

Materiality Revised in September 2024

We have identified material issues (materiality) as important themes for realizing the sustainable growth of the Hakuholdo DY Group and providing value to stakeholders. In September 2024, we conducted a review of materiality in line with the formulation of our Global Purpose and new Medium-Term Business Plan. By addressing materiality based on human-centered sustainable management, we aim to create a society abounding in *sei-katsu-sha's* aspirations and where they can live vibrant lives.

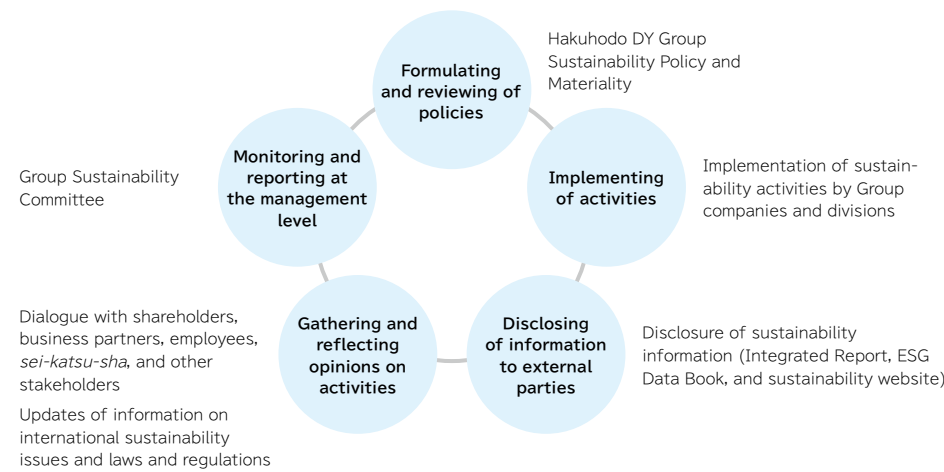
Sustainability Management

Materiality Implementation Structure

Under the supervision of the Board of Directors, the Group Sustainability Committee is responsible for the implementation of tasks such as monitoring and reviewing progress in materiality. The Sustainability Steering Committee, which operates under this committee, implements specific measures with the participation of Group companies.

Materiality Operation Structure

We review our initiatives and manage the progress of KPIs at semi-annual Group Sustainability Committee meetings. We plan to regularly review our initiatives and make adjustments based on the progress of our Medium-Term Business Plan and various initiatives, as well as changes in the business environment.



Background to the Review of Materiality

In September 2024, we conducted a review of our materiality by reassessing changes in the external environment in order to promote sustainability management based on our Global Purpose, and the new Medium-Term Business Plan. We also took into account the Group's strengths and considered stakeholders' expectations and demands.

The Process of Reviewing and Identifying Materiality

The Group identified materiality by recognizing social issues that are important to the Group, analyzing risks and opportunities from both our own and stakeholders' perspectives and evaluating their importance. The identification of materiality was conducted through collaboration between Hakuholdo DY Holdings, the Corporate Sustainability Division, relevant divisions, and various Group companies.

STEP 1: Identify social issues based on business strategy	List social issues related to the Group's business, taking into account international guidelines such as the SDGs, GRI, SASB, ISO, and industry trends
STEP 2: Evaluate importance and prioritize	Evaluate the financial impact on the Group and the impact of the Group on the environment and society for each issue, considering both risks and opportunities, and prioritize the issues accordingly
STEP 3: Assess validity	Engage in discussions with stakeholders (Group companies and external experts) to exchange opinions on validity and refine the content
STEP 4: Determine materiality	After deliberation and approval by the Group Sustainability Committee, identify materiality through deliberation and approval by the Board of Directors

Materiality

The Group's materiality consists of a total of nine items in three areas: contributing to a sustainable global environment, unleashing creativity through the growth of and respect for diverse individuals, and pursuing compliance and integrity. The common thread among these initiatives is human-centered sustainable management. By harnessing the power of people, which is the Group's greatest strength, we aim to create unique value. We will enhance the effectiveness of each material issue by establishing action policies and KPIs and monitoring indicators for each item, accelerating progress.

Human-centered sustainable management	Material issues (materiality)		Action policies	External commitments	Page
	E Environmental Contributing to a sustainable global environment	<ul style="list-style-type: none"> Climate action 	<ul style="list-style-type: none"> Implement decarbonization initiatives 	Targeted reduction of CO ₂ emissions through our commitment to the TCFD recommendations	▶ P. 55
		<ul style="list-style-type: none"> Contribution to sustainable behavioral change 	<ul style="list-style-type: none"> Engage in business and collective impact for the social implementation of sustainability 	—	▶ P. 55
	S Social Unleashing creativity through the growth of and respect for diverse individuals	<ul style="list-style-type: none"> Investment in, and development of, specialized and innovative talent as well as an enabling environment 	<ul style="list-style-type: none"> Foster human resources and organizations that produce results based on <i>sei-katsu-sha</i> insight and co-creation Promote aspiration-driven career ownership Acquire capabilities for executing business strategies 	—	▶ P. 17
		<ul style="list-style-type: none"> Promotion of well-being 	<ul style="list-style-type: none"> Implement sound and healthy workstyles to improve employee happiness 	—	▶ P. 60
		<ul style="list-style-type: none"> Implementing diversity, equity, and inclusion (DE&I) 	<ul style="list-style-type: none"> Transform ourselves into an organization that takes advantage of all types of diversity Realize a society in which everyone can play an active role 	Group target ratio of 30% for women in management positions by fiscal 2030	▶ P. 56
		<ul style="list-style-type: none"> Contribution to the development of human resources for the future and local communities 	<ul style="list-style-type: none"> Exert our influence on society through the development of future human resources and support for regional development 	—	▶ Pp. 65–66
	G Governance Pursuing compliance and integrity	<ul style="list-style-type: none"> Respect for human rights 	<ul style="list-style-type: none"> Continuously conduct human rights due diligence and improve issues 	—	▶ P. 61
		<ul style="list-style-type: none"> Maintenance of compliance and high ethical standards 	<ul style="list-style-type: none"> Ensure the permeation of the Hakuho DY Group Code of Conduct and Matters for Compliance Ensure and practice information security 	—	▶ P. 83
		<ul style="list-style-type: none"> Integrity in marketing activities 	<ul style="list-style-type: none"> Eliminate stereotypes, human rights violations, and misleading expressions in advertising 	—	▶ P. 62