthen its group management structure and its relationships with stakeholders, thereby seeking to maximize its corporate value.

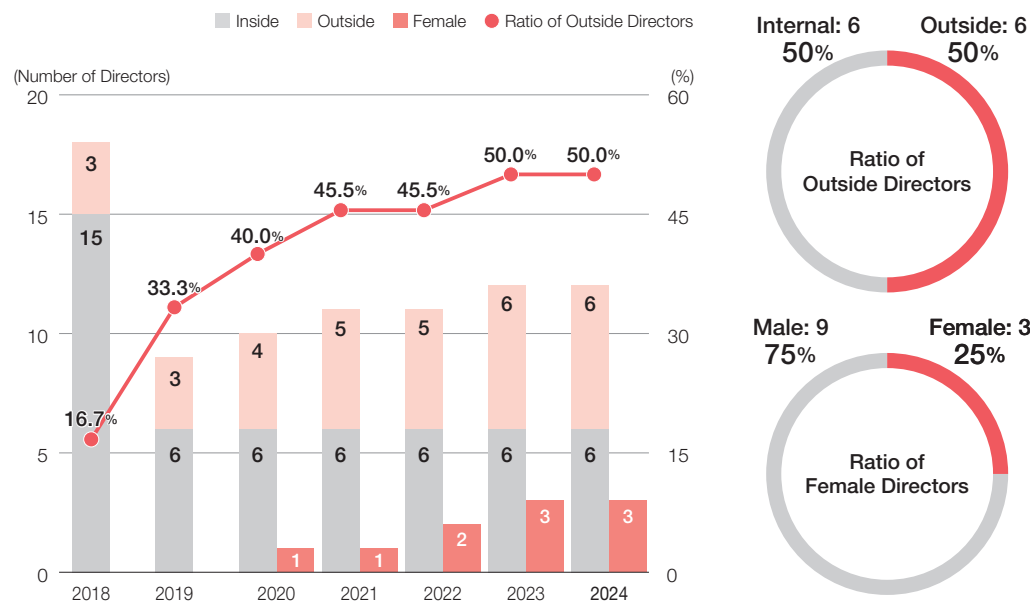
## Characteristics of Okamura's Governance

- 50% of Directors are Outside Directors
- Established the Nomination Committee and the Compensation Committee, chaired by Independent Outside Directors
- Continued evaluation of the effectiveness of the Board of Directors since 2015

### Timeline of Measures to Enhance Corporate Governance

2019	<ul style="list-style-type: none"> <li>● Introduced an executive officer system and reduced the number of Directors (from 18 to 9).</li> <li>● Established the Nomination Committee and the Compensation Committee as voluntary advisory bodies to the Board of Directors</li> </ul>
2020	<ul style="list-style-type: none"> <li>● Increased the number of Outside Directors (4 out of 10)</li> <li>● Appointment of a female Outside Director</li> </ul>
2021	<ul style="list-style-type: none"> <li>● Okamura Way established</li> <li>● Increased the number of Outside Directors (5 out of 11)</li> <li>● Abolished anti-takeover measures</li> <li>● Established the Sustainability Committee</li> </ul>
2022	<ul style="list-style-type: none"> <li>● Increased the number of female Outside Directors (from 1 to 2)</li> </ul>
2023	<ul style="list-style-type: none"> <li>● Increased the number of Directors (from 11 to 12)</li> <li>● Increased the number of Outside Directors (6 out of 12)</li> <li>● Increased the number of female Outside Directors (from 2 to 3)</li> </ul>

### Changes in the Number of Directors and Composition of the Board of Directors (as of June 25, 2024)

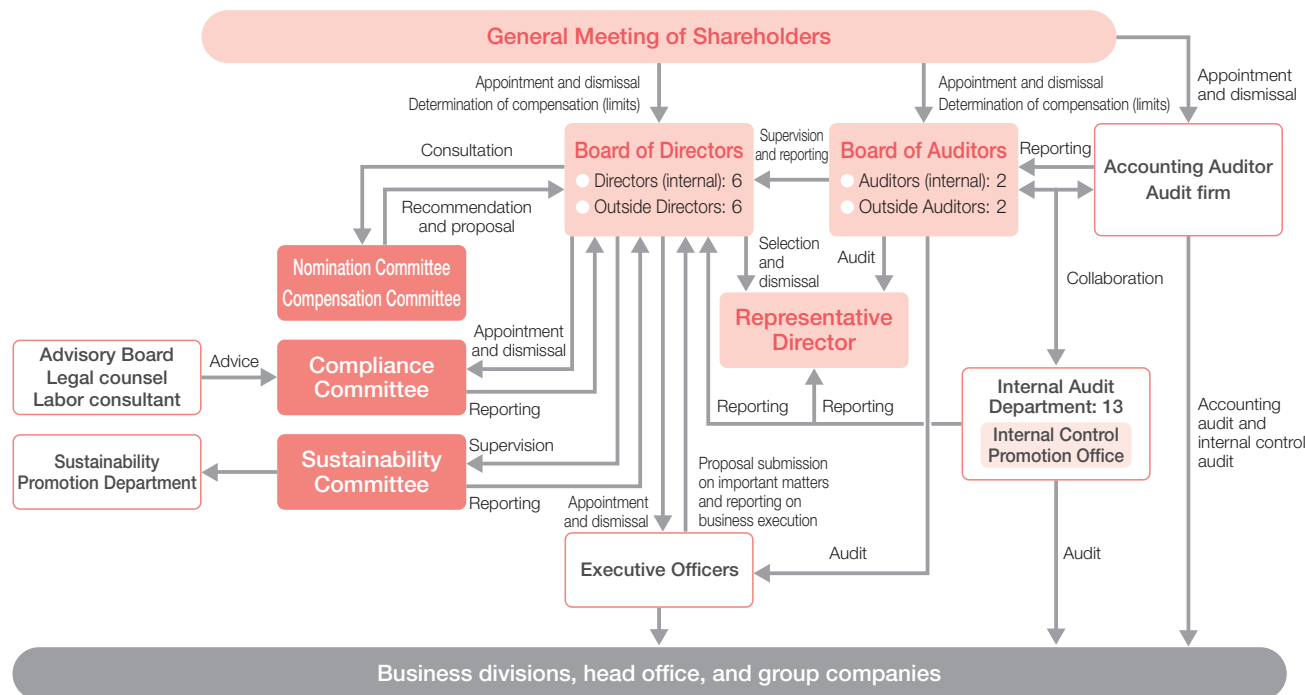


## Corporate Governance

### Corporate Governance System

Okamura has introduced an executive officer system for the purpose of ensuring flexibility of management and to enhance the monitoring functions of the Board of Directors, in order to create a system in which executive officers execute operations based on the instructions of the Representative Director, and in which the Board of Directors makes decisions on important management issues and monitor the execution of operations. In addition to appointing outside directors to the Board of Directors, by establishing a nomination committee and compensation committee, chaired by and composed mainly of independent outside directors, as arbitrary advisory bodies to the Board of Directors, we ensure the objectivity and transparency of the appointment process for directors and executive officers, as well as the determination process for compensation and other matters. Segregation of Duty Rules and Job Authority Rules stipulate the duties and authority of each position and ensure appropriate and efficient execution of duties. Furthermore, Okamura has a board of corporate auditors that conduct strict audits of the execution of duties by directors and executive officers.

#### ■ Corporate Governance Structure (as of June 25, 2024)



### Operation of the Board of Directors

Composition	<b>Six Inside Directors, six Outside Directors, two Standing Auditors, and two Outside Auditors</b>
Chairperson	<b>President</b>
Number of meetings held	<b>14</b>
Attendance rate	<b>99.0%</b> *Attendance rate for Directors only

The main role of the Board of Directors is to make important management decisions and supervise business execution with an aim to enhance its monitoring capabilities. With regard to matters that require a resolution by the Board of Directors, the Company has established the Regulations of the Board of Directors and “Matters for Resolution by the Board of Directors,” as appended in the Regulations of the Board of Directors, and has set monetary standards, etc., for each matter according to the extent of impact on management, in addition to those stipulated in laws, regulations, and the Company’s Articles of Incorporation. Other matters are delegated to the management team.

- #### ■ Main Topics of Discussion
- Preparation of Integrated Report
  - Strategic investment projects, such as the acquisition of new factories and sites for warehouses

## Corporate Governance

### Board Composition and Skill Matrix

The Board of Directors of the Company identifies the important expertise and experience Directors should possess as a skillset in order to enhance corporate value over the medium to long term and realize the Midterm Management Plan. The overall structure is thus arranged to ensure an optimal balance of knowledge, experience, and capabilities.

	Name	Board of Directors	Nomination Committee	Compensation Committee	Expertise and experience										
					Corporate management	Business strategy of the Company	Finance & accounting	Legal affairs & compliance	ESG	Personnel & HR training	Marketing & development	Manufacturing & technology	IT & DX	Sales	Overseas
Directors	Masayuki Nakamura	◎	○	○	●	●		●	●	●	●	●	●		●
	Naoki Kono	○			●	●							●	●	
	Kenichi Yamaki	○			●	●		●	●		●	●	●		
	Ken Inoue	○			●	●								●	
	Kazumi Arakawa	○			●	●					●	●			
	Sakae Fukuda	○			●	●	●	●	●					●	
	Hiroyoshi Ito	Outside Independent Officer	○	◎	○	●		●	●		●			●	
	Mari Kano	Outside Independent Officer	○	○	○			●	●	●					●
	Tsutomu Kamijo	Outside Independent Officer	○	○	◎	●		●	●		●			●	●
	Misako Kikuchi	Outside Independent Officer	○	○	○	●		●	●	●				●	●
	Nobuko Mizumoto	Outside Independent Officer	○	○	○	●			●	●		●	●		
	Hitoshige Tambo	Outside Independent Officer	○	○	○	●		●	●		●			●	
Auditors	Noriyuki Nagai	○						●						●	
	Keiichi Hagiwara	○						●	●					●	
	Keiko Kishigami	Outside Independent Officer	○					●	●						●
	Shintaro Miyazaki	Outside Independent Officer	○			●		●	●						●

◎ : Chairperson

## Corporate Governance

### Activity Status of the Nomination Committee

Composition	<b>Six Outside Directors and one Inside Director (President)</b>
Chairperson	<b>Outside Director</b>
Number of meetings held	<b>1</b>
Attendance rate	<b>100%</b>

The Nomination Committee, chaired by an Independent Outside Director, was established as a voluntary advisory committee to the Board of Directors with the aim of ensuring objectivity and transparency in the processes of appointing/electing or dismissing Directors, Representative Directors, Executive Officers, and Auditors, and further strengthening the corporate governance function of the Group.

#### ■ Main Topics of Discussion

- (1) Details of proposals for the General Meeting of Shareholders regarding the election and dismissal of Directors and Auditors of the Company
- (2) Matters related to the appointment and dismissal of Representative Directors of the Company
- (3) Matters related to the nomination of Executive Officers of the Company
- (4) Matters related to the formulation and operation of the successor plan for the President and Chief Executive Officer of the Company
- (5) Matters incidental to or related to the preceding items (1) through (4) that are deemed necessary by the Nomination Committee
- (6) Other matters the Board of Directors consulted with the Nomination Committee

### Activity Status of the Compensation Committee

Composition	<b>Six Outside Directors and one Inside Director (President)</b>
Chairperson	<b>Outside Director</b>
Number of meetings held	<b>1</b>
Attendance rate	<b>100%</b>

The Compensation Committee, chaired by an Independent Outside Director, was established as a voluntary advisory committee to the Board of Directors with the aim of ensuring objectivity and transparency in the processes of determining compensation, etc., for Directors and Executive Officers and further strengthening the corporate governance function of the Group.

#### ■ Main Topics of Discussion

- (1) Matters concerning compensation, etc., for Directors (including Representative Directors) and Executive Officers of the Company
  - (2) Details of proposals for the General Meeting of Shareholders regarding the compensation, etc., of Directors of the Company
  - (3) Matters incidental to or related to the preceding items (1) and (2) that are deemed necessary by the Compensation Committee
  - (4) Other matters the Board of Directors consulted with the Compensation Committee
- Of the matters set forth in item (1) of the preceding paragraph, the Board of Directors shall delegate the authority to determine the amount of compensation, etc., for each individual Director (including Representative Director) and Executive Officer of the Company to the Compensation Committee, which shall make decisions based on said delegation.

### Activity Status of the Board of Auditors

Composition	<b>Two Standing Auditors and two Outside Auditors</b>
Chairperson	<b>Standing Auditor</b>
Number of meetings held	<b>11</b>
Attendance rate	<b>94.5%</b>

Auditors attend important meetings of the Company such as Board of Director meetings to monitor business execution by Directors, and audit business execution through reports received from Directors, the Internal Audit Department, etc.

In addition, Auditors receive reports from the Accounting Auditor on the procedures for accounting audits and internal control audits, as well as reports providing an overview of audit results, and also exchange opinions.

#### ■ Main Topics of Discussion

- Deliberated on topics including the formulation of audit policies and plans, preparation of audit reports, appointment of the Accounting Auditor, compensation for the Accounting Auditor, auditing of the matters to be submitted to the Annual General Meeting of Shareholders, and the selection of Standing Auditors.
- In addition to attending important meetings such as internal management meetings as necessary, Standing Auditors also visited branches and other business locations, where they inspected documents requesting for approval and attended audits by the Internal Audit Department, and attended inventory counts.

## Corporate Governance

### Officer Compensation

#### Basic Policy

At the 71st Annual General Meeting of Shareholders of the Company held on June 29, 2006, it was resolved that compensation for Directors shall not exceed 500 million yen per year, and that compensation for Auditors shall not exceed 80 million yen per year. However, the amount of compensation does not include employee salaries for Directors who concurrently serve as employees.

#### Basic Approach to Director Compensation\*

1. Should serve as motivation to help the Group achieve sustainable growth and increase corporate value over the medium to long term, thereby achieving business performance targets.
2. Should be highly consistent with Okamura's corporate culture and corporate philosophy
3. Should be a highly competitive compensation system, so that the Company can secure highly skilled human resources who will be responsible for its management
4. Should be a transparent, rational, and fair compensation system that fulfills accountability to shareholders, employees, and other stakeholders

\*Includes Executive Officer compensation for Directors who concurrently serve as Executive Officers.

#### Determination Process

In order to ensure the objectivity and transparency of the processes for determining Director compensation, the authority to determine compensation for individual Directors shall be delegated to the Compensation Committee, which consists of Independent Outside Directors and the Representative Director, based on a resolution of the Board of Directors. This authority covers deciding on the amount of fixed compensation and performance-linked compensation for each Director after conducting company-wide performance evaluations and individual evaluations. To ensure that this authority is properly exercised by the Compensation Committee, said committee shall be chaired by an Independent Outside Director, and a majority of its members shall consist of Independent Outside Directors.

#### Composition of Compensation

The compensation for Officers of the Company consists of fixed compensation and performance-linked compensation. However, compensation for Outside Directors and Auditors only consists of fixed compensation.

#### Fixed Compensation

Fixed compensation is paid monthly, and is decided by adjusting the base amount, set in accordance with the relevant position<sup>\*1</sup>, to reflect individual evaluations based on the responsibilities and duties<sup>\*2</sup> of each Director. In addition, we have a system under which Directors (excluding Outside Directors) must contribute an amount set for each position from the fixed compensation to purchase the Company's shares, in order to motivate them to contribute to the enhancement of corporate value over the medium to long term.

#### Performance-Linked Compensation

Performance-linked compensation is paid at a specific time each year and is calculated based on a pre-established formula. The formula uses a base amount determined in reference to company-wide performance evaluation, and takes into account individual evaluation determined in reference to segment-based performance evaluation and qualitative evaluation, both of which are based on the responsibilities and duties of each Director.

#### Performance Evaluation

In order to measure the extent to which Directors have contributed to the Company as a whole, and to further clarify the segmental executive responsibility of Directors in charge of specific business segments, Director performance is evaluated based on consolidated ordinary profit and consolidated operating profit (companywide and by segment), important management indicators used to evaluate the Company's performance.

#### Qualitative Assessment

Assessment is based on the extent to which targets for priority measures, including those related to SDGs, have been achieved.

The ratio of performance-linked compensation to be paid upon achievement of set targets is 20% to 40% of total compensation, and Directors with greater authority and responsibility have greater performance-linked benefits in order to clarify executive responsibility. As for the level of Director compensation of the Company, the objectivity and appropriateness of the compensation amount is examined by taking into account the external and market environments and using data from external research organizations.

\*1 When a Director concurrently serves as an Executive Officer, this includes their position as an Executive Officer.

\*2 When a Director concurrently serves as an Executive Officer, this includes the responsibilities and duties of an Executive Officer.

#### For reference: Total amount of compensation, etc., for Directors and Auditors (FY2023)

Officer category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)		Number of eligible officers (Persons)
		Fixed compensation	Performance-linked compensation	
Directors (excluding Outside Directors)	338	194	144	7
Auditors (excluding Outside Auditors)	44	44	—	3
Outside Officers	82	82	—	9

Note: In addition to the above, the Company paid 17 million yen in employee salaries for Directors who concurrently serve as employees.



## Corporate Governance

### Evaluation of the Effectiveness of the Board of Directors

Each year, the Chairman of the Board of Directors takes the lead in compiling the self-evaluations of each Director, which are used to analyze and evaluate the effectiveness of the Board. In the most recent evaluation, it was determined that the Board of Directors is generally operating effectively. However, some issues were brought to light regarding insufficiencies in the levels of interaction with Outside Officers and opportunities for them to acquire knowledge relating to the Company's business. Based on these results, we will continue to conduct training sessions for Officers and to hold information exchange meetings between Outside Officers with an eye to enhancing the provision of information to Outside Officers to deepen their understanding of the Company, thereby proceeding with initiatives to ensure further effectiveness.

The effectiveness of the Board of Directors is evaluated by conducting questionnaires that contain questions in accordance with the Corporate Governance Code as well as open-ended questions, to be answered by all Board of Director meeting attendees. We obtained valid responses from all of respondents. Based on the analysis and evaluation results, proposals for annual measures aimed at enhancing governance were prepared and reported to the Board of Directors.

### Cross-Shareholdings

For each company we hold cross-shareholdings in, the Board of Directors determines and verifies the appropriateness of holding such shares, including the possibility of reducing shareholdings, while comprehensively taking into account the investment's yield and other benefits, expected returns, and the importance in terms of business strategy based on the Company's cost of capital.

If, as a result of the verification, holding the shares is deemed unreasonable, the Company sells them while taking into consideration the impact on the stock market, among other factors.

In FY2023, the Board of Directors examined the Company's cross-shareholdings, such as during its meeting held on June 27, 2023, while taking the above factors into consideration. As a result, the Company sold off three specified investment stocks and two stocks held for pure investment purposes.

In addition, one stock was sold as a result of a TOB. Going forward, we will continue to reduce the number of cross-shareholdings by taking into consideration the rationality of holding such shares, based on the recommended criteria (ratio of less than 10% to net assets) of a proxy adviser.

 [Overview of the Midterm Management Plan 2025 ▶ P.31-33](#)

 [Message from the Chief Financial Officer ▶ P.54-55](#)

### Succession Planning

Okamura is developing the next generation of management level human resources that can bring about transformation in order to enhance the sustainable growth of the Company and its ability to respond to the ever-changing business environment. Through training, we are developing training programs in three stages to refine employees' experience, knowledge, and intuition, and to enable management personnel candidates to develop their own career journeys and devote themselves to their studies. In the first stage, the Next-Generation Leader Training program for non-managerial employees is conducted over nine months, in which case studies are used to practice business skills, and the trainees propose solutions to company issues to the Representative Director and Officers through action learning (114 people have undergone this training so far). The second stage is the Okamura Business School, which is designed for managerial employees and was opened in 2022 (13 students in the first term and 16 students in the second term), where external lecturers and internal and external Officers give lectures, draw up management issues, and take actions to solve them. Themes for lectures are set from a wide range of categories, such as corporate management, and face-to-face classes are conducted once a month for one year, whereby students receive the guidance of an external consultant. In the third stage, some of the employees that have completed the earlier stages of training are sent to receive external training or to attend business schools in Japan. This provides them with opportunities to share diverse knowledge, both inside and outside the Company, and to hone their management intuition, with the aim of enabling them to demonstrate the knowledge they have acquired at their respective workplaces.

In order to cultivate a broad perspective of management in tandem with the training programs, we create opportunities for young human resources to accumulate management experience in the form of successes and failures from an early stage, by assigning them in the right place, such as management in subsidiaries and overseas sites.

## Roundtable Discussion with Outside Directors



Outside Director

### Tsutomu Kamijo

Served as President and Representative Director as well as Chairman and Representative Director of Sapporo Holdings Limited, President and Representative Director of Sapporo Beverage Co., Ltd. (current POKKA SAPPORO Food & Beverage Ltd.), and other positions. Serving as an Outside Director of the Company since 2021. Currently, concurrently serving as an External Member of the Board, TAISEI CORPORATION.

Outside Director

### Misako Kikuchi

Served as General Manager of Environmental, Social Contribution Division of Mitsui & Co., Ltd. and President & CEO of Mitsui Bussan Forest Co., Ltd. Serving as an Outside Director of the Company since 2022. Currently, concurrently serving as Full-time Auditor of St. Luke's International University and Outside Director of KOMERI Co., Ltd.

## Towards enhancement of Okamura's corporate value and transformation to a demand creating company

As the Midterm Management Plan 2025 made a good start, Outside Directors Tsutomu Kamijo and Misako Kikuchi discussed their views of their challenge recognition of Creating New Demand set as a goal of the current Midterm Management Plan, the future outlook, and the role of Outside Directors for further increasing corporate value.

### Q What is your perception of the roles and functions expected of Outside Directors?

**Mr. Kamijo:** The prevailing view is that Outside Directors are responsible for supervising a company's management. Personally, an Outside Director's role involves being concerned with how to help the company achieve healthy growth. While leveraging my career as one of the few Outside Directors of the Company to come from a manufacturing background, I always try to make recommendations in relation to matters that I notice in the course of management.

**Ms. Kikuchi:** An Outside Director's role is often summed up as supervising management from an external, independent view. I approach my work by asking how I can contribute to the company's growth and creation of corporate value using my unique, varied background. To date, I have spent long stints in advertising and branding, environmental response, DE&I and other sustainability matters in general trading companies that develop various global businesses. As an Outside Director, I tap on this experience of having a bird's eye perspective on overall management.

### Q What is your analysis and assessment of the status of the Company's current governance?

**Ms. Kikuchi:** I feel that the Board of Directors' discussions on various agenda items are free and open and that the membership of the Board is diverse, as there is an equal number of Internal and Outside Directors, half of the latter of whom are female. In addition, I also appreciate the educational opportunities provided to us, such as on-site inspections, as well as the efforts to further strengthen governance through a thorough review of the results of questionnaires on the effectiveness of the Board of Directors. On the other hand,

## Roundtable Discussion with Outside Directors



improvements can be made in the selection of agenda items for Board of Directors' discussions. In addition, I believe that monitoring of execution of resolved proposal items is becoming increasingly important in order to further improve the level of deliberations. Corporate governance is an issue that requires continuous action to keep pace with diverse, changing values. It is not merely about complying with the Corporate Governance Code; what is needed is to enhance governance

so we can measure up to the standards of society as they shift from day to day.

**Mr. Kamijo:** Simply put, governance covers the domains of risk and compliance, and I understand there have been no major problems in either area. To the first point, governance, as Ms. Kikuchi has said, ensuring diversity in structure and roles is part of this. Ensuring observance of laws and regulations is part of compliance. As for risk, as the Company's products are used by a range of customers, I believe it is important to avoid injuries, accidents, or incidents, no matter how large or small, arising from the use of the Company's products.

### Q What are your thoughts on discussions on further enhancing the Company's corporate value?

**Mr. Kamijo:** In order to further enhance corporate value, more discussions are necessary on how to showcase the Okamura brand to society. I give my feedback on presentation methods to the relevant departments when I go to visit exhibitions for inspections and notice things. If I could give my blunt opinion,

manufacturers often think that their products will sell because the products are good. Therefore, they must promote themselves properly without hesitation in order for others to understand their merits.

**Ms. Kikuchi:** I completely agree with Mr. Kamijo. I think it will be important for the entire company to rethink what the Okamura brand is once again, including what sets it apart from other companies, and confidently appeal to society. It is a great pity that the solid performance in its Store Displays business, Material Handling Systems business, and Powertrain business (which together account for nearly half of the Company's net sales) does not receive much recognition.

**Mr. Kamijo:** The Company is in a position where it finds itself fending off competing companies and competing over price. This is precisely why it must create new demand and stay at the forefront of the industry, and what supports that is its brand. I believe that very few people have a negative image of the Company's brand. Further, Okamura's products are all strong in their own right. I hope that Okamura will promote itself without hesitation. In addition, there is the question of how the Company can use its plentiful cash to lay a strategic foundation for the future, to further raise its corporate value and expand further.

**Ms. Kikuchi:** Mr. Kamijo has mentioned the Company's abundant cash. A specific example I would like to highlight is the Okamura Digital Collection of digital furniture optimized for the metaverse, as well as the "Research Lab that Creates the Future of Stores (MISEIKU LAB)." I see these as representing the first step in making solid progress on the initiatives needed to create new demand in the future. I have also received reports that the PROGRESS ONE AI-equipped autonomous picking robot combined with a remote control system is currently under development and demonstration experiments, but it is highly effective. I have high expectations for its future rollout.

### Q What will be important for connecting the active participation of human resources with creating new demand and enhancing corporate value?

**Mr. Kamijo:** In order to pursue Creating New Demand, fundamentally, each employee must constantly be scanning for problems around them. Paying attention to problems in life and at work is important. At the same time, when management members take up the matters noticed by employees to management level, the creation of new demand begins and the market expands. As part of this process, I believe that the next generation of management should be given such as manager of subsidiaries and divisions so that they can gain experience in various kinds of business and corporate management. This is also connected to the issue of successor training. As for employees, as companies around the world are now actively investing in creating comfortable working environments, this is a good opportunity to encourage them to work hard at their jobs as they scan for social issues. The Board of Directors will strive to have more free and open discussions so that matters noticed by employees are taken up for discussion at the management level.

**Ms. Kikuchi:** To further refine proposal capabilities, manufacturing capabilities and product capabilities, having an intuition for problems at sites is extremely important. I hope all employees can visit sites in person and acquire the skill of sensing and picking up on social problems. Amid rising expectations to respond to the social issues of climate change problems and the environment, it is important for each individual to always be thinking about how these various social issues could



## Roundtable Discussion with Outside Directors

be solved through business activities. I expect the relevant departments to promote education that fosters such awareness. As for management members, it is critical to constantly be thinking about training their respective successors. Speaking from my experience to date, I believe that this is essential for the Company's sustainable growth.

### **Q** And finally, could you give a message to stakeholders?

**Ms. Kikuchi:** Amid the numerous complex currents that society has traversed to date, what is needed is for the Company to show its comprehensive abilities and produce products that are distinct to Okamura. The Company has the ability to demonstrate its comprehensive abilities to an even higher degree that it is already doing. I will do my best to provide support and guidance so that the Company can transcend the divisional boundaries with employees from different departments interacting and vitalizing the business, and let its comprehensive capabilities shine. Finally, from the perspective of sustainability, it is necessary to take a proactive approach to sustainability initiatives, exploring how each and every chair, for example, can lead to solving a social issue, and I also hope to be of support in this regard.

**Mr. Kamijo:** The Company has set a truly wonderful goal of Creating New Demand. This is the aspect of the Company that I find the most impressive. My previous company's business was B to C in nature, in which a reduction in the volume of C would result in a market shrinkage. However, the Company's goal of creating new demand involves growing the market regardless of changes in the external environment. I firmly believe that Creating New Demand can be achieved if the Company comes together as one to discover insights with a strong mindset for identifying the problems faced by customers or what is missing from a space from the perspective of a consumer. The approach of drawing knowledge out from employees will certainly lead to creating new demand.

## Message from an Outside Auditor



I will support the overseas expansion of the Okamura Group which aims to become a demand creating company from the standpoint of an Outside Auditor

Outside Auditor

**Keiko Kishigami**

Certified Public Accountant at Ernst & Young ShinNihon LLC.  
Also a Board Member for WWF Japan.  
Serving as an Outside Auditor of the Company since June 2019.

The management direction of the Okamura Group has continued to be effective as it prioritizes both products and services with the aim of "Realizing a society where people can thrive," and the CEO's message of providing value to advance into the future as a demand creating company has reached all corners of the Company.

Major changes continue to take place in the business environment, ranging from rapid transformations in work styles and offices, the geopolitical situation, soaring prices, fluctuating exchange rates, chaotic logistics conditions, labor shortages due to declining birthrates and changing attitudes, and sustainability-related disclosure requirements. In the midst of these, one highlight is that the flow of inbound labor to Japan is accelerating with the calming down of the COVID-19 pandemic and exchange rate movements, and Japanese society and culture are receiving more attention.

I think that the Okamura Group is a company that has grown its business primarily by adapting to the Japanese market and the overseas expansion of Japanese companies. That said, with the recent acquisition of Singapore company DB&B Holdings Pte. Ltd. as a wholly owned subsidiary, the Company has begun to lay a foundation for future expansion into China and Southeast Asia. In addition, the Company's brand is starting to achieve steady recognition, given the several international design awards it has won, such as the Silver Award in the Best of NeoCon 2024 Awards at NeoCon, North America's largest trade interior design exhibition, the German Red Dot Award, and the iF DESIGN AWARD. Important stakeholders now have their eye on the overseas perspective as well, and the Board of Directors' discussions also reflect this shift.

Doing business and building relationships overseas entails risk, as it involves cultures and market backgrounds different from those of Japan. I expect the executives to make solid efforts and will monitor them as an auditor.

# Risk Management

The Okamura Group recognizes the possibility of influencing the achievement of its business objectives (including both positive and negative effects) as a risk, and after identifying, analyzing and assessing such risks, systematically works to rationally control the risk in order to minimize losses or maximize opportunities presented by risks.

Sustainability Report 2024  
**Risk Management ▶ P.126-130**

Securities report  
**Business and Other Risks**

## Risk Management System

In order to improve the effectiveness of risk management by organically linking risk management, a systematic approach for risk, with the Group's sustainability activities, the Sustainability Committee determines various matters related to risk management of the Okamura Group, evaluates effectiveness, and provides guidance for improvement. To develop and operate this system, the Okamura Group has established Risk Management Rules to be followed as part of risk management during normal times, and Emergency Response Rules to be upheld as part of crisis management during emergencies.

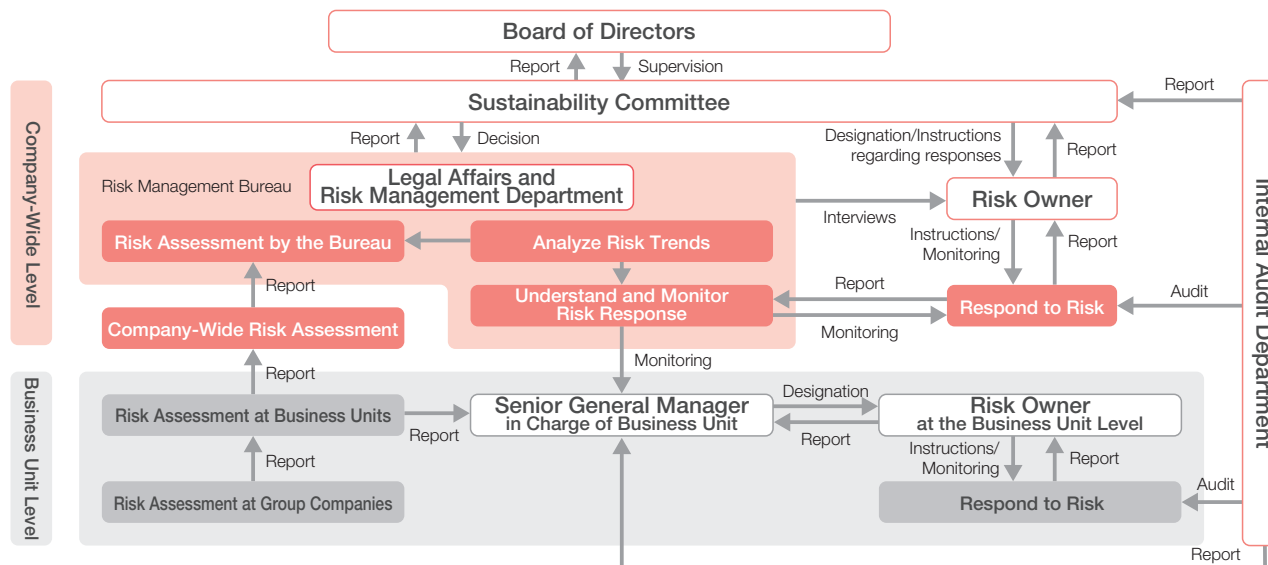
## Risk Assessment

In risk assessment, risks are first identified, and then evaluated after analyzing the identified risks in terms of its likelihood of occurring and its degree of impact using risk maps.

Risk assessments are conducted twice a year at the company-wide level, and once a year at the business unit level, after which priority risks are identified based on the assessment results.

For each priority risk, the risk owner analyzes the degree of impact the risk would have on the applicable business when it is materialized, formulates countermeasures, and strives to implement them. In addition, the risk owners and the Risk Management Bureau monitor response efforts, and if issues are identified, the risk owners work to correct or improve them.

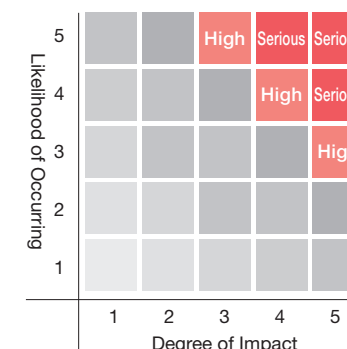
■ Diagram of the Risk Management System



■ Impact Scale

Level	A	B	C (Overall management)	D (Finance)	E (Health and safety)
5	Extreme	Huge impact Catastrophic impact	Major, prolonged impact on management	Huge financial impact that will persist into the future	Death of an employee or member of the general public
4	Major	Very significant impact	Impact on management for several months	Significant financial impact	Hospitalization required or several severely ill persons
3	Moderate	Significant impact	Noticeable temporary impact on management	Noticeable financial impact	One seriously injured person or several people with minor injuries
2	Minor	Minor impact	Small temporary impact on management	Small financial impact	One person with a minor injury
1	Negligible	Almost no impact	Little to no impact on management	Almost no impact on profits	Does not affect health and safety

■ Risk Map



## Risk Management

### Priority Risks

4 Material management issues	Major risks		Countermeasures
Creating environments where people can thrive	<b>Develop products and services</b> <Priority Risks> Development of products and services	If our development of products and services does not keep up with the pace of change in customer preferences and we are unable to provide products and services that exceed customer expectations in a timely manner, we may be impacted by a resulting decline in customer satisfaction. Moreover, the Group belongs to a highly competitive industry, and the Group's business performance may be adversely affected if our competitors copy the Group's product designs or technologies and sell these at a lower price, or if they increase their market share through more sophisticated designs and technologies.	The Group believes that our competitive superiority comes not from the difference in quality of our products and services compared to our rivals, but from our differing value proposition concepts, and recognizes that this constant search of differing concepts leads to the creation of entirely new markets. We leverage our reliable manufacturing backed by the advanced ability to solve customers' issues, and the design capabilities and advanced production technologies that bring shape to the necessary products, to build strong relationships of trust with customers and expand our business domains.
	<b>Maintain and improve the quality of products and services</b> <Priority Risks> Quality of products and services	The quality control targets to be addressed are becoming increasingly diverse and complex due to business changes, such as the provision of new value to customers, the expansion of sales from goods to services, and the expansion of total sales not only for in-house manufactured products but also for externally-procured products, contracted construction, and services. Although the Group manufactures each product in accordance with a globally recognized quality standard (ISO 9001), there is no guarantee that all products will be free of accidents or future complaints. Although we have product liability insurance, there is no guarantee that insurance will adequately cover the Group's total compensation liability. Product defects may affect the Group's reputation and adversely affect the Group's business performance and financial position.	Under the recognition that quality maintenance may not be able to keep up with the pace of business growth, and that quality control activities may be insufficient, we have established management systems for safety and product quality across the entire supply chain, including the establishment of the Quality Assurance Committee. We identify more detailed risks, including the possibility of serious accidents and defects, as well as promoting and supporting the formulation of annual plans and activities to address these risks and monitoring the progress of these plans and activities. We also provide practical quality control training, incorporating case studies, at each stage in the supply chain through cooperative relationships with our suppliers. We constantly review our quality control approach and activities to maintain a robust approach, striving to maintain and improve quality through ongoing quality control and improvement activities.
Pursuing employee engagement	<b>Human capital and diversity</b> <Priority Risks> Human resources, health and safety, labor, human rights	Failure to effectively gather, develop, and secure the human resources needed to conduct and grow our business runs the risk of impeding the capabilities critical to executing, managing, and supervising our business activities, thereby hindering the achievement of our performance targets as planned. In the event that efforts to develop human resources are not adequately implemented due to lacking human capital investments, sufficient consideration is not given to the health and safety of employees, or the psychological safety of the workplace is not ensured and the workplace environment becomes unpleasant, this may lead to a decline in morale, poor physical health, or employee resignations. A decline in productivity may also adversely affect the Group's business performance and financial position. Violations of laws and regulations related to health and safety may not only result in penalties and compensation payments, but also affect the Group's reputation, which may adversely affect business performance and financial position.	Since the Company's founding, our basic management policy has focused on people, treating our employees as collaborators and team members that help the company thrive. In keeping with this Founding Spirit, we have incorporated "People Thriving" into our Management Philosophy. While staying true to this philosophy, we will push ahead with further human resource development and initiatives to enhance work fulfillment with the aim of improving engagement of employees who help our sustainable growth. We aspire to build a "Strong Okamura" capable of addressing environmental changes by enabling all of our employees to work with vitality in their own individual styles. <a href="#">Message from the Chief HR Officer ▶ P.47-48</a>
Global environmental initiatives	<b>Climate change</b> <Priority Risks> Climate change and the transition to a resource recycling-oriented society	Delays in climate change measures, conflicts with relevant laws and regulations, or failure to shift business activities to the resource recycling-oriented approach demanded by society may not only hinder the Group's contribution to the creation of a sustainable society, but may also damage the Group's social credibility and adversely affect earnings due to exclusion from customer selection criteria.	We will create added value through servitization, etc., while minimizing resource input and consumption alongside the effective utilization of stock, and actively promote to maximize the value of resources and products, minimize resource consumption, and prevent waste generation. Through such moves, we will steadily work toward achieving carbon neutrality by 2050. <a href="#">Support for and Information Disclosure Based on TCFD Recommendations ▶ P.53</a>

## Risk Management

## Priority Risks

4 Material management issues	Major risks		Countermeasures
Responsible corporate behavior	<b>Supply chain disruption</b> <Priority Risks> Large-scale natural disasters, procurement of materials and raw materials, accidents and man-made disasters	The Group's business performance may be adversely affected by suspended business activities, lost business opportunities, and restoration cost burdens stemming from supply chain disruptions owing to natural disasters such as earthquakes and floods, fires and other accidents, epidemics of new infectious diseases, trade friction between the U.S. and China, and other policy trends in various countries. If we are unable to adequately address issues such as higher material prices or difficulties procuring raw materials stemming from heightened geopolitical risks and rising energy prices, etc., this may result in the loss of opportunities for business activities and the incurrence of procurement cost burdens, which in turn may adversely affect the Group's business performance.	In the Emergency Response Rules, we have set forth the Group's response in the event of an emergency that may seriously affect society and or the Company's business activities. We have also established manuals that describe detailed procedures and are prepared to prevent situations from spreading and bring them under control at an early stage through swift and appropriate action. Through mutual collaboration with suppliers, we are striving to improve business through mutual collaboration, as well as practice procurement that emphasizes sustainability.
	<b>Governance and compliance</b> <Priority Risks> Governance, credibility, legal and regulatory compliance	Although we need to foster awareness of compliance and carry out thoroughgoing efforts across the Group, we cannot guarantee the appropriateness of all corporate activities or of the words and actions of officers and employees, or that problematic behavior will not occur in the future, including in cases where Group company controls do not function properly. Failure to meet the expectations of society may cause the credibility of the Group to decline, which may adversely affect our business performance and financial position. We also recognize that inappropriate behavior, deterioration in credibility, and deterioration in business performance across the Group may negatively impact suppliers as well and lead them to bankruptcy, and thus we may be supposed to take a social responsibility for it.	Deterioration in communication and psychological safety within the organization may lead to delays in the detection of risks and problems, incorrect business operations due to misidentification or unilateral judgment, and misconduct or improper handling unreported, even if it is noticed. As such, we have established the internal, external, and overseas helplines to work to resolve concerns at an early stage, as well as regularly conduct awareness surveys of all Group employees to analyze changes in attitudes over time and carry out improvement activities.
	<b>Information security</b> <Priority Risks> Information security	If the confidentiality, availability, and integrity of our information system is neglected, the security of said system cannot be ensured. This could lead to unauthorized access, unauthorized access going undetected, the inability to identify the individual responsible even if unauthorized access is detected, and other security risks. This runs the risk of information being leaked, altered, destroyed, or lost. In addition, unauthorized external access or virus intrusion could result in the threat of information leakage, alteration, destruction or loss, or could threaten our information security. This, in turn, could lead to operations being suspended for a certain period of time. If our countermeasures and response measures fail to keep pace with the increasingly sophisticated cyberattacks, etc., it could result in a serious information security incident that could lead to deterioration in our social credibility or the suspension of operations, thereby adversely affecting the Group's business performance.	The Group has established the Confidential Information Management Rules on the handling of confidential information and holds in strict confidence all confidential information, including electronic data. We have also signed agreements with suppliers regarding the protection of confidential information to implement appropriate information management. We appropriately handle personal information in accordance with the PrivacyMark System. We are stepping up measures to prevent the occurrence of information security incidents, such as virus infections and unauthorized access due to cyberattacks, etc., based on the Information Security Policy we have established for the purposes of protecting critical information assets and maintaining their confidentiality, integrity, and availability. This includes establishing new rules concerning information security management. We are also implementing measures to minimize damage in the event of an information security incident through the Computer Security Incident Response Team (CSIRT) established in 2020. In addition, for employees, we have established appropriate information usage methods in our Rules for Using Internal Information Systems. We continuously conduct educational activities to raise awareness of information security risks in daily work by providing training via e-learning programs and targeted attack e-mail drills for employees, and by calling for attention when employees access the intranet and start up their PCs.
Changes in financial position, operating results, and cash flows other than those stated above	<b>Financial situation</b> <Priority Risks> Changes in the economic environment	Domestic sales account for over 90% of the Group's total sales. Reduced capital investment, accompanied by a downturn in the domestic economy, could lead to decreased demand, thereby adversely affecting the Group's business performance and financial position.	The Group strives to obtain timely information on changes in the economic environment through communication with external stakeholders and internal meetings and reporting procedures. We collect and organize this information centrally, then analyze and assess the potential short-term and medium- to long-term impact on our business with an eye to flexibly reviewing our business activities.

## Risk Management

### Initiatives for Various Risks



Sustainability Report 2024

Promoting Compliance ▶ P.131-134

Respect for Human Rights ▶ P.135-136

### Compliance

The Okamura Group works to thoroughly spread awareness of our Code of Conduct among all employees in order to pursue responsible corporate activities based on our Basic Policy, which follows our Corporate Philosophy comprised of the five phrases, "Innovative Creation, Cooperation, Being Cost Conscious, Saving for Future, and Social Responsibility." The mindset and behavioral attitude demanded in our corporate activities are compiled in the ten items of the Code of Conduct. The Code outlines matters that all employees should observe in their day-to-day work, including respect for human rights and ethical behavior as members of society, and matters aimed at preventing corruption such as fair transactions and maintaining a sound relationship with political and governmental entities.

#### Initiatives

#### ● Revised the Code of Conduct in October 2022

We revised the Code given our efforts to respond to globalization, the establishment of various policies in line with social values that have changed in recent years, and the intention inherent in the Okamura Way, which is a systematic compilation of our management philosophy.

#### ● Implemented the Work Environment Improvement Program

We implemented this program for Okamura Corporation in FY2022 and for all domestic Group companies in FY2023.

We aim to eliminate all forms of behavior that harm psychological safety from the workplace, including but not limited to sexual harassment and power harassment.

#### ● Implemented various kinds of training for employees

In addition to compliance training for new employees and newly appointed executives, we hold e-learning training for all employees four times a year.

We also work to raise compliance awareness through topical training, annual training and training on role-specific compliance issues.

### Initiatives for human rights

The Okamura Group aims to realize a society in which all people can work and live with vitality and smiles. In May 2022, we established the Okamura Group Human Rights Policy with the purpose of fulfilling our responsibility to respect the humans rights of all people who are impacted by our business activities.

In formulating the policy, we commissioned a desktop study by Caux Round Table (CRT) Japan and held workshops in which the persons in charge of relevant departments participated to deepen their understanding of the Okamura Group and human rights and establish the human rights policy.



Okamura Group Human Rights Policy

▶ [https://www.okamura.co.jp/company/sustainability/policy/human\\_rights\\_policy\\_en.pdf](https://www.okamura.co.jp/company/sustainability/policy/human_rights_policy_en.pdf)

### Identification of Okamura Group human rights risks

#### Method for identifying risks

- Desktop study by Caux Round Table (CRT) Japan
- Identifying issues through a workshop involving 19 employees from 10 human resources, purchasing, and other departments
- Sorting issues according to the value chain

#### Results identified

- Procurement, manufacturing, logistics, and construction
  - Foreign labor force (including technical intern trainees)
- Across the value chain as a whole
  - Occupational safety and health
  - Long working hours
  - Various types of harassment and discrimination

#### Setting priority issues

- Human rights issues for foreign technical intern trainees
  - Supply chain human rights issues
- The relevant departments will work to address issues other than priority issues on a continuous basis



## Risk Management

### Initiatives for Various Risks



Sustainability Report 2024  
**Information Security Measures**  
▶ P.130

#### Information Security

The Okamura Group considers information security risks as risks to be prioritized for business continuity, and established the Okamura Group Information Security Policy in 2022. In order to implement suitable and organization-wide information security measures, we established the Information Security Management Rules that serve to prevent information security accidents before they occur, and to minimize harm in the event of such accidents. We also implement security measures and provide guidance regarding control for each Group company mainly regarding computers, servers, and networks that form the system infrastructure, such as introducing data encryption on personal computers, collection of personal computer operational logs, and website filtering systems.

##### Initiatives

- **Information security promotion system**

We launched OKAMURA-CSIRT in October 2020. With a Corporate Functional Officer as the responsible person in charge, the body engages in day-to-day activities to prevent information security accidents and prepare for a scenario where such an accident occurs, working primarily with relevant departments such as general affairs, legal affairs, information systems, public relations, and customer service offices.

- **Assessment of information security risks**

As part of our risk management activities, we perform comprehensive self-assessments based on the Ministry of Economy, Trade and Industry's cybersecurity management guidelines. We analyze information security risks from organizational, human, physical, and technical perspectives, clarify our priorities, and implement measures.

- **Implemented various kinds of training for employees**

In order to raise awareness of information security, the Okamura Group educates employees through e-learning and targeted attack email training. By displaying alerts on the intranet and upon startup of the computer, we continue to enlighten our employees about the need to be mindful of information security risks in their day-to-day operations.



Sustainability Report 2024  
**Provision of Safe and High-Quality Products and Services**  
▶ P.41-42

#### Quality of Products and Services

The Okamura Group regards the provision of safe products and services as a material management issue, and aims to provide products and services that lead to enhanced customer satisfaction. We have established a company-wide promotion system aimed at quality improvement, and are working to ensure thorough quality control through the operation of a quality management system as well as an assessment system.

Through these efforts, we strive to provide safe and high-quality products.

We work to ensure consistent quality from procurement to production, distribution, and installation work.

In addition to working on quality issues in each department, we are strengthening cross-departmental collaboration as well. In order to raise our standards further, we have established the Quality Assurance Committee and subcommittees that promote quality initiatives across the entire company, and strive to improve quality throughout the supply chain.

##### Initiatives

- **For providing safe and high-quality products and services**

The Okamura Group standardizes the product development process—from product planning, design, manufacturing and sales to after-sales service, incorporates customer feedback, and conducts rigorous screening and verification regarding safety and quality. We ensure a high level of quality by meticulously conducting tests and predictive verifications based on the various ways customers may use our products.

- **Implementation of various kinds of training for employees**

In order to ensure thorough quality control throughout the Okamura Group and enhance customer satisfaction, it is important for each employee to be aware of the importance of providing safe and high-quality products and services as well as our corporate responsibility, and to practice this in the course of their duties. In order to foster quality awareness and improve management capabilities, we provide basic quality training for skilled workers and practical quality control (QC) training for managers.

## Risk Management

### Initiatives for Various Risks

 Sustainability Report 2024  
**Okamura Group Human Resource Strategy ▶ P.73-78**

### Human Capital and Diversity

In line with the Okamura's Founding Spirit, we have set "People Thriving" as our new Management Philosophy. To ensure that each employee, who supports our sustainable growth, can work with vitality, we are moving forward with human resource development and employee engagement improvement as we aim to enhance engagement.

Based on the following concepts, we are working to foster mutual growth of our employees and the company by providing opportunities to develop capabilities and skills and improving engagement.

- Increase corporate value by creating an environment where every employee can thrive and achieve WIL-BE, thereby enhancing engagement and maximizing results.
- Build a human capital portfolio needed to realize management strategies, and promote the growth and career development of each employee through the human capital cycle of recruitment, development, evaluation, treatment, and appointment.
- Achieve management targets by building an organization and allocating human resources in a way that allows for maximized performance across the entire company, along with the promotion of the Okamura Way and the strengthening of teamwork.

#### Initiatives

We proceed with human capital management based on the two pillars of human resource development and employee engagement improvement.

#### Human resource development

We are currently implementing an initiative that encourages employees to manage their careers autonomously, through the creation of an environment that enables each employee to chart his or her own career journey. Measures on this front include the launch of in-house university "Okamura University (abbreviation: OkaUni)" which holds courses open to all who work in the Okamura Group, including part-time and temporary workers and employees of subsidiaries and associates, to improve their skills and think about their career. In addition, we renewed the in-house open application challenge system and global human resources development system, and introduced a talent management system to help employees visualize their career path.

#### Employee engagement improvement

In August 2023, we implemented an engagement survey using an external organization in order to measure employee engagement from a fixed reference point. The survey response rate was 97.7% and the average score for all Group companies was CCC on a scale of A to D. Based on the results, we identified the following priority challenges and are working on specific measures to address the same: strengthening the connection between company policy and employee's work, strengthening communication between management and regular employees, and pursuing a comfortable working environment.

### Implementation of Employee Engagement Meetings

Since FY2023, Okamura has held Employee Engagement Meetings led by department managers where individual employees may think about what employee engagement means to them personally. The theme for these meetings in FY2023 was, "why it is necessary to consider employee engagement now." 95% of all Okamura departments held Employee Engagement Meetings, of

which 97% of department managers responded that they felt it was meaningful in a questionnaire distributed.

The theme in FY2024 was "Okamura's current employee engagement improvement," for which department managers gave a presentation on the social backdrop, Okamura's Purpose and Mission, and the company's serious efforts geared at making employees come alive.

We held a workshop as an internal department discussion to improve employee engagement, at which the results of the engagement survey implemented in August 2023 were used to identify organizational strengths and weaknesses and discuss an action plan for raising employee engagement as a department.

## Stakeholder Engagement

The Okamura Group aims to be a company trusted and appreciated by society through communicating with a wide range of stakeholders, and incorporating their opinions and expectations, thereby improving our management and initiatives, towards achieving its Purpose of “Realizing a society where people can thrive.” We consider customers, dealerships, suppliers, shareholders and investors, employees and their families, and society and government to be particularly important stakeholders, and engage in communication with them based on our basic stance.

Sustainability Report 2024  
Stakeholder Engagement ▶ P.23-24

Stakeholders	Basic Stance	Main Activities/Communication Tools	Frequency/Number of Cases/ Number of Times	Incorporation into Management, Products or Services
Customers	We will continue to take on the challenge of creating new values, markets and trends by providing society with innovative products and services with reliable quality and safety, working towards “Realizing a society where people can thrive.” We clearly state the “provision of safe and high-quality products and services” in our Code of Conduct, and aim to provide products and services that lead to increased customer satisfaction.	Customer Service Office	Routinely (Number of inquiries in fiscal 2023: 18,727)	<ul style="list-style-type: none"> <li>● Improve products and services based on feedback and suggestions received</li> <li>● Provide suggestions on new value and trends</li> </ul>
		After-sales maintenance (inspections and repairs)	Routinely	
		Communicating product information Publishing installation examples and information magazines	Routinely	
Dealerships	Not only do we sell our products directly, but we also sell our products through dealerships, to allow us to better accommodate the diverse needs of our customers. As dealerships are not only our partners but also our customers, Okamura will work with them to increase mutual corporate value toward the common goal of maximizing customer satisfaction.	Dealership associations by handled products	Routinely	<ul style="list-style-type: none"> <li>● Improve products and services based on feedback received</li> <li>● Improve measures for various dealerships</li> </ul>
		Various workshops	Routinely	
		Information website for dealerships	Routinely	
Suppliers	We clearly state in our Basic Purchasing Policy, that “transactions are fundamentally based on free competition, and we should work toward coexistence and mutual prosperity with suppliers based on an equal footing and mutual trust,” and we promote initiatives to strengthen cooperative relationships. We have established Sustainable Procurement Guidelines, and on the premise of fair and impartial business with suppliers, we will strive to improve business through mutual collaboration, as well as practice procurement that emphasizes sustainability.	Information and technical exchange meetings	Routinely	<ul style="list-style-type: none"> <li>● Reinforce activities aimed at improving business and procurement focused on sustainability through mutual collaboration</li> </ul>
		Regular interviews and visits	Routinely	
		Electronic network system	Routinely	
Shareholders and investors	We will strive to increase shareholder value by growing our business and continually increasing corporate value. In addition to conducting timely and proper disclosure of information to gain even greater trust from shareholders and investors, we will actively disclose information considered useful for shareholders and investors and aim for highly transparent management by expanding communication.	General Meeting of Shareholders	Once a year	<ul style="list-style-type: none"> <li>● Enhance management transparency by expanding communication</li> </ul>
		Financial Results Briefings	Twice a year	
		Publication of Integrated Report	Once a year	
		Individual meetings	As needed (123 meetings in fiscal 2023)	
		Small meetings and facility tours, etc.	As needed (4 times in fiscal 2023)	
		Information magazine and website	As needed	
Employees and their families	We consider employees to be collaborators and team members who work together to help the company prosper. We aim to achieve even greater results through business activities that emphasize mutual collaboration among employees. We are moving forward with creating workplaces where each employee can work vibrantly based on a fair labor-management relationship, linking this to the growth of the company and “Work in Life” of employees.	Discussions between employees and management	Routinely	<ul style="list-style-type: none"> <li>● Nurture talent aimed to improve employee engagement, and carry out measures to promote job engagement reform</li> </ul>
		Initiatives to realize employees “Work in Life”	Routinely	
		Activities promoting diversity, equity and inclusion	Routinely	
Society and government	We strive to contribute to building a sustainable society and coexist with communities where we operate, by actively interacting with local residents, government agencies, companies, and organizations, as well as the younger generation who will be the torch-bearers of the future, as a form of Social Responsibility, one of the pillars of our Corporate Philosophy.	Dialogue with government agencies	As needed	<ul style="list-style-type: none"> <li>● Incorporate findings aimed at building better relationships with local communities and reflect them in various measures</li> </ul>
		Various forms of communication with local governments where production plants are located	Routinely	
		Activities contributing to local communities	As needed	
		Disseminating information through publications and websites	Routinely	