

## Message

Thank you for your continued support of the Company.

In 2020, we acquired Responsible Jewelry Council (RJC)\* Code of Practices accreditation. Since accreditation, we are working each day toward the goal of a sustainable future as a global enterprise through activities that include the use of recycled bullion and renewable energy as well as by contributing to community activities.

In 2023, we began the construction of a new, eco-friendly head office, which is targeted for completion in autumn 2025.

As an RJC-certified company, we intend to work diligently toward the goal of becoming a 100-year company.

\* RJC, which stands for Responsible Jewellery Council, is a London-based organization that establishes global sustainability standards for the jewelry and watch industry. Seven companies in Japan, including our company, have received this accreditation.

Takeyuki Nakagawa  
February 2024

## Initiatives for a sustainable future

### 1. Basic policy

We take responsibility for the initiatives to achieve a sustainable future through implementation and compliance with the Corporate Vision, Basic Philosophy, and Action Standards as described in the Corporate Action Policy.

### 2. Compliance

Recognizing compliance as the most important issue of the initiatives to achieve a sustainable future, we based activities on the following foundations:

- Reducing risks through risk assessment
- Eliminating harassment

Risk assessment involves continuous identification of the risks imposed by potential violations of laws and regulations in our businesses with regard to employment, know-your-customer laws, and corruption as we strive to eliminate any factors that could lead to violations. In January 2024, we conducted a management review of the risk assessments implemented in 2023 and, thus, verified that there were no compliance violations or incidents of harassment.

In 2024, we will strive to enhance management to ensure that we are not targeted by criminal organizations by focusing on the identification of risks at branches, including reviews of crime-prevention systems at retailers and other facilities, in addition to the risk assessment items from 2023.

### 3. Supplier relations

An increasing number of suppliers now face a difficult business environment due to the inflation resulting from the devaluation of the yen and rising energy costs.

Consultations are also increasing by suppliers who now face business succession challenges due to a lack of successors. By leveraging the strength of our adaptability while paying close attention to credit management, we are striving to overcome this challenging business environment together with suppliers by responding sincerely to their needs and requests for consultations.

#### 4. Shareholder relations

We are reorganizing the businesses in order to provide returns to shareholders from a long-term perspective. In 2021, we consolidated the number of shareholders and reduced capital to match the scope of the business. We are currently considering a reorganization of the business that will include the transfer of assets among Group companies in preparation for the future. We believe that this reorganization will serve as the foundation for becoming a 100-year company by ensuring the stability of our stock for shareholders.

#### 5. Community contributions

The main community-contribution activities of each facility in 2023 are reviewed below.

##### Head Office

- Reconstruction of the head office began with the goal of having a head office that reflects consideration for the community and the environment.

##### Kitakami Plant

- As part of its efforts to contribute to the industrial park, the Kitakami plant cleaned the perimeter of the facility seven times during the year (with a total of 135 participants).



- The Kitakami plant participated in the Central Community Chest (Japanese Red Cross Society Iwate Chapter) and Green Feather (Iwate Prefecture Afforestation Promotion Council) fundraising activities.
- The Kitakami plant donated to local festivals and events, such as the Kitakami Michinoku Geino Festival and the annual Ise Shrine festival.

##### Tsukuba Plant

- As part of its efforts to contribute to the industrial park, the Tsukuba plant cleaned the perimeter of the facility in November.
- Personnel from the Tsukuba plant patrolled the industrial park in July and December to eliminate illegal parking.
- Tsukuba plant personnel donated to the Japanese Red Cross Society and the Central Community Chest of Japan.
- Plant personnel also provided funding to support the community activities of the Ami Social Welfare Council and the Ami International Exchange Association.
- Donations were made to the local festivals, such as the Ami Sakura Matsuri 2023 and the Ami Shoko Matsuri 2023.

##### Okachimachi Branch

- The Okachimachi branch participated in crime-prevention patrols in cooperation with local citizens and the police in June, October, and December.

##### Ise Sales Office

- The Ise sales office participates in monthly community volunteer firefighting activities.
- The office also sponsors cleanup activities in waste collection areas four times a year.
- In addition, the office helps to raise funds for the Central Community Chest of Japan (Mie Prefecture Community Chest).

#### Kofu Branch

- The Kofu branch cleared snow from the streets near its facility after a heavy snowfall.

#### Osaka Branch

- The Osaka branch participated in crime-prevention patrols organized by the Minamikyuhojimachi 2-chome neighborhood improvement association.

#### Nagoya Sales Office

- The Nagoya sales office regularly cleans the front of the office building that it occupies.
- The office also takes part in monthly cleanup (litter removal) activities with the Osu Shopping District.
- Office personnel also participated in the Nagoya Disaster-Prevention Summit 2023 (four times a year).

### 6. Employee relations

The Company implemented the following personnel and labor measures in 2023:

- Launch of the new HR evaluation system and the new system of management by objective
- An increase in wages to the same level as major firms based on government policy

The launch of the new HR evaluation system and the new system of management by objectives made it possible to employ an HR system based on even fairer HR evaluations than before. With the aim of infrastructure enhancements and other improvements to become a 100-year company, the Company improved the HR system in 2024 in cooperation with outside

experts. This year's efforts included increasing initial wages for personnel at large firms and government-requested wage hikes. This is intended to build an even fairer HR system.

### 7. Environmental protection

Stable operation of the solar-power equipment adopted at the Kitakami plant, despite some weather effects, helped reduce the plant's electricity consumption by about 16% per year on average.

Both the Kitakami and Tsukuba plants continuously monitor wastewater to prevent violations of local wastewater standards, and an outside vendor tests the wastewater regularly.

We will continue preparations by building the necessary systems for participation in Eco Action 21, consideration of which began in 2022.

### 8. Responsible minerals management

In purchasing gold and other bullion, the Company inspects them for conflict minerals and purchases them only from sources that conform to the Organisation for Economic Co-operation and Development Annex II (OECD Annex II) standards. No sources were found to be particularly problematic in 2023.

February 2024