

BX

文化シヤッター

# BX GROUP SUSTAINABILITY REPORT



2022

BXグループ  
サステナビリティレポート

## Company Outline

Company Name	BUNKA SHUTTER CO., LTD.
Head Office	17-3 Nishikata 1-chome, Bunkyo-ku, Tokyo Phone number: 03-5844-7200 (Main)
Established	April 18, 1955
Business Activities	Manufacture and sales of various shutters, house construction materials and building construction materials
Capital	15,051 million yen (As of March 31, 2022)
Accounting Period	March, annually
Listing / Public Issue	Tokyo Stock Exchange Prime Market (Issued in Nov. 1973)
Number of Employees	4,794 (Consolidated, fiscal year through March 2022)
Nationwide Sales Offices	219 offices / 330 consolidated (as of July 1, 2022)

**Factories** 7 factories (33 consolidated)

<b>Chitose Factory</b>	776-4 Kitashinano, Chitose City, Hokkaido Prefecture
<b>Akita Factory</b>	170-3, Okawabata, Kawajirimachi, Akita City, Akita Prefecture
<b>Oyama Factory</b>	1088-1 Kamiishizuka, Oyama City, Tochigi Prefecture
<b>Takegawa Factory</b>	2-1, Tanyo, Takegawa City, Shizuoka Prefecture
<b>Gochaku Factory</b>	187 Fukami, Gochaku, Mikunino-cho, Himeji City, Hyogo Prefecture
<b>Himeji Factory</b>	51-1 Hongo, Shigo-cho, Himeji City, Hyogo Prefecture
<b>Fukuoka Factory</b>	618 Asahi, Chikuzen-cho, Asakura-gun, Fukuoka Prefecture

### ISO Certification/Registration

Certification/ Applicable Standards	Organization Name
ISO/IEC 17025	Research Institute for Life-in & Environment & Disaster Prevention
ISO 9001	Oyama Factory BX SHINSEI SEIKI
	Takegawa Factory BX TR
	Himeji Factory BX ROOTES
	Gochaku Factory
ISO 14001	Oyama Factory
	BX SHINSEI SEIKI
	BX TENPAL Saitama Factory

### Affiliated Companies

BUNKA SHUTTER AKITA HANBAI CO., LTD.
BUNKA SHUTTER TAKAOKA HANBAI CO., LTD.
FUJISASH CO., LTD.
EUROWINDOW., JSC

### BX Group Businesses and Group Companies

Business Category	Group Companies	
Shutter-related products business	BX SHINSEI SEIKI CO., LTD. · BX SHINSEI VIETNAM CO., LTD.	
	BX TENPAL CO., LTD.	
	BX OKINAWA BUNKA SHUTTER CO., LTD.	
Construction materials-related products business	BX KENSEI CO., LTD.	
	BX BUNKA PANEL CO., LTD.	
	BX TETSUYA CO., LTD.	
	BX TOHOKU TETSUYA CO., LTD.	
	BX TR CO., LTD.	
	BX ASAHI KENZAI CO., LTD.	
	BX ROOTES CO., LTD.	
	ECOWOOD CO., LTD.	
	BX KOUN CO., LTD.	
	BX NISHIYAMA TETSUMOU CO., LTD.	
BX KANESHIN CO., LTD.		
Service Business	BUNKA SHUTTER SERVICE CO., LTD.	
Refurbishment business	BX YUTORI FORM CO., LTD.	
International	BX BUNKA VIETNAM CO., LTD.	
	BX BUNKA AUSTRALIA PTY LTD · STEEL-LINE GARAGE DOORS AUSTRALIA PTY LTD · STEEL-LINE INSTALLATIONS AUSTRALIA PTY LTD · STEEL-LINE GARAGE DOORS (WA) PTY LTD · MISIV PTY LTD · ARCO (QLD) PTY LTD · MAX DOOR SOLUTIONS PTY LTD	
	Other Businesses	BX AIWA CO., LTD.
		BX TOSHO CO., LTD.

The Founding Spirit that we hold dear:

# “To serve society with sincerity”

### Corporate Creed

<b>Honesty</b>	Honesty means contact between hearts. Trust grows through contact of true hearts.
<b>Hard Work</b>	Hard work means the strength to continue the act of creating.
<b>Service</b>	Service means being helpful for another party with one's own acts or action. A sympathetic heart standing in the place of other party and spirit of taking good care.

### Management Philosophy

We act always standing in the place of customers.  
We contribute to the development of society with excellent quality.  
We place importance on positiveness and harmony and move forward day by day.

### Corporate Brand



“B” stands for Bunka Shutter and “X” stands for the unknown, infinity, and the power to multiply. Depending on what is multiplied, innovations arise which transcend conventional wisdom, and which harbor infinitely expansive possibilities. This vivid sky blue represents the expanse of blue sky that symbolizes the beauty of the global environment, as envisioned by the BX Group in our efforts to be a company that creates a “Comfortable Environment.”

### CSR Charter

Together With Growth	Together With Society	Together With the Earth	Together With Coworkers
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# We will enhance the purpose of our existence as a company creating an environment that is comfortable for people and the earth



A year has now passed since I became President of Bunka Shutter in 2021. In an increasingly uncertain society, the BX Group faces many business challenges, and we are reminded once again of the weight of the history that our predecessors have built. Since its establishment, the Group's Management Philosophy has been to contribute to the development of society by providing the value of safety and security. The Group has achieved its current growth by practicing problem-solving management in response to the times. I believe that it is my mission to inherit the ideas of my predecessors, who have taken on numerous challenges and paved the way for us, and to strive to provide value that exceeds your expectations.

The comfortable environment we seek is to be achieved by striking a balance between comfortable, safe, secure lives for people, and sustainability that avoids harm to natural resources and the environment. The BX Group is committed to sustainable growth and increased corporate value through the pursuit of this comfortable environment.

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Hiroyuki Ogura  
Representative Director - President,  
and Executive President

## Review and Progress of Medium-Term Management Plan

The construction market, which was forced temporarily into a lower volume due to factors including the prolonged COVID-19 pandemic and economic uncertainty, is showing signs of recovery, with corporate capital investment on the rise.

On the other hand, cost increases had a major impact, making the last fiscal year a difficult one for the Group. Although we were initially prepared for the impact on our business performance, private-sector non-housing floor space starts increased across the board for warehouses, factories, and offices, leading

to an increase in sales mainly of heavyweight shutters for warehouses, and after-sale services, resulting in the first increase in revenue in two fiscal years.

The Medium-Term Management Plan, which started in fiscal 2021, is a business plan that runs through fiscal 2023, and is designed to pursue a comfortable environment in all aspects of people's lives and the global environment, and to develop our business in a future-oriented manner. In these uncertain times, in order to achieve solid growth even in a rapidly

changing business environment, we will strengthen the foundations of the businesses on which we are focusing effort while nurturing and developing the businesses that will carry the Group into the future. By achieving balance on these two wheels, we will enhance our management resilience.

In the core businesses that comprise our profit base, such as shutters and doors, we will provide added value that exceeds expectations by promoting the incorporation of IoT into products compatible with the adoption of smart and intelligent house and building technologies, and by repeatedly improving and deepening our products to meet the lifestyle needs of the "new normal" era. In doing so, we aim to build long-lasting partnerships with our customers.

In terms of the businesses on which we are focusing effort, from the perspective of mitigating climate change and simultaneously preparing for and adapting to climate risks, we will

expand our domains of problem-solving, focusing on the eco and disaster prevention business, which contributes to global environmental protection and urban resilience, and the maintenance and long-life business. At the same time, we will take on the challenge of creating new value that will become an outstanding advantage for our Group.

In order to strengthen the foundation that underpins the Group's innovations and spirit of challenge, we define "BxVA" as the economic added value created by the Group relative to its invested capital. Our goal is to increase this to 3 billion yen by 2030.

Although the first year of the Medium-Term Management Plan has been completed with significant issues remaining and the plan yet to be fulfilled, demand for urban redevelopment projects and infrastructure redevelopment is rising, so we expect to see results from forward-looking proposal-based sales.

## Risks and Opportunities from an ESG Perspective

The Medium-Term Management Plan sets goals to strengthen ESG and incorporates ESG perspectives into management strategies to avoid business risks.

In the environmental field, which is assumed to pose particular risks for our Group, we announced the "BX Group 2050 Declaration of Decarbonization" in fiscal 2021, with the aim of bringing about a sustainable environment that is comfortable for people and the earth. In addition, this fiscal year we formulated our environmental vision "Blue neXpand 2050: Expanding the Blue Sky into the Future," clarifying our vision for the future toward 2050 and setting priority areas of addressing climate change, realizing resource recycling, and coexistence with nature.

We also conducted a financial assessment and analysis of the impact that business risks and opportunities caused by climate change may have on our operations, and made disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD). Based on the results of this analysis, we intend to deepen our discussions, including of responsive measures.

On the social front, in addition to innovations in the way we work, we will promote respect for human rights, diversity and inclusion, and proactive investment in human capital, which are the principles of the SDGs, and practice our ethos of being a company that values people, a concept that the Group has inherited as part of its culture.

With regard to Governance, we promote the development of a system to properly check management as needed, including the implementation of an evaluation of the effectiveness of the Board of Directors and the establishment of the Nomination/Remuneration Committee.

In order to steadily achieve results through the operation of the PDCA cycle for each of these measures, this fiscal year we reviewed the materialities under the four CSR Charter mottoes (Charter CSR 4 materialities) and established key performance indicators (KPIs) to serve as metrics for progress.

By strengthening ESG, we will identify future and potential risks and opportunities to ensure sustainability and stability.

## Enhance the purpose for the BX Group's existence in society

The BX Group is a Comfortable Environment Creation Company. Our mission is to help people achieve happiness by continuing to provide a sustainable and comfortable environment through diverse manufacturing, even as times and the environment change. This is also our purpose for existing within society. By becoming a strong organizational entity based on this purpose, we hope to become a company that our Group employees and our business partners can be proud of.

We will continue to make company-wide efforts to realize a sustainable society and enhance the value of the BX Group, aiming to be a company that society and our stakeholders can select and rely on.



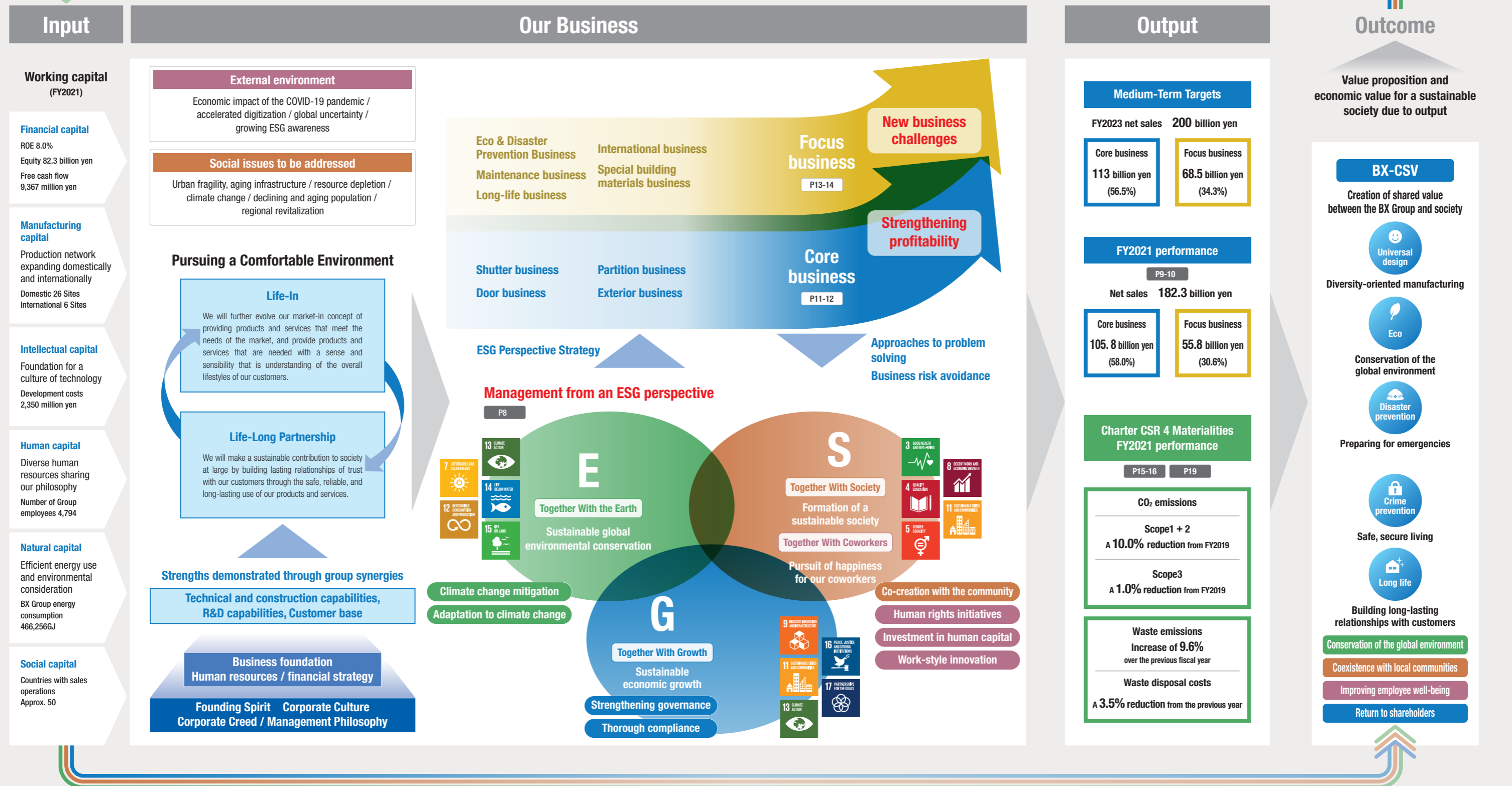


# Value Creation Process

We are working to realize a value-creation process that provides new value ahead of the times by leveraging the strengths in technology and construction cultivated since our founding, and by creating synergies through collaboration among Group companies. We aim to further enhance our corporate value by contributing to a sustainable society through "BX-CSV," our unique growth model that generates value shared with society.



## Medium-Term Management Plan Vision **Open The Way To The Future - To Be A Comfortable Environment Solution Group**





# BX Group value creation – The ideal we aspire to –

# Strengthening ESG

Related Information → P15-16 Sustainability Management

## Identification of materialities that enhance ESG

The BX Group evaluates the level of social significance and the impact on the Group's growth and development, identifies issues that should be prioritized as materialities, and advances initiatives by running a PDCA cycle.

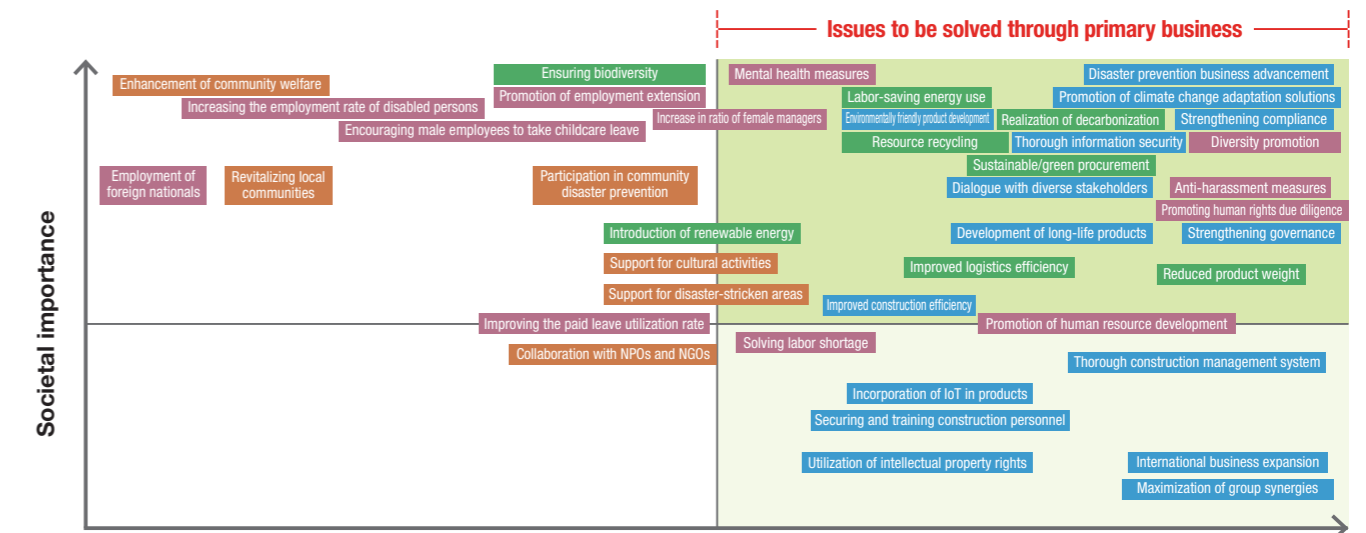
In order to respond to the growing importance of sustainability to society, and to changes in issues, and to promote efforts to further improve the company's reputation, we have revised the materialities specified in 2019.

## Revision of materialities

We have identified social issues from the perspectives of both societies in general and the entire value chain, then evaluated and mapped out the issues that may affect the Group's business activities in terms of risks and opportunities. Issues of high importance to both society and our Group were identified for each of the four CSR materialities identified in the Charter (the CSR 4 materialities), and KPIs were established to serve as indicators of advancement.

The progress of each measure is monitored by the Together With Growth Committee, the Together With Society Committee, the Together With the Earth Committee, and the Together With Coworkers Committee, and reported to the Sustainability Committee.

(In 2022, the name of the CSR Committee was changed to the "Sustainability Committee.")



Relationship to BX Group's business

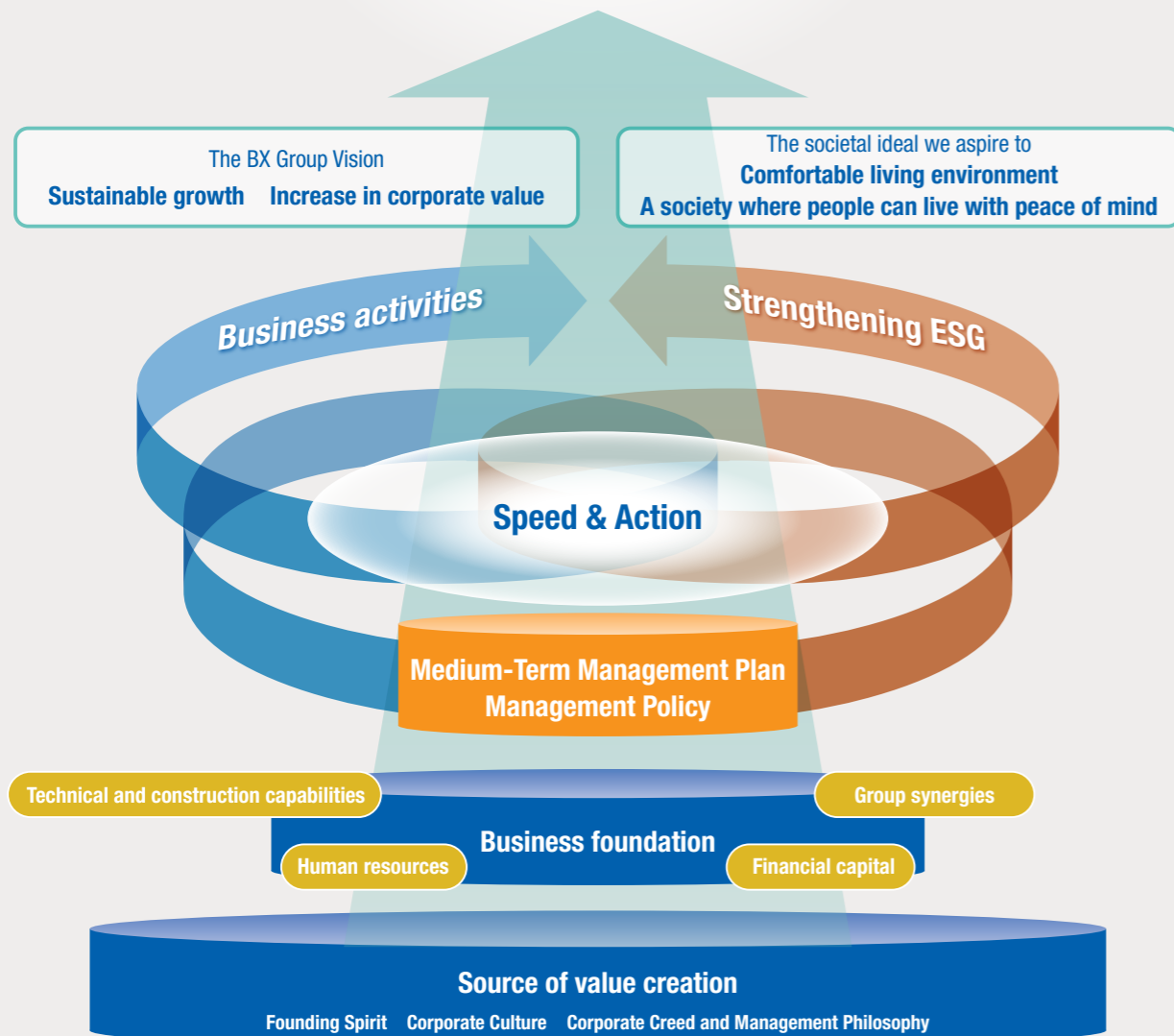
## Charter CSR 4 Materialities

The analysis illustrated above re-identified social issues prioritized by the BX Group.

ESG	CSR Charter	Materialities	Contributing SDGs	
E Environment	Together With the Earth	Corporate management with reduced environmental impact Development of environmentally friendly technologies and products Voluntary environmental conservation activities	Activities toward decarbonization Supply chain management Promotion of resource recycling Waste reduction Biodiversity conservation	7, 12, 13, 14, 15
		Contributing to society as a corporate citizen Humanitarian contributions to society Support for cultural activities	Co-creation with the community Cooperation with local governments and other organizations Promotion of local disaster prevention and support for disaster-stricken areas Support for cultural activities	3, 4, 11
S Society	Together With Society Together With Coworkers	Respect for human rights Job creation Increased satisfaction	Promoting human rights due diligence Diversity promotion Human resource development Promotion of employee health Work-style innovation	3, 4, 5, 8
		Pursuit of customer satisfaction Growth and development of the Group Integrity in business management	Dialogue with diverse stakeholders Responding to climate change and disaster risk through our business Strengthen technical and construction capabilities Promotion of corporate governance Thorough compliance	9, 11, 13, 16, 17

## An environment that is comfortable for people and the earth

A future in which our current and future generations can live safely, securely, and comfortably in a healthy global environment



The fundamental CSR initiatives by which we are to fulfill our Corporate Creed and Management Philosophy are organizationally and systematically advanced based on the Charter CSR 4 materialities, established in 2006.

<b>Together With Growth</b> Through fair and honest business activities, we will provide products and services that satisfy our customers and earn their trust, as we pursue the growth of the Bunka Shutter Group based on our mission of creating a comfortable environment.	<b>Together With Society</b> As a good corporate citizen, we will contribute to the development of society by participating in and supporting activities that enrich people's hearts and minds.
<b>Together With the Earth</b> We will contribute to the preservation of the global environment by promoting management that takes people, society, and the environment into consideration in order to realize a comfortable environment.	<b>Together With Coworkers</b> We respect the individuality and creativity of our coworkers and aim for the satisfaction and growth of each and every one of them.

# Medium-Term Management Plan (2021 to 2023)

The mission of the BX Group is to contribute to the development of society through diverse manufacturing and services even as times and the environment change, and to bring happiness to people by providing safety and security. We will proactively respond to the rapidly changing social environment, develop our business in a future-oriented manner, and pursue a comfortable environment.

This plan aims to further enhance economic and social value across the following three main themes.

## I. We advance management strategies based on policies for optimal capital structure with an awareness of capital cost and balance sheet management

### Medium-Term Management Plan Management Indicators

	FY2020 performance	FY2021 performance	FY2023
Net sales	173.1 billion yen	<b>182.3 billion yen</b>	200 billion yen
Operating profit	10.5 billion yen	<b>9.1 billion yen</b>	14.6 billion yen
Operating profit margin	6.1%	<b>5.0%</b>	7.3%
Return on equity (ROE)	10.4%	<b>8.0%</b>	11.5%
Return on invested capital (ROIC)	7.6%	<b>5.2%</b>	10.5%
BxVA	0.3 billion yen	<b>-2 billion yen</b>	3 billion yen
BxVA spread	0.3%	<b>-2.1%</b>	3.2%
DE ratio	0.18	<b>0.19</b>	0.20 or less
Equity-to-asset ratio	50.1%	<b>48.7%</b>	51.9%

### Capital cost

WACC	Target 7.3%
Cost of shareholders' equity	Target 8.5%
Cost of debt	Target 0.7%

("BxVA" stands for "BX value added," representing the amount of value added relative to invested capital. The planned value is calculated assuming an effective corporate tax rate of 30.62%.)

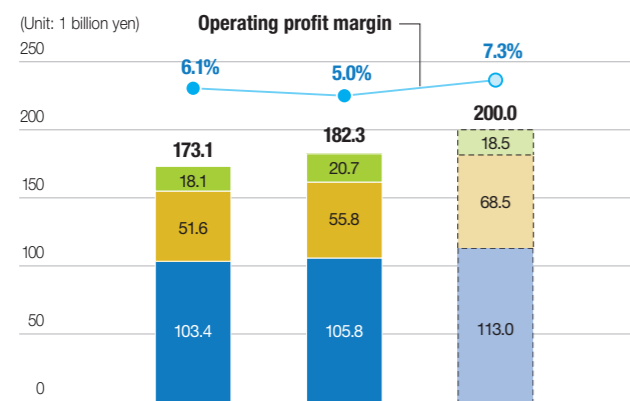
## II. Significantly strengthen shareholder returns, including share buybacks

### Shareholder Return Policy

- The target dividend payout ratio is 35%.
- We plan to repurchase 10 billion yen +α over the three years of the new Medium-Term Management Plan. ("α" is when the M&A does not proceed as planned due to circumstances, opportunities, etc.)

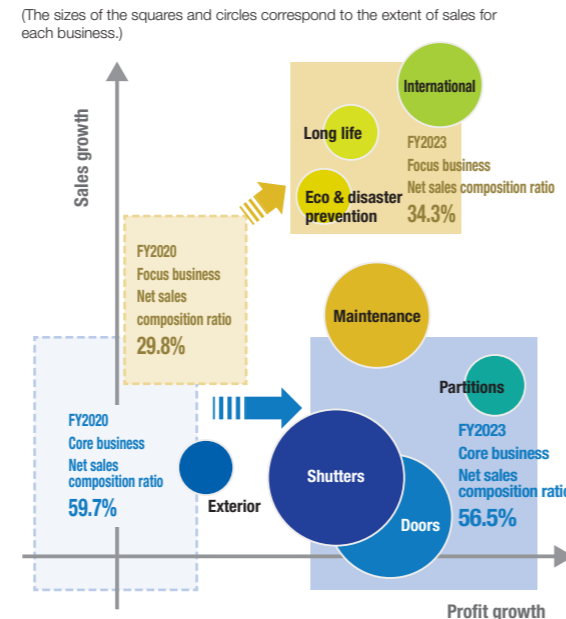
## III. Pursue higher productivity in core businesses and expand the scale of focus businesses to achieve a net sales ratio exceeding 34.0%.

### Net sales by business segment



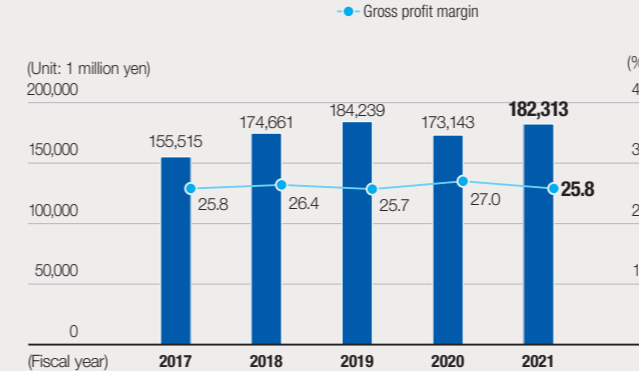
**Core Businesses** Shutters, doors, partitions, exteriors  
**Focus Businesses** Eco & disaster prevention business (water-sealing, awnings, Tekumoku), long-life business (non-consolidated renewal business, BX YUTORI FORM) international business (non-consolidated international business, BX BUNKA AUSTRALIA, BX BUNKA VIETNAM), special building materials business, maintenance business (non-consolidated maintenance, BUNKA SHUTTER SERVICE).  
**Housing materials and other businesses** Housing materials business (reinforcing bars for housing foundations, wooden construction hardware), other businesses

### FY2023 Growth Portfolio for Each Business

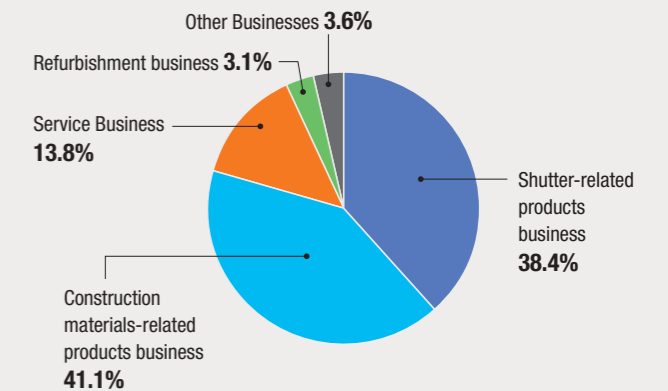


# Financial Summary

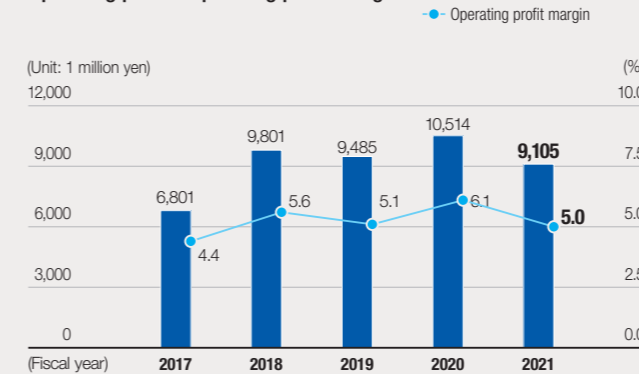
### Net sales / Gross profit margin



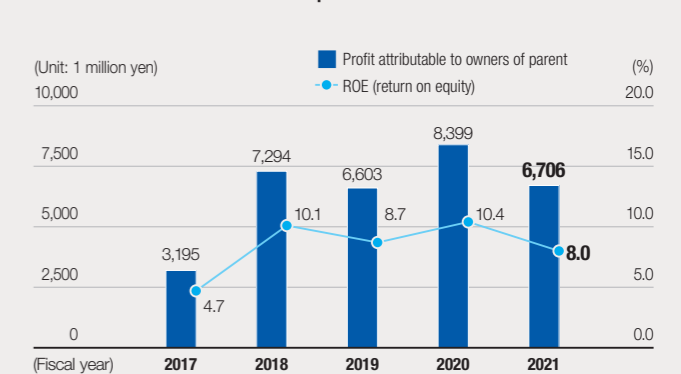
### Net sales composition by segment



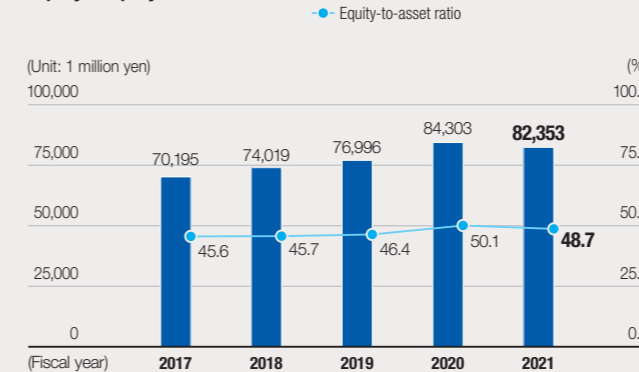
### Operating profit / Operating profit margin



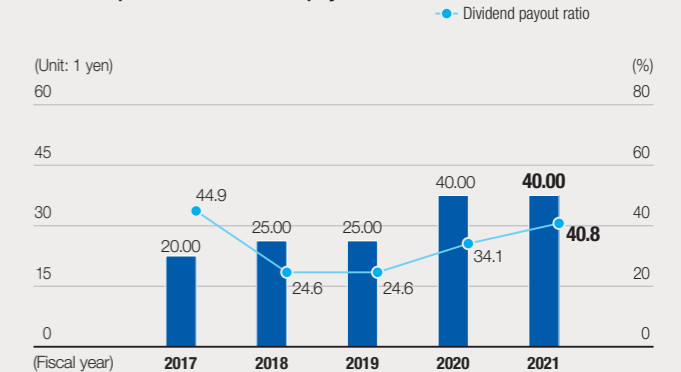
### Profit attributable to owners of parent / ROE (return on equity)



### Equity / Equity-to-asset ratio



### Dividend per share / Dividend payout ratio





# Core business

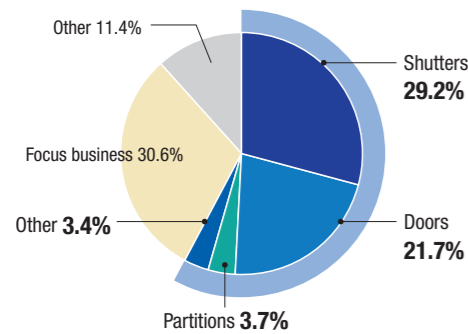
Having supported the growth of the BX Group since its establishment, our core business of manufacturing and selling shutters and doors also supports people in their daily lives and business activities by developing products from the standpoint of the consumer. In doing so, we meet the changing needs of society, such as fire and crime prevention, wind and water barrier protection, universal design, and IoT integration.



## Business Overview

In response to economic recovery in Japan and abroad, the construction and housing industries have also seen a gradual pickup in private-sector capital investment. The outlook remains uncertain, however, due to the significant impact of soaring prices for steel and other raw materials and energy. Construction demand is expected to remain, especially for non-residential buildings, due to a pickup in capital expenditures. These include R&D and IT investments backed by the introduction of AI and IoT integration, urban redevelopment mainly in the Tokyo metropolitan area, and large-scale logistics warehouses expanding with the growth of e-commerce. Housing investment, however, is expected to soften somewhat due to a slowdown in housing starts, although demand that had been suppressed by the COVID-19 pandemic should re-emerge.

Net sales composition ratio: Core business 58%



## Medium-Term Strategy

### Shutter business

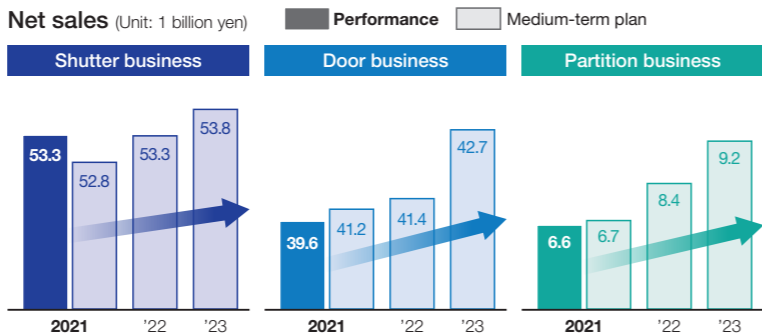
We will work to increase orders for heavyweight shutter product lineups, including for urban redevelopment properties, with a focus on large logistics warehouses, where business has been performing well. The lightweight shutter group will focus on expanding sales of high-value-added products, particularly garage shutters, while the window shutter group will promote maintenance and electrification of existing window shutters.

### Door business

We will strive to increase orders for building door products, particularly for redevelopment properties, which are performing strongly in urban areas, and will also seek to maximize synergies with Group companies to strengthen our production capabilities.

### Partition business

We will promote the proposal of high-value-added products that pursue peace of mind and safety, centering on partitions for schools, with added anti-seismic features to strengthen the disaster-prevention function of school facilities in accordance with the Basic Policy on Facilities Maintenance and Development published by the Ministry of Education, Culture, Sports, Science and Technology.



## FY2021 Progress and FY2022 Outlook

### Shutter business

#### Main Products

- Garage shutters
- Heavyweight shutters
- Lightweight shutters
- Window shutters
- Over sliding doors
- High-speed sheet shutters, etc.

Net sales: 53.3 billion yen (0.9% above plan target), driven by expanded sales of heavyweight shutters for large logistics warehouses.

In addition to expansion of disaster prevention products, we will continue to expand sales of heavyweight shutters for large logistics warehouses and redevelopment projects, and aggressively propose high-value-added products, mainly motorized types, to increase earnings.



Over sliding doors  
Heavyweight, large-scale aluminum type

### Door business

#### Main Products

- Steel doors
- Apartment doors
- Hotel doors
- Sliding doors / folding doors
- Stainless steel building material
- Wooden building material, etc.

Net sales: 39.6 billion yen (3.9% under plan target) due to weak sales of doors for office buildings and public facilities, affected by the decrease in order backlog at the end of FY2020.

In order to increase earnings, we will aggressively promote sales expansion of steel doors using the adhesive method,\* primarily for urban redevelopment properties in the Tokyo metropolitan area, in which demand is expected to remain strong in the future.



Variface Ae, a sliding entrance door for apartments with anti-seismic performance that can be opened even if the frame is deformed by external forces such as earthquakes

Related Information → TOPICS

### Partition business

#### Main Products

- Partitions for schools
- Aluminum partition
- Steel partition
- Sliding wall
- Toilet booth
- Shelter partitions, etc.

Net sales: 6.6 billion yen (1.5% under plan target), driven by expanded sales of partitions for schools with added functions to resist seismic shaking.

We aim to increase orders by continuing to focus on exploring the market for stock, particularly in school facilities, which play an important role as evacuation centers for local residents in the event of a disaster, and which are required to be earthquake-proof and have a longer service life.



Antivirus toilet booths that reflect the needs of the "new normal" era.

**\*Adhesive method:** This assembly method using adhesives has been newly added to the Standard Specifications for Public Building Construction. The adhesive method significantly reduces work time compared to welding. In addition, this method reduces environmental impact by eliminating the emission of toxic gases associated with welding methods, improving the work environment, and reducing the use of electricity. Its performance is equivalent or superior to that of welding methods. Our steel doors are specified fire prevention equipment in compliance with the Building Standards Law.

## TOPICS

### Flamvesta residential over sliding door with a maximum frontage of 6m for two cars and featuring fire prevention equipment specifications



Flamvesta, the first residential over sliding door that is both compatible with fire prevention equipment specifications and has enough frontage width for two cars. It boasts not only high design quality but also the highest performance among over sliding doors for garages, with wind pressure resistance of 800 Pa for both positive and negative pressure, thanks to its unique panel structure. It is also equipped with an obstacle detection sensor as standard equipment to ensure a high level of safety, and it is compatible with the in-vehicle automatic open/close remote control Selecruse II, which enables automatic opening/closing of the shutters without leaving the vehicle, as well as opening/closing operation via smartphones and smart speakers for comfortable smart living.

## TOPICS

### Steel doors that help reduce environmental impact with adhesive method and thin plate



Our steel doors use an adhesive method that has been applied to public buildings since fiscal 2022. The adhesive method keeps doors undamaged since it does not require welding or polishing while ensuring anti-corrosion performance, thus prolonging service life and providing superior design characteristics. Furthermore, for private-sector work, which accounts for the majority of our contracted projects, we have reduced the thickness of steel plate used for door surfaces from 1.6 mm to 1.2 mm, thereby reducing cost and weight, improving convenience, and contributing to the reduction of CO<sub>2</sub> emissions in the manufacturing process. In this way, our adhesive method and thin plate will help reduce environmental impact by controlling power consumption and other factors during manufacturing and installation.



# Focus business

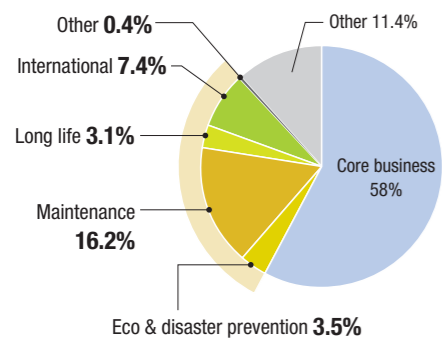
The areas in which we are focusing effort include the eco & disaster prevention business, which aims to mitigate environmental impact and adapt to climate change-related disasters. We are also focusing on the maintenance business, which aims to prevent accidents and breakdowns and ensure safe and reliable use, as well as our long-life and international business operations, aimed at coping with aging cities and changing living environments.



## Business Overview

The eco & disaster prevention business and maintenance business are expected to remain strong due to the growing awareness of environmental concerns and of disaster prevention and mitigation amid increasingly severe and frequent disasters due to climate change and major earthquakes, and due to the government's promotion of ZEH and ZEB to decarbonize housing and buildings. As for the long-life business, the market, which had been depressed due to the COVID-19 pandemic, is showing signs of recovery that are giving rise to expectations not only for the non-residential sector but also the residential sector due to the growing need to use space in accordance with new lifestyles.

Net sales composition ratio: Focus business 30.6%



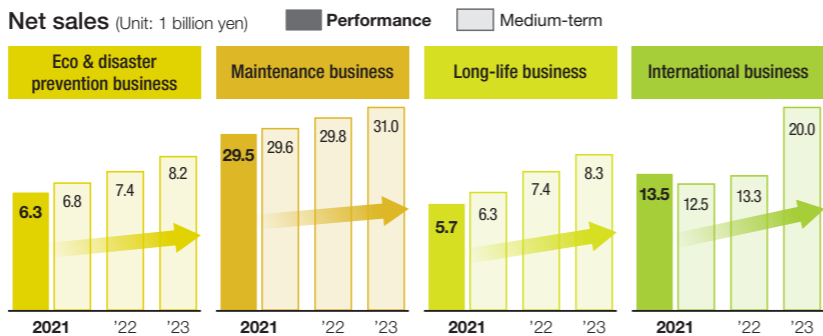
## Medium-Term Strategy

**Eco & disaster prevention business** In the eco business, we will continue to offer awnings and Tekumoku wood-plastic recycled composites as environmentally friendly products that conform to the SDGs. In the disaster prevention business, we will strive to promote and expand the use of water-barrier products and promote business expansion with an eye to M&A and alliances.

**Maintenance business** We will strive to strengthen our response to statutory inspections and further enhance our 24-hour, 365-day after-sale maintenance system by leveraging the Group's comprehensive strengths.

**Long-life business** In the house remodeling business, we will focus on improving productivity and enhancing online content while strengthening our sales force and ability to attract customers with an eye to the post-COVID pandemic recovery period, and holding regular remodeling consultation meetings. In the building renewal business, we will strive to strengthen our ability to make proposals built around the key concepts of earthquake resistance and flood prevention.

**International business** To respond to rapid market changes, we will strengthen our business base to increase profits and expand our business with an eye to M&A.



## TOPICS

### Australian shutter manufacturer MAX DOOR SOLUTIONS PTY LTD. becomes wholly owned subsidiary

In July 2022, BX BUNKA AUSTRALIA welcomed MAX DOOR SOLUTIONS PTY LTD into its fold. MAX DOOR is an Australian shutter manufacturer that designs, manufactures, sells, and maintains shutters for industrial and commercial facilities. In addition to developing high-speed sheet shutters that are highly airtight and reduce energy consumption, as well as shutters that provide security and thermal insulation while offering fast, quiet operation, we also provide maintenance services to ensure enduring, safe product use.

RAPIDMAX® Plus, MAX DOOR's airtight, high-speed sheet shutter ▶



## FY2021 Progress and FY2022 Outlook

### Eco & disaster prevention business

#### Main Products

**Eco business**  
Tekumoku wood-plastic recycled composites  
Various awnings, etc.

#### Disaster prevention business

Water Barrier Master Series  
Wind Block Series, etc.

Net sales were 6.3 billion yen (7.4% under plan target), thanks to strong sales in the water-sealing business, which handles flood prevention equipment to cope with the severe torrential downpours that have emerged as a societal problem, and the eco-friendly business, centering on awnings for sunshade products.

To contribute to the creation of disaster-resistant cities, we will continue to aggressively propose eco-friendly and water-barrier products that address climate change risks, thereby increasing orders.



Aluminum water barrier panel for easy and speedy flood prevention with steel doors at service entrances Rakuset SD Type

### Maintenance business

#### Business Activities

Repair and maintenance of existing shutters, doors, partitions, and other building materials, and maintenance inspection of fire prevention equipment

Net sales were 29.5 billion yen (0.3% under plan target) due to steady sales of emergency repair services and regular maintenance contracts, including statutory inspections.

By strengthening Group collaboration between the Maintenance Business Department and BUNKA SHUTTER SERVICE, we will increase orders for statutory inspections of fire prevention equipment, which is required under the Building Standards Law.

### Long-life business

#### Business Activities

**House remodeling business**  
Remodeling from plumbing and interior design to exterior walls and other exterior renovations

**Building renovation business**  
Seismic reinforcement work, major repairs, support for introduction of universal design toilets and doors, etc.

Net sales of 5.7 billion yen (9.5% under plan target) were driven by an increase in the number of new contracts and higher unit prices per order in the house remodeling business, and by the strengthening of proposal capabilities in the building renovation business.

We will strengthen our proposals for house remodeling with a focus on plumbing areas, as well as building renovation with a focus on the key concepts of earthquake resistance and water sealing.

### International business

#### Business Activities

Manufacturing and sales of shutters and doors at two sites in Vietnam and Australia

Despite the impact of lockdowns due to the spread of COVID-19 infections, business in Australia led the company's international business net sales ratio up 0.8 percentage point to 7.4%, with net sales of 13.5 billion yen (8.0% above plan target).

In order to achieve a 10% share of international business net sales, we will raise sales prices and expand business for industrial and commercial facilities in Australia. In Vietnam, we will strengthen sales expansion for the local market.

## VOICE

BX BUNKA AUSTRALIA CEO **Aaron Dillaway**



At BX BUNKA AUSTRALIA, we have been selling garage doors in Australia for 40 years and are the largest garage door manufacturer in Australia. With market-leading residential-focused garage door brands such as STEEL-LINE GARAGE DOORS, DYNAMIC DOOR SERVICE, and STEEL-LINE GARAGE DOORS (WA), we expanded into the commercial and industrial door market by adding new partners, such as ARCO (QLD) and RETROTECH DOOR SERVICES in 2019, and MAX DOOR SOLUTIONS in July 2022. The addition of MAX DOOR will aid us in pursuing our vision and growth strategy in the Australian commercial and industrial garage door market.

In particular, it reinforces our commitment to providing environmentally sustainable products, and expands our high-quality product line, which adheres to three simple design criteria: strength, durability, and ease of operation.

In recent years, the demand for energy-efficient factories and warehouses has been increasing in Australia in view of the risk of climate change. MAX DOOR's environmentally friendly products are increasingly being adopted for use as eco-friendly products that offer insulation and minimize the flow of outside air into the building by opening and closing at high speed, thereby reducing CO<sub>2</sub> emissions.

Our goal is to be a model of environmental best practices and a sustainable organization. To maintain our leadership position in both the residential and commercial/industrial markets, we will continue to invest in our people and in product quality through technological innovation and continuous improvement for further business expansion.



# Sustainability Management

At the BX Group, we have specified as materialities the issues that we must focus on from the perspectives of both business and society, by organizing the relationship between our CSR Charter and the SDGs, the common goals of the international community.

ESG	CSR Charter	Materialities	SDGs contributed to	Initiative Themes	Key Performance Indicators (KPI) <small>(KPI figures are non-consolidated unless specified "consolidated" or "BX Group.")</small>	Initiatives for FY2021
E Environment	Together With the Earth	Corporate management with reduced environmental impact	Activities toward decarbonization	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Conversion to renewable energy</li> <li>Development and provision of environmental solutions</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1+2: 46.2% reduction compared to FY2019 (2030), BX Group</li> <li>Scope 3 (Purchased goods and services / transportation and distribution): 27.5% reduction from FY2019 level (2030), BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1+2: <b>10.0% reduction</b> (from FY2019)</li> <li>Scope 3 (Purchased goods and services / transportation and distribution): <b>1.0% reduction</b> (from FY2019)</li> </ul>
		Development of environmentally friendly technologies and products	Supply chain management	<ul style="list-style-type: none"> <li>Logistics system improvement</li> </ul>	<ul style="list-style-type: none"> <li>Completion of transition to new logistics system at BX7 Factory (FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>Completion of introduction of new logistics systems at Oyama and Kakegawa Factories</li> </ul>
		Voluntary environmental conservation activities	Promotion of resource recycling	<ul style="list-style-type: none"> <li>Promotion of green procurement</li> </ul>	<ul style="list-style-type: none"> <li>Endorsement of Green Purchasing Guidelines: 100% of new suppliers</li> <li>Office supplies: 100% of purchases are of products compliant with the Green Purchasing Law compliant products (Head Office building)</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that all new suppliers in the Purchasing Department are thoroughly aware of the guidelines.</li> <li>Use of <b>100%</b> recycled copy paper in head office building</li> </ul>
			Waste reduction	<ul style="list-style-type: none"> <li>Zero-emission enhancement as a Group</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 5% (year on year) in waste emissions and disposal costs, BX Group</li> <li>Zero emissions achieved by 100% of domestic manufacturing business sites (FY2026), BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Waste emissions (landfill and incineration) <b>up 9.6%</b> (year on year)</li> <li>Waste disposal costs (landfill and incineration): <b>down 3.5%</b> (year on year)</li> <li>BX TOHOKU TETSUYA to achieve zero emissions.</li> </ul>
		Biodiversity conservation	<ul style="list-style-type: none"> <li>Voluntary environmental conservation activities</li> <li>Building employee awareness</li> </ul>	<ul style="list-style-type: none"> <li>E-learning courses taken by 100% of employees to equalize their knowledge of biodiversity, BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of environmental e-learning (and of biodiversity in FY2022)</li> <li>Presentation in the Children's Eco-Club National Festival 2022 (online)</li> </ul>	
S Society	Together With Society	Co-creation with the community	<ul style="list-style-type: none"> <li>Participation in community activities</li> </ul>	<ul style="list-style-type: none"> <li>Employee participation rate of 50% in social contribution activities (2026), BX Group</li> <li>Participation in community activities, or creation of opportunities to interact with the community</li> <li>Conducted at least once a year in each area, BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Participation rate of employees in social contribution activities: <b>5.6%</b> (From the results of the BX Group's Questionnaire Survey on Volunteer Activities)</li> </ul>	
		Contributing to society as a corporate citizen	Cooperation with local governments and other organizations	<ul style="list-style-type: none"> <li>Resolving issues through collaboration with various organizations</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative problem-solving activities with various groups (number of partner organizations): 10, BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Cooperative activities with diverse groups such as facilities for disabled persons (<b>25 groups</b>)</li> <li>Lectures by professionals at neighboring junior high schools (Research Institute for Life-in &amp; Environment &amp; Disaster Prevention)</li> <li>BUNKA SHUTTER SERVICE received the 2021 Shizuoka Prefectural Governor's Commendation for Efforts to Eliminate Discrimination on the Basis of Disability.</li> <li>Continued collaboration with Tokushima Prefecture as a cooperative partner in the Tokushima Agriculture, Forestry and Fishing Village Hometown Support Team Project (BX ASAH KENZA)</li> <li>Implementation of a food drive in cooperation with Tomigusuku City, Okinawa Prefecture (BX OKINAWA BUNKA SHUTTER)</li> </ul>
		Humanitarian social contribution	Promotion of local disaster prevention and support for disaster-stricken areas	<ul style="list-style-type: none"> <li>Support for areas affected by the Great East Japan Earthquake</li> <li>Cooperation in community disaster prevention</li> </ul>	<ul style="list-style-type: none"> <li>Proactive support for disaster-stricken areas, BX Group</li> </ul>	<ul style="list-style-type: none"> <li>The Hongo Fire Department's BX Building Division cooperates with the disaster prevention policies of the Tokyo Metropolitan Government and Bunkyo Ward (<b>17 members</b>, including employees of the BX Building)</li> <li>Agreement with Bunkyo Ward on mutual cooperation in the event of a disaster</li> <li>Provision of shelter, supplies and other assistance in response to flooding in Queensland and New South Wales (BX BUNKA AUSTRALIA)</li> </ul>
		Support for cultural activities	Support for cultural activities	<ul style="list-style-type: none"> <li>Promotion of social contribution activities through sports</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution activities by Buzz Bullets employee-athletes, at least once a year</li> <li>Attendance at volunteer sports training sessions by 100 employees (FY2026), BX Group</li> </ul>	<ul style="list-style-type: none"> <li>FY2021: Voluntary suspension of activities due to the COVID-19 pandemic</li> </ul>
	Together With Coworkers	Respect for human rights	Promoting human rights due diligence	<ul style="list-style-type: none"> <li>Respect for human rights and prevention of human rights violations</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of Human Rights Policy (2022)</li> <li>Implementation of human rights due diligence (2023)</li> <li>Participation rate of 100% in manager training regarding harassment (2022), BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Launch of the Task Force for Human Rights Policy Formulation</li> </ul>
		Job creation	Diversity promotion	<ul style="list-style-type: none"> <li>Creation of an environment in which diverse human resources can play an active role</li> <li>Promotion of active participation by women</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a diversity policy (2022)</li> <li>Ratio of female managers: 10% (2028)</li> <li>Ratio of female employees recruited upon graduation: 30% (2025)</li> <li>Employment rate of disabled persons: 2.5% (2025)</li> <li>Raise the mandatory retirement age to 65 and the reemployment age to 70 in stages (2031)</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of female managers: <b>1.4%</b></li> <li>Ratio of female employees recruited upon graduation: <b>29.6%</b></li> <li>Disabled persons employment rate: <b>2.23%</b></li> </ul>
		Increased satisfaction	Human resource development	<ul style="list-style-type: none"> <li>Career development initiatives</li> <li>Strengthening and expansion of human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Participation rate of training of mid-career recruits: 100% (2022)</li> <li>Number of female employees taking Career Design Training: 40 (2022)</li> <li>Number of IT literacy distance learning students: 40 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>Participation rate of training of mid-career recruits: <b>100%</b></li> <li>Number of female employees participating in career design training: <b>18</b></li> <li>IT literacy correspondence course participants: <b>179</b></li> </ul>
			Promotion of employee health	<ul style="list-style-type: none"> <li>Employee health initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Attendance rate for regular health checks: 100% (2022)</li> <li>Stress check exam rate: 90% (2022)</li> </ul>	<ul style="list-style-type: none"> <li>Regular health checkup exam rate: <b>100%</b></li> <li>Stress check exam rate: <b>81.2%</b></li> </ul>
			Work-style innovation	<ul style="list-style-type: none"> <li>Supporting diverse work styles and increasing employee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Annual paid leave usage rate: 70% (2023)</li> <li>Average monthly overtime hours: 26 hours (2023)</li> <li>Average annual income of 6.6 million yen for general employment (2023)</li> <li>Acquisition of Kurumin (certification for companies that support childrearing) (2024)</li> </ul>	<ul style="list-style-type: none"> <li>Annual paid leave usage rate: <b>60.8%</b></li> <li>Average monthly overtime hours: <b>21 hours</b></li> <li>Promotion of child-rearing leave of absence (recipients: <b>5 males, 12 females</b>)</li> </ul>
		G Governance	Together With Growth	Pursuit of customer satisfaction	Dialogue with diverse stakeholders	<ul style="list-style-type: none"> <li>Expansion of IR and SR meetings</li> </ul>
Growth and development of the Group	Responding to climate change and disaster risk through our business			<ul style="list-style-type: none"> <li>Sales expansion for the eco &amp; disaster prevention business</li> </ul>	<ul style="list-style-type: none"> <li>Sales 8,200 million yen (year through March 2024), consolidated</li> </ul>	<ul style="list-style-type: none"> <li>Sales: <b>6,300 million yen</b> (year through March 2022)</li> </ul>
	Strengthen technical and construction capabilities			<ul style="list-style-type: none"> <li>Construction quality improvement</li> <li>Increased ratio of new product sales</li> </ul>	<ul style="list-style-type: none"> <li>Periodic renewal under the critical area welding certification system: every 5 years</li> <li>New product sales ratio of 30% (year through March 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Launch of the Design and Construction Management Innovation Project to improve productivity in design and construction through the adoption of IT</li> <li>New product sales ratio of <b>27.7%</b> (year through March 2022)</li> </ul>
Integrity in business management	Promotion of corporate governance			<ul style="list-style-type: none"> <li>Advancement of capital cost management</li> </ul>	<ul style="list-style-type: none"> <li>ROE: 11.5% (year through March 2024), consolidated</li> <li>ROIC: 10.5% (year through March 2024), consolidated</li> </ul>	<ul style="list-style-type: none"> <li>ROE: <b>8.0%</b> (year through March 2022), consolidated</li> <li>ROIC: <b>5.2%</b> (year through March 2022), consolidated</li> </ul>
	Thorough compliance			<ul style="list-style-type: none"> <li>Strengthening of compliance education</li> </ul>	<ul style="list-style-type: none"> <li>Participation rate of 100% in e-learning courses on compliance with various laws and regulations, BX Group</li> </ul>	<ul style="list-style-type: none"> <li>Video training and comprehension tests on the Antimonopoly Law (BUNKA SHUTTER non-consolidated attendance rate, <b>100%</b>)</li> </ul>

# E Together With the Earth



## Environmental Management by the BX Group

### Environmental Initiatives

Since its establishment, BUNKA SHUTTER has engaged in manufacturing that is friendly to people, society, and the environment. We recognize that global warming and other environmental issues facing society today are important issues that we must give priority to.

In 2021, we announced the BX Group 2050 Declaration of Decarbonization and began our decarbonization efforts. In keeping with this, we have revised our CSR Charter "Together With the Earth," which provides guidelines for our environmental efforts. We have also formulated the BX Group Environmental Vision, a shared vision of the future that all employees aspire to, in order to strengthen our framework for progress.

The "comfortable environment" we aim for includes a society in which people today and in future generations can live safely and with peace of mind in an environment that is comfortably amenable to the lifestyles of the times, so it is crucial that we be able to share the blessings of nature together.

One of the priority themes of the Medium-Term Management Plan launched in FY2021, is the expansion of the eco & disaster prevention business, which is one of our focus businesses. We will promote business activities that contribute to climate change mitigation and adaptation by promoting eco business operations that conserve energy and reduce environmental impact, as well as the disaster prevention business that helps with preparations for frequent large-scale disasters.

### Together With the Earth Promotion Framework



### Environmental Governance

BUNKA SHUTTER has established the Sustainability Committee in order to promote its CSR Charter-based overall activities across the BX Group. The Sustainability Committee consists of four Charter committees. The Together With the Earth Committee is responsible for setting energy and waste reduction targets and monitoring their implementation, while promoting activities to reduce the Group's overall environmental impact by means such as holding regular energy conservation meetings to share information on efficiency of energy use at the Group's major production sites.

The Sustainability Committee is chaired by an Officer in charge of management operations, and is responsible for the overall development, education, and awareness of the Group's CSR activities, including Group-wide compliance, identification of the materialities under the four CSR Charter mottos (Charter CSR 4 materialities), and the financial impact of climate change

### Environmental Management

The BX Group promotes environmental management based on "Eco Action 21." BUNKA SHUTTER's Oyama Factory, BX SHINSEI SEIKI, and BX TENPAL Saitama Factory have acquired ISO14001 certification for their environmental management systems, and are continuously improving their environmental performance. In addition, four BUNKA SHUTTER factories, BX SHINSEI SEIKI, BX TR, and BX ROOTES have obtained ISO9001 certification, and are striving to improve quality, and have established a quality management system to provide products that customers can trust.

The Research Institute for Life-in & Environment & Disaster

on the Group. The Committee reports the relevant information and results to the Board of Directors through the Meeting of Managing Operating Officers.

As an arbitrary advisory body for the Representative Director to make decisions, the Meeting of Managing Operating Officers deliberates in advance on matters to be discussed or reported at the Board of Directors. In cases where any risks and opportunities posed to the Company's business activities or financial affairs by climate change are regularly reported to the Board of Directors, such risks and opportunities should also be deliberated on by the Meeting of Managing Operating Officers in advance. The Board of Directors receives regular reports from the executive officer, who chairs the Sustainability Committee, on the risks and opportunities that climate change poses to our business and finances, and discusses and evaluates these reports.

Prevention, located adjacent to the Oyama Factory, is a comprehensive testing and research facility that conducts various performance tests, basic technology research, product evaluations, safety verification, and specification of evaluation standards, thereby supporting the BX Group's technical capabilities. The institute has obtained certification under ISO/IEC 17025, the testing laboratory standard, and is accredited for our appropriate testing results and technical capabilities. We have incorporated numerous test devices for work on global environmental themes to strengthen our ability to respond to environmental issues.

### Formulating Our Environmental Vision

In order to meet the growing demands of society with respect to environmental issues such as global warming and biodiversity, and to decarbonize our business by 2050, the BX Group has newly formulated the BX Group Environmental Vision, a shared ideal for the future that all employees of the Group should aspire to.

To formulate the Vision, an Environmental Vision Working Group was formed with members from diverse backgrounds, and discussions were held over a period of approximately four months.

The BX Group Environmental Vision defines the future ideal of the Group to be that of a "Comfortable Environment Solutions Group," as well as the issues to be addressed in order to realize that ideal. It declares that the Group will not only work to reduce

negative impact on the environment and prevent global warming by focusing on decarbonization activities, but also take on the challenge of creating environmentally friendly products and new value in pursuit of a comfortable environment.



The Environmental Vision Working Group holding discussions

**The future that BX Group envisions is a society where everyone can look up to the blue sky and live, enjoying the blessings of nature in a comfortable environment. In this pursuit, we will not only reduce our environmental impact to zero in the three areas of Climate Change, Resource Recycling and Coexistence with Nature, but also create positive environmental value through our business activities so that we can pass on a comfortable environment to future generations.**

**Three Priority Areas for the BX Group**  
**Climate Change** : We work with stakeholders to achieve carbon neutrality  
**Resource Recycling** : We aim for zero emissions by promoting a circular economy.  
**Coexistence with Nature** : We help conserve biodiversity by working to avoid negative impacts on nature, and by contributing to restoration and regeneration

### VOICE

**Yasuteru Yamauchi**  
Chief, International Business Department



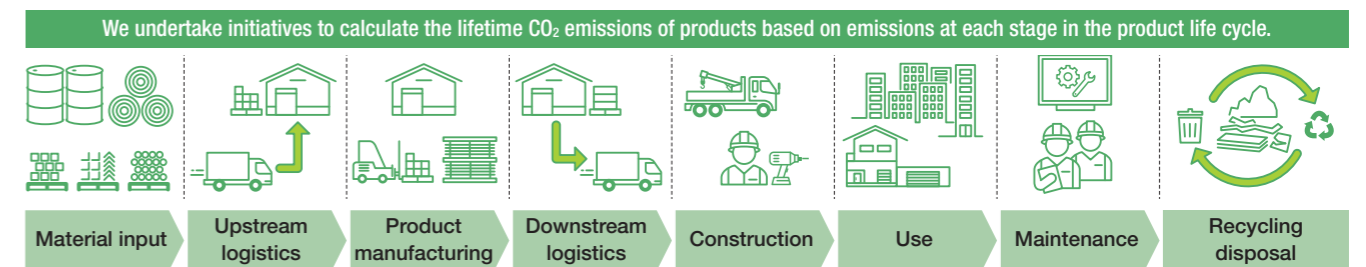
The Working Group brought together members from a wide range of professions to share and discuss environmental issues we are involved in, as well as the environmental challenges that each section is tackling. The development staff also talked about ease of recycling, including matters such as ease of disassembly. As a person in charge of design work, I was very impressed by the thought-provoking discussion. Durability of material, an essential design requirement, is also an important factor in environmental issues, so at the same time, I learned about the importance and difficulty of providing products with an eye toward resource recycling. There are many things that the BX Group can do to address environmental issues such as global warming. The environmental vision that we have worked to formulate this time represents the BX Group's hopes and determination for the future. I believe it is important for all employees of the BX Group to be aware of this issue, to own it, and to act on it.

### Environmentally Friendly Design

When developing new products or improving existing products, BUNKA SHUTTER evaluates the environmental impact of products at each stage of their life cycle in order to improve their environmental performance. Based on our Environmentally Friendly Design Guidelines established in 2007, we have clarified the criteria for environmental considerations through life cycle assessment (LCA, a method for quantitatively evaluating the environmental impact of a product over its whole life cycle), and are advancing environmentally conscious product development by evaluating design items that require attention in terms of energy efficiency, reduction of environmental impact, and resource recycling.

### Evaluation Items for Environmentally Friendly Products

- 1) CO<sub>2</sub> emissions reduction design**  
Designs that seek to reduce energy consumption in manufacturing and improve energy conservation performance during use in order to reduce CO<sub>2</sub> emissions from production and use.
- 2) 3R design**  
Designs that take into consideration the "3Rs" of resource recycling (reduce, reuse, recycle), facilitating ease of recycling while offering high durability for longer product use, as well as improved maintainability.
- 3) Hazardous substance reduction design**  
Designs that facilitate the reduction and proper management of hazardous substances that can impact human health and the environment during production, use, and disposal.





**Materialities** Activities toward decarbonization

**The Decarbonization Challenge**

In its Medium-Term Management Plan, the BX Group has set the goal of achieving decarbonization by 2050, aiming to contribute to the preservation of the global environment by pursuing a comfortable environment in which people can live in safety and with peace of mind. We have also formulated an environmental Vision, "Blue neXpand 2050: Expanding the Blue Sky into the Future," which clearly defines our vision for the future toward 2050, and the areas in which the Group must work to achieve it. These priority areas have been identified as Climate Change, Resource Recycling, and Coexistence with Nature.

In particular, the Group has identified climate change as one of the key issues to be addressed, and is developing solutions for mitigation and adaptation through the promotion of the eco & disaster prevention business. With regard to decarbonization, an important factor for climate change, the Group announced the BX Group 2050 Declaration of Decarbonization in FY2021, and has begun working on this initiative. The CO<sub>2</sub> reduction target is based on the 1.5°C target in keeping with the Paris Agreement adopted in 2015. It sets a target of a 46.2% reduction (compared to FY2019) by 2030 for Scope 1 and Scope 2, and aims for carbon neutrality by 2050.

Approximately 80% of the CO<sub>2</sub> emitted by the Group's business

activities comes from electricity and gasoline used in business vehicles. The measures to achieve decarbonization are based on thorough energy-saving activities, including the replacement of equipment at production



Part of the solar power generation system at the Oyama Factory

sites, the introduction of high-efficiency lighting, the conversion to 100% renewable energy based on in-house generation and consumption of renewable energy such as solar power, and the switch to eco-cars (HVs, PHVs, EVs, etc.) for business use.

We are currently applying for certification under Science Based Targets (SBT, an international initiative for greenhouse gas reduction targets) and aim to obtain it by the end of FY2022. We will also work proactively to reduce indirect emissions (Scope 3) from procurement and logistics in our supply chain through collaboration with our stakeholders to reduce CO<sub>2</sub> emissions.

**Indicators and Targets**

In order to achieve carbon neutrality by 2050, we have established a reduction target based on the SBT's recommended 1.5°C target, using FY2019 as the base year. For Scope 2, we aim to procure 100% of electricity from renewable energy sources by FY2030, and set a backcast reduction target for Scope 1+2 of 46.2% by FY2030 (compared to FY2019).

Reduction measures in FY2021 focused on switching to high-efficiency lighting (LED) at domestic production sites. We also established a system to provide environmental contribution subsidies to users of HVs, PHVs, and EVs to promote the switch to eco-cars.

As a result of these efforts, FY2021 emissions were reduced by 10% in Scope 1+2 compared to FY2019. The BX Group will continue to advance efforts to reduce CO<sub>2</sub> emissions, aiming to achieve carbon neutrality by 2050.

**FY2050 Indicators and Targets**

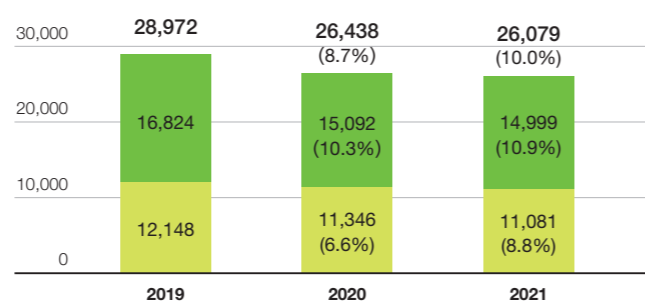
- The BX Group will reduce CO<sub>2</sub> emissions (Scope 1 and 2) from its business activities to net zero
- We will cooperate and collaborate with suppliers to reduce CO<sub>2</sub> emissions throughout the supply chain

**FY2030 Indicators and Targets**

- Scope1+2: A 46.2% reduction (compared to FY2019)
- Scope3: A 27.5% reduction (compared to FY2019)  
Purchased goods and services (Category1)  
Transportation and distribution (Category4)

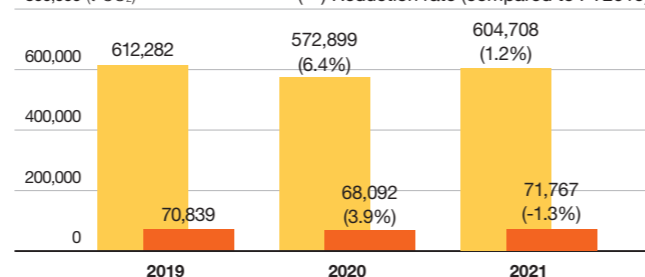
**Actual CO<sub>2</sub> emissions in FY2021**

**Scope1+2** ■+■  
 ■ Scope 1: Direct emissions from own fuel use, etc.  
 ■ Scope 2: Indirect emissions from use of electricity, etc. supplied by other companies  
 40,000 (t-CO<sub>2</sub>) ( ) Reduction rate (compared to FY2019)



**Scope3 (supply chain emissions)**

■ Purchased goods and services (Category 1)  
 ■ Transportation and distribution (Category 4)  
 800,000 (t-CO<sub>2</sub>) ( ) Reduction rate (compared to FY2019)



**Materialities** Supply chain management

In order to support compliance by suppliers with laws, regulations and environmental initiatives, and to promote environmental management throughout the entire life cycle, BUNKA SHUTTER has established procurement guidelines that incorporate environmental items. In addition to conducting supplier surveys and providing opportunities for communication for improvement, the results of the surveys are disclosed on an inter-

nal portal and supplier information is shared with other departments. Furthermore, a new logistics system for working with logistics suppliers will be phased in at each factory to improve logistics efficiency and reduce CO<sub>2</sub> emissions. In order to meet the growing demands of social conditions and society, we will continue to aim for further reduction of environmental impact throughout our supply chain.

**Materialities** Promotion of resource recycling / Waste reduction

The BX Group is committed to minimizing the amount of waste generated in the course of its business activities and to reusing and recycling waste as much as possible.

Each factory at the Group's production sites undertakes zero-emission activities, aiming to achieve zero emissions through the effective use of waste. To date, zero emissions have been achieved and continue to be achieved at seven BUNKA SHUTTER factories (Chitose, Akita, Oyama, Kakegawa, Himeji, Gochaku, and Fukuoka), as well as at BX TR Saitama Factory, BX SHINSEI SEIKI, BX TETSUYA, BX BUNKA PANEL Harima Factory, BX ASAHI KENZAI, BX ROOTES Nara Factory, and BX KOUN.

The BX Group has set a goal of achieving 100% zero emissions at its domestic manufacturing business sites by FY2026, and is expanding its activities as a Group. In FY2021, BX TOHOKU TETSUYA newly achieved zero emissions. We will continue to promote our efforts and contribute to building a waste-free recycling-oriented society through the effective use of resources.

**VOICE**

**Noriyuki Takada**  
 BX TOHOKU TETSUYA  
 Engineering Management Division / Safety and Health Committee Chair



We took on the challenge of zero emissions as one of our efforts to achieve the SDGs. It started with a remote kick-off conference amid the COVID-19 pandemic. It was a very uneasy start for me as the promotion leader because of the many issues I had to deal with. After a detailed examination of the types of waste generated, I found that many more types of waste were generated than I had anticipated. In numerous meetings with waste collection companies, I learned that waste can be reused as a resource in a wide range of forms, and my environmental awareness was heightened. Although communication was limited due to the impact of COVID-19, we were able to achieve zero emissions through thorough separation of waste by taking various measures, such as establishing waste storage areas and displaying photos on collection containers for easy recognition. We will continue to maintain zero emissions in the future.

**Materialities** Biodiversity conservation

**Mt. Fuji Cleanup Activities conducted with alpinist Ken Noguchi**

Since FY2013, the BX Group has been conducting Mt. Fuji Cleanup Activities, in which employees of the Group and its subcontractors can participate with their families. So far, we have collected a total of 11.2t of waste with more than 1,000 participants.

We partnered with NPO Fuji Club to carry out cleanup activities. Through an environmental class led by club Director and alpinist Ken Noguchi, the activities provide opportunities to learn about the current state of Mt. Fuji and related issues. Mr. Noguchi has been involved in the environmental conservation of Mt. Fuji for many years and continues to communicate the need to preserve this symbol of Japan for the future.

BUNKA SHUTTER endorses and continues to support Mr. Noguchi's wide-ranging activities. We will continue to work with Mr. Noguchi to carry out activities that help conserve biodiversity.

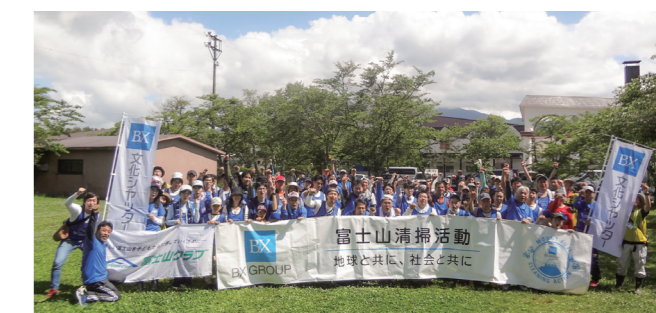
(Due to the COVID-19 pandemic and other circumstances, the Mt. Fuji Cleanup Activities for FY2019-FY2021 were canceled.) We have sponsored Fuji Club in its regular cleanup activities in the form of a commission.



Authorized NPO Peak Aid  
<https://www.peak-aid.or.jp/>



Ken Noguchi Official Website <https://www.noguchi-ken.com/>





## Information disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

A sound earth environment is essential for the Comfortable Environment for people and the earth that BUNKA SHUTTER pursues. Accordingly, we regard how to respond to climate change and other environmental problems as important managerial issues. In October 2021, we expressed our support for the Task Force on Climate-related Financial Disclosure (TCFD). Going forward, based on the TCFD recommendations, we will proactively promote information disclosure regarding the climate change impact on our business activities.



TCFD Disclosure Recommendations	
<b>Governance</b>	Disclose the organization's governance of climate-related risks and opportunities.
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategic, and financial plans.
<b>Risk management</b>	Disclose how the organization identifies, assesses, and manages climate-related risks.
<b>Indicators and Targets</b>	Disclose indicators and targets used in assessing and managing climate-related risks and opportunities.

### Strategy

BUNKA SHUTTER has been tackling environmental issues from various angles, including environmental conservation activities to reduce the environmental impact of our business activities, eco & disaster prevention business, and climate change risk adaptation business. Aiming to contribute to the prevention of global warming, an urgent social issue, we announced the BX Group 2050 Declaration of Decarbonization in May 2021, declaring that we will reduce CO<sub>2</sub> emissions by 46.2% (compared to FY2019) by 2030 and achieve net zero CO<sub>2</sub> emissions by 2050. Furthermore, in May 2022, we formulated the BX Group Environmental Vision "Blue neXpand 2050: Expanding the Blue Sky into the Future," and are actively working to create new value in pursuit of a comfortable environment as well as to prevent global warming in an effort aimed at decarbonization.

We conduct scenario analyses with reference to multiple scenarios published by the Intergovernmental Panel on Climate Change (IPCC) to assess financial and business impact, as well as to evaluate the effectiveness of our strategies against climate change risks and opportunities.

Based on these evaluations, we will further deepen our discussions, including measures to deal with current circumstances, and promote more effective strategies in the future.

#### ● Scenario Analysis

BUNKA SHUTTER recognizes the issue of climate change as both a risk and an opportunity with important impacts on our management and our business strategy. We have analyzed the risks and opportunities associated with climate change in our core shutter and door business under two scenarios, one with a temperature increase forecast of less than 2°C, and one with a warming of 4°C. We have identified transition risks, physical risks, and opportunities under each scenario.

Financial impact analyses were conducted for factors that were assumed to be particularly impactful to the company. For the financial impact analysis, we conducted profit/loss (PL), balance sheet (BS), and cash flow statement (CF) simulations through 2050 under the given assumptions to assess the impact and importance of the identified drivers on the PL, BS, and CF.

Among the results of the assessment of climate-related risks and opportunities based on the scenario analysis, those rated as particularly impactful are as follows:

Name of Scenario	Perspective of the world
<b>Less than 2°C scenario (SSP1-2.6)</b>	Environmental regulations are tightened, and structures built to ZEB and ZEH standards become more popular. Demand for highly energy-efficient products and renewable energy services increases.
<b>4°C scenario (SSP5-8.5)</b>	Environmental regulations remain at current levels, without significant progress in the spread of ZEB and ZEH. Meanwhile, demand for disaster prevention and mitigation products increases due to the increasing frequency of natural disasters.

Evaluation on the degree of impact over businesses and financial affairs

**Big:** Impact on business strategy or financial impact is expected to be large  
**Medium:** Impact on business strategy or financial impact is expected to be moderate  
**Small:** Impact on business strategy or financial impact is expected to be small

Category	Factor	Description	Impact		Response
			2°C	4°C	
Transition risk	Policies, laws and regulations	Carbon taxes and other burdens	Big	Moderate	<ul style="list-style-type: none"> <li>Conversion to renewable energy</li> <li>Advancement of designs for CO<sub>2</sub> emission reduction and 3R</li> <li>Emphasis on environmental initiatives in supplier selection</li> <li>Development of alternative materials, product life extension</li> </ul>
		Change in energy mix	Big	Big	<ul style="list-style-type: none"> <li>Promotion of energy conversion by formulating energy mix policy</li> <li>Further strengthening of environmentally friendly product development and promotion of energy conservation</li> </ul>
	Technology	Transition to low-carbon technologies	Big	Small	<ul style="list-style-type: none"> <li>Development of alternative materials and product life extension</li> <li>Promotion of revenue generation through maintenance</li> <li>Building a cooperative framework with suppliers for decarbonization</li> </ul>
Physical risk	Acute	Increased severity and frequency of natural disasters and extreme weather events	Small	Big	<ul style="list-style-type: none"> <li>Risk dispersion by securing multiple suppliers</li> <li>Offering advice to suppliers and shippers on BCP formulation, including capital investment.</li> </ul>
Opportunity	Products and services	Increase in need for products that adapt to the impacts of climate change	Big	Moderate	<ul style="list-style-type: none"> <li>Contribution to the reduction of social losses through the expansion of disaster prevention and mitigation products and stable product supply</li> <li>Enhanced development of products with superior disaster prevention and mitigation performance</li> </ul>

### Risk management

At BUNKA SHUTTER, we regard the issue of climate change as a source of both a risk and opportunity with significant impact on business management. The Sustainability Committee's Climate Change Team monitors and assesses climate change risks and opportunities through various meetings, and identifies important risks and opportunities. The Climate Change Team is led by the CSR Management Department, and includes members from the Corporate Planning Department, Manufacturing Planning Department, Human Resources & General Affairs Department, and Accounting Department.

In identifying climate change risks and opportunities, the Climate Change Team conducts climate change scenario analyses under the leadership of the CSR Management Department. The important opportunities and risks derived from scenario analyses are reviewed by the Sustainability Committee and then reported and recommended to the Meeting of Managing Operating Officers and the Board of Directors.

Estimations of financial impact in the scenario analyses are calculated based on certain assumed conditional factors, which are incorporated into the analyses even when the current probability of their occurrence is difficult to judge. The Climate Change Team considers factors thought to have a certain degree of heightened probability in light of the future economic climate and climate change efforts in Japan and around the world. Its role includes advising the Meeting of Managing Operating Officers and the Board of Directors on these matters based on the deliberation in the Sustainability Committee so that they can be concretely incorporated into business plans.



# G Together With Growth



Materialities

## Promotion of corporate governance

### Basic approach

Our basic approach to corporate governance is to enhance the function of management checks and to maintain and continue fairness from the perspective of further improving management transparency in order to achieve business activities that meet the expectations of our stakeholders, including shareholders, investors, customers, business partners, and members of local communities. In order to do so, we are strengthening and enhancing our corporate governance system and disclosing information in a timely and accurate manner.

In addition, as the Corporate Governance Code is applied to listed companies on the domestic stock exchanges, we will appropriately put it into practice. We agree with the concept of enhancing corporate value through sustainable growth while contributing to the development of stakeholders and the economy as a whole, and will work to further strengthen our corporate governance.

### Outline of corporate governance structure

Under our corporate organizational structure that includes an Audit and Supervisory Committee, the Board of Directors supervises management, and the Company has adopted the Operating Officer System that separates management supervisory from business execution.

At the time of publication of this report, the management structure consisted of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members), 5 Audit and Supervisory Committee Members (including 4 Outside Directors), and 25 Operating Officers including 6 serving concurrently as Directors.

The Audit and Supervisory Committee members audit the Board of Directors, Directors and Operating Officers from the

perspective of legality and appropriateness, including the status of the development and operation of the internal control system from a standpoint independent of the Board of Directors.

We have also established a Meeting of Managing Operating Officers chaired by the Representative Director and President, which deliberates important matters including Board of Directors agenda items, in accordance with the Company's bylaws. The Meeting of Managing Operating Officers consists of the Representative Director and Officer in charge of Management Operations, Officer in charge of Sales, Officer in charge of Manufacturing, and Officers in charge of Design, Construction, New Business and Product Development.

### Board of Directors

A total of nine Board of Directors meetings were held in FY2021. In accordance with laws and regulations, the Articles of Incorporation, the Board of Directors regulations, and other internal rules, the Board of Directors passes resolutions on important matters such as those related to the General Meeting of Shareholders, important organizational and personnel matters, financial results, and important matters concerning assets, etc. For the purpose of clarifying the structure of management responsibilities and accelerating decision making, the Board of Directors delegates authority over its resolutions to each responsible director.

As of August 2022, our Board of Directors consists of 12 members: 7 Directors who are not Audit and Supervisory Committee Members, who are from within the Company, are familiar with our business, and are capable of making prompt and appropriate decisions based on the characteristics of our business, and 5 Directors who are Audit and Supervisory Committee Members, including 4 independent Outside Directors.

### Election of Independent Outside Directors

	Experience and insight	Status of activities
Takao Iina	As the former Representative Director and Senior Executive Vice President of TOKYU CONSTRUCTION CO., LTD. Mr. Iina has extensive experience as a corporate executive primarily in the construction industry and brings to bear a high degree of insight based on that experience.	He provides advice and recommendations to ensure the adequacy and appropriateness of decision-making by the Board of Directors and Audit and Supervisory Committee, mainly by expressing his opinions based on his experience as a manager at other companies.
Shozo Fujita	Mr. Fujita has held various important positions as a prosecutor, including Superintending Prosecutor of the High Public Prosecutors Office. After retiring from the office, he worked as an attorney at law, and has a wealth of knowledge and a high degree of insight in the legal field.	To ensure the adequacy and appropriateness of decision-making by the Board of Directors and Audit and Supervisory Committee, he offers statements and expresses opinions from the standpoint of a legal expert, and provides advice and recommendations for the establishment of internal control systems.
Kazufumi Abe	Mr. Abe is a former employee of UACJ Corporation, where he gained extensive work experience, including as a Full-time Statutory Auditor.	He provides advice and recommendations to ensure the adequacy and appropriateness of decision-making by the Board of Directors and Audit and Supervisory Committee, mainly by expressing his opinions based on his extensive business experience at other companies and his work experience as an auditor.
Yoshihiko Hayasaka	As a former Director and Senior Managing Operating Officer of Maeda Corporation, Mr. Hayasaka has acquired extensive experience as a corporate manager primarily in the construction industry, and offers a high degree of insight based on that experience.	He provides advice and recommendations to ensure the adequacy and appropriateness of decision-making by the Board of Directors and Audit and Supervisory Committee, mainly by expressing his opinions based on his experience as a manager at other companies.

### Assessing the Effectiveness of the Board of Directors

BUNKA SHUTTER conducted a self-evaluation of the effectiveness of the Board of Directors meetings held in FY2021 by administering a 46-item questionnaire to all Directors in office as of March 31, 2022. It consisted of six topics: Composition of the Board of Directors, Operation of the Board of Directors, Support System for Directors, Directors' Own Efforts, Audit and Supervisory Committee, and Summary.

The results of self-evaluations by each Director indicated that the Board of Directors generally functioned appropriately. In analyzing and evaluating the Board's effectiveness, we reaffirmed the need to further increase that effectiveness by, for example, further enhancing reporting and discussions on the progress of the Medium-Term Management Plan and capital cost-related issues.

Based on the results of each Director's self-evaluation and opinions, we will strive to further improve the effectiveness of the Board of Directors by continuously working to resolve issues that have been identified, and reviewing the effectiveness evaluation items, as well as by having Directors themselves raise issues and stimulate discussion.

### Nomination/Remuneration Committee

In August 2021, BUNKA SHUTTER established the Nomination/Remuneration Committee as an advisory body under the Board of Directors to strengthen the independence, objectivity, and accountability of the Board's functions regarding the selection and dismissal of Directors and decisions on remuneration.

The Nomination/Remuneration Committee consists of at least three Directors selected by resolution of the Board of Directors, a majority of whom are Independent Outside Directors. The chairperson of the committee is selected from among its members by resolution of the Nomination/Remuneration Committee.

### Independence and Diversity of Outside Directors

BUNKA SHUTTER has not established its own criteria or policy for the election of Outside Directors. Appointments are made in accordance with the Companies Act and other laws and regulations, as well as the independence standards of the Tokyo Stock Exchange.

The four Independent Outside Directors have a wealth of experience in their respective fields and a high level of insight based on their experience. They contribute to strengthening corporate governance by providing advice on the Company's business activities and ensuring the validity and appropriateness of the Company's decision-making process.

### Preparation of English versions of disclosure documents, etc.

In order to further enhance the supply of information to foreign shareholders and investors, BUNKA SHUTTER prepares English versions of the Notice of Convocation of the General Meeting of Shareholders (including business reports and reference materials), the Annual Securities Report, quarterly financial statements, semiannual financial results briefing materials, and part of the timely disclosure materials, etc., disclosing them as appropriate.

In addition, we recognize the importance of creating an environment conducive to the exercise of voting rights by foreign shareholders. We participate in the electronic voting platform operated by ICJ, Inc., work on the early disclosure and dispatch of shareholder meeting materials, and will continue to enhance the provision of timely and accurate information.

### Conduct of audits by Audit and Supervisory Committee members and internal audits

As a Company with an Audit and Supervisory Committee, BUNKA SHUTTER further strengthens the audit function of the Board of Directors by, for example, allowing Directors who are Audit and Supervisory Committee members to have voting rights at the Board of Directors meetings. Consisting of five Directors who are members of the Audit and Supervisory Committee, including four Independent Outside Directors, our Audit and Supervisory Committee audits the execution of Directors' duties in terms of legality and appropriateness for the purpose of ensuring the transparency of management.

Audit and Supervisory Committee members attend meetings of the Board of Directors and Meeting of Managing Operating Officers, as well as important internal meetings related to sales and manufacturing, and inspect important documents. To strengthen the Group's governance system, the Audit Office of the CSR Management Department and the Corporate Planning Department work together to conduct audits of the overall execution of duties, including on-site inspections (and remote audits) of Group companies, including those overseas.

In addition, the Audit Office of the CSR Management Department and the Operations Department of the Business Division systematically conduct internal audits of business divisions, branches, factories, and sales offices. The Audit and Supervisory Committee, the Internal Audit Department, and the Accounting Auditor form a three-party auditing structure to exchange information and opinions from time to time to ensure the effectiveness of audits.

### Status of the Internal Control System

In order to ensure that the execution of duties by Directors and employees of the Company and its subsidiaries complies with laws, regulations and the Articles of Incorporation, the Board of Directors has established a basic policy for the establishment of an internal control system in accordance with Article 362, Paragraph 4, Item 6 of the Companies Act and each Item of Article 100 of the Enforcement Regulations of the Companies Act. The Company has established a system to ensure that all officers and employees of the Company and its subsidiaries achieve efficiency, fairness, legal compliance, and asset protection in all business operations.

### Strengthening compliance

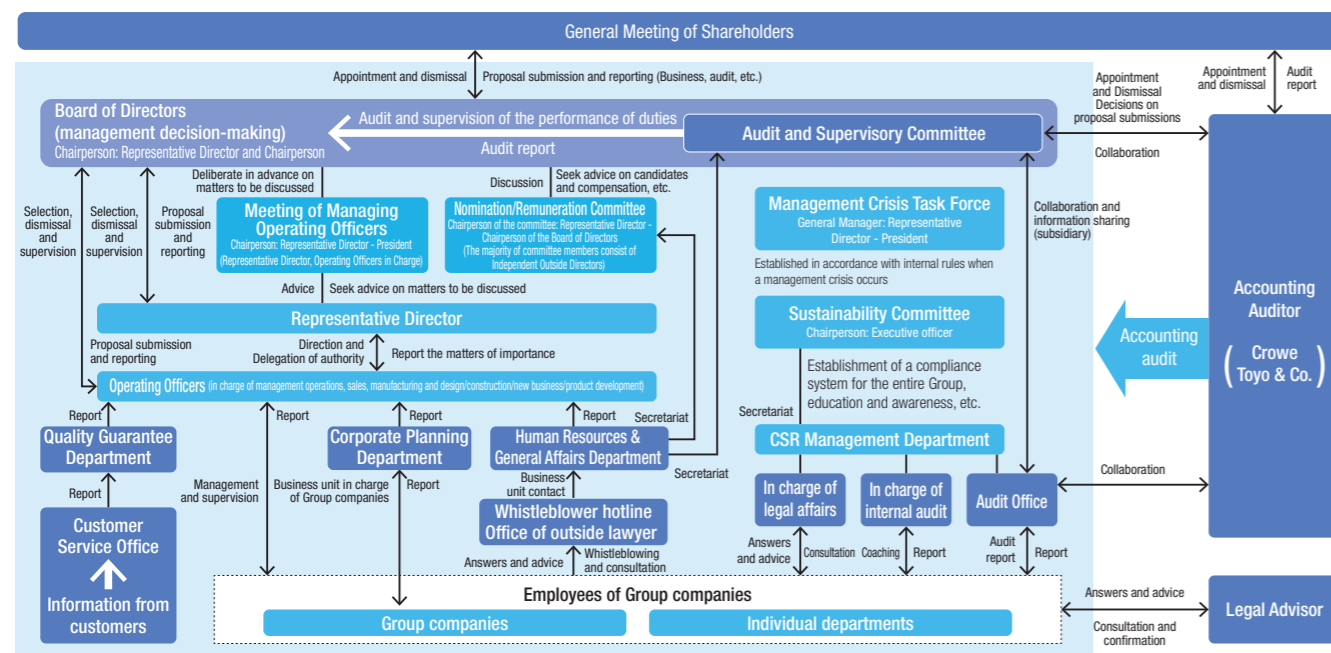
The BX Group has established CSR Guidelines that set forth rules to be followed to ensure that each and every one of our employees not only complies with laws and regulations, but also acts in accordance with social norms and corporate ethics. Every employee is given a compact-sized CSR Charter Handbook to carry at all times to encourage compliance-conscious behavior, and e-learning and video livestreams of various laws and regulations are offered to provide easy learning opportunities and raise employee awareness.

In addition, we conduct compliance training for new employees, mid-career hires, and newly appointed managers, as well as for Group companies, in an effort to create a culture that does not tolerate misconduct at the organizational level. In order to establish a compliance auditing system that quantifies the degree to which compliance is pervasive and establishes evaluation criteria, we conduct periodic company-wide surveys of the actual status of compliance and use them as a reference for education and the establishment of evaluation criteria.

We will continue to promote the creation of an environment to prevent compliance violations in an organized manner.



Outline of Corporate Governance System



Director Skills Matrix

BUNKA SHUTTER recognizes that the current structure is of an appropriate size for effective discussion and decision-making by the Board of Directors. In addition, from the standpoint of ensuring diversity and expertise on the Board of Directors, the Board is composed of an appropriate number of Directors, appointed with consideration for a balance of personnel who can demonstrate strength in management in each business field and personnel suitable for maintaining and improving compliance and administration, such as by selecting persons with management experience at other companies, legal experts, etc.

Our Company has prepared the following skills matrix, which lists the balance and diversity of knowledge, experience, and abilities required of each Director in light of the Company's management strategy.

Name	Name of position	Responsibilities	Business management	Industry knowledge and expertise	ESG	Legal affairs Compliance Risk management	Human resources and labor Human resource development	Finance and accounting Financing M&A	Sales Marketing	Product development Manufacturing Quality management	International experience International Business Department
<b>Toshihiko Shiozaki</b>	Representative Director - Chairperson	Chairperson of the Board of Directors (overall Group)	●	●	●	●	●	●	●	●	
<b>Hiroyuki Ogura</b>	Representative Director - President Executive President	(overall management)	●	●	●	●	●	●	●	●	
<b>Yoshinori Shimamura</b>	Director Senior Managing Operating Officer	In charge of design, construction, new business and product development	●	●	●				●	●	●
<b>Yoshinori Fujita</b>	Director Managing Operating Officer	In charge of sales	●	●	●				●		
<b>Mitsuru Mita</b>	Director Managing Operating Officer	General Manager, East Japan Business Division	●	●	●				●		
<b>Haruhiko Ichikawa</b>	Director Managing Operating Officer	In Charge of Management Operations	●	●	●	●	●	●			
<b>Hiroki Yamasaki</b>	Director Senior Operating Officer	General Manager, West Japan Business Division	●	●	●				●		
<b>Nariyuki Matsuyama</b>	Director Full-time Audit and Supervisory Committee Member	Audit and Supervisory Committee Chairperson	●	●	●	●		●		●	
<b>Takao Iina</b>	Outside Director Audit and Supervisory Committee Member	(Independent Officer)	●	●	●				●		
<b>Shozo Fujita</b>	Outside Director Audit and Supervisory Committee Member	(Independent Officer)	●	●	●	●					●
<b>Kazufumi Abe</b>	Outside Director Audit and Supervisory Committee Member	(Independent Officer)	●	●	●	●	●			●	
<b>Yoshihiko Hayasaka</b>	Outside Director Audit and Supervisory Committee Member	(Independent Officer)	●	●	●				●		

Director - Audit and Supervisory Committee Member



**Toshihiko Shiozaki**  
Representative Director - Chairperson  
2007 Director - Senior Operating Officer  
2012 Director - Senior Managing Operating Officer  
2016 Representative Director - President Executive President  
2021 Representative Director - Chairperson (current)



**Hiroyuki Ogura**  
Representative Director - President Executive President  
2011 Director - Senior Operating Officer, General Manager, West Japan Business Division  
2018 Director - Managing Operating Officer in Charge of Sales  
2021 Representative Director - President - Executive President (current)



**Yoshinori Shimamura**  
Director Senior Managing Operating Officer In Charge of Design, Construction, New Business, Product Development  
2011 Director - Senior Managing Operating Officer in Charge of Product Development - Product Development Department Manager  
2018 Director - Managing Operating Officer  
2021 Director - Senior Managing Operating Officer (current)



**Yoshinori Fujita**  
Director Managing Operating Officer In charge of sales  
2014 Operating Officer and Kyushu Branch Manager  
2017 Director - Senior Operating Officer General Manager, West Japan Business Division  
2021 Director - Managing Operating Officer (current)



**Mitsuru Mita**  
Director Managing Operating Officer General Manager, East Japan Business Division  
2014 Representative Director - President, BUNKA SHUTTER SERVICE CO., LTD.  
2018 Director - Senior Operating Officer  
2021 Director - Managing Operating Officer (current)



**Haruhiko Ichikawa**  
Director Managing Operating Officer In Charge of Management Operations  
2013 Operating Officer - Human Resources & General Affairs Department Manager  
2018 Director - Senior Operating Officer  
2021 Director - Managing Operating Officer (current)



**Hiroki Yamasaki**  
Director Senior Operating Officer General Manager, West Japan Business Division  
2015 Operations Department Manager, West Japan Business Division  
2017 Operating Officer - Sales Planning Department Manager  
2019 Director - Senior Operating Officer (current)



**Nariyuki Matsuyama**  
Director Full-time Audit and Supervisory Committee Member  
2013 CSR Management Department Manager  
2015 Operating Officer - CSR Management Department Manager  
2021 Managing Operating Officer - CSR Management Department Manager Director (Full-time Audit and Supervisory Committee Member, current)



**Takao Iina**  
Director Audit and Supervisory Committee Member  
2010 TOKYU CONSTRUCTION CO., LTD. Representative Director - Senior Executive Vice President  
2015 BUNKA SHUTTER Director  
2017 Director (Audit and Supervisory Committee Member, current)



**Shozo Fujita**  
Director Audit and Supervisory Committee Member  
2010 Superintending Prosecutor of the Nagoya High Public Prosecutors Office  
2016 BUNKA SHUTTER Auditor  
2017 Director (Audit and Supervisory Committee Member, current)



**Kazufumi Abe**  
Director Audit and Supervisory Committee Member  
2010 Sumitomo Light Metal Industries, Ltd. (UACJ Corporation Managing Operating Officer - Deputy General Manager, Corporate Administration Division)  
2013 Sumitomo Light Metal Industries Full-time Statutory Auditor  
2016 BUNKA SHUTTER Corporate Auditor  
2017 Director (Audit and Supervisory Committee Member, current)

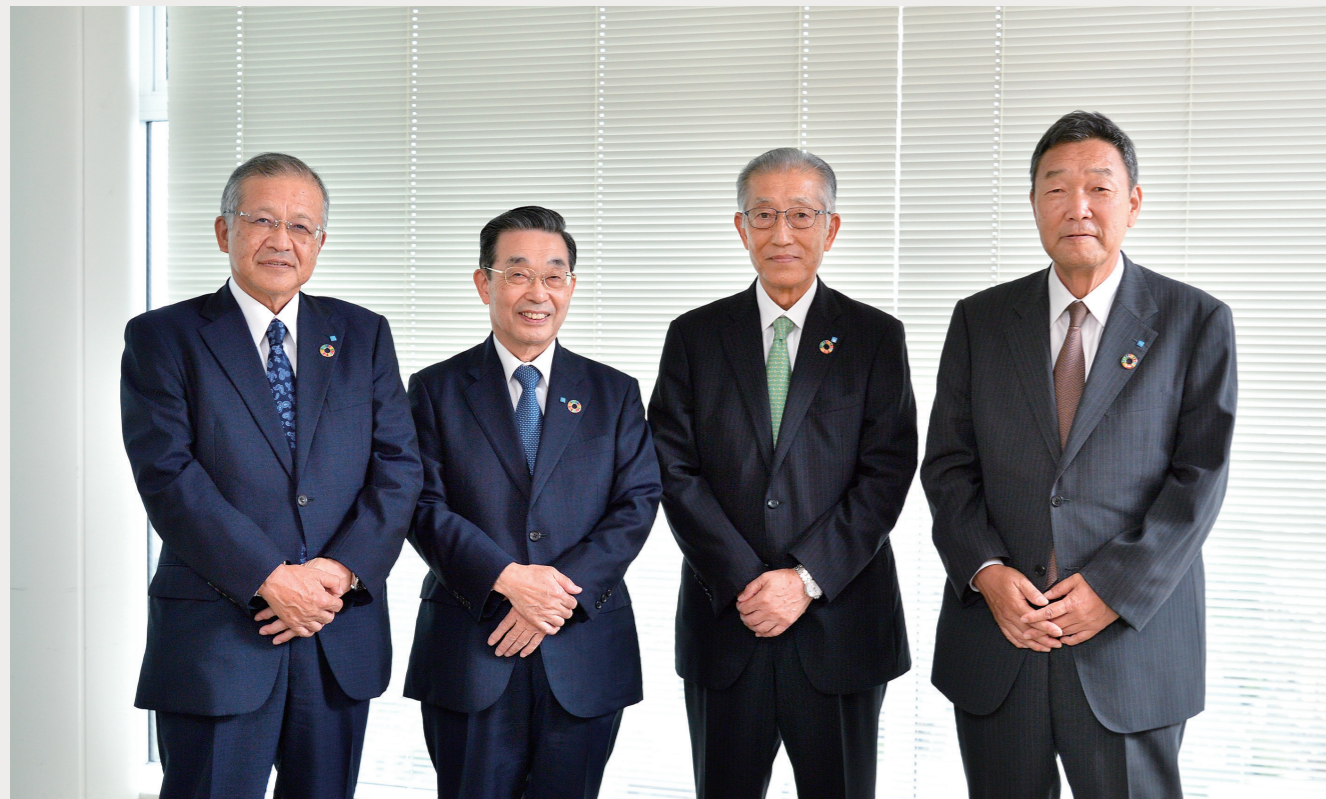


**Yoshihiko Hayasaka**  
Director Audit and Supervisory Committee Member  
2012 Maeda Corporation Director - Senior Managing Operating Officer  
2017 FBS Miyama Inc. (now FBS CO., LTD.) Board of Directors Chairperson  
2021 BUNKA SHUTTER Director (Audit and Supervisory Committee Member, current)



## Recommendations from Outside Directors

BUNKA SHUTTER transitioned to a Company with Audit and Supervisory Committee in 2017, promoting governance with a stronger supervisory function. We recently held a roundtable discussion with four Outside Directors who serve as Audit and Supervisory Committee Members and received a variety of opinions on the overall vision of the Board of Directors and sustainable management.



(COVID-19 infection prevention measures were taken and masks were worn during the discussion.)

### The ultimate goal of governance is to increase corporate value through value creation.

BUNKA SHUTTER has been working to strengthen its corporate governance over the past several years. Since we are a Company with Audit and Supervisory Committee, I emphasize oversight from an outside perspective, drawing on my experience as a corporate manager.

When I first became an Outside Director, I was somewhat bewildered by the atmosphere of the Board of Directors, which was very different from that of my former company, but I feel that we need to continue the culture that BUNKA SHUTTER has cherished up to now, while at the same time throwing in some perspective that will encourage change in the operation of the Board of Directors.

I believe that the ultimate goal of governance is to increase corporate value through value creation. I believe that it is crucial to strive to satisfy all stakeholders by creating value by leveraging our strengths, and I am confident that we have enough elements to grow the BX brand as an appealing company. I hope that the Directors will take advantage of the expertise and experience of our Outside Directors in a positive sense.



**Takao Iina**  
Director, Audit and Supervisory  
Committee Member



**Shozo Fujita**  
Director, Audit and Supervisory  
Committee Member

### We should place emphasis on strengthening Sustainability Management while maintaining high standards of governance and engaging in constructive dialogue with investors.

There has been no change in the impression I got when I first took office: a commitment to honesty and a focus on quality and customers. I believe that the company has maintained solid management since its inception and has maintained a high level of governance and employee morale.

At Board of Directors meetings, the diversity of skills of Outside Directors has led to more active discussions than ever before, and I feel that the supervisory function over the operating divisions has been strengthened. In the future, I would like to deepen our discussions of the Group's strategic direction and, as an Outside Director, I will work to support appropriate risk-taking by the management team.

Particular emphasis now must be placed on strengthening Sustainability Management while maintaining high standards of governance and engaging in constructive dialogue with investors. BUNKA SHUTTER has identified materialities with an emphasis on ESG

perspectives, and is focused on product development using our technological capabilities, especially in the areas of the environment, disaster prevention and DX. These efforts are not merely a means of meeting SDG targets. We intend to elevate them to the management level. By using them to strengthen profitability and improve capital efficiency, and by working diligently to increase corporate value, we hope to meet the expectations of our stakeholders.

### Practicing management with a sharper shareholder focus and a more proactive approach to Sustainability Management

BUNKA SHUTTER is a company whose backbone is its Corporate Creed and Management Philosophy based on the spirit of service that permeates the entire Group.

In addition to focusing on contributing to the global environment and a comfortable society through the eco & disaster prevention business, I feel that in recent years we have implemented a management approach that is more clearly focused on shareholders and proactive about achieving sustainability.

One of the challenges in strengthening governance is to ensure diversity in core human resources. I believe that education of management candidates is a particularly important issue, and that it is important to enhance horizontal collaboration through individual capacity building and group training. In addition, a Nomination/ Remuneration Committee has also been established in order to ensure objectivity and transparency. I would like to engage in in-depth discussions with the executive committee members in order to nominate truly outstanding individuals in terms of character, insight, experience, and ability to perform their duties.

I anticipate that the promotion of Sustainable Management with an emphasis on dialogue will enable us to carry on the spirit of the Corporate Creed and protect the BX brand for future generations.



**Kazufumi Abe**  
Director, Audit and Supervisory  
Committee Member

### To contribute to the realization of a sustainable society, it is important to have a long-term perspective on the world.

A year has passed since my appointment as an Outside Director. Because my appointment came during the COVID-19 pandemic, I regret to say that in grasping the overall picture of the company, I have not been able to have much contact with the executive and practical divisions of the company, such as the branch offices and factories across the country.

From my experience in managing companies in the construction industry, I would say that the most important thing for a manufacturing company is to strengthen its production base. I believe the time has come for us to look at both the tangible and intangible aspects of future results, including not only decarbonization-related initiatives, but also risk management in the value chain, including human rights and raw materials procurement, as well as strengthening factory maintenance. I think that strengthening our production base will help us fulfill our social responsibility and improve our competitiveness, which is based on our strengths in technology.

As a company, it will always be crucial for us to maintain a stable profit base and financial position. And I believe that, as a company, it is important for us to have a long-term perspective on the world in order to contribute to the realization of a sustainable society.



**Yoshihiko Hayasaka**  
Director, Audit and Supervisory  
Committee Member



文化シャッター

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