

## Message

Thank you for your continued support of our company.

In 2020, we acquired Responsible Jewelry Council (RJC) accreditation, and as a global enterprise, we strive each day to help build a sustainable future.

Through activities that include the use of recycled bullion and renewable energy, as well as by contributing to community activities, each employee is growing increasingly aware of the need for efforts to achieve a sustainable future.

As a corporate RJC member in Japan, we are working to raise awareness of RJC accreditation. As of the end of December 2022, awareness had grown steadily to now include seven corporate RJC members and five RJC-accredited companies in Japan. As an RJC-certified company, we will continue to work diligently toward the goal of becoming a "100-year company."

February 2023  
Takeyuki Nakagawa

## **Our initiatives toward a sustainable future**

### 1. Basic policy

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

### 2. Compliance

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

- Reducing risks through risk assessment
- Eliminating harassment

Risk assessment involves the constant 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 such violations. In January 2023, we conducted a management review of the risk assessments implemented in 2022, and we verified that there were no cases of compliance violations or harassment.

### 3. Supplier relations

Amidst signs of a recovery from the economic downturn that accompanied the COVID-19 pandemic, increasing numbers of suppliers face difficult business conditions from the inflation caused by devaluation of the yen and rising energy costs. Leveraging the strength of our adaptability, while paying close attention to credit management, we strive to overcome those difficult business conditions together with suppliers by responding to their needs.

### 4. Shareholder relations

We are reorganizing our businesses from the long-term perspective in order to provide returns to shareholders. We have already consolidated the numbers of shareholders and reduced capital to match the scope of our business. In the future, we plan to take advantage of the opportunity of rebuilding the head office to further reorganize the businesses. We believe that this reorganization will serve as a foundation for becoming a "100-year company" by enabling shareholders to hold our stock with stability.

#### 5. Community contributions

Each facility engaged in activities more aggressively in 2022 because of the numerous signs of an end to the slowdown in social activities caused by COVID-19 pandemic. The main activities of each facility are reviewed below.

##### Head Office

- The Head Office supports the Higashi Tokyo Ichi event held October 21–23 with donated funds and materials to vitalize the local community.
- As part of a traffic safety program, the office won an award from the local police for a lengthy accident-free period.
- As a member of the Yanagibashi Neighborhood Association, the office supports the daily activities of the association.
- The office also donates to the local Suga Shrine.

##### Kitakami Plant

- As part of its efforts to contribute to the industrial park, the Kitakami Plant cleaned the perimeter of the facility four times during the year.



##### Tsukuba Plant

- As part of its efforts to contribute to the industrial park, the Tsukuba Plant cleaned the perimeter of the facility in July and October and conducted patrols to eliminate illegal parking in July.
- The plant also contributed funds to the Japanese Red Cross Society and donated to the Central Community Chest of Japan and the Ami Social Welfare Council.

##### Okachimachi Branch

- The Okachimachi Branch participated in crime-prevention patrols in cooperation with local citizens and the police in January, August, and September.

##### Ise Sales Office

- The Ise Sales Office participates in monthly community volunteer firefighting activities.
- The office also carries out four times cleanup activities in waste collection areas (twice each in April and September).
- In addition, the office participates in raising funds for the Central Community Chest of Japan.

##### Kofu Branch

- The Kofu Branch cleans up the area around its facility monthly as part of community cleanup activities.
- The branch also contributes to community activities through donations to the district athletic association and membership in the neighborhood association.

##### Osaka Branch

- The Osaka Branch, as a member of the local business association, participated in crime-prevention patrols in December and cooperated in the distribution of crime-prevention pamphlets prepared by the local police.

#### Nagoya Sales Office

- As part of the community cleanup activities, the Nagoya Sales Office regularly cleans up in front of the office building it occupies.
- The office also takes part in monthly cleanup activities with the local shopping district.

#### Omotesando Shop

- Since last year, the Omotesando Shop has been a member of the local store association and participates in cleanup activities twice monthly.

### 6. Employee relations

Aiming to be a "100-year company," the Company improved the HR system in cooperation with outside experts. This year, the Company launched a new executive officer system and migrated to a new payroll system. We also began testing a new HR evaluation system, intended to begin in 2023. This is intended to build a fair HR system by thoroughly revising the traditional seniority-based HR system.

### 7. Environmental protection

The solar-power equipment being adopted at the Kitakami Plant began full-fledged operation following the completion of construction. Solar power generation reduced the plant's electricity consumption by about 10 percent. Both the Kitakami and Tsukuba plants monitor wastewater continuously to prevent violations of local wastewater standards, and an outside vendor tests the wastewater regularly. The plant is also considering participation in Eco Action 21.

### 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 (OECD) standards. No sources were found to be particularly problematic in 2022.

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