

Company Overview (As of October 31, 2023)

Company name: OHARA INC.
Address: 1-15-30, Oyama, Chuo-ku, Sagami-hara-shi, Kanagawa, Japan
Telephone: 042-772-2101 (representative)
Established: October 1, 1935
Capital: 5,855 million yen
Business contents: Manufacture and sale of glass materials for optical and electronics applications
Number of employees: 462 (1,476 for the entire Group)
Website: <https://www.ohara-inc.co.jp/>



Stock Information (As of October 31, 2023)

Status of shares

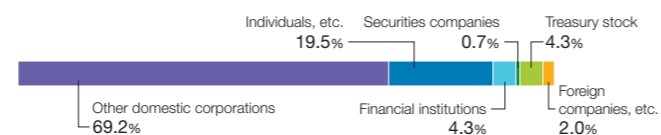
Total number of authorized shares: 76,000,000
Total number of issued shares: 25,450,000
Number of shareholders: 10,576

Major shareholders

Name	Number of shares held (thousand)	Investment ratio (%)
Seiko Group Corporation	4,702	19.3
Canon Inc.	4,694	19.3
Kyobashi Kigyo Kabushiki Kaisha	4,688	19.2
Sanko Kigyo Kabushiki Kaisha	1,651	6.8
The Master Trust Bank of Japan, Ltd. (trust account)	968	4.0
TOPCON CORPORATION	673	2.8
Seiko Instruments Inc.	610	2.5
Olympus Corporation	400	1.6
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	128	0.5
OHARA Employee Stockholding Association	106	0.4

(Note) Treasury stock (1,085,000 shares) is deducted in calculating the investment ratio.
Treasury stock includes 94,000 of the company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account), in accordance with the introduction of the "Board Benefit Trust (BBT)" system.

Shareholding Composition



Shareholder Information

Business year: November 1 to October 31 of the following year
Record date of dividends of surplus: October 31 (April 30 for interim dividends)
General Meeting of Shareholders: Late January of each year
Number of shares per unit: 100 shares
Handling office of shareholder registry administrator: 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department of the Head Office, Mizuho Trust & Banking Co., Ltd.
Method of public notice: Electronic public notice (<https://www.ohara-inc.co.jp/>)
However, if an electronic public notice cannot be issued due to any unavoidable reasons, a notice will be published in the Nikkei.

Management Philosophy

The OHARA Group continually seeks to instill new value and build a strong organization for the purpose of advancing the well-being of its people and contributing to the prosperity of society.

Corporate Message

Brand Slogan

The Future Made Clear

The Society and the Future OHARA Desires

A secure and healthy life. A society that cultivates creativity and aspirations. Sustainable well-being of our planet.

OHARA's Mission

Pursue opportunities by developing new materials for every era.
Form alliances with diverse partners to elevate lifestyles and cultures and promote innovation. Advancement of new frontiers and improvement of the global environment.

OHARA's Values

Outstanding materials that exceed expectations and facilitate our customer's success.

Culture

Proceed with integrity Craftsmanship without compromise
Initiate a continuous cycle of challenge Work together as 'All OHARA' Respect, transformation & growth

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Editorial Policy

This report is intended to provide the OHARA Group's story of value creation, growth strategies, and other information in order to help our many stakeholders understand our efforts to enhance our corporate value.

We will continue to improve the document to make it easier to understand going forward.

Scope of Report— This report mainly covers the activities of non-consolidated OHARA INC.
* The figures in the financial reports, however, denote numbers that include the results of the Group companies.

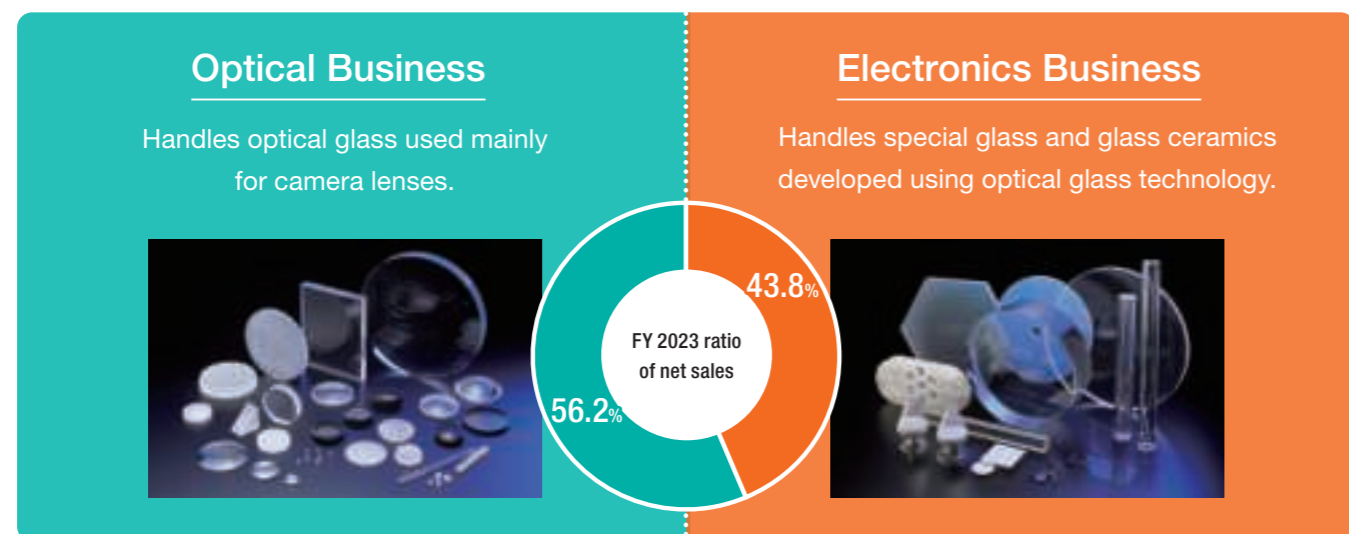
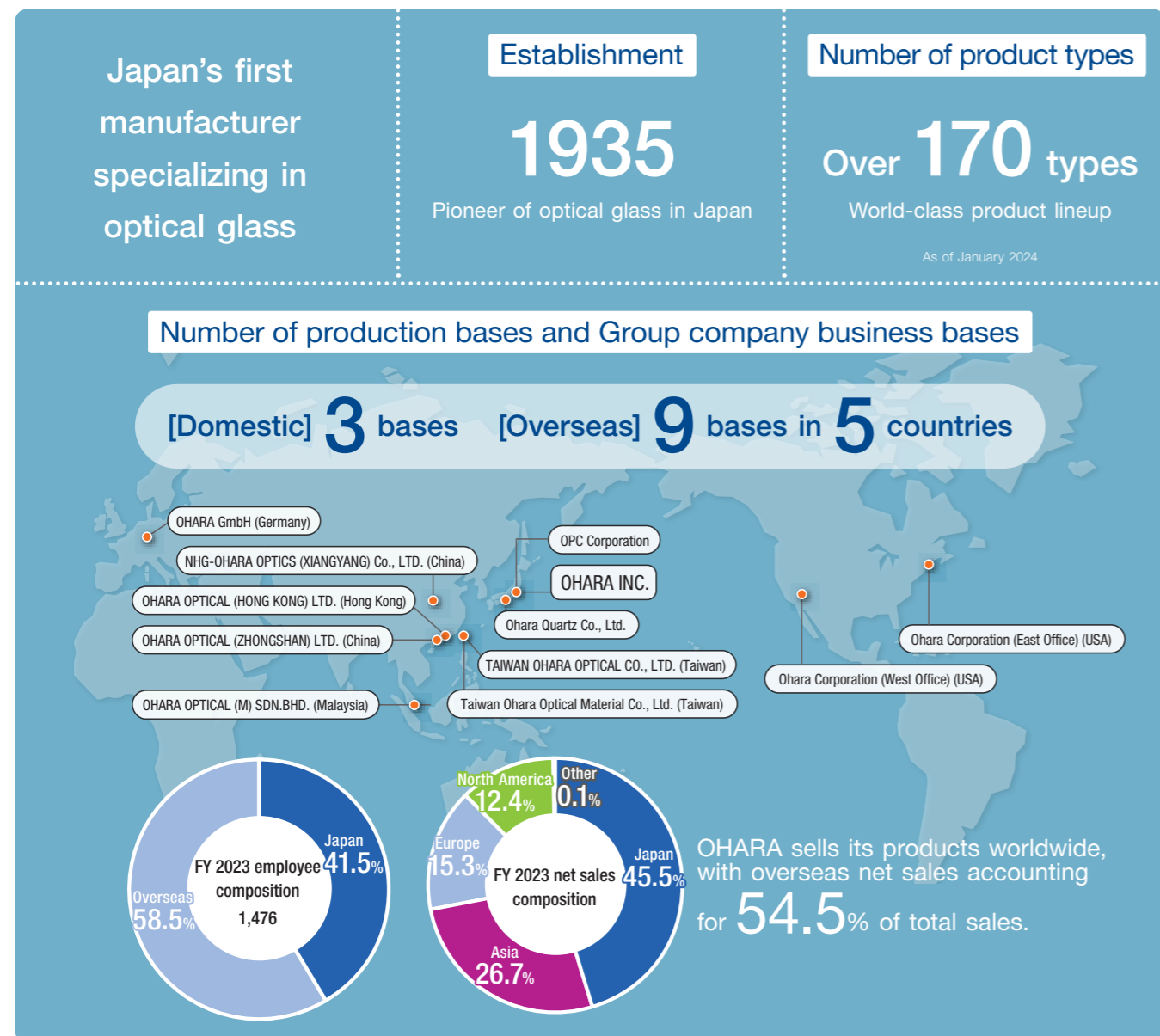
Reporting Period— FY 2023
From November 1, 2022 to October 31, 2023
* There are, however, some references to activities for FY 2024.

Date of Issue — January 2024

Reference Guidelines— GRI, GRI Sustainability Reporting Guidelines
Ministry of the Environment, Environmental Reporting Guidelines 2018

At a Glance

OHARA is a long-established manufacturer of optical glass and special glass materials, and is developing the Optical business and Electronics business.



OHARA—Supporting Society

OHARA provides a wide range of glass products to society and is highly regarded by various customers. We will continue to draw on our experience to create customer-oriented products, aiming to realize a prosperous future.



Top Message

We support our Corporate Message for the future by steadily increasing profitability and asset efficiency through structural transformation based on the new medium-term management plan.

Hirokazu Saito
President, Chief Executive Officer

● Looking Back on FY 2023 Operating Results **Lackluster performance and lower profits in Optical business due to inventory adjustments**

The market environment in FY 2023 saw economic activity move closer to normal levels as the impacts of the COVID-19 pandemic continued to wane. Against this backdrop, sales of mirrorless cameras and interchangeable lenses rose, and semiconductor exposure equipment also performed strongly, buoyed by robust demand for semiconductors. However, in China, the economy slowed down due to many factors, such as the stagnation of the real estate market. Consequently, demand weakened for materials for flat panel displays (FPDs) and memory semiconductors, and production of lens materials for optical equipment had to be adjusted.

Looking at the OHARA Group's results, inventory adjustments in our supply chain led to lackluster performance in sales of lens materials for optical equipment, with Optical business net sales falling to 15,802 million yen from 16,900 million yen in the previous fiscal year. Coupled with a drop in the utilization rate of production facilities and adverse cost environment pressures such as skyrocketing raw material and fuel prices, this led to an operating loss of 40 million yen for this business.

Meanwhile, a rise in sales of high homogeneity glass for semiconductor exposure equipment drove Electronics business sales up to 12,320 million yen from 11,404 million yen in the previous fiscal year, and operating income climbed to 2,274 million yen from 1,820 million yen in the previous fiscal year.

In the mobile market, which we have positioned as a priority sector, slowing sales of smartphones pushed back the new product launch for our shock resistant and high hardness clear glass-ceramics (NANOCERAM™). The battery market likewise saw a delay in plans for adopting lithium-ion conductive glass-ceramics (LICGC™) for automotive applications. In the automotive segment, sales of lens glass materials grew from the expanded adoption of EVs in China, but then plateaued.

Due to these outcomes, the consolidated results for FY 2023 fell below initial expectations: net sales fell by 0.6% from the previous fiscal year to 28,123 million yen, operating income dropped by 25.0% from the previous fiscal year to 2,233 million yen, ordinary profit decreased by 29.0% from the previous fiscal year to 2,603 million yen, and profit attributable to owners of parent fell by 25.7% from the previous fiscal year to 1,572 million yen.

Given that the demand for semiconductor exposure equipment is expected to remain strong for product, particularly high homogeneity glass and quartz glass, the OHARA Group is working to expand its ability to supply these products, with the aim of positioning them as medium- to long-term growth drivers. In FY 2023, we invested around 1 billion yen in equipment to strengthen production capacity. As for our efforts to expand into the battery market with our high-performance glass offerings, we are making advances by increasing lithium-ion battery performance and lifespan. Also, going forward we plan to expand overseas sales, mainly in China and the U.S.,

while strengthening our capabilities and production facility. Moreover, we have successfully synthesized a solid electrolyte that supports the development of practical aqueous rechargeable sodium-ion batteries, and have taken the lead in product development for its use as a separator.

In parallel with these forward-looking initiatives, the OHARA Group exhibited products at diverse trade shows in Japan and overseas, highlighted its businesses on a television program, hosted corporate briefings for individual investors, and was proactive communicating information in FY 2023, aiming to forge even stronger bonds with stakeholders.

● Review of Medium-Term Management Plan Phase 1

Improvement of profitability stalled amid efforts to deal with demand fluctuations

The OHARA Group has set forth Long-Term Vision 2035 toward achieving “a secure and healthy life,” “a society that cultivates creativity and aspirations,” and the “sustainable well-being of our planet” by 2035, our 100th anniversary year. During the three years from FY 2021 to FY 2023, we implemented the first phase of the medium-term management plan and the first stage of the long-term vision, to work toward recovering from the pandemic-driven decline in business performance.

For the first phase, we defined our slogans as “managing with agility to keep up to date with market changes” and “accelerating organizational metabolism,” and set the goals of achieving net sales of 26,500 million yen or higher, operating income of 3,000 million yen or higher, and ROE of 6.5% or higher in our consolidated results in the final year of the medium-term management plan (FY 2023). A surge in demand in both the Optical and Electronics businesses enabled us to surpass the net sales target in FY 2022, a year ahead of schedule, and net sales remained above target in FY 2023 as well. However, operating income fell short, and ROE came in at 3.4%.

I believe that the leading factor behind our inability to reach the targets for income and asset efficiency was that we were unable to fully execute the structural transformation for improving our profitability. This was because our launch of new businesses was delayed as we dealt with the fluctuations in demand that came as the market began dramatically shifting from the plan's second year. The OHARA Group has been working to shift its manufacturing operations by relocating the production of the optical glass materials, which have become commoditized, to plants in China and Taiwan, and by dedicating domestic melting furnaces to high value-added products and products for the semiconductor market, where demand is strong. However, demand in the digital camera market made a sudden recovery in FY 2022, and the ensuing inventory adjustments that came in FY 2023 represented a change that caused the operating efficiency of the Optics business to plunge as it was offshoring its production system. Although we endeavored to deal with the trends in demand, our structural transformation efforts were unable to accelerate

Top Message

organizational metabolism. Moreover, the sharp rise in raw material and fuel costs placed pressure on profits.

At the same time, however, firm contributions were made to our business performance by the Optics business's expansion into downstream products such as lens processed products and its shift toward products with high unit prices and high value-added, and by the expansion of the Electronics business's lineup of products for semiconductor exposure equipment. In our initiatives for innovation, we have achieved positive results in the aforementioned development of an additive for lithium-ion batteries and a solid electrolyte for sodium-ion batteries. In addition, while pursuing development of high-temperature, high-speed melting furnaces with excellent energy efficiency, we have also started exploratory research on new materials requiring high-temperature, high-speed melting.

Our growth investments for the three years of the first phase comprised a total capital investment of 4,429 million yen that included outlays for strengthening production of products for semiconductor exposure equipment, and a total R&D investment of 2,276 million yen.

As part of our efforts in human capital management, we raised salary levels and enhanced our personnel systems, including support for employees raising children. We also advanced diversity actions, such as the hiring of foreign nationals, and further expanded and improved talent training programs, including at Group companies. As one way to cultivate a corporate culture that encourages employees to take on challenges, we launched the OHARA AWARD in FY 2022 to honor Group employees who make outstanding contributions toward the realization of Long-Term Vision 2035. In the second phase of the medium-term management plan, which commenced with FY 2024, we plan to further implement initiatives such as these, seeking to strengthen our ability to create value.

● Start of Medium-Term Management Plan Phase 2

Launching new businesses to build the foundation for realizing the long-term vision

Formulated as the second stage for working toward our long-term vision, the second phase of the medium-term management plan (FY 2024–FY 2026) aims to increase our profitability, building upon the achievements and challenges of the first phase. While continuing to add more value to existing products and proactively investing in production expansion for growth areas, we will steadily launch new businesses through value co-creation with our customers and processing manufacturers. At the same time, we will strive to increase production efficiency by pursuing innovation and automation in glass melting technologies, and to improve asset efficiency by redesigning the Group's sales formation and production systems.

In other words, the basic direction for the next three years is to boost profits in new areas and with new products that replace products whose demand has declined in the changing environment, while also establishing a system whereby we can leverage melting resources to create

revenue. Through these actions, we will build the business foundation for achieving “a secure and healthy life,” “a society that cultivates creativity and aspirations,” and the “sustainable well-being of our planet,” and in so doing realize our Corporate Message.

The targets for the final year of the medium-term management plan (FY 2026) are net sales of 32,000 million yen or higher, operating income of 3,700 million yen or higher, and ROE of 6.5% or higher. Regarding the net sales target, we forecast that the Optical and Electronics businesses will each generate 16,000 million yen in net sales, based on the expectation that net sales in the Electronics business will grow by around 30% over the three years while net sales in the Optical business continue to hover at around the current level. As for the operating income target, the Optical and Electronics businesses will aim for 700 million yen and 3,000 million yen, respectively.

In the Optical business, we anticipate that demand for digital cameras and optical equipment will change very little, thus we will optimize the scale of production to match this level. At the same time, we will newly target the cross-reality (XR) market as part of the metaverse-related market that promises to grow in the coming years. Here, we will seek to acquire mass production orders.

Our forecast for the Electronics business is that demand for power semiconductors will continue expanding, and that memory semiconductor orders will recover. We will firmly endeavor to tap into the market's growth by continuing to strengthen production of products for semiconductor exposure equipment. We will also step up our expansion into the battery market, seeking to increase our profitability by seizing new growth opportunities through mass production of our additive for lithium-ion batteries and commercialization of the solid electrolyte for sodium-ion batteries.

Going forward, the OHARA Group will also need to continue addressing management challenges that go beyond the framework of the three-year medium-term management plan. To this end, the Sustainability Committee, which I chair, will serve as a forum for discussing and studying those challenges, and will lead actions for addressing them. Specifically, we will discuss the medium- to long-term management challenges of realigning our production centers, strengthening our human capital, pursuing transformation through DX, engaging in R&D, and making effective use of intellectual property. Our aim will be to increase the OHARA Group's corporate and social value while achieving sustainable growth.

● Advancing Together with All Stakeholders

Strengthening our power of communication and evolving as a company that helps tackle social challenges

Looking at FY 2024, inventory adjustments within the supply chain will continue through the first half of the fiscal year, and consequently net sales in the Optical business will fall, but we can expect that the utilization rate of production facilities will trend toward recovery and help to



improve profits. In the Electronics business, we anticipate that demand for high homogeneity glass and quartz glass for semiconductor exposure equipment will hold firm, driving both sales and profits upwards. Based on these assumptions, we forecast consolidated net sales of 28,500 million yen (up 1.3% from FY 2023), operating income of 2,700 million yen (up 20.9% from FY 2023), ordinary profit of 2,900 million yen (up 11.4% from FY 2023), and profit attributable to owners of parent of 1,800 million yen (up 14.5% from FY 2023).

Regarding shareholder returns, OHARA has established a new basic policy of seeking to maintain a total payout ratio of 30% or higher. In accordance with this policy, we plan to pay a year-end dividend of 23 yen per share for FY 2024 (up 3 yen from FY 2023). We will further strive to improve our business performance so that we can increase dividends through the continued growth of profits. Also, as part of our commitment to management mindful of capital costs and share price, we will work to improve our profitability and asset efficiency, aiming to increase shareholder returns.

One of the medium-term management plan's priority strategies for working toward the long-term vision is promotion of ESG management. The plan outlines actions for pursuing this strategy while also improving profitability and asset efficiency. In addressing environmental challenges, we will implement initiatives for reducing or eliminating greenhouse gas emissions, promoting decarbonization, and attaining other advances. In the area of governance, we are pursuing risk management including with regard to geopolitical issues and have started constructing a global management framework for overseeing governance at

our overseas subsidiaries. As for social challenges, we will endeavor to strengthen the Group's human capital and recognize that we need to enhance our ability to communicate as a member of local communities and help solve diverse social challenges.

As part of its activities supporting society, the OHARA Group holds a top partner agreement with S.C. Sagami-hara, a professional soccer club based in the city where our head office is located, Sagami-hara City, Kanagawa Prefecture. Through this relationship we have launched co-creation efforts with the Jimoto Ai Project, a social contribution program run by S.C. Sagami-hara. In particular, the project's initiatives for supporting community members who raise children have made many achievements, including the hosting of visiting events that utilize the soccer club's resources. The project organizers also plan to examine opportunities for establishing and operating a day-care center and a childrearing support facility. Through these activities, we will seek to improve the abilities of our talent and fulfill our Management Philosophy's mission of advancing the well-being of our people and contributing to the prosperity of society, while also enhancing our reputation and profile.

The OHARA Group will continue to work, coexist, and prosper with all stakeholders, sharing with them a bright future. We would like to ask you for your continued support for many years to come.

History of Value Creation

From its establishment to the present, OHARA has supported the foundation of the optical industry as a pioneer in the development of the optical glass industry. The following is a chronological introduction of the steps OHARA has taken so far.

From 1935

1935 Established OHARA Optical Glass Mfg. Co. Ltd. (now OHARA INC.) in Kamata, Tokyo by Jinpachi Ohara.



Founder Jinpachi Ohara

1936 Started optical glass melting.



1944 Reorganized as a Joint-Stock Company. Built Sagami-hara factory.

1954 Started platinum pot melting.

1958 Started production of lanthanum glass.

1961 Started production of strip glass by continuous melting method.

1969 OHARA Glass reached the moon (installed in Apollo 11).

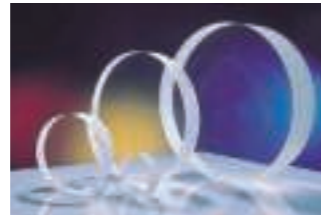


1975 Started production of low refractive index-low dispersion glass (S-FPL51).

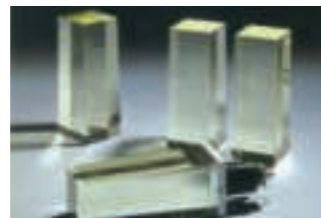
From 1980

1982 Installed OHARA Glass in Space-Shuttle "Columbia."

1983 Started volume production of high homogeneity glasses.



1984 Started supplying "Cherenkov glass" to National Laboratory for High Energy Physics.



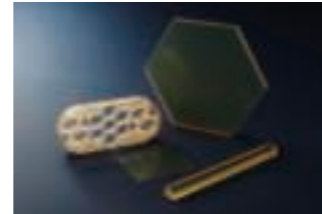
1985 Introduced new company name "OHARA INC."

1987 Started production of high UV (365 nm) transmittance glass.

1988 Started production of "Glass-Ceramics."

From 1990

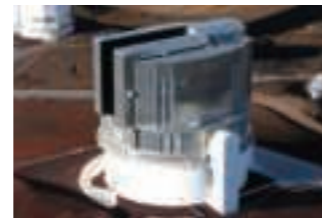
1993 Started production of "Ultra low expansion glass-ceramics (CLEARCERAM™-Z)."



1997 Started production of "Glass Disk for Flying Height Tester (GD-FHT™)."

1999 Started production of "Glass Substrates for DWDM."

Installed OHARA Glass in Suprime-Cam in Subaru telescope.



Provided by: National Astronomical Observatory

2000 Started production of "Low Photo elastic Glass."

2005 Listed on First Section of Tokyo Stock Exchange.



2006 Started production of "Eco-Glasses for optical fiber (for endoscope)."

2007 Started production of "Low-fluorescence Glasses (for microscope)."

Installed OHARA Glass in the Lunar Orbiter "KAGUYA (SELENE)."

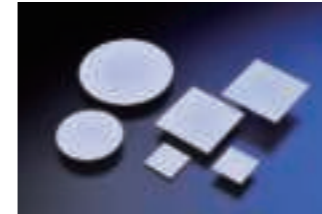


Illustration: Akihiro Ikeshita

From 2010

2012 Installed OHARA Glass in Hyper Suprime-Cam in Subaru telescope.

2013 Launched Lithium-ion Conductive Glass-ceramics (LICGC™).



2014 CLEARCERAM™-Z was adopted in the TMT astronomical telescope.



Provided by: National Astronomical Observatory In cooperation with: Mitsubishi Electric Corporation

OHARA Glass was adopted in the Hayabusa2 deployable camera (DCAM).

2015 Started mass production and supply of aspherical glass mold lenses.

Released Non-Browning Optical Glass.

Released Shock Resistant and High Hardness Clear Glass-ceramics (NANOCERAM™).



From 2016

2016 Activated a solid-state battery prototype using LICGC™ at -30°C.

NANOCERAM™ was adopted in the high-grade filter for interchangeable lenses.



Provided by: SIGMA CORPORATION

2017 NANOCERAM™ was adopted in screen protector glass for smartphones.

Launched the world's first optical glass material dedicated to automotive cameras.

CLEARCERAM™-Z was adopted in the Super Low Altitude Test Satellite "Tsubame" (SLATS).

2018 Commenced operation of new factory for aspherical glass mold lenses.

2019 CLEARCERAM™-Z was adopted for the first micro-satellite produced by Canon Electronics Inc.

CLEARCERAM™-Z was adopted in Japan's largest telescope Seimei.



Provided by: Kyoto University

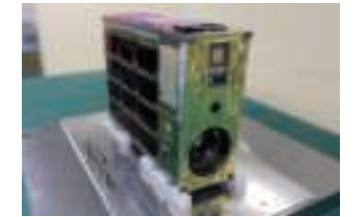
From 2020

2020 OHARA's solid additive "LICGC™ PW-01" extends the life of lithium-ion batteries fourfold.



2021 OHARA Glass was adopted in NASA's Mars rover "Perseverance."

2022 NANOCERAM™ was adopted as a camera protector for the micro-optical satellite "KITSUNE."



Provided by: HAK Consortium

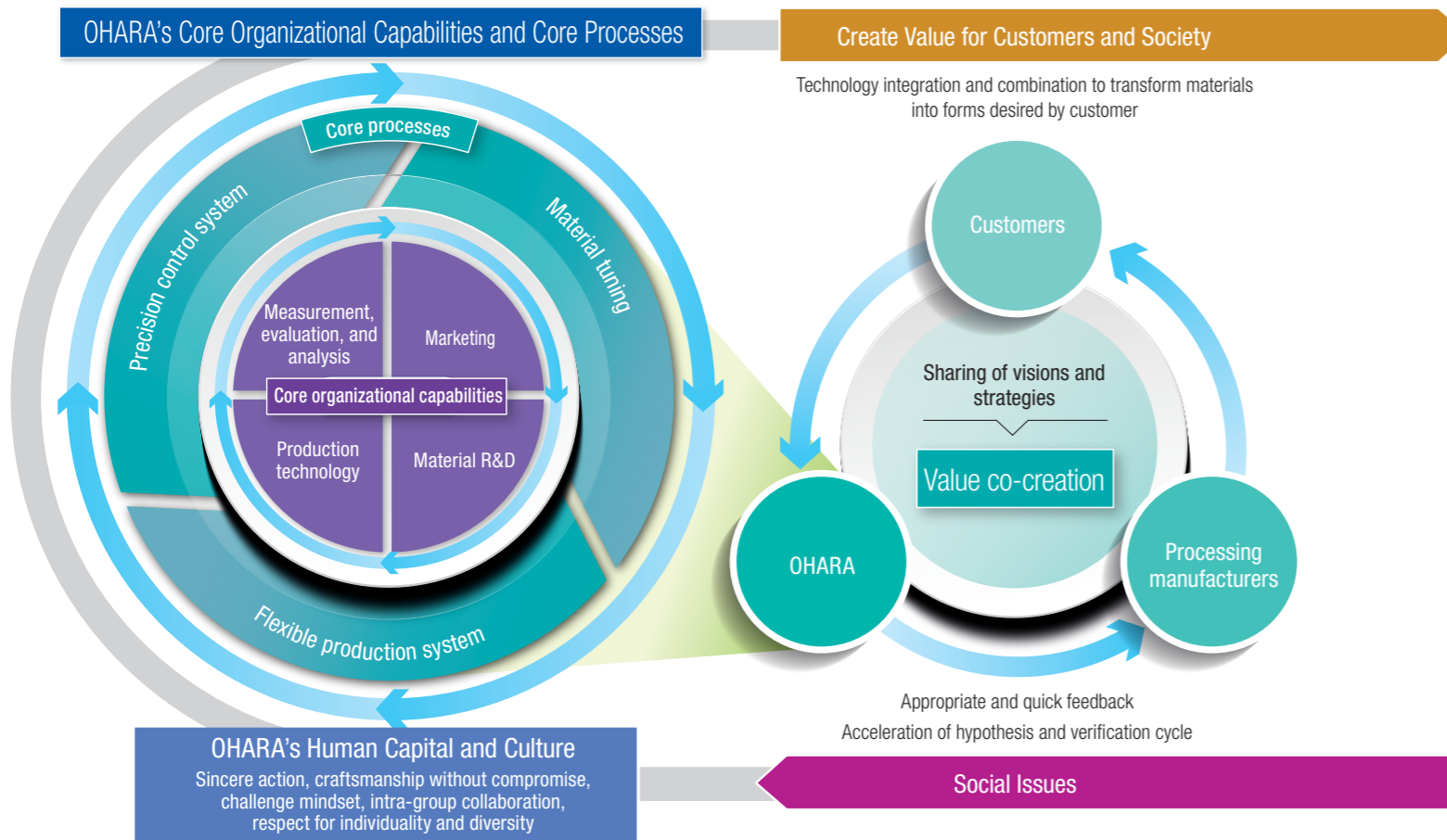
2023 NANOCERAM™ was adopted as a high-strength screen protector for docomo select smartphones.

Value Creation Model

The OHARA Group's "value creation model" is an initiative to realize its brand slogan, "The Future Made Clear."

- Create outstanding materials that exceed expectations by pursuing the possibilities of glass with core organizational capabilities and processes, and open up the future through value co-creation with customers and processing manufacturers.
- Contribute to elevating lifestyles and cultures, advancing new frontiers, and improving the global environment by addressing social issues.

By putting this value creation model into practice, we will realize the society and the future that OHARA desires.



Points of the Value Creation Model

OHARA's "Core organizational capabilities" refers to a system that serves as a source of value creation to build strong relationships with stakeholders and to support the sustainable growth of the OHARA Group. We recognize that OHARA's core organizational capabilities consist of the following four elements: [marketing](#) that enables us to stay in close contact with our customers, identify their demands as soon as possible, and quickly develop them within the company; [material R&D](#) that makes full use of the optical glass know-how we have accumulated over many years; [production technology](#) that can handle high-mix, small-lot, and ultra-high quality production; and [measurement, evaluation, and analysis](#) that can handle ultra-precision fields that cannot be measured using commercial equipment.

In addition, "core processes" refers to a series of activities that connect our customers with OHARA's core organizational capabilities to swiftly provide OHARA's products and services. We can provide materials that can be used confidently by applying our research and development capabilities, by manufacturing materials in a timely manner with a flexible production

system that can achieve small-scale to mass production, and by meeting the physical property values requested by customers through a precision control system.

We believe that providing outstanding materials by combining and utilizing OHARA's core organizational capabilities and core processes, and by having customers, processing manufacturers, and OHARA work together to co-create value will be the basis of the OHARA Group's value creation and the source of establishing competitive advantage.

To solve social issues and enhance value creation capabilities, it is necessary to strengthen the OHARA Group's human resources and organizational culture. Based on social conditions and the Company's strategies, we will spiral up our value creation model by fostering a corporate culture of sincere action, craftsmanship without compromise, challenge mindset, intra-group collaboration, and respect for individuality and diversity, and by further strengthening our core organizational capabilities and core processes.



Co-Creation with Customers and Processing Manufacturers

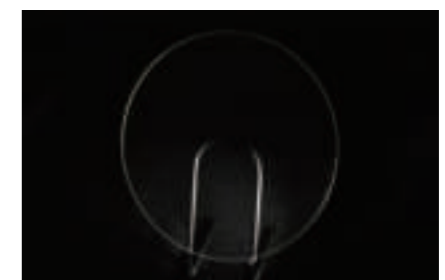
The spread of smartphones and other mobile devices has made it an everyday reality for anyone to easily access information. The future of mobile terminals will likely include the use of glasses-type devices known as AR/MR glasses.

AR/MR glasses are devices that enable video images, photos, and other forms of information to be displayed on the user's view of the real world. This makes various applications possible, such as enjoyment of 3D video images or hands-free computer access using eye control. Many different manufacturers are now pursuing R&D on technologies for realizing such applications.

The use of OHARA's optical glass in AR/MR glasses can address various customer needs, such as expansion of the viewing angle (the maximum angle at which images can be adequately seen) or improvement of resolution (the clarity of images). However, the technologies for resolving such needs are evolving rapidly, making it a challenge for OHARA to address those needs on its own. By teaming up with the customers and processing manufacturers, OHARA can stay abreast of the

technological advances and accelerate R&D through value co-creation.

OHARA has already marketed a type of optical glass suitable for AR/MR glasses: S-LAH99W, a highly refractive glass that has a refractive index of nd 2.0. However, customer needs are changing with each passing day. By precisely identifying those changes and accelerating development based on value co-creation with customers, we will continuously release timely products, and in so doing elevate lifestyles and cultures.



8-inch glass wafer with refractive index of nd 2.0

Long-Term Vision 2035



Founded in 1935, OHARA will celebrate the 100th anniversary of its founding in 2035. Global conditions are changing at an accelerating pace, making this an era where we face difficulties in foreseeing the future business environment. To become a 100-year-old company depended on by society in the years to come, we formulated the Long-Term Vision 2035 and started putting it into action, aiming to become a company that can change proactively and take swift actions.

Realizing the Corporate Message with the Value Creation Model

The OHARA Group created the Corporate Message in FY 2020 to clarify its future path and vision. Our initiatives towards becoming a company that brings about “The Future Made Clear,” the brand slogan set forth in the Corporate Message, have been summarized in OHARA’s value creation model.

The Long-Term Vision 2035 is about realizing the Corporate Message by implementing the value creation model. We believe that the achievement of the Long-Term Vision 2035 is itself the achievement of sustainable growth and the realization of sustainability of the OHARA Group.

Management Policy under Long-Term Vision 2035

Under the Long-Term Vision 2035, we aim to improve our corporate value from a medium- to long-term perspective by strengthening our management base through the structural reforms of existing businesses and creation of new businesses, based on the following management policy and on the financial indicators presented later.

Contribute to optics technology

Contribute to technological innovation in the optics technology field that is expected to grow to build a strong earnings base

Develop new businesses through value co-creation

Accelerate efforts to develop new businesses through value co-creation with customers and processing companies
Diversify the business mix and increase resilience to downward pressures on business performance to realize sustainable growth

Increase value creativity, efficiency, and profitability

Improve value creativity by diversifying human resources and fostering a challenge culture
Strengthen financial management that supports growth and improve capital efficiency and profitability

Concept behind Financial Indicators and Business Mix

The OHARA Group’s business mix and resource allocation will be optimized based on a medium- to long-term perspective, considering factors such as consistency with the long-term vision, competitive advantage, capital efficiency, and profitability for sustainable growth.

Under the Long-Term Vision 2035, ROE will be used as a financial indicator. We aim to achieve ROE of 8.0% or higher by improving efficiency and profitability.

Medium-Term Management Plan

Looking Back on Medium-Term Management Plan Phase 1 (FY 2021–FY 2023)

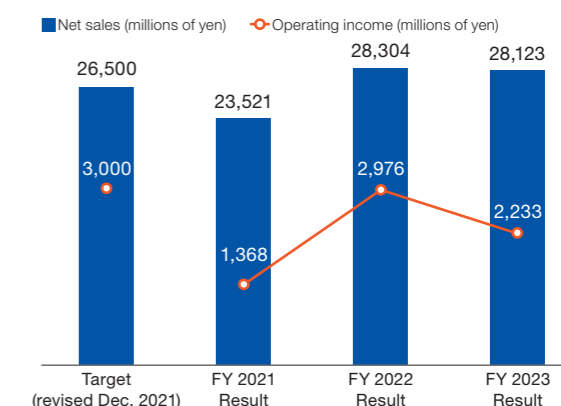
The first phase of the medium-term management plan (revised) marked our first step toward realizing the Long-Term Vision 2035. We incorporated our objectives in the plan to create new, highly profitable businesses by firmly enhancing our marketing functions even amid restrictions on activities due to the COVID-19 pandemic. We also implemented a strategy of three-way partnership with customers and processing companies while responding to soaring demand in the steady optics market, as well as to realize sustainable management by back-casting from the Long-Term Vision 2035 and conducting activities that lead to solving social issues.

We were able to achieve our net sales target, thanks to the rapid recovery of the digital camera market, growth of the semiconductor market, and our efforts to shift to products with high unit prices and high value-added, such as lens processed products and optical glass for semiconductor exposure equipment.

However, we did not reach our operating income target, despite our attempts to improve our product mix through the launch of new businesses. This was due to delays in launching those businesses, as well as the impact of an unexpectedly sharp increase in raw material and fuel prices.

Furthermore, we fell short of the ROE (return on equity) target due to several factors, including a drop in total asset turnover.

	Target revised (Dec. 2021)	FY 2021 Result	FY 2022 Result	FY 2023 Result
Net sales	26.5 billion yen or higher	23.5 billion yen	28.3 billion yen	28.1 billion yen
Operating income	3.0 billion yen or higher	1.3 billion yen	2.9 billion yen	2.2 billion yen
ROE (return on equity)	6.5% or higher	3.8%	5.0%	3.4%



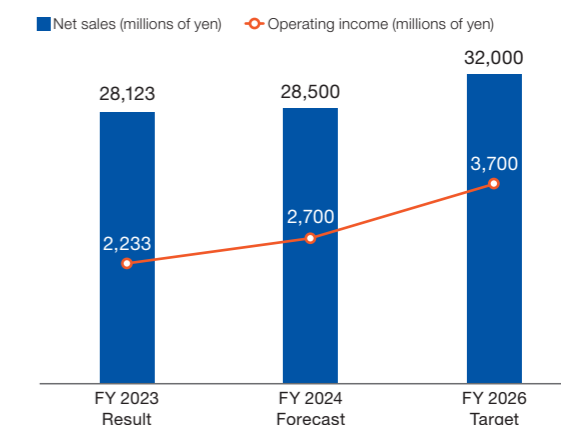
Medium-Term Management Plan Phase 2 (FY 2024–FY 2026)

Following the conclusion of the first phase of the medium-term management plan (revised) in the fiscal year ended October 31, 2023, we embarked on the next step, the second phase under the new medium-term management plan (FY 2024–FY 2026).

In the second phase of the medium-term management plan, we are tackling strategic challenges under the three focuses listed below.

In addition, we have set the following targets for the fiscal year ending October 31, 2026: net sales of 32.0 billion yen or higher, operating income of 3.7 billion yen or higher, and ROE of 6.5% or higher.

	Results for Final Year of Previous Medium-Term Management Plan (FY 2023)	Medium-Term Management Phase 2 Targets (FY 2026)
Net sales	28.1 billion yen	32.0 billion yen or higher
Operating income	2.2 billion yen	3.7 billion yen or higher
ROE (return on equity)	3.4%	6.5% or higher



Improvement of profitability

- › Sales of existing products enhanced with greater value-added and expansion of production capacity for products targeting growth areas such as semiconductors
- › Early launch of new businesses through material development leveraging our strengths and through value co-creation with customers and processing manufacturers

Improvement of asset efficiency

- › Improvement of production efficiency by pursuing melting technology innovation and automation
- › Restructuring of Group sales formation to reflect changes in product mix and realignment of the items produced by each production site
- › Outsourcing of certain processes in melting and processing operations

Promotion of ESG management

- › Strengthening of value co-creation capabilities of human capital
- › Strengthening of long-term initiatives for addressing social challenges and environmental issues (reduction of GHG emissions)

Optical Business

Optical glass is used in various optical devices such as mirrorless cameras, projectors, television cameras, automotive cameras, security cameras and medical devices. The optical parts of optical devices are composed of combinations of optical components, including spherical lenses, aspherical glass mold lenses, prisms and filters, which are made with multiple types of optical glass with characteristics in its refractive index and/or its transmittance. At OHARA, we meet all optical design needs with a line-up of over 140 types of optical glasses with the characteristics

that enable optical devices to attain higher performances, miniaturization and cost reduction. In addition, depending on requests from our customers, we supply lens blanks in a suitable shape for processing, finished lenses and more. OHARA provides customers with optical glass products in a wide variety of types, from glass materials to optical components. OHARA's cutting-edge glass materials are of the highest quality and support much of the world, people, and life around us.

Overview of FY 2023

The Optical business faced a challenging operating environment in FY 2023. Amid continued uncertainty over the situation in Russia and Ukraine, manufacturing costs were pushed upward by various pressures, including higher interest rates, price increases stemming from swelling energy costs, a rise in imported raw material costs due to the weak yen, soaring electricity and gas costs, and acceleration of the shift to high-mix low-volume production.

Looking at the Optical business's net sales, demand for optical products remained strong in the first half of the fiscal year, supported by the return of economic activity toward normal levels with the easing of pandemic restrictions

on activities, and by the continued expansion of the lens lineup for mirrorless cameras since 2023.

In the second half, however, the Chinese economy began to slow even more, prompting adjustment of inventories in products for projectors, automotive cameras, security cameras, and other optical devices, and inventory adjustments in the supply chain trended for lens materials for mirrorless cameras. As a result, FY 2023 ended with net sales of 15,800 million yen (down by 6.5% from FY 2022) and an operating loss of 40 million yen (versus an operating profit of 1,156 million yen in FY 2022).

Future Initiatives

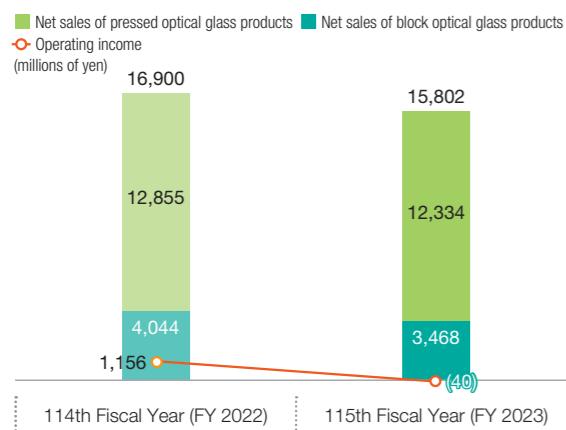
While facing the growing fragmentation of the world into different economic spheres, fears of a global recession, and other uncertainties about the future of global affairs, we will stabilize our supply system through optimization of our worldwide network of production sites and sales offices to continue supporting our customers' manufacturing operations.

We will continue developing attractive new glass materials for not only the increasingly high-precision, high-performance imaging sector, but also the growing mobility and

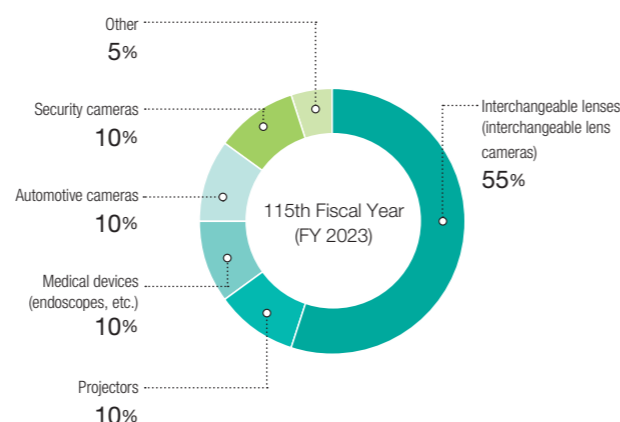
medical sector, where technological innovation is advancing, the cross-reality (XR) sector, which is expected to create new markets, as well as other areas. At the same time, we will further strengthen our collaborative relationships with optical parts manufacturers to expand sales of spherical lenses, aspheric lenses, and other optical parts, and propose solutions to our customers. We will sincerely respond to the needs of customers and markets, and offer outstanding materials that help cultivate a safe and secure society and contribute to healthy living.

Financial Summary

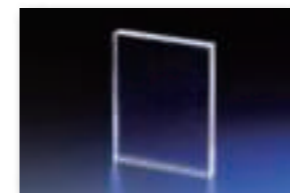
Full-year Results



Net sales composition by application



Product Supply Forms



Glass Blocks

Annealed glass blocks. Refractive index and Abbe number are adjusted to the standard values.



Curve Generators

Reheat pressings processed into curve generators (CG).



Dimensional Specified Blanks

Glasses in customized special forms such as cut discs, cut rectangles, and cut prisms, as well as blocks sized to order.



Polished Preforms

Spherically polished products in a suitable shape to be processed into glass mold lenses.



Glass Mold Lenses

Lenses fabricated by heating and softening polished preforms and transferring them in an ultra-high accuracy mold, and then supplied after centering and coating.



Reheat Pressings

Products molded in heat press to shapes suitable for polished lenses and prisms.



Saw-cut Centerless Ground Cylindrical Blanks

Blanks cut from a rod formed on a centerless grinding machine.



Polished Balls

Lenses polished into a sphere. Applications include use as a preform for glass mold lenses.



Polished Lenses

Finished lenses produced by polishing, centering, and coating.

Results of OHARA Product Adoption



EOS R3 (Provided by: Canon Inc.)



Medical endoscope (Provided by: Olympus Corporation)

Applications

Mobile <ul style="list-style-type: none"> Smartphones 	Automotive <ul style="list-style-type: none"> Automotive cameras 	Security <ul style="list-style-type: none"> Security cameras
Imaging <ul style="list-style-type: none"> Digital cameras Projectors TV cameras 	Industrial <ul style="list-style-type: none"> FA cameras 	Medical <ul style="list-style-type: none"> Endoscopes
Smart glasses <ul style="list-style-type: none"> AR/MR glasses 		

Electronics Business

Our Electronics business's material products, which we developed based on the glass composition, manufacturing, and measurement technologies that we cultivated in the optical glass business. These products are used by customers in a wide range of applications, including space industries, semiconductor/FPD manufacturing equipment, optical communications, and environment and energy. Our Electronics business is supported by "glass ceramics" technology, which can impart extra properties by applying additional precision heat treatment to the fused and molded glass base material. Unique materials with high functional value have been commercialized, such as

CLEARCERAM™-Z with extremely low expansion, NANOCERAM™ with high impact resistance, and LICGC™ that conducts lithium ions. In addition, we offer i-line high homogeneity glass in which the internal refractive index distribution is reduced to the sub-ppm level, special glass that has been commercialized based on optical fiber manufacturing technology, and synthetic quartz glass, which exhibits excellent transmittance from deep ultraviolet to near infrared. These are used in core components for precision applications, such as lenses for semiconductor exposure equipment used to manufacture nano-level IC circuits.

Overview of FY 2023

For the most part, social and economic activity returned to pre-pandemic levels in 2023 following the lifting of restrictions on social interaction. During the pandemic, OHARA's electronics products supported remote work and the manufacturing of hardware for high-capacity data communication, mobile terminals, and data centers as the critical infrastructure that make remote work possible. In the post-pandemic setting of 2023, there was strong demand

from manufacturers of semiconductors and production equipment, particularly regarding needs related to power semiconductors and social technologies such as generative AI. Our efforts to expand our production system and customer needs, such as early-delivery, paid off with a rise in sales, specifically i-line high homogeneity glass for the optical parts of semiconductor manufacturing equipment.

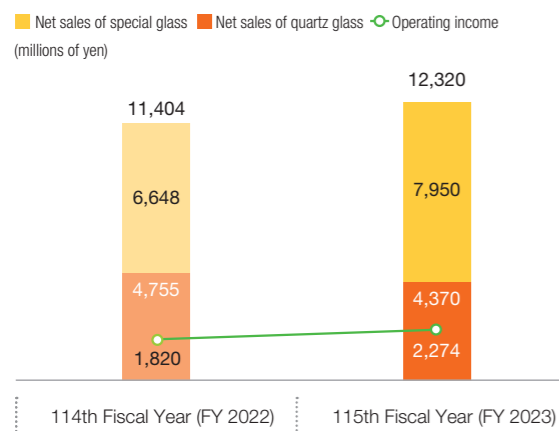
Future Initiatives

Going forward, we will continue responding to the robust needs of a semiconductor market that has been booming in recent years, while in the mid- to long-term, we will realize launch of new businesses that will become the pillars of the next generation of our business. OHARA's lineup of electronics products includes unique and outstanding values as materials, such as NANOCERAM™ and LICGC™, and we will supply customers with these materials as enablers that provide material functionality, thereby connecting these "outstanding materials" to our customers' ability

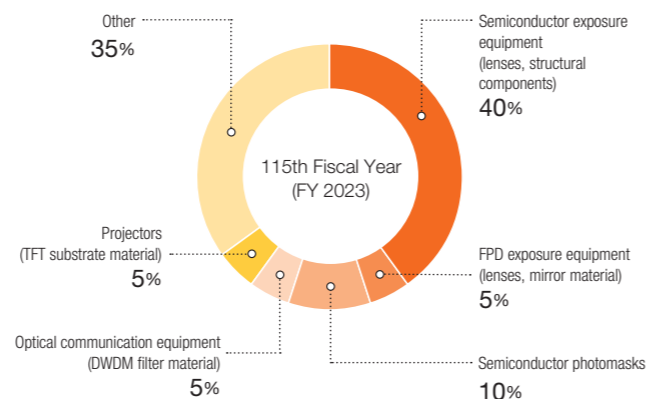
to succeed. Moreover, the OHARA Group will also focus on the creation of new business seeds for the next generation on a group-wide scale, and will implement a good cycle of deepening the expansion of existing businesses and exploring the creation of new businesses, aiming to become an organization that contributes to the growth and expansion of the OHARA Group as well as to the advancement of society and improvement of quality of life through such activities.

Financial Summary

Full-year Results



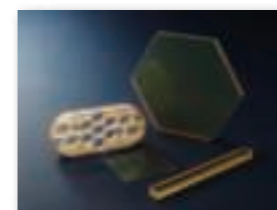
Net sales composition by application



Product Overview

Special Glass

Ultra Low Expansion Glass-ceramics (CLEARCERAM™-Z)



Glass-ceramic of zero-expansion, developed by our knowledge of the homogeneous glass melting and nanocrystallization technologies. This product is used as a mirror material for semiconductor exposure equipment and high-powered telescopes requiring a high degree of precision.

Lithium-ion Conductive Glass-ceramics (LICGC™)



Glass-ceramics with top class ion conductivity from its oxide-based solid electrolyte materials, and high levels of chemical stability and water resistance. This product is expected to be applied in solid-state batteries, which are attracting attention as next-generation batteries, and as a cathode additive.

Shock Resistant and High Hardness Clear Glass-ceramics (NANOCERAM™)



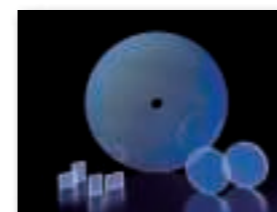
Glass-ceramic which we have further improved OHARA's nanocrystallization technology, achieving both superior shock resistance and high transmittance. This product is used in covers for automotive sensors and cover glass for smartphones where high strength is required.

i-Line High Homogeneity Glass



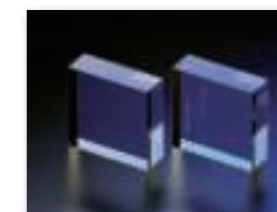
Optical glass with excellent internal transmittance and optical homogeneity. This product is used for lenses for semiconductor exposure equipment and high-precision inspection devices where homogeneity of the refractive index is crucial.

Glass-ceramic Substrate for DWDM Thin-Film Filters (WMS™-15)



Glass-ceramic which achieved the best thermal expansion coefficient and the optimal Young's modulus for multilayer filters. This product is an ideal material for DWDM filter substrates for optical communications.

Non-browning Glass



Optical glass that suppresses glass coloration under irradiation due to its special composition. This product can withstand long-term use in strong radiation environments such as outer space.

Quartz Glass

Synthetic Quartz Glass



Synthetic quartz glass with high purity and high quality that has excellent properties from deep ultraviolet to far infrared, developed from manufacturing technologies of optical fiber. This product is used in semiconductor/FPD exposure equipment and as a semiconductor substrate material.



Super Low Altitude Test Satellite "TSUBAME" (SLATS) (Provided by: JAXA)

Applications

Mobile <ul style="list-style-type: none"> Smartphones 	Batteries <ul style="list-style-type: none"> Batteries 	Semiconductor/FPD Exposure Equipment <ul style="list-style-type: none"> Semiconductor exposure equipment FPD exposure equipment
Space and Astronomy <ul style="list-style-type: none"> Satellites High-powered telescopes 	Optical Communications <ul style="list-style-type: none"> Dense wavelength division multiplexing (DWDM) 	

Research & Development and Intellectual Property

Research & Development and Technology

In order to realize “a secure and healthy life,” “a society that cultivates creativity and aspirations,” and the “sustainable well-being of our planet” as set forth in the Long-Term Vision 2035, we will promote the development of new next-generation products that are environmentally friendly and strengthening of the competitiveness of existing products by further deepening the fundamental technologies we have cultivated and evolving our core technologies.

In order to provide the world with key materials required by society in the near future, we are actively engaged in research and development and will continue to expand the possibilities

of glass and pursue new technological possibilities through “value co-creation” with our customers so that our products will be adopted in the most advanced sectors. Furthermore, recognizing our responsibility as a glass material manufacturer that consumes large amounts of energy, we will strive to develop Earth-friendly, environmentally conscious manufacturing techniques and products, including by establishing the underlying technologies.

“From the cell-level to the universe.” Valuing people’s curiosity in wanting to see, know, and try, we contribute to a sustainable society with outstanding materials in all sectors.

Continue to pursue the potential of technology


OHARA's technological capabilities

- Optical glass
- Glass ceramics
- Optical glass melting and processing
- Measurement, evaluation, and analysis
- Powdering


Elevation of lifestyles and cultures

- Advanced information terminals
- In-vehicle technology
- Medical technology

- LiDAR




- Smartphones




Advancement of new frontiers

- Semiconductor manufacturing technology
- Advanced infrastructure technology
- Space development

- Semiconductor exposure equipment




- XR devices




Improvement of the global environment

- Reduction of greenhouse gas (GHG)
- Low-energy melting technology
- Next-generation batteries

- New melting and heating technology



- Lithium-ion batteries



OHARA's Intellectual Property Activities

The OHARA Group aims to return the results of its business activities to a sustainable society, and by utilizing intellectual property and intangible assets as a management resource, we will promote intellectual property activities from the proposal of intellectual property to the integrated management of intellectual property.

We will miss no opportunity to create inventions in each department, and will contribute to securing profits and increasing corporate value by executing IP strategies that enable the creation of new businesses, the deepening of existing technologies, and the provision of IP information pertaining to the business and management strategies that lie beyond.

OHARA Group's Sustainability

OHARA Group's sustainability efforts are focused on its Long-Term Vision 2035 (the fulfillment of the Corporate Message through the implementation of the value creation model). Based on this idea, the Group formulated the Basic Policy for Sustainability to enhance corporate value from a medium- to long-term perspective and contribute to the sustainable development of society.

Basic Policy for Sustainability

Based on the Management Philosophy and Corporate Message, the OHARA Group will contribute to the sustainable development of society by creating outstanding materials that exceed expectations.

This leads to realizing a better society, and opening up the future through collaboration and co-creation rooted in trusting relationships with stakeholders.

OHARA Group's Sustainability Efforts

The OHARA Group is engaged in sustainability activities based on the three pillars: resolving environmental and social issues through corporate activities, building strong relationships with stakeholders, and complying with laws and regulations and respecting human rights.



Sustainability Governance

The OHARA Group, recognizing the need to act on sustainability issues, has established the Sustainability Committee as an organization that inherits and strengthens the functions of the SDGs Promotion Council. Chaired by the Chief Executive Officer, the Committee discusses policies and measures for the Group's medium- to long-term sustainability initiatives, and makes reports and recommendations to the Management Council.

The Management Council makes decisions on sustainability policies and specific initiatives based on those reports and recommendations, and reports to the Board of Directors, which discusses and decides important matters concerning sustainability, and supervises the sustainability initiatives.

Social Initiatives through Corporate Activities

Initiatives to Preserve the Global Environment

The OHARA Group has set one of its top management priorities as caring for the irreplaceable Earth, in other words, harmony with the global environment. The Group as a whole is working

together with its business partners to combat climate change by reducing greenhouse gas (GHG) emissions, with the goal of achieving the sustainable well-being of our planet.

Initiatives to Counter Climate Change

The OHARA Group discusses climate change-related effects such as global warming and increased frequency of natural disasters, energy issues, and other environmental concerns, and works as one to address these challenges.

Among the various issues to be tackled, the Group considers global warming in particular to be a vital challenge, and is accordingly taking action from three perspectives: environment, social, and governance.

1 Environment

To help protect the global environment, we are utilizing renewable energy and developing more efficient melting and combustion methods as well as materials for environmental improvement.

2 Social

Global climate change has started to dramatically affect the lives of people in society and the activities of companies. We are pursuing sustainability management while also seeking to harmonize our activities with society.

3 Governance

We monitor the Group's implementation of climate change initiatives.

OHARA's Global Environmental Preservation (GHG Reduction) Global Environment Conservation

ESG contributions through the establishment of an environmental management system (EMS)



Metrics and targets

The OHARA Group has established and regularly monitors metrics for evaluating the effectiveness of its actions regarding the global climate change risks and opportunities it has identified.

OHARA recognizes the enormous environmental impact of GHG emissions associated with the import/export of materials, semi-finished product, and products, as well as the use of heating equipment in melting and processing processes.

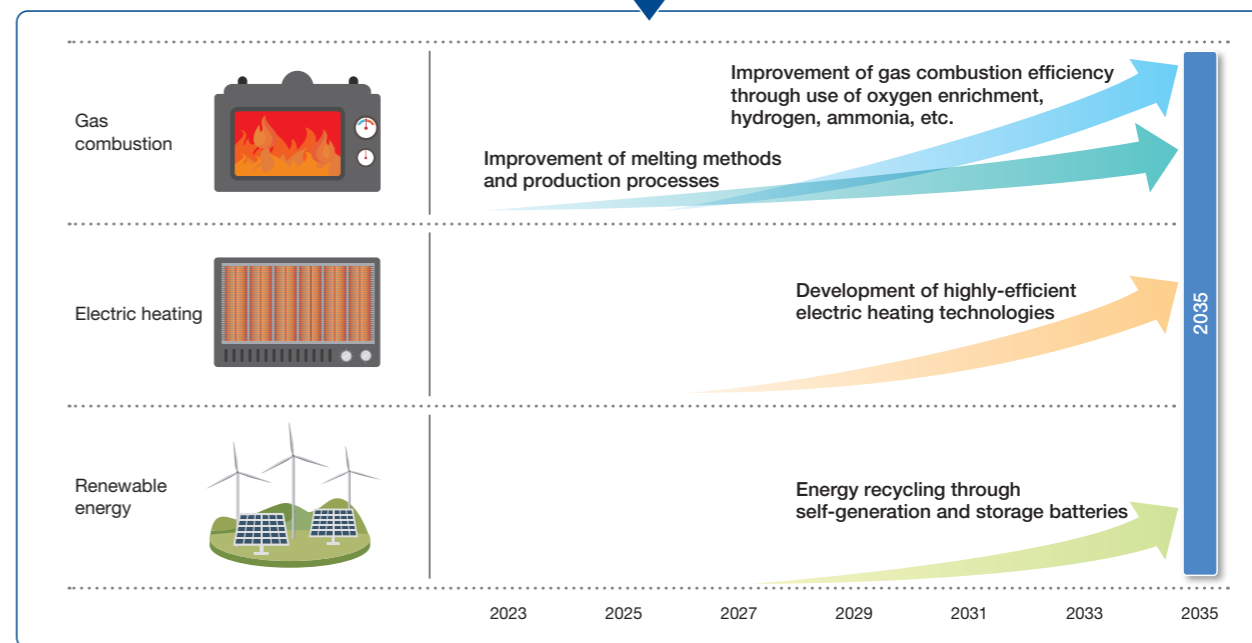
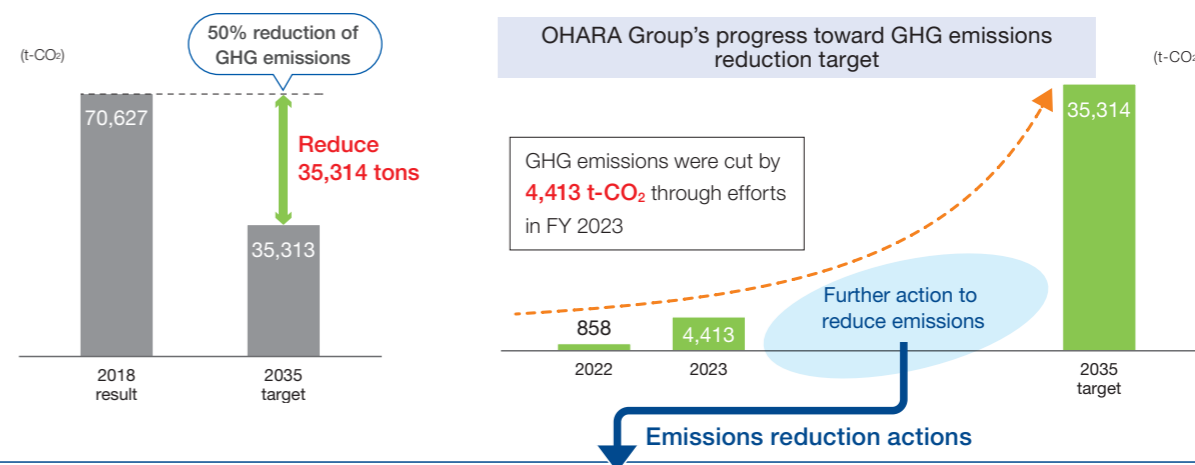
Accordingly, we have made Group-wide GHG emissions one of the key metrics we monitor. This includes not only Scope 1 and 2 emissions (from the use of gas and electricity), but also some Scope 3 emissions (from inter-site transport, etc.).

GHG emissions reduction target and initiatives in manufacturing process

As a step toward achieving carbon neutrality, we are working to reduce our GHG emissions, mainly those from material melting processes. In order to realize the Long-Term Vision 2035 and our Environmental Policy of maintaining the sustainable well-being of our planet, we will lower our GHG emissions by 50% (versus FY 2018) by 2035.

Reduction of GHG emissions is a major challenge in glass manufacturing processes, which consume a large amount of energy. We are developing technologies for lowering those

emissions through improved efficiency in gas combustion and melting, including technologies for oxygen-enriched combustion and thermal insulation. We are also considering possibilities for future development of combustion technologies that do not emit CO₂, such as combustion of hydrogen or ammonia. Other efforts for reaching our 2035 reduction target include developing technology to enable electric heating to be performed with greater speed and efficiency, utilizing renewable energy with self-generation, storage batteries, and other systems, and promoting modal shift in product transport.



Specific initiatives

- Development of energy efficiency technologies for combustion and electric power
- Switching transport equipment and company cars to electric vehicles (EVs)
- Modal shift in product transport
- Switching electrical equipment, air conditioning, and lighting to energy-saving models
- Utilization of renewable energy
- Installation of solar panels

We are transitioning our fleet to EVs, upgrading electrical equipment to energy-efficient models, and installing (or considering installing) solar panels at Group sites.



EV added to our fleet



Solar panels installed on roof of OHARA OPTICAL (ZHONGSHAN) LTD. factory

Obtain a Third-party Verification Statement

In order to increase the reliability of our disclosures on non-financial information such as GHG emissions reduction efforts, we undergo third-party verification by LRQA regarding the Scope 1 and 2 emissions of our Group as a whole and outsourced melting operations, and the calculated amount of certain Scope 3 emissions from inter-site transport and other operations, and we disclose the results to our stakeholders. In 2023, we received verification statements for our head office,

two domestic sites, and two overseas sites. We will continue expanding third-party verification to other sites and taking steps to further improve the reliability of our data.

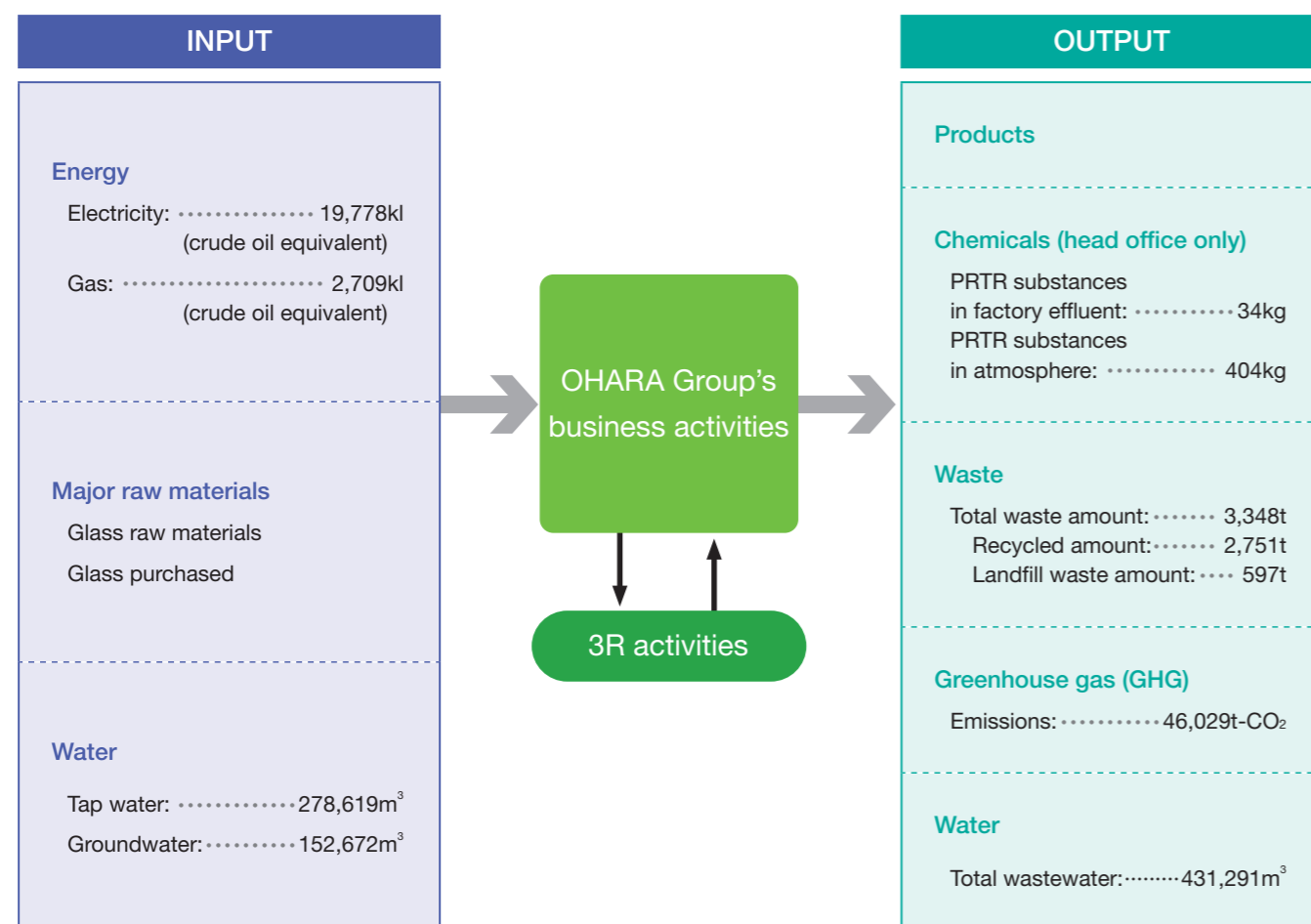
Third-party Verification Statement



Material Balance

The OHARA Group develops environmental conservation activities by quantitatively measuring the amount of energy and resources used in its business activities (INPUT), as well as the

products and environmental loads generated by those activities (OUTPUT).



Trusting Relationships with Stakeholders

OHARA values its day-to-day communication with customers, shareholders, investors, suppliers, employees, and community members, and accordingly strives to properly disclose

information to them. We will continue working with all our stakeholders to create new value that resolves social challenges and realizes sustainable growth.

Stakeholder Engagement

Stakeholders	Means of Communication	Frequency
Customers	Website	As needed
	Sales activities	Routinely
	Technical exchanges	As needed
	Hosting of exhibitions	As needed
Shareholders & investors	General meeting of shareholders	Annually
	Financial report briefing sessions	Quarterly
	IR website	As needed
	Integrated Report	Annually
Suppliers	Procurement activities	Routinely
	Procurement surveys/questionnaires	Annually
Employees	Health & productivity management	As needed
	Labor-management consultations	As needed

Stakeholders	Means of Communication	Frequency
Employees	HR development programs	As needed
	Internal reporting system (Helpline)	As needed
	Safety Health Committee	Monthly
	Corporate newsletter	Quarterly
	Intranet	As needed
	Employee award programs	Quarterly
Local communities	Employee stress checks	Annually
	Public openings of rose garden	Semiannually
	Support for community events	As needed
	Community cleanups	Semiannually
	Career days	As needed
Internships	Annually	

OHARA's Quality Assurance

OHARA brings together its best technologies to provide glass materials that are the basis of key devices in all kinds of industries. As a material manufacturer that relies on the trust of customers, we strive to ensure high product quality and reliability through a consistent quality management system in all departments, from product development and manufacturing to quality assurance and service. The materials used in the optical glass and electronics sectors are highly evaluated by overseas

customers, and OHARA is becoming more globalized every year. Amid the increasing complexity brought about by globalization, we will seek deeper collaboration with stakeholders in our quality assurance efforts, and take action to build supply chains with our overseas sites and to strengthen our quality assurance system. We will strive to co-create value with customers by earning their trust and satisfaction.

Pursuit of Quality

OHARA has been working on value co-creation with stakeholders by providing products of stable quality through technologies for development and production of outstanding materials that other companies cannot keep up with, with a primary focus on responding to customer needs. In order to continue to deliver satisfaction to our stakeholders, we will strive to improve high product quality and reliability through logical production and quality assurance by utilizing IoT, AI, and digitalization.



Suppliers

OHARA sources high-quality raw materials and other materials at reasonable prices by establishing a procurement policy. In partnership with our suppliers, we strive to ensure the continuity and stability of material supply so that we can keep customers satisfied and fulfill our social responsibility. We also require our global supply chain partners to comply with laws, regulations, and social norms of the countries and regions where they operate.

Procurement Methods

- 1 Sincere corporate activities
- 2 Open door procurement
- 3 Promotion of fair transactions
- 4 Procurement based on partnerships
- 5 Green procurement
- 6 Prohibition against receipt of personal gain

Local Communities

OHARA strives to maintain proper corporate activities and proactively carry out social contribution activities as a “good corporate citizen,” while valuing harmony with local and international communities.

We build strong trusting relationships with local communities and engage in social contribution activities so that OHARA will remain as an indispensable company for local communities 100 years from now.

Public Openings of OHARA Rose Garden

The rose garden on the company's premises has been enjoyed by local residents for over 60 years. Today, 600 rose plants representing 150 varieties burst into color each year. We hold two open garden days in spring and fall. We will continue to host these openings to further build bonds of trust with the community.



OHARA Rose Garden

Participation in the Sagami River Cleanup Operation

Since 2006, OHARA has actively participated in the Sagami River Cleanup Operation. Citizens launched this annual cleanup to protect the environment along the Sagami River, a recreational area for the community. We will continue to join in efforts to preserve the local environment, as one way to exist in harmony with the community.



Participants in the Sagami River Cleanup Operation

Career Days

As part of our activities for contributing to the local community, we host career days for students from local junior high schools. These hands-on opportunities are intended to provide actual work experiences that teach the students about the significance, importance, challenges, and joys of working, and to encourage them to think about their future. We will continue cherishing our connections with the local community by providing these excellent learning experiences to the next generation.



Factory tour

Sponsorship of Enageed Summit

We sponsor the Enageed Summit,* a presentation tournament for junior and senior high school students that is organized by Enageed Co., Ltd., which co-produces our employee training program. The event's concept is to have students identify a specific issue and freely create a vision for the future that seeks to overcome that issue. As this coincides with our own value of “Think for oneself, learn for oneself, and grow for oneself,” we decided to support it and the efforts of students to challenge themselves. Trophies made of our optical glass are presented at the tournament. We are proud to back this project that encourages students to show initiative and fosters the desire to contribute to society. In 2023, 8,279 students from across Japan participated.

* A presentation tournament in which junior and senior high school students present their own ideas on solving issues that they identified.



Enageed Summit winner

Communication with All Shareholders and Investors

OHARA discloses corporate information in a timely and appropriate manner and strive for sincere and highly transparent communication to ensure the correct understanding of and support for our corporate activities from society.

At the annual general meeting of shareholders held in late January of each year, we strive to communicate OHARA's vision and strategies in an easy-to-understand manner so that all shareholders can understand them. For the 114th Annual General Meeting of Shareholders, out of the desire to prevent the spread of the COVID-19 infection, we ask shareholders to consider exercising their voting rights in advance in writing or via the Internet as much as possible and to consider attending the meeting if possible. On OHARA's website, you can find timely disclosure materials, information on the general meeting of shareholders, dividend status, stock information, stock procedures, and other stock-related information, as well as the Integrated Report (this report). In addition, we provide information for individual investors to enable them to better understand OHARA, including our features and improvements, and we held a briefing for these investors. Furthermore, we hold financial report briefing sessions four times a year for institutional investors and securities analysts, and our IR division also responds to individual interviews as needed.



Briefing for individual investors

Sponsorship of S.C. Sagami-hara Jimoto Ai Project

OHARA holds a top partner agreement with S.C. Sagami-hara, a J3 professional soccer club based in Sagami-hara City. The club carries out the Jimoto Ai Project with the local government and businesses to tackle various social issues.

As a sponsor of this initiative, OHARA helps to create places for children to be active, as one way to support people raising children. This includes running the “Mobile Kids Park” service, in which play equipment for children is temporarily set up in community parks and open spaces.

We are also considering establishing an on-site day-care center in the future with the involvement of S.C. Sagami-hara and nearby businesses, and will provide opportunities for people raising children to be active, among other efforts to address social challenges.



Complying with Laws and Regulations

Promotion System

We have established a system in which an Ethics and Compliance Subcommittee within the Internal Control Committee promotes Group-wide activities pertaining to ethics and compliance, and reports on important matters to the Board of Directors.

Under this system, we have established the Guidelines of Conduct in line with OHARA's philosophy based on its

corporate principles, and in accordance with those guidelines we strive to foster a strong commitment to compliance to ensure that all employees not only comply with all laws and regulations, but also execute business activities with a high sense of ethics and in a fair and proper manner.

Efforts to reinforce ethics and compliance

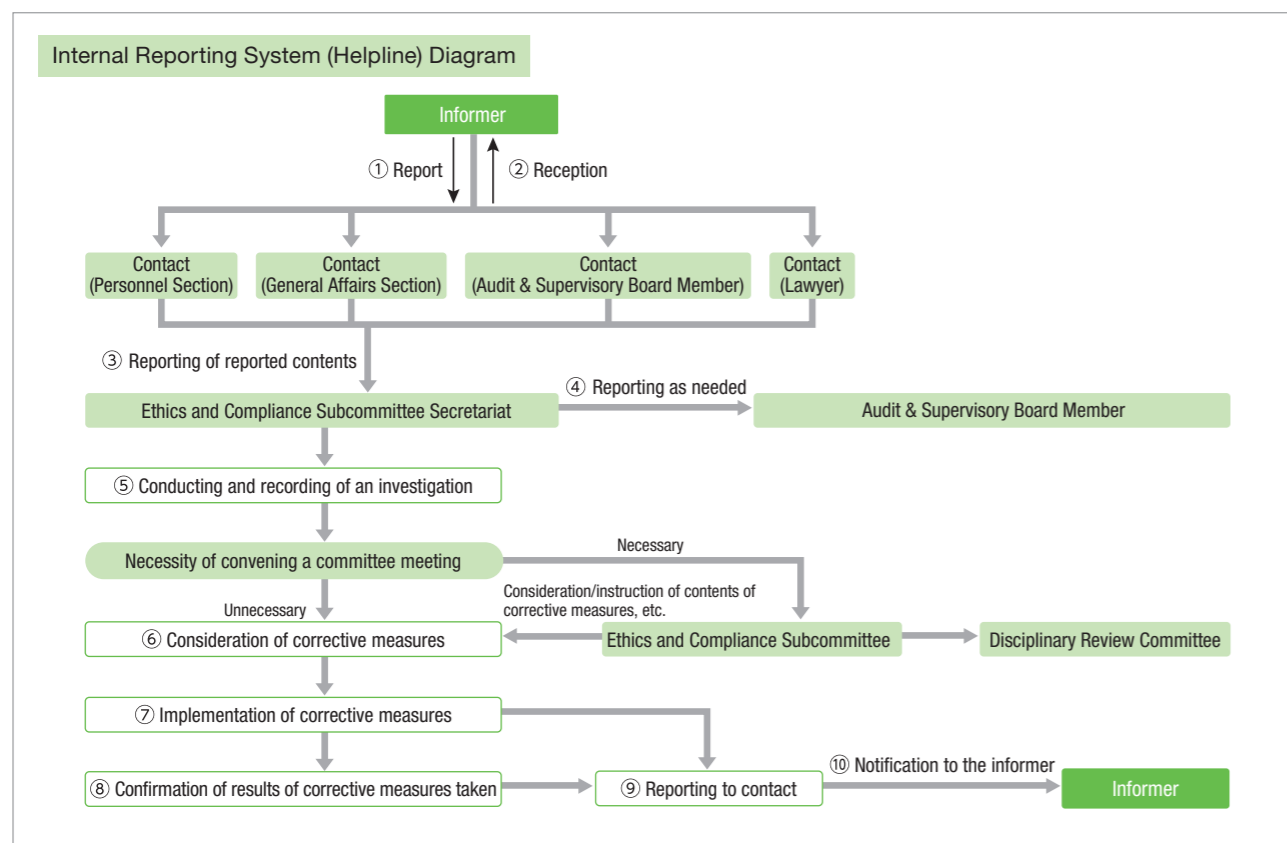
Based on fundamental philosophy on corporate ethics and the Guidelines of Conduct, OHARA has stipulated the Codes of Conduct: Guidelines, which specify major points of laws and regulations, response policies, and matters of caution to be complied with in conducting business activities. In addition, we use the RBA Code of Conduct as a reference together with stakeholders in our supply chain. To ensure that business activities are conducted in line with these codes, we regularly hold compliance seminars and providing educational activities for all employees using the intranet.



Internal Reporting System (Helpline)

We have established an internal reporting system (Helpline) to support early detection and proper handling of actual or suspected violations of laws, regulations, the Codes of Conduct: Guidelines, the RBA Code of Conduct, rules of employment, and other guidelines, and to provide a mechanism of remedy and relief regarding abuse of power, sexual harassment, and other human rights violations.

This system is rigorously operated in accordance with the Regulations on Ethics and Compliance Management and the Internal Reporting (Helpline) Operation Guidelines in order to preserve the privacy of informers and protect them from disadvantageous treatment.



Human Rights

Through its business activities, the OHARA Group seeks to help build a society where all human rights are respected and everyone can play active roles with peace of mind. In line with our Hu-

man Rights Policy, we strive to respect the human rights of our suppliers, customers, employees, and all other stakeholders.

Human Rights Policy

The OHARA Group respects international norms concerning human rights, and has established a human rights policy based on

those norms. We carry out initiatives for respecting human rights in accordance with that policy and the RBA Code of Conduct.

OHARA Group Human Rights Policy

The OHARA Group, recognizing that respect for human rights is a critical social responsibility for companies, conducts initiatives for respecting the human rights of all people associated with its business activities, with the aim of realizing the vision for the future and society laid out by its Corporate Message: "A secure and healthy life. A society that cultivates creativity and aspirations. Sustainable well-being of our planet."

- 1 (Respect for Human Rights)
The OHARA Group recognizes the potential for its business activities to affect human rights directly or indirectly, and will respect the human rights of all stakeholders.
- 2 (Scope of Application)
This Policy applies to all officers and employees of the OHARA Group. The OHARA Group will encourage its suppliers and other parties to also support this Policy and endeavor to respect human rights.
- 3 (Respect for International Norms)
The OHARA Group respects the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights, and other international norms concerning human rights.
- 4 (Remedy and Relief)
If it is discovered that the OHARA Group has caused or encouraged adverse impacts to human rights, the OHARA Group will endeavor to remedy those impacts through the proper procedures.
- 5 (Disclosure)
The OHARA Group will use its website and other channels to report on its initiatives for respecting human rights based on this Policy.
- 6 (Dialogue with Stakeholders)
The OHARA Group will strive to engage stakeholders in dialogue and discussion concerning how it addresses human rights challenges.
- 7 (Education)
The OHARA Group will continuously provide human rights education and training to deepen the understanding of its officers and employees regarding international norms on human rights and this Policy, to enable them to properly deal with human rights challenges.

Enacted on
December 5, 2023

Human Capital

Human Capital Promotion System

OHARA has established a Sustainability Committee tasked with discussing policies and measures regarding medium- to long-term sustainability initiatives, including those pertaining to human capital. The Management Council makes decisions regarding human capital initiatives based on the content of the

Committee's discussions, and reports the decisions to the Board of Directors. In addition, the insights of outside officers are also incorporated into development of human capital actions to ensure that they contribute to the realization of the Corporate Message.

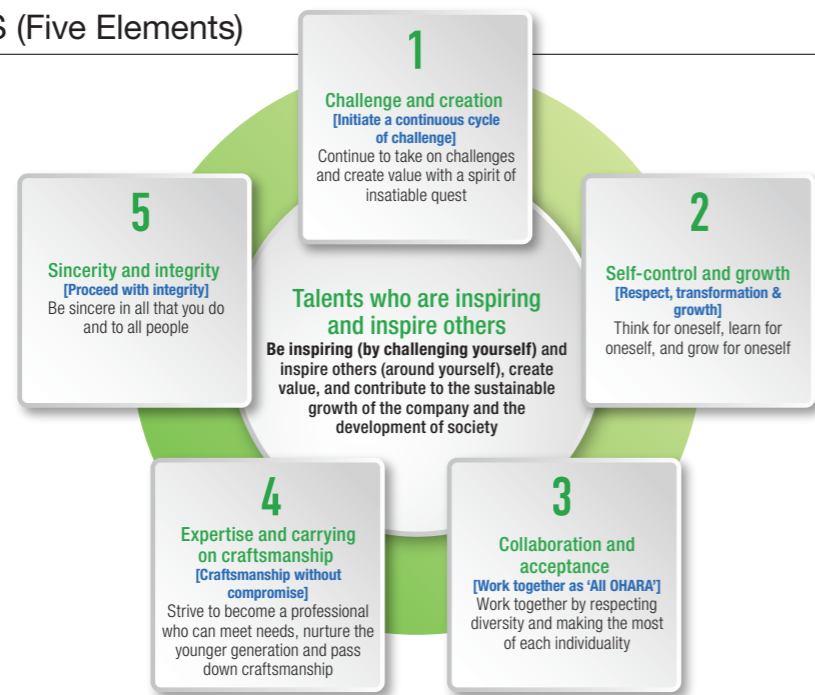
Basic Views

In order to realize the Corporate Message, which also represents OHARA's basic policy on sustainability, it is vital for each and every OHARA Group employee to create value with a sense of initiative. We believe that the key qualities for our people under this vision are the five elements of the culture embodied in the Corporate Message: (1) challenge and creation, (2) self-control and growth, (3) collaboration and acceptance, (4) expertise and carrying on craftsmanship, and (5) sincerity and

integrity. Talents with these qualities are inspiring (by challenging themselves) and inspire others (around them), and are thus able to combine core organizational capabilities and core processes*—the drivers of OHARA's value creation model—to co-create value with customers. As we believe that talents who can do this are a force for achieving a competitive edge, we are working to strengthen our human capital in this respect.

* See p. 11 for details on our value creation model.

OHARA VALUES (Five Elements)



Strengthening Talent Recruitment

OHARA is proactive in talent recruitment. As part of our recruitment branding, we use our website, videos, and other media to broadcast images of what it is like to work for OHARA. We also host briefings to provide an overview of our company, and provide internships and other opportunities to actually experience work at OHARA.

In our hiring of mid-career talent, we emphasize the matching of the right people with the right job. Accordingly, we provide

job candidates with factory tours and opportunities to ascertain the specific duties that the job involves.

Going forward, we will further strengthen our recruitment by verbalizing the values and rewards of work for different generations—20s, 30s, and 40 and older—and communicating them via our website and other channels to attract future colleagues who identify with those ideals, with the aim of securing talents who can realize the Corporate Message.

Talent Development

Since 2020, we have provided training specifically designed to foster initiative and encourage our people to challenge themselves. In 2023, we expanded this program to include employees at domestic Group companies. Going forward, we will develop an environment that encourages each employee to design their own career plan, and helps them to realize that plan

by providing support from their supervisor and the skill development resources they need. In addition to skill building, we will also use job rotations to provide opportunities to gain diverse experience. In this way, we will take a talent development approach that strengthens both skills and experience.

Adoption of New Personnel Evaluation System

In FY 2024, we will adopt a new personnel evaluation system that replaces skill-focused appraisal with role-focused appraisal, and reduces the weight of length of service in the process of awarding promotions. Also, we have changed our management by objectives system for all employees to one that uses challenge-based objectives selected by each employee, and

we established a point system that evaluates efforts to take on the challenges selected. In these and other ways we will evolve our personnel evaluation system into one that assesses employees in terms of how they show initiative and challenge themselves.

Diversity

We consider women, foreign nationals, and mid-career hires to be indispensable talents that not only strengthen our ability to adapt to change, but also impart new value to the organization with their different knowledge, skills, and ways of thinking. We also believe that hiring such diverse people and having them play active roles in our organization contributes to the sustainable growth of OHARA and to the resolution of social challenges. For these reasons, we proactively hire and cultivate diverse talents.

Female representation in management at OHARA rose from 2% in 2020 to 7.6% in 2023. We are taking action to increase this to 20% by 2035. Meanwhile, foreign nationals serve as the local heads of four of the OHARA Group's seven overseas sites. For mid-career hires, we provide an environment that enables them to get up and running in a short time by developing and implementing personalized training programs for them. As a result, mid-career hires now fill more than 40% of our management positions, and we will continue to run this initiative.

Work-Life Balance

OHARA recognizes that the achievement of a good balance between professional and personal life is important for both the company and the individual. We implement specific initiatives aimed at realizing a proper work-life balance.

- Childcare leave
- Family care leave
- Shorter working hour system for childcare
- Hourly paid leave system
- Flextime system (for work of at least 3 hours/day)

Health and Productivity Management

OHARA endeavors to provide all employees with a safe work environment that enables them to stay physically and mentally healthy and maintain a proper work-life balance. To this end, we

carry out health and productivity management based on our Management Philosophy of advancing the well-being of our people and contributing to the prosperity of society.

Trends in health metrics

OHARA tracks the following numerical health metrics on an annual basis to assess the impact of health initiatives and identify areas for improvement.

	Metric	2020	2021	2022	2023
Physical health	Participation in health checkups	100.0%	100.0%	100.0%	100.0%
	Participation in detailed medical exams	–	57.1%	62.9%	Measuring
	High-risk personnel interview rate	100.0%	100.0%	100.0%	100.0%
	Employees in healthy weight range	63.9%	63.1%	61.0%	63.5%
	Employees who smoke	29.0%	30.7%	28.3%	30.5%
	Employees who regularly exercise	29.4%	28.6%	27.0%	Measuring
Mental health	Employees who drink habitually	13.6%	15.7%	12.0%	13.2%
	Participation in stress checks	96.3%	96.3%	96.0%	Planned for 2024
Work-life balance	Employees with high stress scores	20.2%	19.9%	17.8%	Planned for 2024
	Average monthly overtime hours	8 hours	14 hours	13 hours	Measuring
Occupational safety	Average rate of usage of annual paid leave	52.8%*	64.4%*	70.0%	Measuring
	Participation in occupational safety trainings/No. of trainings	–	–	77.4%/4 times	Measuring
Presenteeism (total WFun score)	Employees experiencing impaired performance due to physical/mental health issues	–	–	8.6%	Planned for 2024

* Special paid leave was provided for COVID-19-related leave.

Corporate Governance

Basic Views on Corporate Governance

OHARA's Management Philosophy is that "The OHARA Group continually seeks to instill new value and build a strong organization for the purpose of advancing the well-being of its people and contributing to the prosperity of society," and we conduct our business activities in accordance therewith.

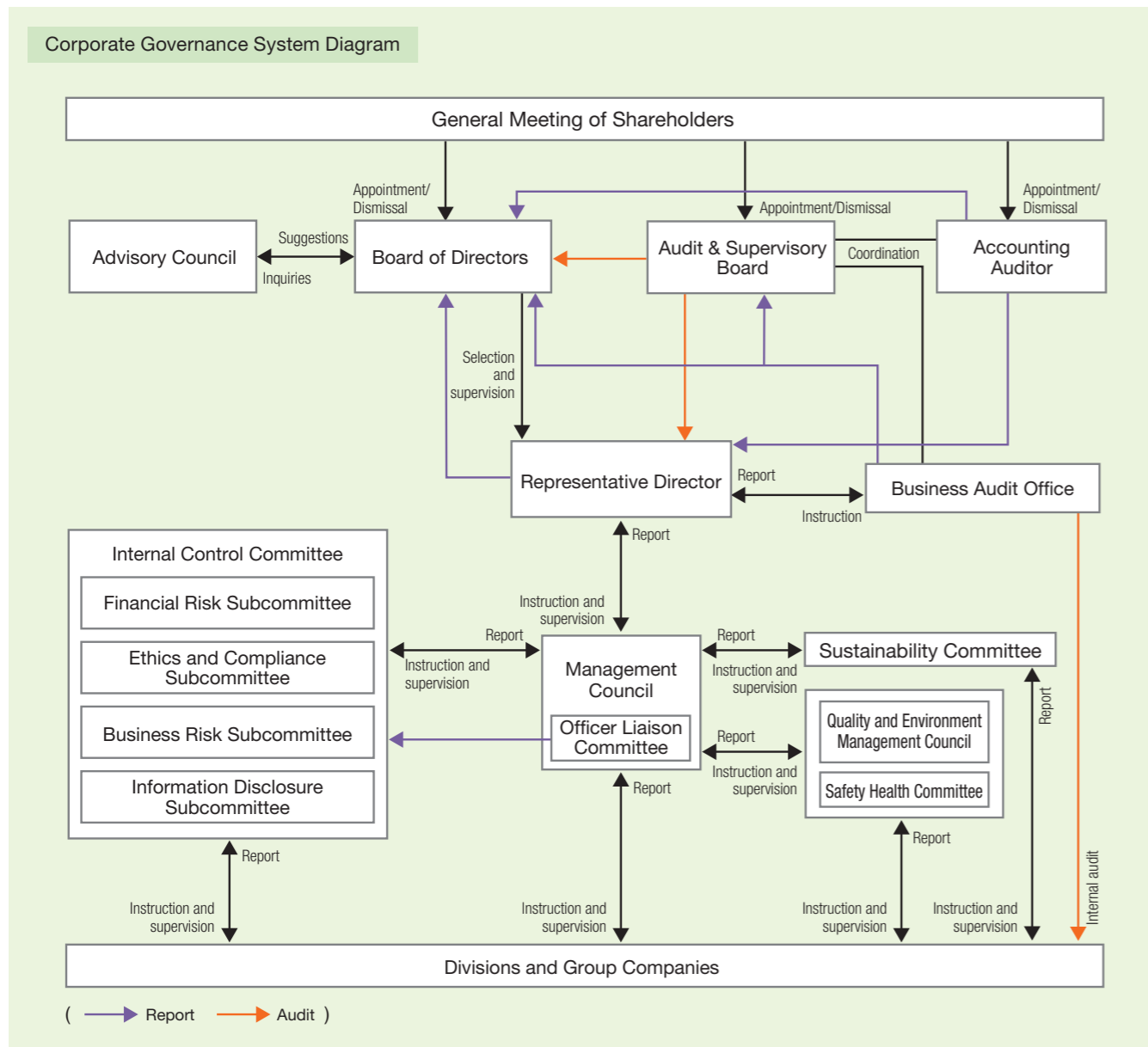
OHARA endeavors to streamline internal organizational structure and administrative schemes and take necessary measures to realize the above Management Philosophy. Moreover, toward

our various stakeholders including customers, shareholders, investors, suppliers, employees, and local communities, OHARA strongly believes that fulfilling responsibility as a public instrument of society will maximize our corporate value, and management with transparency and soundness in line with our corporate philosophy is the best approach to corporate governance.

Basic Policies on Corporate Governance

Based on the intent and spirit of the Corporate Governance Code, OHARA has established the "Basic Policies on Corporate Governance," with the objective of pursuing the best

corporate governance and its enhancement, for the sustainable growth and the improvement in the corporate value of the OHARA Group.



Board of Directors

The Board of Directors consists of eight directors and meets once a month in principle. As a management decision-making body, the Board makes decisions on important matters such as management policies and supervises the execution of duties by

directors and executive officers. The Board of Directors currently consists of four full-time directors and four outside directors (including one female). Two of the outside directors are independent outside directors.

Expertise and experience of directors

Name	Position	Corporate Management	Manufacturing/Technology/R&D	Sales/Marketing	Finance/Accounting	Legal/Compliance	Personnel/Human Resources Development
Hirokazu Saito	President, Chief Executive Officer	○		○			○
Takashi Nakajima	Director, Senior Managing Executive Officer	○			○	○	
Naoyuki Goto	Director, Senior Managing Executive Officer	○	○	○			
Masatomo Suzuki	Director, Managing Executive Officer	○		○	○		
Makoto Ichimura	Outside Director	○	○				○
Go Tokura	Outside Director	○	○				
Akira Nokina	Outside Director Independent	○		○			
Yukako Makino	Outside Director Independent					○	

Evaluation of the effectiveness of the Board of Directors

OHARA evaluates the effectiveness of the Board of Directors in accordance with its Basic Policies on Corporate Governance. In the analysis and evaluation for FY 2022, full-time officers (directors and audit & supervisory board members) made self-evaluation based on a questionnaire, and then opinions of independent outside directors were heard, after which the Board of Directors had discussions and carried out analysis and evaluation by referring to the collected results.

A summary of the results of this analysis and evaluation follows. The FY 2022 evaluation identified the need to make

further efforts for adequate advance preparations, information exchange, and awareness sharing, and to increase opportunities for discussion on management issues. Actions taken in response in FY 2023 included building shared awareness through enhancement of briefings given before Board of Directors meetings and the holding of off-site meetings on growth strategy for the future, and increased opportunities for discussion of management issues. These actions were found to have produced meaningful results.

Audit & Supervisory Board

The Audit & Supervisory Board comprises four audit & supervisory board members, three of whom are outside members. In accordance with the audit policy and other guidelines formulated by the Audit & Supervisory Board, the Board audits the

directors' execution of their duties by attending the Board of Directors and other key meetings and by investigating the status of operations and assets.

Advisory Council

The Advisory Council is established as a voluntary body and consists of the chairman of the Board of Directors and three independent officers (two independent outside directors and one independent outside audit & supervisory board member). It works to ensure management objectivity and transparency by

deliberating and reporting on matters regarding the appointment and dismissal of senior management (executive officers concurrently serving as directors), appointment of directors and audit & supervisory board members, and remuneration of directors.

Internal Control Committee

The Internal Control Committee, chaired by President and Chief Executive Officer, has been established to check and strengthen the status of internal controls whose four purposes are to improve the effectiveness and efficiency of operations, ensure the reliability of financial reporting, comply with laws and regulations, and preserve assets. There are four subcommittees under the Internal Control Committee: the Financial Risk Subcommittee, the Ethics and Compliance Subcommittee, the Business Risk Subcommittee, and the Information Disclosure Subcommittee. The Internal Control Committee monitors internal controls of the OHARA Group as a whole, including these subcommittees.

Ethics and Compliance Subcommittee

The Ethics and Compliance Subcommittee is in place to establish an ethics and compliance system for the OHARA Group as a whole and to realize corporate governance that fulfills its social responsibility through the execution of fair and appropriate business activities. The subcommittee practices the OHARA Group's philosophy based on its corporate principles by providing educational programs related to ethics and compliance to raise awareness about legal compliance and ethics and prevent iniquity.

Business Risk Subcommittee

The Business Risk Subcommittee is in place to manage risks of the OHARA Group effectively and efficiently. The subcommittee designs policies, systems, and measures pertaining to the Group's risk management, raises awareness about the prediction and prevention of potential risks, formulates and operates annual risk management plans, conducts overall coordination of risks of departments and subsidiaries, and studies measures to minimize damage in the event of crises.

Financial Risk Subcommittee

The Financial Risk Subcommittee is in place to establish and build a system for ensuring the appropriateness and efficiency of the OHARA Group's operations as well as the reliability of financial reporting. The subcommittee considers and supervises action plans and measures to improve the effectiveness and efficiency of operations and ensure the reliability of financial reporting.

Information Disclosure Subcommittee

The Information Disclosure Subcommittee is in place to disclose important financial, social, and environmental management-related information about the OHARA Group in a fair, timely, and appropriate manner. The subcommittee fulfills

corporate accountability and ensures management transparency by considering whether a specific piece of management-related information constitutes a material fact that should be disclosed and taking appropriate measures.

Sustainability Committee

The Sustainability Committee was established to inherit and strengthen the functions of the SDGs Promotion Council, which was responsible for planning and promoting SDGs management. The Committee discusses policies and measures pertaining to the OHARA Group's medium- to long-term

sustainability initiatives. Recommendations based on those discussions are made to the Management Council, which makes decisions on policies and specific actions for realizing sustainability. Important matters concerning sustainability are deliberated and supervised by the Board of Directors.

Remuneration for Officers

Policy for determining officer remuneration

1. Determination policy

- Remuneration must function as a sound incentive for the officer's contributions to sustainable growth.
- Remuneration must firmly instill the officer with a commitment to meeting shareholder expectations by maximizing corporate value.
- Remuneration must appropriately reflect the officer's responsibilities.

2. Remuneration system

- Remuneration for directors (excluding outside directors) comprises basic remuneration, performance-based remuneration, and a medium- to long-term incentive. Remuneration for non-executive directors and audit & supervisory board members consists of basic remuneration only, as these officers are independent from the execution of business operations.
- Performance-based remuneration is linked with the company's short-term business performance and the director's degree of contribution to that performance. In addition, the system is designed so that the weight of performance-based remuneration in the total remuneration package increases with the director's position.
- The medium- to long-term incentive for directors (excluding outside directors) is a stock compensation plan implemented through a Board Benefit Trust (BBT).

3. Performance-based remuneration

In order for performance-based remuneration to function as an incentive for achieving the medium-term management plan's goals and the medium- to long-term improvement of corporate value, the growth rate of consolidated net sales and the amount of consolidated operating income are used as indicators for determining the amount of remuneration.

- Formula for calculating performance-based remuneration

$$\text{Performance-based remuneration} = \left(\text{Standard amount} \times \text{Performance indicator weight} \times \text{Performance indicator coefficients} \right) + \left(\text{Standard amount} \times \text{Personal evaluation weight} \times \text{Personal evaluation coefficient} \right)$$

(Consolidated operating income amount: 70%; consolidated net sales growth rate: 30%)

- Performance-based remuneration weight

Position	Performance indicator weight	Personal evaluation weight
President and Chief Executive Officer	100%	0%
Directors concurrently serving as executive officers	80%	20%

- Performance indicator coefficients

A coefficient in the range 0.3 to 3.0 is separately set for the consolidated operating income amount and the consolidated net sales growth rate.

The method for determining these coefficients is annually deliberated and decided by the Board of Directors based on the business plan.

- Personal evaluation coefficient

This coefficient is set in the range 0.5 to 1.5 based on evaluation of the director's achievement of their expected mission and their division's goals.

As for the method for determining the coefficient, the personal evaluations for directors other than the representative director (excluding outside directors) are decided by the President and Chief Executive Officer, who first solicits the opinions from the Advisory Council (a voluntary body comprising the President and Chief Executive Officer and independent outside officers), and bases the decisions on the content of the Council's report. Those decisions are reported to the Board of Directors.

4. Medium- to long-term incentive (stock compensation)

Stock compensation is awarded by points, where one point is equivalent to one share of the company's common stock. The number of points awarded is based on position, and increases

with the position. The number of points is reviewed every three years.

Risk Management

Risk Management Process

OHARA Group identifies and assesses the risks that could impact its business operations, and carries out risk management at each organizational level based on the materiality of each risk.

The Business Risk Subcommittee selects material risks affecting the Group, and implements measures for preventing their occurrence and minimizing crises that result from their occurrence.

Material Risks for the Group

The materiality of the risks identified for each Group organization is assessed by the probability of the risk's occurrence and the degree of impact if the risk occurs.

The Business Risk Subcommittee comprehensively examines these assessments and selects the risks deemed to be material to the Group.

	Risks	Responses
1	Risks of overseas business operation	<ul style="list-style-type: none"> ● Operate production lines and sales offices in multiple regions ● Strengthen collection of information on international regulations
2	Risks associated with talent acquisition and training	<ul style="list-style-type: none"> ● Develop environment that enables employees to confidently grow and challenge themselves ● Continue recruiting exceptional talent and providing training programs for them
3	Risks of dependence on specific markets	<ul style="list-style-type: none"> ● Reinforce business pillars by building up highly efficient production systems ● Strive to create and expand high-earning businesses by pursuing innovation and business structural reforms
4	Risks of dependence on specific customers	<ul style="list-style-type: none"> ● Continue proactive actions for R&D and acquisition of new customers
5	Climate change risks	<ul style="list-style-type: none"> ● Work to reduce GHG emissions by using renewable energy and developing new methods of melting and combustion
6	Risks of price increases and supply stoppages of raw materials and resources	<ul style="list-style-type: none"> ● Ascertain market prices ● Set high inventory levels
7	Information security risks	<ul style="list-style-type: none"> ● Provide information security training to employees ● Strengthen security systems
8	Risks of fluctuations in exchange rates and interest rates	<ul style="list-style-type: none"> ● Use forward exchange contracts, etc. ● Effectively manage consolidated interest-bearing debt
9	Risks of natural disasters, pandemics, etc.	<ul style="list-style-type: none"> ● Formulate business continuity plans ● Implement earthquake-proofing measures, carry out regular inspections, conduct disaster drills, etc. ● Prepare guidelines for preventing the spread of infection ● Ensure inventories and secure multiple suppliers
10	Environmental risks	<ul style="list-style-type: none"> ● Comply with laws and regulations, and industrial and other codes of conduct ● Promote environmental management actions
11	Compliance risks	<ul style="list-style-type: none"> ● Conduct awareness-raising and education on codes of conduct and laws governing business activities
12	Parent company risks	<ul style="list-style-type: none"> ● Strengthen relationships

Financial & Non-Financial Highlights

Financial

	2020	2021	2022	2023 (FY)
Main Financial Results (millions of yen)				
Net sales	17,873	23,521	28,304	28,123
Gross profit	3,568	6,480	9,190	8,948
Gross profit-to-net sales ratio (%)	20.0	27.6	32.5	31.8
Operating income	(1,724)	1,368	2,976	2,233
Operating income-to-net sales ratio (%)	(9.6)	5.8	10.5	7.9
Ordinary profit	(1,319)	1,733	3,665	2,603
Ordinary profit-to-net sales ratio (%)	(7.4)	7.4	13.0	9.3
Profit attributable to owners of parent	(4,243)	1,460	2,116	1,572
Profit-to-net sale ratio (%)	(23.7)	6.2	7.5	5.6
Net assets	36,183	40,111	45,262	47,311
Total assets	49,621	53,606	60,678	61,840
Net cash provided by (used in) operating activities	2,479	1,938	2,303	1,837
Net cash provided by (used in) investing activities	(2,405)	(780)	(1,993)	(2,105)
Net cash provided by (used in) financing activities	1,380	(1,409)	(760)	(7)
Depreciation	1,791	1,282	1,400	1,461
Purchase of property, plant and equipment	(659)	(803)	(1,405)	(1,625)
R&D expenses	952	538	717	1,021
Main Indicators (%)				
Equity capital ratio	72.9	74.6	74.2	76.1
ROA (return on asset)	(2.5)	3.4	6.4	4.2
ROE (return on equity)	(10.9)	3.8	5.0	3.4
PER (price earnings ratio)	-	23.09	13.95	19.43
Payout ratio	-	25.0	23.0	31.0
Average exchange rate during the period	USD (yen)	107.61	108.22	127.39
	EUR (yen)	121.18	129.15	135.64

Segment Data (millions of yen)					
Optical business	Net sales	9,527	13,943	16,900	15,802
	Operating income	(977)	745	1,156	(40)
	Operating income-to-net sales ratio (%)	(10.3)	5.3	6.8	(0.3)
Electronics business	Net sales	8,345	9,577	11,404	12,320
	Operating income	(747)	622	1,820	2,274
	Operating income-to-net sales ratio (%)	(9.0)	6.5	16.0	18.5

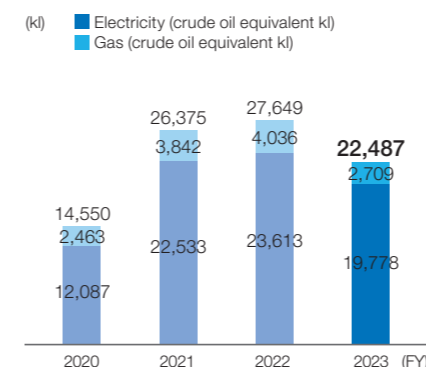
* As the method of allocating certain expenses was changed to match the actual situation of each segment, segment data for FY 2020 shows profit or loss after the change.

Per Share Data (yen)				
Net assets	1,485.94	1,641.75	1,848.95	1,931.08
Net profit	(174.34)	59.99	86.90	64.54
Dividend	10.00	15.00	20.00	20.00

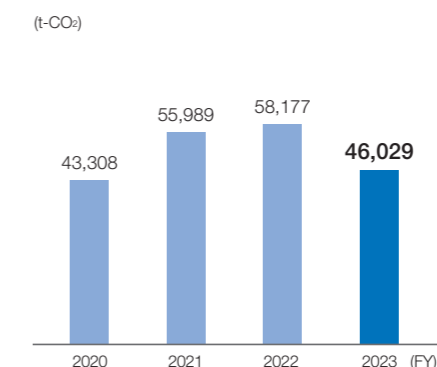
* Dividend Policy
OHARA's basic dividend policy is to return profits to shareholders in a stable, continuous manner, while also accumulating the necessary internal reserves for strengthening management foundations and future business expansion.

Non-Financial

OHARA Group's Electricity and Gas Use (Crude Oil Equivalent)

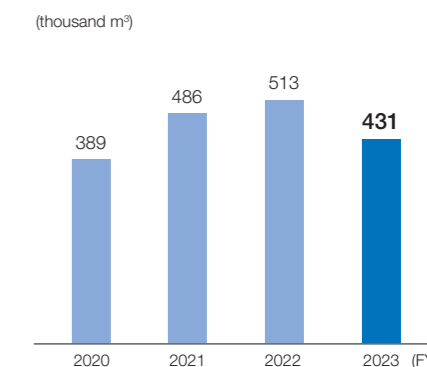


OHARA Group's Greenhouse Gas (GHG) Emissions



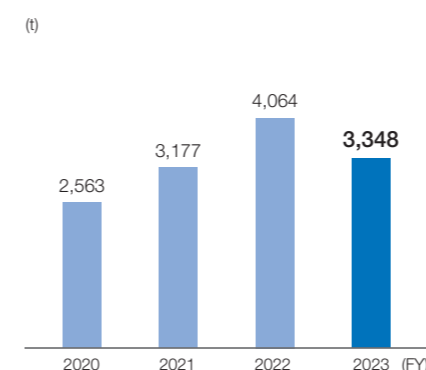
* Greenhouse gas (GHG) emissions from (some) transportations of products and materials and affiliated melting companies in Scope 3 are included.

OHARA Group's Water Use

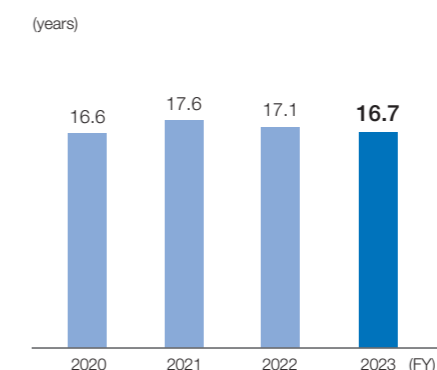


* Including groundwater

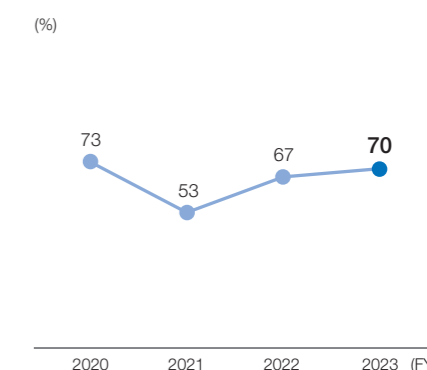
OHARA Group's Waste Volume



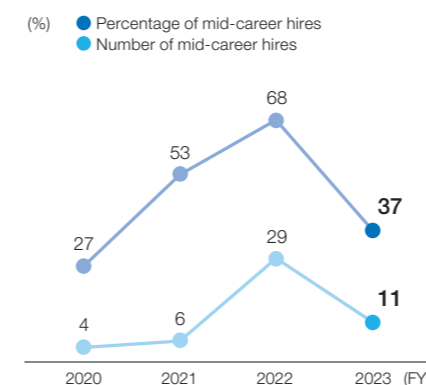
Average Duration of Employment*¹



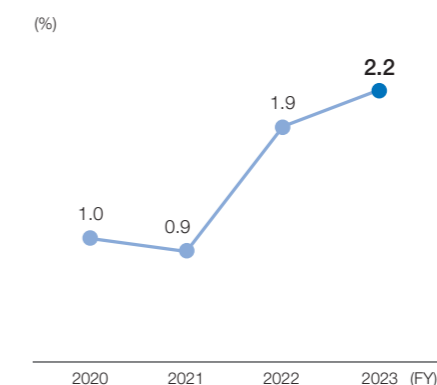
Average Paid Leave Acquisition Rate*¹ *²



Percentage and Number of Mid-career Hires*¹



Percentage of Foreign Employees*¹



*¹ Non-consolidated figures of OHARA.

*² In FY 2021, the paid leave acquisition rate decreased since special leaves were provided to employees due to COVID-19 reasons.

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