

## Risk Management

KOITO enriches and reinforces comprehensive risk management to properly identify diversifying and complex risks, prevent risks from becoming materialized, and minimize damage in case problem occurs.

Departments are assigned to risk management, including the implementation of measures to reduce and avoid risks and daily management. The Quality Assurance Department is assigned risks associated with the safety of products, the Procurement Headquarters handles risks in the supply chain, and the Safety Environment Department handles risks of natural disasters. As such, each department assess relevant risks and implement preventive measures. Officers of assigned responsible departments act as the general managers. In addition, training on individual risks is provided to employees.

If risks become actual problems, the basic protocol is to report the incidents to the Board of Directors, the highest decision-making entity of the business administration, and such problems are swiftly and properly handled under the direction of the top administrators.

## Natural Disaster Risks

Based on our basic policy “to prioritize human lives and maintain business continuity,” KOITO examines disaster control, initial response, and restoration work to find problems and re-evaluate and reinforce BCP activities based on lessons learned through natural disasters such as the Great East Japan Earthquake, Kumamoto Earthquake, heavy rains, typhoons, and expected damage caused by the Nankai Trough Earthquake.

To control damage from natural disasters, such as earthquakes, KOITO implements aseismic reinforcement of production site buildings, anti-fall measures for facilities and equipment, installation of emergency earthquake notification systems, regular disaster drills including evacuation and firefighting, all-employee safety confirmation drills, and general inspections of the maintenance and management of evacuation routes. KOITO also intends to minimize the damage caused by disasters by hosting lectures on how to check hazard maps and evacuation.

To prevent fire, KOITO makes efforts to reinforce the system to ensure quick extinguishing through thorough management of hazardous materials and combustibles, such as organic solvents, increased installation and rearrangement of fire extinguishing equipment to prepare for fire, and implementation of initial firefighting training.

In addition, on-site inspections on safety, fire, and disaster prevention are being conducted at subsidiaries and suppliers. Subsidiaries in Japan are also mutually inspecting and improving each other’s production sites in Subsidiaries Mutual Safety Inspections to improve the safety, fire, and disaster prevention level in the entire Group and the supply chain.



Firefighting training using fire hydrant



Online disaster control seminar by Regional Management Center of Central Shizuoka

## KOITO’s Response to the Spread of COVID-19 Infections

Putting the highest priority on the safety of customers, business partners, employees and their families, the KOITO Group has implemented various measures based on requests from the government and local governments for the purposes of preventing the spread of COVID-19 infections. We will continue to utilize telework and online meetings to reduce the risk of infections and to promote smooth operations and improve efficiency.

### ●Major countermeasures against infections

- Hygiene in prevention (wearing masks and hand sanitizing)
- Periodically disinfecting areas where an unspecified number of people touch, such as doors, switches, etc.
- Installing partitions in offices, meeting rooms, and dining halls
- Implementing staggered eating
- Avoiding three Cs (closed spaces, crowded places, and close-contact settings) in daily life and implementing “new normal”
- Actions in line with the measures requested by the prefectural governments to prevent infectious diseases

### ●Commuting

- Restricting employees to use public transportation for commuting regarding the infection status at our site location
- Introducing teleworking in administrative and indirect departments
- Measuring employees’ temperature when entering the office etc.

### ●Business travels and meetings

- Formulating rules for domestic and overseas business trips, and implementing measures to prevent infectious diseases
- Introducing online meetings
- Measuring outside visitors’ temperature and requesting them to hand sanitizing and wearing mask.