

Occupational Health and Safety

The Nihon Parkerizing Group encourages the maintenance and promotion of health, both physical and mental, through tangible (facilities and environment) and intangible (health management) improvements, so that employees can work safely and comfortably and exercise their full potential.

Our basic approach to health and safety

Guided by the basic principle, "Health and safety always come first," the Nihon Parkerizing Group has formulated its Health and Safety Policy under the leadership of its management. The policy is shared and implemented throughout the group. All employees work with a high level of safety awareness within a framework of compliance with laws, and they seek to establish workplaces with zero accidents and no harm to people's health.

Health and Safety Policy

1. The Nihon Parkerizing Group will place the highest priority on the safety and health of all of its employees. It will be committed to providing a safe, secure work environment and promoting mental and physical health.
2. The Nihon Parkerizing Group will take appropriate preventive measures for health and safety and strive for continuous improvement.
3. The Nihon Parkerizing Group will comply with all laws and regulations regarding health and safety.

Safety promotion initiatives

In the Nihon Parkerizing Group, the Parker Group Health and Safety Environmental Council meets twice a year to establish safe, healthy work environments. The Council shares information on occupational accidents, prevention measures against recurrence, responses to law revisions, and safety patrol results, among others, to reinforce our company-wide safety measures.

As a new initiative, we formulated Parker's Four Safety Pledges in FY2024. We encourage the establishment of our safety culture by showing these pledges on signs and chanting them.

Parker's Four Safety Pledges

1. We prioritize safety above all else.
2. We will always comply with rules and procedures.
3. We absolutely will not conduct or allow dangerous actions or work.
4. We always assess risks before taking any action.

Achievements and key initiatives

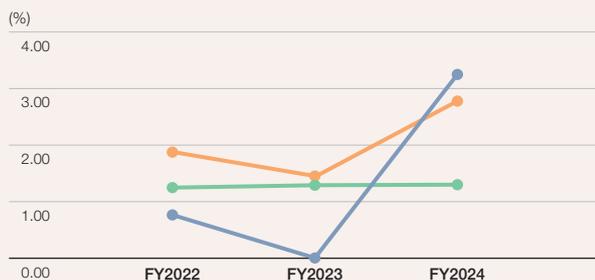
Ten occupational accidents occurred in FY2024 (two regular employees, two contract employees, four temporary workers and two outsourced workers). We have stayed free from fatal accidents for more than 20 consecutive years. This is a result of our safety awareness and organizational risk management.

Occupational accident frequency rate and occupational accident intensity rate are indicators used to evaluate the occurrence of occupational accidents. Our occupational accident intensity rate in FY2024 was only 0.078, indicating that our efforts to prevent and control serious accidents have been reasonable.

However, the occupational accident frequency rate at Nihon Parkerizing alone was 3.25, which is higher than both the previous year and the Ministry of Health, Labor and Welfare's average (1.30). Problems with workplace safety risk management have come to light.

Based on these results, we believe that preventing accidents and continuing to enhance on-site workers' safety awareness are urgent issues. We will continue to make improvements by leveraging our safety, health, and environmental management system and implementing a PDCA cycle, aiming for zero accidents.

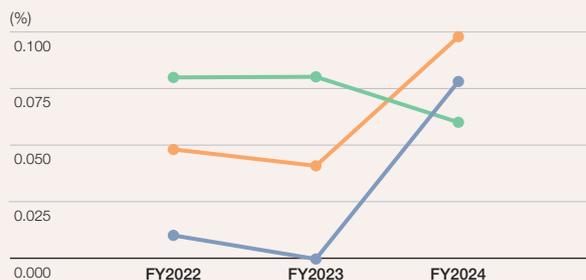
Occupational accident frequency rate



— Nihon Parkerizing alone — Nihon Parkerizing + 8 domestic group companies¹ — Total for the manufacturing industry²

$$\text{Occupational accident frequency rate} = \left(\frac{\text{Number of casualties}}{\text{Gross working hours}} \right) \times 1,000,000$$

Occupational accident intensity rate



$$\text{Occupational accident severity rate} = \left(\frac{\text{Number of work-days lost}}{\text{Gross working hours}} \right) \times 1,000$$

¹: Eight domestic companies of the Nihon Parkerizing Group including contractors: Parker Engineering Co., Ltd., Parker Processing Co., Ltd., Oita Parkerizing Co., Ltd., Komatsu Parkerizing Co., Ltd., Japan Kanigen Co., Ltd., Hamamatsu Netsushori Kogyo Co., Ltd., Million Chemicals Co., Ltd. and Kyodoyuso Co., Ltd.

²: Source: Overview of the Ministry of Health, Labor and Welfare's whitepaper survey on trends of industrial accidents (survey of business establishments (with 100 or more workers each) and survey of the construction work, general, including public and private construction work)

Risk management and on-site improvement

At each workplace, we work to reduce workloads and the risk of accidents by reviewing work standards and continuously implementing safety measures for equipment. We also strive to establish an employee-led safety culture by collecting and analyzing information about hazard prediction (KY) activities and near misses. Continuously implementing improvements from the on-site employee perspective, we seek to maintain and elevate our company-wide safety management standards.

The rules and procedures necessary for risk management are specified in the safety and environment manual and other materials. Risks latent in hazardous work and relevant actions are identified to prevent serious accidents, and cross-sectional measures are taken in-house in accordance with

the level of risk. When an occupational accident occurs, the environment and safety department and business divisions quickly collaborate and share information about the incident. The details, causes, and prevention measures for accidents and their recurrence are shared with all of our offices and Nihon Parkerizing Group companies. They are to prevent similar accidents.

The Nihon Parkerizing Group uses many chemical substances in its business activities. Our offices assess the risks posed by these chemical substances so employees can handle them safely and correctly. Through these initiatives, we identify the hazards associated with each chemical substance and the latent risks in in-factory operations, ensuring they are thoroughly and adequately managed.

Promotion of educational and awareness-raising activities

We continue to provide health and safety training because we believe it is essential to increase people's awareness of safety and to teach them how to operate safely. Our safety training programs are divided by job levels so employees can acquire the knowledge and skills needed to ensure safety. For example, illustrations are used to facilitate workplace discussions, and employees receive experience-based training to improve their hazard prediction capabilities.

In FY2024, the 43rd In-house Health and Safety Conference was held during National Safety Week. Workplaces with accident-free records were commended, and the Japan Industrial Safety & Health Association gave a lecture on the risks of explosions and fires posed by chemical substances.

Each of our employees works to increase their safety awareness and to ensure our safety culture becomes even more entrenched.