

always with you... Achilles



# Achilles Report 2021

Living with Society

# “Living with Society” = “Customer First”


Based on our commitment to putting customers first, we contribute to realizing an affluent society by creating products and providing services that satisfy and inspire our customers.

## History


<p>May 1947 Establish Kohkoku Chemical Industry with capital of 2 million yen. Begin manufacture and sales of rubber products, with the Head Office located in Nihonbashi, Chuo-ku, Tokyo, and a factory in Ashikaga, Tochigi Prefecture.</p> <p>April 1948 Begin manufacture and sales of polyvinyl chloride (PVC) products.</p> <p>March 1951 Relocate the Head Office to Shintomi-cho, Chuo-ku, Tokyo.</p> <p>June 1956 Elevate the Osaka Sales Office to the Osaka Branch, aiming to expand business in the Kansai market.</p> <p>April 1957 Construct the Yamabe Factory (currently the Ashikaga Factory No. 1) in Ashikaga, Tochigi Prefecture.</p>	<p>June 1961 Begin technical cooperation with UK-based ICI for the manufacture of soft polyurethane foam.</p> <p>September 1962 Listed on the First Section of the Tokyo Stock Exchange.</p> <p>January 1963 Successfully manufacture our original Cabron synthetic leather and begin sales.</p> <p>February 1964 Relocate the Head Office to Daikyo-cho, Shinjuku-ku, Tokyo.</p> <p>November 1965 Establish Achilles K.C.I. Corporation in New York, USA. (Absorbed into Achilles USA, Inc. in 1978)</p> <p>July 1969 Construct the Mikuriya Factory (currently the Ashikaga Factory No. 2) in Ashikaga, Tochigi Prefecture. Begin manufacture of industrial materials including automotive interior materials and rigid urethane shells.</p>	<p>February 1973 Incorporate the Hong Kong representative office as a local company (currently Achilles Hong Kong Co., Ltd.).</p> <p>October 1973 Construct the Kansai Factory (currently the Shiga Factory No. 2) in Inukami District, Shiga Prefecture.</p> <p>November 1973 Establish Kohkoku USA, Inc. (currently Achilles USA, Inc.) in Everett, Washington, USA.</p> <p>August 1974 Construct the Bibai Factory in Bibai, Hokkaido.</p> <p>November 1978 Establish the Shiga Factory No. 1 in Yasu, Shiga Prefecture.</p>
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**1940**

**History of Main Products**




1957 Launch sales of Roketto Shoes.




1957 Launch sales of vinyl film for agriculture applications.

**1960**




1967 Launch sales of Mina patterned kids' shoes.


**1970**



1971 Begin production of COSSACKY series using slush molding technique.



1973 Announce first model of ARTLEUM cushion flooring.



1973 Launch sales of Achilles Flarre flame-retardant film for partitions.

1975 Launch sales of Achilles Seiden F anti-static film.

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1980

February 1982 Change the company name from Kohkoku Chemical Industry Co., Ltd. to Achilles Corporation.  
 June 1986 Form technical tie-up with A.S. Creation Tapeten AG of Germany.  
 March 1988 Launch technical cooperation with Tarkett Sommer AG of Sweden for the manufacture of flooring materials.  
 January 1989 Construct the Kyushu Factory in Iizuka, Fukuoka Prefecture.

December 1993 Establish Kunshan Achilles Artificial Leather Co., Ltd. (currently Kunshan Achilles New Material Technology Co., Ltd.) in a joint venture in Kunshan, Jiangsu Province, China, for the manufacture of PVC leather.  
 December 1998 Begin production of the conductive polymer material ST-Poly.

1990

1983 Launch sales of ECCO series.

1985 Launch sales of Flashpal kids' sports shoes.

1985 Launch sales of rotary screen-printed wallpaper.

1991 Launch sales of air tent.

1993 Launch official sales of insulation method using exterior siding.

1998 Launch sales of Achilles Povic series of polyolefin films.

1998 Begin production of the conductive polymer material ST-Poly.

1998 Start operation of non-coating processing unit no. 1, launch sales of new Airion Mumakku foam.

September 2002 Acquire ISO 14001 certification at all seven factories and six group companies in Japan. (As of April 2020: all six factories as well as four group companies in Japan)

October 2002 Establish Achilles (Shanghai) International Trading Co., Ltd. in Shanghai, China, for sales and import/export of Achilles products in China.

February 2004 Begin operations at the No. 2 Factory of Kunshan Achilles Artificial Leather Co., Ltd. (currently Kunshan Achilles New Material Technology Co., Ltd.)

December 2005 Open the Achilles Technical Center at Ashikaga Factory No. 1 in Ashikaga, Tochigi Prefecture.

November 2006 Acquire 100% of the shares of Sanshin Enterprises Co., Ltd. and make it a wholly owned subsidiary.

2000

2002 Launch sales of Protos Carrier wafer carrier systems.

2002 Launch sales of Bioflex Multi biodegradable films.

2003 Launch sales of Syunsoku kids' sports shoes.

2003 Launch direct sales of Achilles Joint pipe connections.

2006 Announce Tn-p method for tunnel repair work.

October 2007 Install the latest manufacturing facilities in Ashikaga Factory No. 1 for the production of environmentally friendly synthetic leather for automotive interiors. All business divisions acquire ISO 9001 certification.

February 2008 Establish Achilles Advanced Technology Co., Ltd. in Taiwan to meet demand from expanding production in the semiconductor market.

April 2008 Establish a sales office of Achilles USA, Inc. in Detroit, Michigan, USA.

March 2009 Conclude a partnership agreement with Itochu Corporation for the Syunsoku shoes brand.

February 2015 Relocate the Head Office to Kita-Shinjuku, Shinjuku-ku, Tokyo.

May 2019 Establish Achilles (Foshan) New Materials Co., Ltd. is established in Foshan, Guangdong Province, China.

November 2019 Establish Achilles Retail Corporation.



2008 Launch sales of ACHILLES SORBO series.



2008 Launch sales of Q1 Board high-performance heat insulation with heat shielding material.



2010 Launch sales of AIRLON ECO environmentally friendly foam.



2013 Launch sales of ALL DAY Walk pumps offering sneaker-like comfort.



2013 Launch sales of ACHILLES FUNEN CLEAR certified non-flammable films.



2015 Rubber boat Received JIDA Design Museum Selection award for Navi Cargo

## About This Report

### ■ Reporting scope

Achilles Corporation and subsidiaries inside and outside Japan

\*Noted separately when the scope is different

### ■ Reporting period

April 1, 2020–March 31, 2021

### ■ Publication date

Previous report: September 2020 (issued as Achilles CSR 2020)

This report: September 2021

Next report: September 2022 (planned)

\*Published once a year

### ■ Referenced guidelines, regulations, and technical standards

ISO 26000 (social responsibility guidance)

ISO 14001 (environmental management system)

SDG Compass (guide for business action on the SDGs)

International Integrated Reporting Framework

### ■ Editorial policy

The Achilles Group's corporate philosophy states, "Based on our commitment to putting customers first, we contribute to realizing an affluent society by creating products and providing services that satisfy and inspire our customers." As such, we position providing products and services that create feelings of health, comfort, and fun as a key priority for our group. We are also proactively taking steps to conserve energy and reduce global warming through activities that contribute to sustainable social development. We believe that partnering with our shareholders, customers, business partners, employees, and many other stakeholders is essential to addressing these issues. While evaluating our initiatives using ISO 26000 as a guide, we have included detailed information about our group's main CSR activities in this report, categorized under Environment, Society, and Governance (ESG), along with performance data.

\*This report is also available on the Achilles Corporation website, which can be accessed from the QR code on the right and the URL below.

<https://www.achilles.jp/english/csr/>







# Creating comfortable environments for life's activities that are friendly to both people and the environment

*Mamoru Uchida*

President and Representative Director

### Q1 Achilles' mid- to long-term vision (Achilles' business spirit and reason for existence)

In the wake of WWII, our predecessors built our company's foundation under the name Kohkoku Chemical Industry, with the goal of harnessing the power of chemistry to engage in business that contributes to society and ultimately to rebuild the nation. This spirit is carried on today in our corporate philosophy of "Living with Society" = "Customer First."

Questioning why companies exist and why they should exist is an important exercise, and the answer always comes back to people. Using our advanced technological capabilities, we at the Achilles Group pursue innovations in products and services that are close to people's lives in order to create a better society. And as times change, the products and services needed at those times also change. Now and in the future, we will strive to listen intently to customer feedback and move quickly to incorporate this feedback into our products.

We are also focusing on using the capabilities of our group to be useful in natural disasters caused by factors including climate change.

### Q2 Achilles' originality (What makes up Achilles' DNA, including company history)

Achilles started out in the textile industry and created new materials by combining its textiles with rubber and other plastics, which were applied to shoes and vehicle interior materials among other products. Searching for new materials, our predecessors introduced urethane technology from overseas and created cushioned materials, insulation materials and more. Achilles is where it is today as a result of their multifaceted business endeavors. We have a wide range of products and technologies, from shoes to products for semiconductors, and are developing business in healthcare and other fields as well.

Part of Achilles' DNA is to focus in-depth on one business or

technology while also introducing and developing new technologies, and this has resulted in creation of a multilayered business foundation. I too have a background in R&D, and Achilles had the forbearance to allow me to research conductive polymers, something that was completely new to me at the time, which subsequently led to our manufacturing of HDD parts. I believe that many Achilles employees similarly engage in their work with Akiramenaism, which means a determined spirit to never give up.

### Q3 Understanding of the business environment (Both external and internal)

The shoes business is facing a highly challenging environment. One reason for this is the falling birth rate in Japan, which stood at 1.34 (total fertility rate) in FY 2020. The number of babies being born is falling, and reached 840,832 in 2020, the lowest level since record-keeping began in 1899.

Our Shoes Business Group focuses on shoes children wear for outside and inside at school, and in addition to the shrinking market size, famous overseas brands have also entered the kids' shoe market and are ramping up the competition. Moreover, the COVID-19 pandemic has become prolonged, which has prompted changes in consumer behavior that make it more difficult to sell our shoes at brick-and-mortar stores such as department and big box stores. On the other hand, sales from e-commerce and television home shopping programs are seeing sharp growth. In this environment, we have focused on highlighting our presence using original materials only we can offer, including collaborations between our kids' shoe brand Syunsoku and the popular manga and anime series Demon Slayer: Kimetsu no Yaiba, our ACHILLES SORBO line of comfortable leather shoes, and adopting new shock absorbing materials.

In our Plastic Business Group, amid the trend of shifting away from plastic consumption, we have leveraged our plastic processing

technologies to launch products in new markets, including films to guard against spray and splashes and medical-use films. With that, we are also proactively revising our production processes for our traditional products to reduce resource use in addition to utilizing biomass as raw materials and adopting biodegradable resins.

Our Industrial Materials Business Group has seen higher demand for soft urethane used in bed materials and other products as well as rigid urethane used in insulation materials. We are updating our production facilities while also reducing logistics costs through streamlined use of our production sites located throughout Japan.

#### **Q4** Strategy and investment to realize our vision, and future forecast (Understanding of issues, including risks and opportunities)

Our future strategy involves building up our business aimed at decarbonization in society. In our heat insulation materials business for high energy-efficiency homes, we are conducting research to improve the insulating performance of our materials as well as equipping our facilities with the latest equipment. With these investments, we will further increase the stability of our product supply structure. Homes with excellent insulation performance can substantially reduce their energy consumption associated with heating and cooling compared with homes with low insulation performance, thereby reducing their LCCO<sub>2</sub>\*. We will continue to focus on this business as a major growth field.

Among the many social issues where we can and should make efforts, we plan to focus on addressing aging-related challenges (safety in specified facilities and promoting health), measures to mitigate food loss (packaging materials to extend food preservation and insulation materials for refrigerated storage), and cultivation of domestically produced agricultural goods (biodegradable films, heat insulating materials). This involves developing products such as flooring materials that help prevent injury when a person falls, shoes that encourage walking, and biomulch films for agricultural use. Of particular note, we will make capital investments as needed while also conducting joint research with universities on biodegradable and marine-degradable films, which are a development that has also gained momentum globally.

We are actively investing overseas based on the successes we have built up in Japan as well as our good relationships with customers. Our new factory in Foshan, Guangdong Province, China is scheduled to begin mass-production of vehicle interior materials in spring of 2022, and is expected to contribute to improving the domestic procurement rate of our automaker customers in China.

\*Total CO<sub>2</sub> emissions produced throughout the entire life of a building from design and planning to demolition.

#### **Q5** Initiatives of particular focus among ESG initiatives (Mobilizing Achilles' strengths)

Achilles' products and services are a familiar presence in people's lives, and we view this proximity to people as our strength. Our goal as the Achilles Group is to create comfortable environments for life's activities that are friendly to both people and the environment, and we revise our governance structure as necessary in order to strengthen our company foundation among other purposes.

In recent years, society has experienced large-scale earthquakes

as well as natural disasters caused by torrential rains and typhoons thought to be exacerbated by climate change. These events pose a real threat to comfortable living spaces. We are leveraging our technologies and focusing on disaster preparedness to minimize damage in the event of a disaster striking. This business includes development of lifesaving rubber boats and development and manufacture of emergency tents and goods to meet basic needs at emergency facilities (bedding, toilets, temporary bathing units, slippers, etc.).

#### **Q6** Contributions to the SDGs (Specifics of key fields and products of focus, based on our business' characteristics)

The business of the Achilles Group is in plastic processing, and we well understand the global need to shift to decarbonization.

However, we are also well aware of the benefits of plastic, and believe that plastic has a limited role to play in society. Consider, for example, films that are 10% thinner than conventional films but demonstrate the same strength, and plastic containers whose service life can now be extended from five years to ten years. These types of products contribute to reducing current total plastic consumption, which in a sense represents a shift away from plastic.

We have set similar consumption reductions for all the raw materials handled by our group, and also plan to work together with raw materials manufacturers to develop the non-plastic materials that will be used in the future.

#### **Q7** Message to key stakeholders (To shareholders/investors, customers, suppliers, and employees)

As stated in the beginning, when we think about why our company exists, it goes without saying that we want to be needed by society. Our shoes are an indispensable part of school life, we offer materials for vehicle interiors that contribute to reducing the weight of airplane interiors, our medical-use films boast some of the highest quality in the world, and our high-speed rubber boats are an essential part of world-class lifesaving efforts. Our wall coverings contribute to stable homebuilding, our soft urethane bed materials provide ultimate comfort, our insulation materials' performance is world-class, and our semiconductor containers are also recognized globally. We develop various materials made only by us that are used in these and other products, and we have been able to achieve these business successes thanks to the support of all our stakeholders.

We at Achilles are where we are today thanks to applications information received from shareholders and investors, introductions to a wide array of raw materials and technologies from suppliers, and our employees who are determined to deliver the products they make to customers.

It is the capabilities of these employees that will create the new Achilles of tomorrow. I ask you for your continued support of the Achilles Group.

# Value Creation Model

With the globalization of the world economy, conservation efforts to protect the global environment, and occurrence of major natural disasters in Japan and around the world, our social environment is changing at a more rapid pace.

Achilles Group strives to achieve sustainable growth while creating and expanding corporate value based on its corporate philosophy of putting customers first and contributing to realize an affluent society by creating products and providing services that satisfy and inspire our customers.

The COVID-19 pandemic has greatly made us feel the importance of preparing for a disaster.

The Achilles Group promotes disaster control measures through our business while striving to contribute to society.



## Social issues to recognize

Achilles'

### Environment

- Companies are strongly requested to reduce greenhouse gas emissions.
- Initiatives are needed to prevent water and air pollution.
- Initiatives are needed to prevent plastic waste from reaching oceans.
- Initiatives are needed to conserve biodiversity.

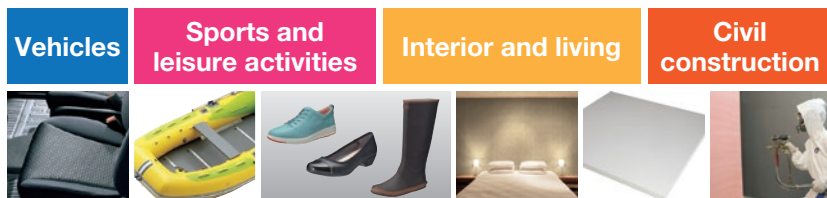
### Social

- Efforts are needed to prevent human rights violations in business activities.
- Initiatives are needed to support issues regarding smaller families and an aging population.
- Promotion of diversity and inclusion is required.
- Contribution to the local community is expected.

### Governance

- Leadership that promotes sustainable growth together with a growth strategy is required.
- Dialogue with stakeholders including timely and appropriate information disclosure is required.
- Fair business practices and risk management are required.
- Cultivation of diverse personnel is required.

## Achilles' business segments

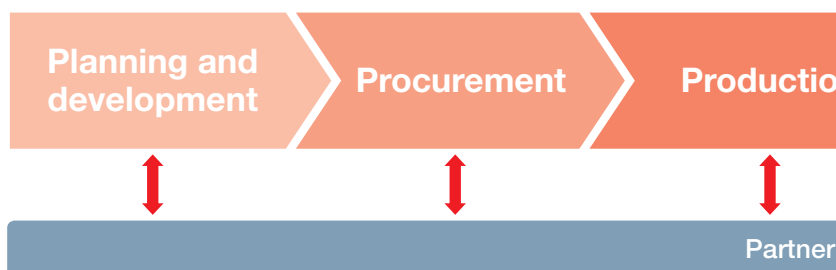


### Achilles' strength

Plastic processing technologies



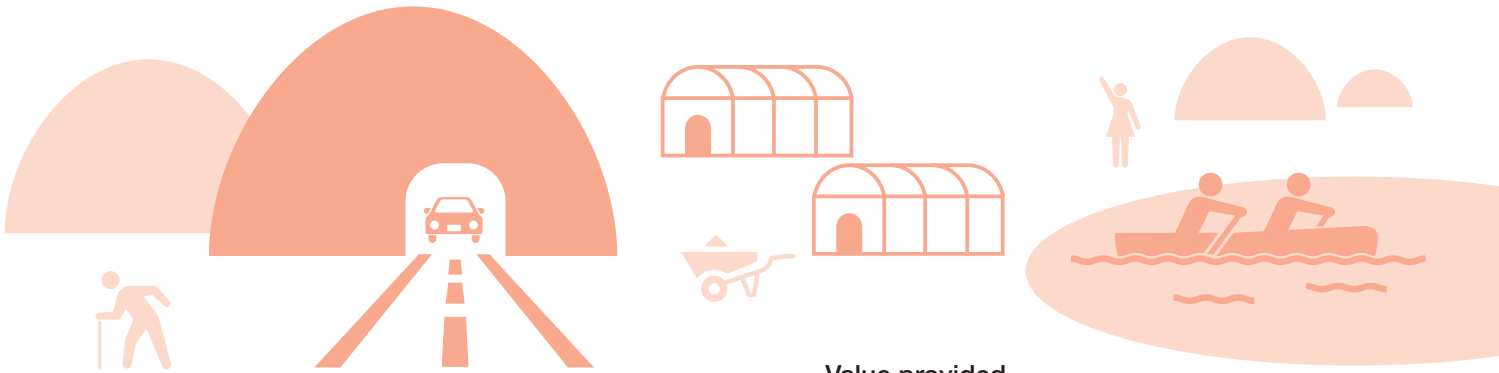
## Achilles' value chain



## Achilles' priority CSR areas

- Provide true satisfaction and inspiration through products and services
- Environmental initiatives
- Collaboration with business partners

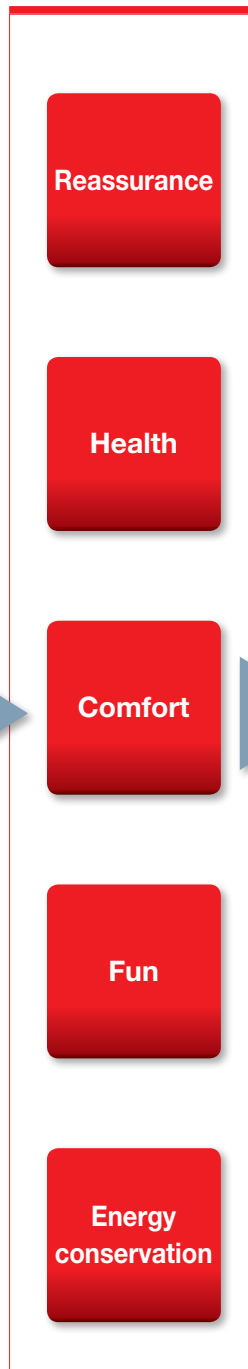




business model



Value provided to customers



Corporate philosophy

**“Living with Society” = “Customer First”**

Based on our commitment to putting customers first, we contribute to realizing an affluent society by creating products and providing services that satisfy and inspire our customers.

Contributing to achievement of a sustainable society  
from a mid- to long-term perspective

## Initiatives of Achilles Technical Center

### Mission of the Achilles Technical Center (Its Role and Future)

We develop various products based on plastic processing technology. In developing new products and technologies, our ideas are always based on our desire to provide our customers with excitement and surprise. Key missions of the Achilles Technical Center are the creation of new value and markets, and the creation of ground-breaking technologies and products.

In April 2018, we established the Basic R&D Group and the Applied R&D Group within the Achilles Technical Center. In April 2021, the Industrial Materials Development Unit, which had been engaged in business division development, was absorbed by the Applied R&D Group to further expand and strengthen our corporate research and development. Leveraging the synergies produced from the combinations of people and technologies, we will continue delivering signature Achilles products with unique properties and performance to everyone.

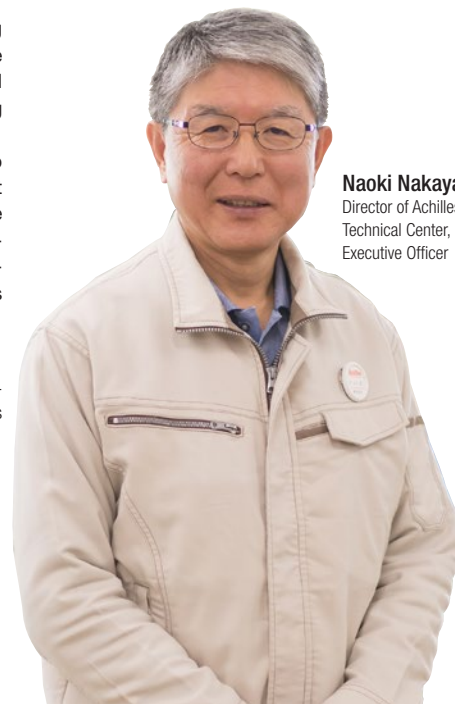
### Core technologies and key areas

Our plastic processing technology uses film-forming, foaming and molding as core technologies, and we aim to develop various new products that contribute to solving issues faced by society using these technologies as a foundation.

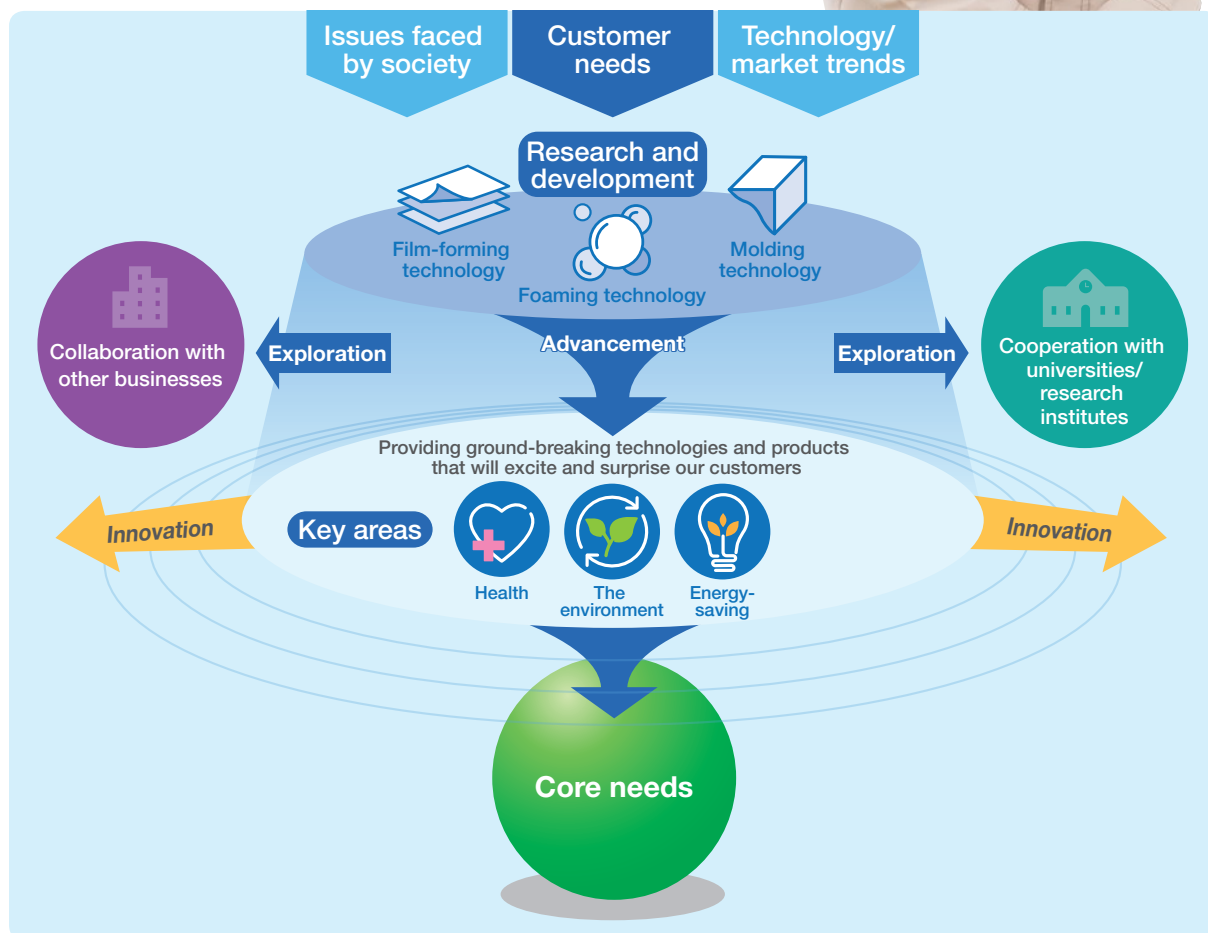
Based on the internal resources of our company, the external environment that surrounds us, and our technological strength and know-how that are without peer, we have defined health, the environment, and energy-saving as our three key areas, and are focusing on these areas as themes to which effort should be devoted in the research and development process.



Laboratory at the Achilles Technical Center



**Naoki Nakayama**  
Director of Achilles  
Technical Center,  
Executive Officer





## Development Example

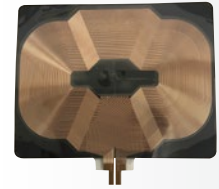
Through collaboration between our core technologies of film-forming, foaming, and molding, we are focusing on the three key areas of health, the environment and energy-saving to create a large number of products.



**Hiroki Ashizawa**  
Deputy General Manager,  
Applied R&D Group,  
Achilles Technical Center

### Collaboration with other businesses

We actively implement joint development that combines our own technologies with technologies of other businesses. Collaborating with other businesses enables us to create products with high added value that did not previously exist. One example is how we have combined new metal plating technology we developed with TDK Corporation's magnetic material technology to create thin, wireless power transfer coils.



Thin, high-performance wireless power transfer coil developed by Achilles Corporation and TDK Corporation



**Kyouhei Oomura**  
Functional Materials Team,  
Applied R&D Group,  
Achilles Technical Center

### From Medifoam for sports applications to Acrofoam for wide-ranging applications

Focusing on the many runners who experience foot and leg pain from running, we developed Medifoam, a polyurethane material for sports shoes that offers both impact resistance and shock absorption. We then took the excellent performance of Medifoam and developed Acrofoam to deploy to a wider range of applications. Leveraging Acrofoam's excellent properties of minimal permanent compression deformation and resistance to sinking, we are developing and making available products that can contribute improvements and solutions to various environmental and social issues.



Hyper Jumper kids' sports shoes featuring an Acrofoam midsole at the forefoot (interior)



**Shuheji Fukuda**  
Section Manager,  
Functional Film Team,  
Applied R&D Group,  
Achilles Technical Center

### Bioflex Multi eco-friendly biodegradable film

Developed using Achilles' film-forming technologies, Bioflex Multi biodegradable agricultural film increases ground temperature and prevents weeds. Since it is broken down by microorganisms into water and carbon dioxide at the end of its life, it also reduces the burden of film collection and disposal, contributing to achievement of a sustainable society. We are also developing films that offer moisture retention and biodegradability control.



Bioflex Multi (white areas)  
\*Available in transparent, black, gray, white and black, and dark green colors



**Kiyotaka Hagiwara**  
Functional Leather Team,  
Applied R&D Group,  
Achilles Technical Center

### Eco-friendly PVC leather

Using our film-forming technology on selected raw materials, we have developed eco-friendly PVC leather with sharply lower levels of volatile organic compounds (VOCs) while maintaining PVC leather's physical properties. Like conventional PVC leather, our PVC leather is 30% lighter compared with natural leather and offers a good balance of product stretch with the ability to also add anti-stain and other performance enhancements. Reducing VOCs lessens environmental load, and the lighter weight than natural leather also contributes to reducing energy consumption when used in automotive and other applications.



Eco-friendly PVC leather



**Junichi Harasawa**  
Section Manager,  
AI Team,  
Basic R&D Group,  
Achilles Technical Center

### Digital transformation (DX) efforts

The AI Team, Basic R&D Group, was established within the Achilles Technical Center in 2018. We have begun an initiative to deploy MI\*1 with the objective of developing products with new properties in a short timeframe. In addition, we are also deploying IoT\*2 in our factories, which is contributing to product property improvements and higher product stability. We continue to regularly examine how we can further improve the quality of the products we deliver to customers using artificial intelligence (AI).

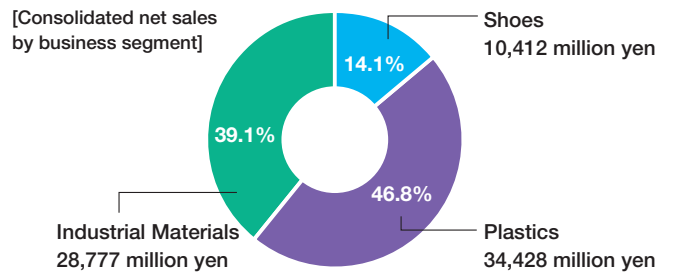
\*1 Materials Informatics. Through the fusion of materials science and data science, the attempt to dramatically shorten the time and lower the cost needed to commercialize products from materials development.

\*2 Internet of Things. The system of connecting various objects to servers and cloud services through a network for the mutual exchange of information.



# Business Segments

Leveraging expertise in plastic processing technologies, Achilles delivers a wide range of products to the world that support people's regular lives as well as industry, from daily necessities to the automotive, medical, agricultural, forestry and fisheries, electric machinery and electronics, and construction and civil engineering fields.



## Shoes Business Group

### Shoes Business Division

[Shoes for kids, men, and women]

Achilles makes shoes with the concept of fusing inspiration and technology to create functional beauty. Since our founding, we have been making shoes to meet market needs based on the technologies we have developed and refined.

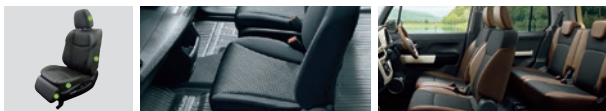


## Plastic Business Group

The Plastic Business Group combines plastics, rubbers and other materials into intermediary and finished products designed for the application and delivers them to customers. The group is also focusing on biodegradable plastics, biomass and antiviral products that address social issues as well as disaster and emergency applications including negative- and positive-pressure air tents and lifesaving boats.

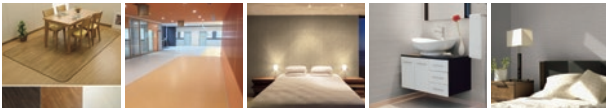
### Automotive Materials Division

[Automotive interior materials, general-purpose PVC leather, synthetic leather, etc.]



### Floor and Wall Coverings Division

[Interior materials for construction]



### Chemical Products Division

[General-use, industrial-use, agricultural-use, and medical-use films, etc.]



### Rubberized Fabric and Marine Sales Department

[Emergency tents, inflatable boats, flexible couplings for residential drain pipes, etc.]

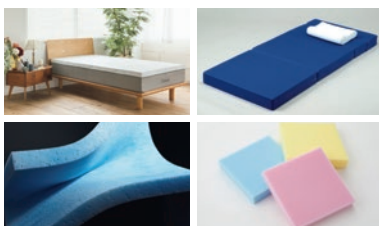


## Industrial Materials Business Group

Leveraging its core technologies in film-forming, foaming and molding, the Industrial Materials Business Group offers environmentally friendly thermal insulation products and foam material products able to be used in a wide diversity of applications. In addition, the group is also focusing on proposing products centered on its conductive technologies for precision instrument applications that meet global market needs, such as electric and electronic devices and medical analysis devices.

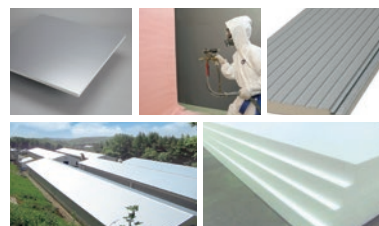
### Urethane Division

[Soft urethane foam products and secondary processed products]



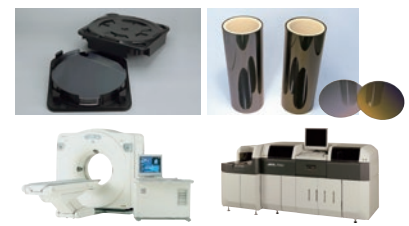
### Heat Insulation Materials Division

[Rigid urethane foam insulation products, rigid urethane foam for on-site foam blowing, polystyrene insulation materials, etc.]



### Industrial Materials Sales Department

[Anti-static products, reaction injection molding (RIM) products, etc.]



## Sales Development Department

The Sales Development Department offers various technologies to address the challenges of age-related infrastructure deterioration including for aging tunnels, and combines Achilles' technologies to propose new solutions that meet market needs.



# Financial Information

## Basic Approach

The Achilles Corporation aims to develop as a company that is constantly striving to enhance its corporate value and demonstrate its worth, while living up to the expectations of our shareholders and investors. We strive to disclose impartial, accurate information to shareholders and investors in an easy-to-understand format in accordance with the requirements of the law and in a timely manner. At the same time, through our disclosure and other Investor Relations (IR) activities, we engage in dialog with shareholders and investors.

## Reports/Interim Reports

Along with releasing information on our website, twice a year we also send shareholders half-year reports containing accessible overviews of our business operations. In addition to descriptions of the business environment and a summary of business performance from the President and Representative Director, the reports contain consolidated financial statements, information on business performance and new products in each business unit, and topics pertinent to the Achilles Group.

We also hold our annual meeting of shareholders each year in June, where we engage in direct dialogue with our shareholders. After the annual meeting of shareholders concludes, we brief shareholders on new Achilles products and technologies and offer opportunities for them to give us feedback directly.



Report for shareholders

## Improving the Rate of Exercising Voting Rights at the General Meeting of Shareholders

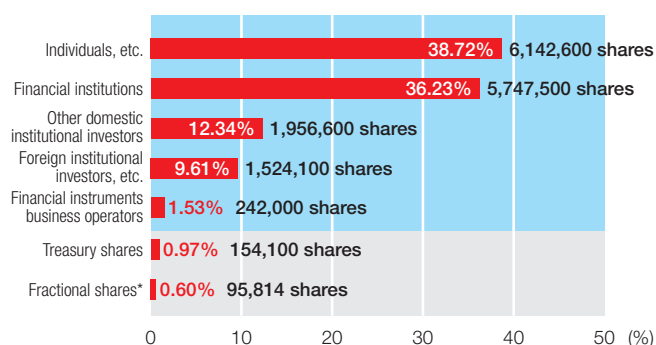
The Achilles Corporation's annual general meeting of shareholders was held in June 2019, and in addition to conventional methods, exercising voting rights was possible via the internet.

## Shareholding Status

[Total shares, etc. \*As of March 31, 2021]

Total number of authorized shares	70,000,000 shares
Total number of outstanding shares	15,862,714 shares
Total number of shareholders	10,088

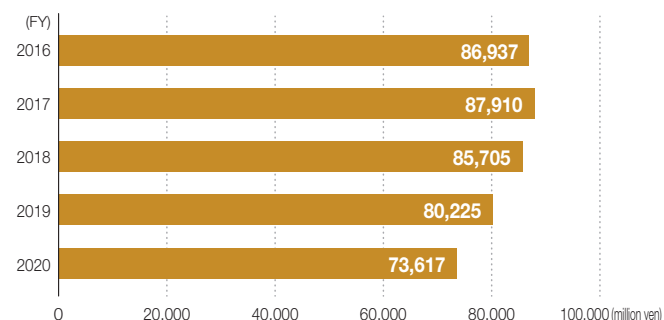
[Shareholding distribution \*As of March 31, 2021]



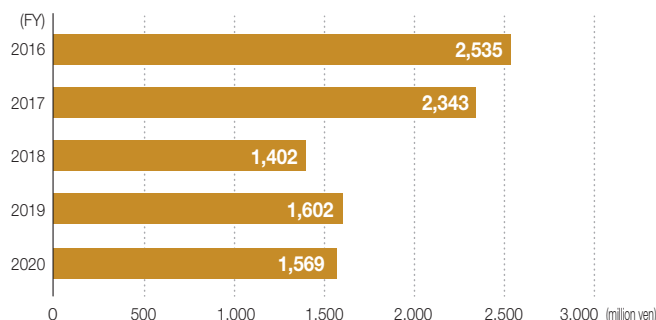
\*Fractional shares are shares of less than one unit (100 shares), and the fractional shares above include 96 treasury shares.

## Consolidated Net Sales & Profit by Fiscal Year

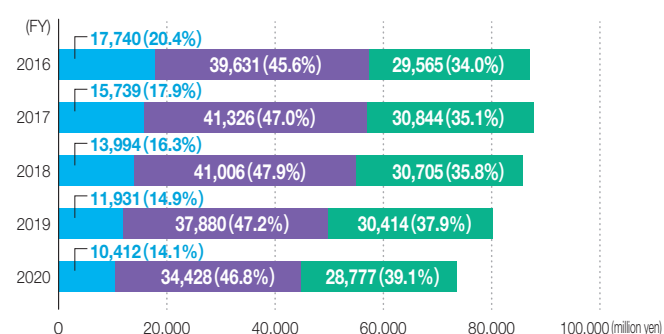
### [Sales]



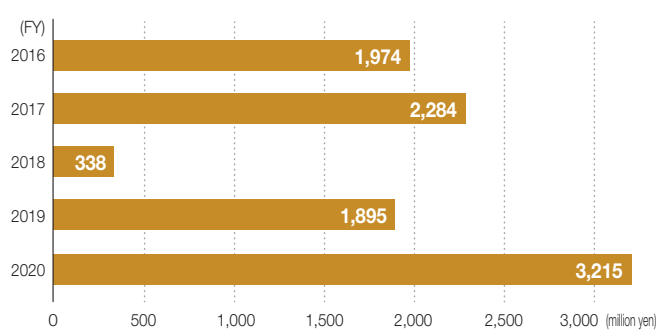
### [Operating income]



### [By segment] Shoes Plastics Industrial Materials



### [Current net income attributable to parent company shareholders]



\*For other financial information and information about our major shareholders, see our securities reports.



# Achilles' CSR

## Basic Approach

We at the Achilles Group strive to be a company that contributes to building an affluent and comfortable society. To do this, we must continue creating new value for our company, society, and the future. With the keywords of reassurance, health, comfort, fun, and energy conservation, we will continue to improve and evolve our plastic processing technologies built up since our founding to provide customers with products that better support their lives as well as inventive products. We implement an ongoing cycle of improvements to earn the trust and meet the expectations of all of our stakeholders.

## CSR Management

### CSR Basic Policy

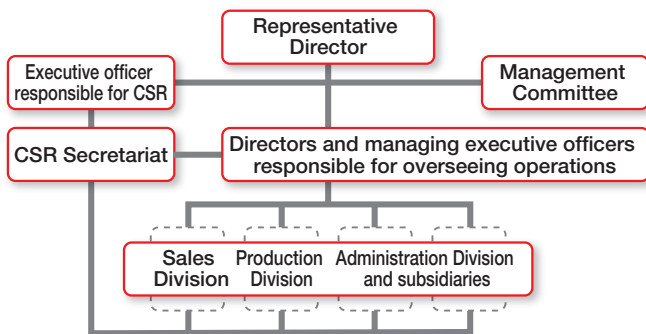
Through dialog with stakeholders as a member of society, the Achilles Group strives to expand its activities aimed at helping to solve social problems, and contributes to the sustainable development of society.

In line with this policy, the Achilles Group carries out its business activities while positioning seven issues as the Achilles Key CSR Themes.

### CSR Promotion System

Achilles Corporation positions the realization of our corporate philosophy—"Living with Society" = "Customer First"—as our CSR strategy; the executive officer responsible for CSR provides support so that the directors and managing executive officers responsible for operational matters can play a leading role in implementing activities that contribute to the realization of this corporate philosophy. The Compliance Promotion Office and the Safety and Environment Promotion Department function as the CSR Secretariat, providing support for CSR activities and compiling related reports.

[CSR promotion system framework]



## Achilles' Stakeholders

Main stakeholders	The Achilles Group's main responsibilities and challenges	Main opportunities for dialog and disclosure
Customers	<ul style="list-style-type: none"> <li>Enhancing customer satisfaction</li> <li>Providing products and services that can be used safely and with peace of mind</li> <li>Providing appropriate information regarding product use, etc.</li> <li>Responding promptly and appropriately to customers' inquiries</li> <li>Implementing appropriate management of customers' personal information</li> </ul>	<ul style="list-style-type: none"> <li>Day-to-day operations (on an ongoing basis)</li> <li>Customer Consultation Office (handling telephone calls and e-mail inquiries) (on an ongoing basis, during business hours)</li> <li>Company website (on an ongoing basis)</li> <li>Special events (including exhibitions etc.) (on an occasional basis)</li> <li>"Sokuiku" consultation sessions</li> <li>"Sokuiku" consultation room (foot measurement and visiting sessions)</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Timely and appropriate disclosure</li> <li>Enhancement of corporate value</li> <li>Respect for voting rights (in relation to the shareholders meeting)</li> <li>Investor relations activities</li> </ul>	<ul style="list-style-type: none"> <li>Company website (on an ongoing basis)</li> <li>Issuing of earnings briefings (four times a year)</li> <li>Issuing of quarterly reports and the annual securities reports (four times a year)</li> <li>Issuing of reports to shareholders (twice a year)</li> <li>Holding of the annual general meeting of shareholders (once a year)</li> <li>Issuing of the "Achilles Report" CSR report (once a year)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair and equitable transactions</li> <li>Open transaction opportunities</li> <li>Requesting collaboration on, and providing support for, CSR promotion</li> <li>Appropriate provision of information</li> </ul>	<ul style="list-style-type: none"> <li>Day-to-day procurement activities (on an ongoing basis)</li> <li>Special events (including exhibitions etc.) (on an occasional basis)</li> <li>Information exchange meetings (on an occasional basis)</li> <li>CSR procurement questionnaire surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Concern for occupational health and safety</li> <li>Promoting work-life balance</li> <li>Mutual trust between labor and management</li> </ul>	<ul style="list-style-type: none"> <li>Labor-management meetings (on an occasional basis)</li> <li>Direct communication from senior management (on an occasional basis)</li> <li>Off-the-job training (on an occasional basis)</li> <li>Safety dojo in manufacturing divisions (on an occasional basis)</li> <li>Seminars (on an occasional basis)</li> <li>In-house magazine</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Respect for local cultures and traditions</li> <li>Prevention of workplace accidents and disasters</li> <li>Activities that make a positive contribution to the local community</li> <li>Reducing the environmental footprint</li> <li>Compliance with laws and regulations</li> <li>Payment of taxes</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of factory visits (on an occasional basis)</li> <li>Implementation of social contribution activities (including volunteering activities) (on an occasional basis)</li> <li>Communication and exchange of views with local government authorities (on an occasional basis)</li> <li>Purchase of J-Credits (once a year)</li> <li>Responding to requests for meetings, and providing information (on an occasional basis)</li> <li>Implementation of dialog, coordination and support through collaboration, etc. between industry, universities and government (on an occasional basis)</li> </ul>

## Sustainable Development Goals (SDGs)

The SDGs are a collection of 17 goals and 169 targets adopted internationally by the United Nations in 2015 to be achieved by 2030. The logos placed in the chart on the next page indicate the goals that the Achilles Group is contributing to through the respective initiatives.





## Achilles Priority CSR Areas

Based on the seven core subjects of ISO 26000, we position our high-priority initiatives as our priority CSR areas.

Social	<b>Provide true satisfaction and inspiration through products and services → p. 13</b> Ensure product safety, implement quality improvements, and pursue manufacturing that meets the needs of society and offers inspiration	
	<b>Collaboration with business partners → p. 18</b> Conduct activities in the entire supply chain including with business partners and promote fair business activities	
	<b>Respect human rights and diversity, and develop global human resources → p. 18</b> Develop global human resources with consideration for human rights and using diverse human resources	
	<b>Safe and healthy workplace environments conducive to work → p. 20</b> Initiatives to create workplaces that allow people to work safely and healthily	
	<b>Community engagement and social contribution activities → p. 22</b> Place importance on communication with local communities and social contribution activities, and make contributions to community development	
Environment	<b>Environmental initiatives → p. 23</b> Initiatives to reduce environmental impacts including from CO <sub>2</sub> , water, and waste, and for environmental conservation including forests and biodiversity	
Governance	<b>Governance/Risk Management → p. 27</b> Strengthen systems to enhance management transparency, implement risk countermeasures	

## Process for Specifying Priority CSR Areas

### (1) Identification of areas

Based on our corporate philosophy, identify items related to social issues (ISO 26000, etc.)

\*Make additions and other revisions according to changes in the external environment

### (2) Ordering of priority

Collect internal and external opinions from the perspectives of resolving social issues through business activities and the positive and negative impacts of our business activities on society, and evaluate priority using a matrix

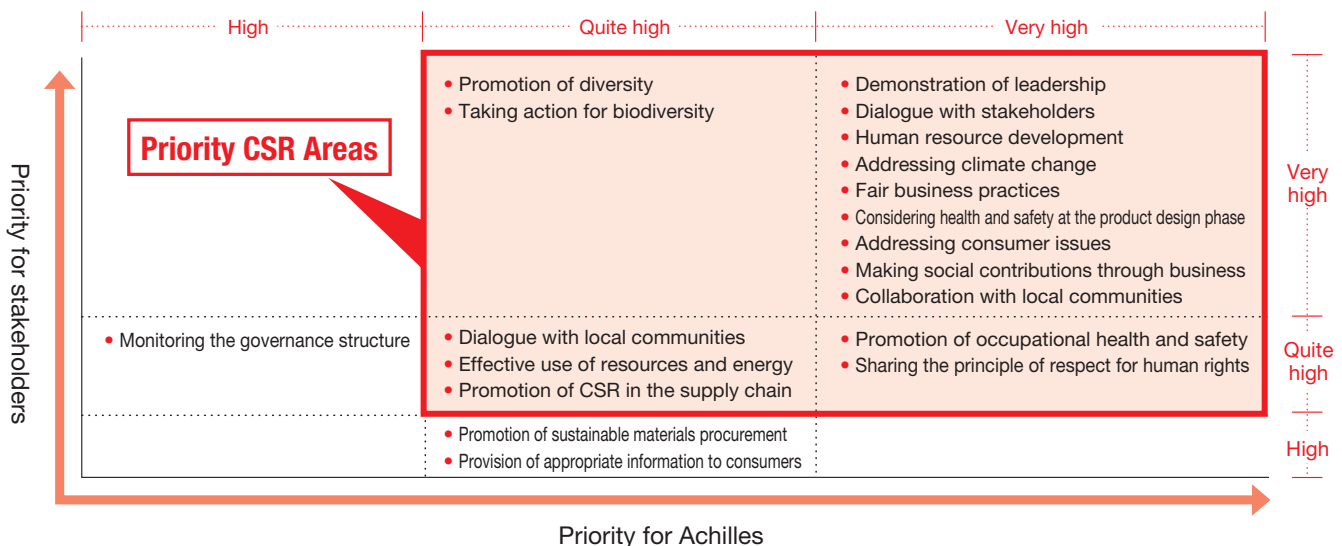
### (3) Specification of priority areas

After deliberation by the members of the Management Committee, incorporating assessments from external directors, and evaluations from outside experts, the issues that should be given priority are sorted through and specified as Achilles priority CSR areas

### (4) Periodic revision

In addition to new social issues that arise with changes in the external and internal environment, periodically review the priority

Order the areas using a priority matrix



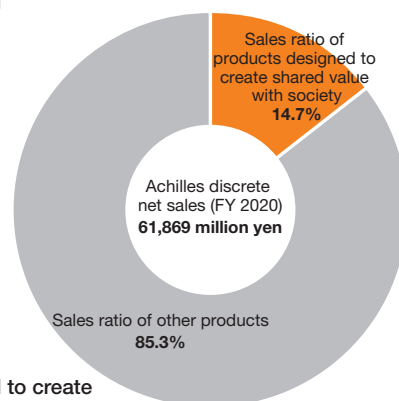
## Provide True Satisfaction and Inspiration through Products and Services

### Initiatives to Create Shared Value with Society

All Achilles products are designed to meet customer needs, and in a broad sense are positioned as solution-type products. However, we define products we develop ourselves or develop in collaboration with customers with the objective of resolving specific, individual social issues as products designed to create shared value with society.

Aiming to achieve a sustainable society, we are working to expand and enhance our products designed to solve social issues, with a central focus on disaster preparedness goods.

[Sales ratio of products designed to create shared value with society (FY 2020)]



### Initiatives for Products Designed to Create Shared Value with Society

#### Infection Control Products

##### Chemical Products Division

###### Antiviral functional films

Achilles Virusafe is an antiviral functional film. Adhesive processing allows Achilles Virusafe to adhere to high-touch surfaces such as doorknobs and touch panels, and is effective at inhibiting the activity of viruses including the SARS-CoV-2 novel coronavirus.

Achilles Splash Prevention Film II is a transparent film with flameproof properties that guards against spray and splashes. Using the film as a partition offers an effective way to reduce the risk of exposure to spray and splashes.

###### Achilles Virusafe

<https://www.achilles.jp/product/manufacturing-facility/film/virusafe/>  
(in Japanese)



Examples of using Achilles Virusafe

Achilles Virusafe used on a touchscreen and a telephone receiver



Example of using Achilles Splash Prevention Film II

###### Achilles Splash Prevention Film II

<https://www.achilles.jp/product/manufacturing-facility/film/splash-prevention/>  
(in Japanese)



##### Rubberized Fabric and Marine Sales Department

###### Negative- and positive-pressure air tents for infectious disease management

Our negative- and positive-pressure air tents for infectious disease management have the ability to reduce the proliferation of viruses and can be set up outdoors at healthcare facilities as a place to receive patients exhibiting fever, and as such are anticipated to reduce the risk of hospital-associated infections.

The large tent is easy to assemble and comes with an air purifier equipped with a HEPA filter that is also able to filter out viruses. By lowering the air pressure inside the tent to below the atmospheric pressure, viruses and other substances are inhibited from spreading outside the tent.



###### Negative- and positive-pressure air tent for infectious disease management

<https://www.achilles.jp/product/medical-lifesaving/lifesaving/medical-tent/>  
(in Japanese)



##### Urethane Division

###### Urethane masks

Immediately after COVID-19 infections began to rise, the shortage of masks became a major problem. With the intention of contributing to society as a materials manufacturer with more than 60 years of experience manufacturing the urethane foam that is also used for masks, we manufactured and sold urethane masks for general consumers that are gentle on ears and made in Japan. Compared with ordinary non-woven masks\*<sup>1</sup>, our urethane masks offer excellent breathability to make it easier to breathe, reduce pollen exposure by 96%\*<sup>2</sup>, and reduce UV exposure by 95%\*<sup>3</sup>. They can also be rinsed and reused\*<sup>4</sup>.

\*1 In comparison with non-woven masks with a three-layer construction

\*2 Findings of Kaken Test Center. Compared with non-woven masks, efficacy at preventing exposure to spray and splashes is not sufficient.

\*3 Achilles' findings

\*4 Completed test of 10 washings by Kaken Test Center



###### Urethane mask with seven times greater breathability

<https://www.achilles.jp/news/2020/1026.html> (in Japanese)



## Eco-friendly Products



### Chemical Products Division

#### Response to ocean plastic pollution

We are participating in CLOMA\*5 and working to develop and market film products made of biodegradable plastic, primarily for agricultural and forestry applications, so that they become widely adopted.

\*5 The Japan Clean Ocean Material Alliance (CLOMA) was established as a platform to strengthen collaboration and accelerate innovation among wide-ranging stakeholders across different industries. In addition to appropriate waste management to reduce marine plastic pollution, CLOMA participants are also strengthening their 3R (reduce, reuse, recycle) efforts for plastic products, and encouraging the development and widespread uptake of plastics with excellent biodegradability as well as alternative materials such as paper.



Japan Clean Ocean Material Alliance

<https://cloma.net/english/>



Biodegradable plastic film for agricultural use

<https://www.achilles.jp/product/agriculture/horticulture/bioflex-multi/> (in Japanese)



### Heat Insulation Materials Division

#### Building energy-efficiency

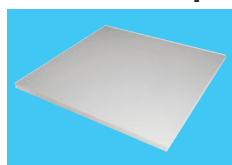
In aiming to realize decarbonization in society, one issue is improving the energy-saving performance of homes and buildings. In the detached home field, reducing CO<sub>2</sub> emissions by approximately 40% is anticipated by 2030 (2013 baseline) by achieving ZEH\*6 on average for newly built homes and improving the heat insulation performance of existing houses.

As part of this, we view developing and achieving the widespread uptake of high-quality heat insulation products as a major mission given to us. As such, we are proactively developing and selling products to meet a variety of needs, which include not only our Q1 Board and Z1 Board high-performance heat insulation materials for homes, but also products such as our Achilles JD Panel and Achilles Juten R able to improve the heat insulation performance of existing homes, which is a challenge.

These products demonstrate excellent heat insulation performance over the long term, and in addition, they also contribute to healthy living by lowering the indoor temperature and thus lowering the risk of heat shock.

\*6 ZEH, or net zero energy houses, achieve dramatically higher energy savings while maintaining the quality of the indoor environment by significantly improving the heat insulation performance of exterior coverings and installing high-efficiency equipment and systems. In addition, ZEH aims to achieve net zero primary energy consumption annually by using renewable energy sources. (From the website of the Agency for Natural Resources and Energy of Japan)

#### [High-performance rigid urethane foam with heat shield material]



Q1 Board



Z1 Board



Achilles JD Panel

#### [Flexible polyurethane foam]



Achilles Juten R being installed

Please see the Achilles website for detailed product information.

<https://www.achilles.jp/product/construction/insulation/> (in Japanese)



## Disaster Preparedness Products



### Rubberized Fabric and Marine Sales Department

#### Lifesaving boats, emergency tents, portable water spraying devices

Japan frequently experiences water and other disasters due to earthquakes and torrential rains. We manufacture and sell rubber boats for use in water rescues during water disasters as well as emergency air tents and other disaster preparedness goods.



Lifesaving boat

<https://www.achilles.jp/product/medical-lifesaving/lifesaving/pro-use-boat/?tab01> (in Japanese)



Emergency air tent

<https://www.achilles.jp/product/medical-lifesaving/lifesaving/emergency-tent/> (in Japanese)



FIRE HUNTER MODEL: FH-01 portable water spraying device

<https://www.achilles.jp/product/medical-lifesaving/lifesaving/fh-01/> (in Japanese)



## Products Supporting the Digital Society



### Industrial Materials Sales Department

#### Products incorporating anti-static technologies

Static electricity countermeasures are essential for the digital transformation of our daily lives, including 5G\*7, AI\*8, and autonomous driving technologies. Even the smallest static electricity issue in semiconductor production processes can result in parts damage and lower quality that impact the performance of the entire device.

The Protos Carrier adds original anti-static technology to our core plastic technologies to prevent damage from static electricity during semiconductor production processes and transportation. The Protos Carrier supports digital technologies that will create more convenience in the future society.



\*7 5th generation cellular communication systems used with mobile phones and other devices.

\*8 Artificial intelligence.

Protos Carrier NA-300LA

<https://www.achilles.jp/product/electronics/packing-materials/> (in Japanese)





## Global Initiatives

### USA

#### Infection Control Initiatives



##### ■ Achilles USA, Inc. (Headquarters)

After the first confirmed case of COVID-19 infection in North America in January 2020, the number of infections rose with alarming speed, and by March, many healthcare facilities were nearing their capacity. At the same time, it was exceedingly difficult to obtain products to help prevent infections.

A local furniture manufacturer received a request from a nearby hospital, and using our\* transparent film, immediately began making face shields. In addition, our\* films were used to make partitions and floor stickers to encourage social distancing, and in collaboration with customers, Achilles USA was able to provide communities with needed products when they needed them.

\*Achilles USA, Inc.



Face shields made with processed transparent film



Floor stickers encouraging social distancing made with our\* processed film

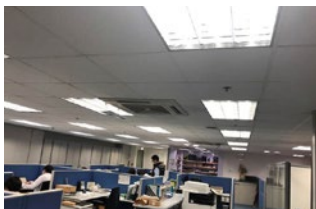
### Hong Kong

#### Energy-saving Initiatives



##### ■ Achilles Hong Kong Co., Ltd.

Based on an employee proposal, in 2018 Achilles Hong Kong replaced its incandescent lighting with LED lighting. Afterward, awareness for the SDGs increased, and it conducted initiatives aiming at building a sustainable environment. In 2019, employees began voluntarily turning off the lights during their lunch break, and in 2020, their actions turned into self-directed activities, including deciding on air-conditioner temperature settings to use. As a result of these activities, expenses for heating and lighting were about 35% less in FY 2020 than prior to FY 2017, and the employees were able to share the results of their activities with each other.



Office with energy-saving LED lighting installed



Stickers to prompt energy saving placed on light switches

### China

#### Donation of Syunsoku Kids' Shoes



##### ■ Achilles (Shanghai) International Trading Co., Ltd.

Each year, Achilles (Shanghai) International Trading donates Syunsoku shoes to impoverished districts and groups in China. In 2020, as the COVID-19 pandemic was spreading around the world, the office of HSK (Chinese proficiency test) in Japan sent boxes of relief supplies with the following Chinese poem included with them: "Land is apart but wind and moon are shared." The poem refers to the bonds connecting people even when they are separated. With the same spirit, Achilles (Shanghai) International Trading donated Syunsoku shoes to orphans in impoverished districts of Guizhou, China.

Syunsoku shoes are based on the concept of "The future is formed from your feet," and like this concept, we are continuing to support children to have a brighter future.



Presenting donations of Syunsoku shoes to orphans in Guizhou (China)

### Taiwan

#### Business Activities amid COVID-19



##### ■ Achilles Advanced Technology Co., Ltd.

In 2020 as the COVID-19 pandemic took hold around the world, our normal face-to-face field sales activities were no longer feasible. Therefore, Achilles Advanced Technology took steps to strengthen inside sales by initiating contact with customers online, including the use of multiple online ads to drive traffic to its website.

It optimized online searches so that customers' search results were more likely to include its website and placed banner ads to advertise exhibitions. As a result, inquiries increased approximately five-fold, leading to actual orders and development projects.

While protecting the safety and wellbeing of customers and employees during the COVID-19 pandemic, Achilles Advanced Technology is drawing on its resourcefulness and innovation to be able to meet customers' needs.



Achilles Advanced Technology website

<https://www.achilles-at.com.tw/>  
(in Chinese)





## Initiatives for Quality Assurance

### Our Approach to Quality

The Achilles Group has formulated the Achilles Action Guidelines, so that all employees will be thoroughgoing in safeguarding product safety and quality. In addition, to provide a solid basis for accurately appraising customer needs and market trends, and to ensure that we can provide products and services that satisfy our customers, nearly all of our group companies in Japan have secured ISO 9001 international quality management system certification. The Achilles Quality Manual stipulates that the divisional manager of each division shall set quality objectives in their capacity as manager responsible for quality assurance, and shall strive to ensure that the Achilles Group provides products and services that can be used safely and with peace of mind.

#### Achilles Group Basic Policy on Quality Assurance

[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-quality\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-quality_en.pdf#view=Fit)



#### [ISO 9001: 2015 registration status]

Registered organization	Year and month of registration	Registration number
Achilles Corporation	April 2003	JUSE-RA-2090
Achilles USA, Inc.	April 1998	33354

\*In FY 2020, ISO 9001 registration of group companies in Japan including subsidiaries was integrated.

### Quality Assurance Framework

Our Quality Assurance Head Office submits proposals where appropriate regarding individual divisions' product planning, development, production and sales processes, and strives to maintain and enhance the quality assurance system.



#### Planning and development

- We undertake product design from the perspective of customer requirements and in terms of safety and peace of mind.
- We implement verification of the safety of raw materials and other materials used (to ensure that our products do not contain chemical substances the use of which is prohibited or restricted, or any substances that could be harmful to human health).
- We implement compatibility testing to verify that the materials used have the required material properties during product processing, installation and use.

- Individual quality assurance departments are entrusted with the task of implementing design review with respect to each product.

#### Procurement

- Working closely with the planning and development and manufacturing departments, our procurement departments investigate whether materials are safe and environmentally friendly, and whether our suppliers have proper quality assurance systems in place, etc., before deciding which items should be purchased during procurement.
- By encouraging our suppliers to comply with the Achilles Group Basic Policy on Procurement, we are extending our CSR measures to include the supply chain as a whole. Furthermore, we do not participate in any unlawful acts in our procurement activities.

#### Production

- By establishing process management and inspection methods appropriate to the production line for each product, we promote efficient production and consistent quality.
- With the aim of reducing the impact on the global environment, we implement activities aimed at combating global warming, saving energy and fostering the "3Rs" (Reduce, Reuse, Recycle), as well as working to help prevent atmospheric pollution, etc.
- We implement education and guidance for all employees, with the goal of enhancing product quality and raising skill levels.
- Quality control activities are undertaken with the participation of all employees, and improvement activities to resolve process and quality problems are conducted.

#### Sales and after-sales service

- Consultations and inquiries from customers regarding our products and services are handled both by individual sales departments and by our Customer Consultation Office. In all cases, we listen carefully to our customers, and endeavor to respond to their needs as promptly as possible.
- When serious, unexpected issues are foreseen, we place our customers' safety first while disclosing information and quickly responding.
- In regard to products featuring environmentally friendly design, we endeavor to ensure that customers can easily compare the environmental benefits of other similar products.

### Quality Improvement Program

Process Patrols (internal audits) verify that process management and inspection methods on the production lines are being carried out appropriately. Working from an independent position, quality assurance departments verify at the production line ("genba") that the reality ("genjitsu") of products produced according to standardized operations is taking place while looking at the actual products ("genbutsu"), including the raw materials. In addition, information about better systems and the latest technologies obtained at other production lines is shared horizontally, and improvement suggestions are made. Improvement suggestions to the production lines are promoted to support the PDCA cycle at production lines and promote quality enhancements.



Process Patrols

## Working Together with Our Customers

### Basic Approach

In line with Achilles' corporate philosophy—"Living with Society" = "Customer First"—we aim to contribute to the realization of a prosperous society by creating products and providing services that will provide our customers with real satisfaction and joy. In order to maintain a clear awareness of customers' manifest and latent needs, we attach great importance to creating opportunities for dialog with customers. As one of the contact windows that fulfil this role, the Achilles Corporation has established a Customer Consultation Office.

### Measures Aimed at Further Enhancing the Quality of Our Handling of Customer Communication

In FY 2020, the Customer Consultation Office received a total of 5,981 telephone calls and e-mails, including both inquiries and comments (around 261 more than the previous fiscal year). While inquiries and comments about our shoe products typically account for the majority of calls and e-mails, we also experienced a higher number of inquiries about our Plastic and Industrial Materials products, and the scope of communication provided by our Customer Consultation Office is expanding as the point of contact for general inquiries about Achilles products.

To improve the support quality of the Customer Consultation Office, starting in FY 2012, we evaluate our support quality via customer questionnaires and implement improvements. This questionnaire uses a five-point scale to evaluate five items: 1. wording and attitude, 2. comfortableness, 3. information and product knowledge, 4. speed, and 5. level of satisfaction. In FY 2012, we started with an overall rating of 4.5 and improved that to 4.9 in FY 2018, but it dropped to 4.8 in FY 2019. After checking the scores monthly for each person in charge and item and implementing improvements while pointing out issues with each other, the overall rating for FY 2020 returned to 4.9. This initiative to allow customers to directly evaluate the business content of one's own department is expected to continue in the future and lead to further improvements in support quality.

### Awareness-raising Activities Targeting University Students

The Achilles Corporation is a member of ACAP\*, which addresses various consumer-related issues. As part of its involvement in ACAP's activities, Achilles Corporation staff members have given online lectures at two universities (Daito Bunka University and Rissho University) on topics including "The Role of the Customer Consultation Office Within the Business Enterprise" and the SDGs. Directed at students who will shortly become working adults, the lectures examined the nature of, and necessity for, sustainable consumption activities from the perspective of both the company employee and the consumer.

\*ACAP: Association of Consumer Affairs Professionals (has approximately 600 corporate members)

#### ACAP

<https://www.acap.or.jp/>  
(in Japanese)



## Strengthening Communication with Customers

We are implementing measures to bring us closer to our customers and to increase the number of contact points.

To be prepared for inquiries about our shoe products in particular, we have been encouraging our customer communication staff to seek Shoe Fitter certification (a specialist qualification relating to shoes and feet); as of March 31, 2021, all four members of our Customer Consultation Office had secured Shoe Fitter certification.

Our existing "Sokuiku ("Foot Education") Consultation Office" program is continuing. In previous years, we provided the Foot Measurement and Counseling service for customers who visit our Tokyo Head Office showroom, and provided visiting lectures about feet and shoes at elementary schools and junior high schools. In FY 2020, due to COVID-19, we had to scale back our services, but we were able to implement 5 visiting lectures with a total of 264 people taking part. Since this project was first launched in FY 2014, we have given a total of 235 visiting lectures, with a cumulative total of 12,530 participants.

In addition, we have taken initiatives to incorporate customer feedback into our products. Based on an e-mail received by our Customer Consultation Office from a sixth-grade female elementary school student,



we started development of a new product that launched in February 2021. Syunsoku Universal Design is a concept product that easy to use for a wide variety of people, regardless of age, gender, or ability.

Syunsoku Universal Design has a wide mouth that opens by opening the fastener.

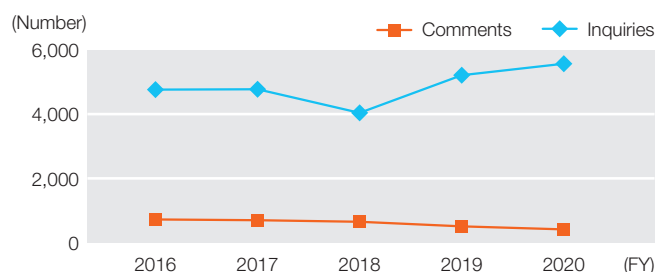


#### Syunsoku Universal Design

<https://achilles-webshop.com/shop/r/rssud/>  
(in Japanese)



### [Number of comments and inquiries received by the Customer Consultation Office]



## Collaboration with Business Partners

### Basic Approach

The Achilles Group adheres to the Charter of Corporate Behavior, striving not only to comply with the requirements of the law but also to behave in an ethical manner, and aiming to build long-term relationships of trust with our suppliers through fair and free transactions and to develop mutually-beneficial relationships based on close collaboration. We have drawn up the Achilles Group Basic Policy on Procurement, and we are extending our measures for fostering environmentally friendly, sustainable procurement and compliance as well as respect for human rights, etc. to cover the entire supply chain.

Achilles Group Basic Policy on Procurement

[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-procurement\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-procurement_en.pdf#view=Fit)



### CSR Procurement

We aim to further increase the efficacy of our CSR activities throughout the entire supply chain. Once a year, we conduct the CSR Procurement Questionnaire with our major suppliers and verify compliance with our basic policy on procurement.

The questionnaire results indicate that suppliers are expanding their compliance management and CSR activities. Through promotion and education activities, we will continue to strive to improve quality throughout the entire supply chain.

(Achilles CSR Procurement Questionnaire contents)

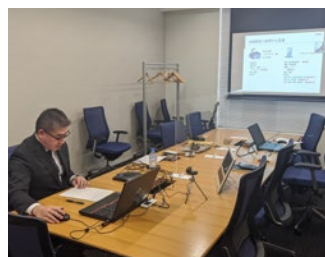
- ✓ Human rights and labor affairs
- ✓ Employee health and safety
- ✓ Actions for environmental conservation
- ✓ Fair business practices and ethical conduct
- ✓ Product safety and quality
- ✓ Information security
- ✓ Social contributions
- ✓ Green procurement



CSR Procurement Questionnaire

### Remote Briefing Session on Procurement Policy

Due to COVID-19, the briefing session on procurement policy that is usually held face to face was held remotely. This was used to explain the company's policy regarding sustainable procurement, legal compliance, respect for human rights, and other issues to some 200 partner companies and to gain their approval.



Remote briefing session on procurement policy

## Respect Human Rights and Diversity, and Develop Global Human Resources

### Basic Approach

The Achilles Group views our employees as being important stakeholders. The Charter of Corporate Behavior states that "We will realize workstyles that enhance employees' capabilities and respect employees' diversity and their individual characters and personalities, and we will provide employees with a convenient working environment in which due attention is paid to safety and health issues." To realize this vision, we decide on and implement the necessary systems and activities. The underlying approach is one that emphasizes mutual harmony with employees.

### Respect for Human Rights and Fairness

The Achilles Group respects the legal requirements of the employment relationship, and does not commit any violations of human rights such as unlawful labor practices, use of child labor, gender discrimination, racial discrimination, religious discrimination, etc., nor do we abet any such behavior. Under the Achilles Code of Conduct, all Achilles Group employees commit themselves to acting ethically (including respect for human rights) and to compliance with the requirements of the law.

The Achilles Group strives to ensure that all employees enjoy fair treatment and equal opportunity. Workplace bullying and sexual harassment are prohibited, and both internal and external reporting windows are available.

### Employment

With the aim of maintaining stable employment and expanding employment opportunities, the Achilles Group endeavors to implement systematic employment practices, and to provide equal opportunity with respect to employment.

In April 2021, we (Achilles Group in Japan) revised the age of compulsory retirement from 60 to 65, and have put in place transitional measures to incrementally raise the age of compulsory retirement until FY 2029.

[Number of employees]\*As of March 31, 2021 (whole Group)

Male 1,339	Female 323	Total 1,662
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[Employment data]†As of March 31, 2021 (Achilles Corporation only)

Average age	Male 40.0	Female 42.9	Total 40.4
Average years of service	Male 18.1	Female 21.1	Total 18.6
Average annual income	Approximately 5.70 million yen		
Executive officers (including managing executive officers)	Male 27	Female 2	Total 29
Departmental managers	Male 37	Female 0	Total 37
Section managers	Male 194	Female 8	Total 202
No. of persons using the system for the re-employment of employees who have reached retirement age as of FY 2020			162
Ratio of mid-career hires in FY 2020			11.8%

### Protection of Personal Information

The Achilles Group has formulated Personal Information Management Rules, the "Management of Employees' Personal Information" section of which has also been issued as a separate document governing the safeguarding and management of employees' personal data. Internal company systems incorporate multiple levels of security for the protection of employees' personal information, with restrictions on which personnel can access such information.

## Employee Welfare

The Achilles Corporation provides support to help employees maintain a stable lifestyle through the provision of dormitories for single employees and company housing, etc. at each manufacturing site, and through the establishment of an employee shareholding system, etc. In addition, to help employees balance their work and family responsibilities in today's era of smaller families and an aging population, we have put in place a childcare leave and nursing care leave system, etc.



Dormitory for single employees/  
Tokyo Head Office

In FY 2020, we carried out special cleanings (disinfection) of shared spaces of dormitories for single employees on an ongoing basis as a COVID-19 infection control measure. In addition, we installed hand sanitizer in shared spaces and required masks to be worn in shared spaces as well.

[FY 2020 benefits data]\*As of March 31, 2021 (Achilles Corporation only)

No. of employees using the childcare leave system	Male 2	Female 8	Total 10
No. of employees using the nursing care leave system	0		
Average total hours worked per employee per year	1,934.0 hours		
Average no. of days of paid leave taken per year	10.6 days (58.4% of leave entitlement)		

## Labor Unions

### ■ Labor-management relations

The Achilles Corporation has two labor unions: the Achilles Labor Union and Achilles Head Office Labor Union. Working together on a basis of mutual trust between labor and management, we aim to realize smooth communication between labor and management and implement measures through labor-management coordination, in line with our basic policy of helping to maintain and enhance employees' living standards while at the same time contributing to the company's continued development in line with the company's overall strategy.

The Achilles Labor Union has a total of 859\* members, who are employees (not including executive officers and managers) working in the company's manufacturing divisions. The Achilles Head Office Labor Union has a total of 227\* members, who are employees (not including executive officers and managers) working in the company's sales divisions.

\*Data correct as of July 1, 2021.

### ■ Meetings with the labor unions

Besides holding scheduled operational coordination meetings with the labor unions three times a year (in May, September, and November) in relation to the twice-yearly meetings regarding salaries and bonuses, the Achilles Corporation also holds labor-management meetings in regard to changes in working conditions such as changes to personnel systems and to the content of employee welfare provision, and in regard to the establishment of new systems, etc., to build consensus prior to implementation.

In addition, matters relating to health and safety, environmental issues, qualification systems, re-employment, etc. are discussed by labor and management in committees, with the aim of ensuring that the company operates fairly and appropriately.

#### [Main labor-management meetings]

Operational coordination meeting (three times a year) / Head Office labor-management meeting (held as needed, in principle once a month) / Branch Office labor-management meeting (held as needed, in principle once a month) / Branch meetings (held as needed)

### ■ Events organized jointly by labor and management

The Achilles Corporation seeks to foster closer exchange between labor and management through the holding of special events jointly organized by labor and management that help to enhance employees' health and fitness or strengthen communication, etc. A softball tournament and a bowling tournament are normally held to welcome new employees, providing opportunities for communication that can strengthen friendly relations between employees across departments. Due to COVID-19, however, all group events were canceled in FY 2020. We are currently exploring ways to achieve quality communication in the new normal, and the labor union is organizing activities such as a photo contest and online communication activities.

## Health Management

The Achilles Group implements health management for its employees. As part of Achilles' corporate social responsibility (CSR) efforts, besides providing health and sanitation management for employees, we also use seminars to raise awareness, with the aim of encouraging individual employees to notice problems with their lifestyle habits and make improvements, so that they can enjoy a long, healthy life.

From the viewpoint of preventing COVID-19 infections, instead of holding off-the-job trainings in FY 2020, we provided information about participating in online "refreshing exercise" seminars (led by another group) as well as the importance of exercise during the COVID-19 pandemic and things to watch out for, using message boards and other means.



Radio calisthenics (Tokyo Head Office)



Designated a FY 2020 Tokyo Sports Promotion Company\*1



Designated a Sports Yell Company\*2 (Japan Sports Agency)

\*1 Since FY 2015, Tokyo Prefecture has designated companies and other entities that make outstanding efforts to promote sports activities among employees and support the sport sector as Tokyo Sports Promotion Companies.

\*2 The Japan Sports Agency designates companies as Sports Yell Companies in a program that certifies companies actively promoting measures to improve employees' health through sport.

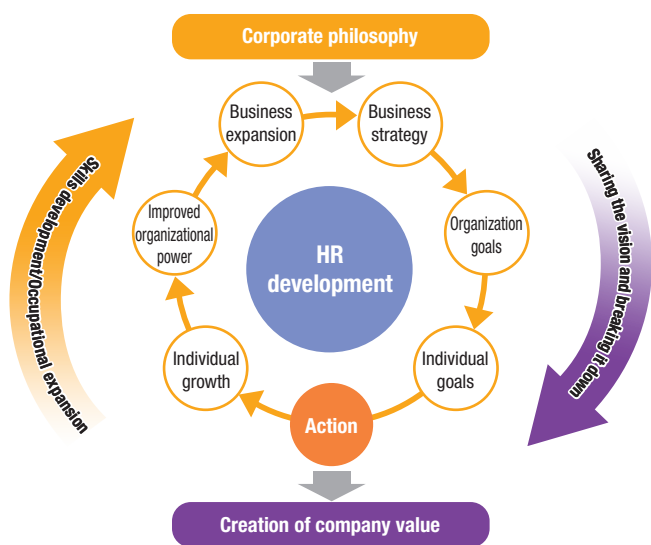
## Human Resource Development

In order to survive in today's fiercely competitive social environment, it is vitally important to strive to enhance individual employees' human potential, so that the organization as a whole will continue to create new corporate value. To realize this goal, the Achilles Corporation adopts a proactive approach to human resource development. While working to strengthen the performance of people (as management resources), we are also working to invigorate the organization as a whole by linking the achievements of individual employees with the achievements of the company, and endeavoring to build a working environment in which employees can work happily and maximize their capabilities. The Achilles Group will continue to implement measures aimed at cultivating the potential of individual employees and at building an organizational structure conducive to this process.



Basic Policy for Human Resource Development

[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-hrd\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-hrd_en.pdf#view=Fit)



### Human Resource Development System

Achilles Corporation's human resource development aims to cultivate leaders who possess the wide-ranging knowledge and experience needed to contribute to an ongoing enhancement of corporate value, as well as specialist expertise in multiple areas, so that Achilles Corporation can continue to be the kind of enterprise that society needs, in line with the Basic Policy for Human Resource Development.

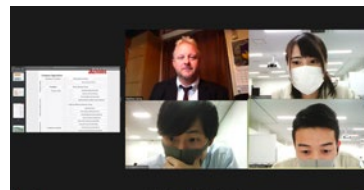
■ On-the-job training (OJT)

OJT plays a fundamental role in Achilles Corporation's human talent cultivation. It involves setting operational targets in collaboration with the employee's supervisor, getting employees to challenge themselves to overcome problems, and providing timely review and feedback. Through effective communication, employees' awareness is heightened and their perspective broadened.

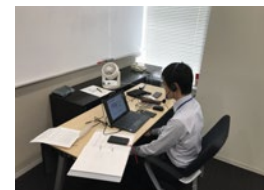
■ Off-the-job training (Off-JT)

In the past, the Achilles Corporation has provided support in off-the-job trainings for employees acquire the skills and specialized knowledge required to fulfill their individual roles. During the COVID-19 pandemic, however, these trainings were provided online or through e-learning. As needs to respond to globalization are expected to rapidly return once the pandemic is over, in addition to language skills to achieve communication not only in person but online, providing opportunities through trainings

to develop a more in-depth understanding of foreign cultures has been a recent issue. We are exploring ways to create opportunities for online cross-cultural exchanges and fostering a culture of innovation.



Online seminar (Tokyo Head Office)



An employee taking the seminar (Tokyo Head Office)

■ Self-development (SD)

The Achilles Corporation commends employees who demonstrate a willingness to strengthen their own capabilities, and has established a funding support system to help employees undertake training using distance learning. In this way, employees can upgrade their own capabilities by deciding which subjects are most important for them.

[Education and training system] (Achilles Corporation)

	Executive officers	Business group managers	Department managers	Section managers	All employees	New employees
Manager cultivation						
Global training						
Managerial position training						
Grade-specific training						
Compliance training						
Specialist training						
OJT support						
Self-development support						

[Main Off-JT programs in FY 2020]

Training Field	No. of training themes	No. of Participants
Manager cultivation training	3	21 employees
General training (of which, initial training for new employees)	20	331 employees (39 employees)
Compliance training*	3	208 employees
Specialist skill enhancement training	7	56 employees
Distance learning	3	256 employees
Health and safety training	9	1,417 employees
Disaster response training	1	12 employees

\*The figures given for compliance training are for all Achilles Group personnel inside Japan. Other data is for Achilles Corporation personnel only. The figures given for the number of participants are the sum total of participants in all sessions.

## Safe and Healthy Workplace Environments Conducive to Work

### Our Approach to Occupational Health and Safety

Achilles Group Health and Safety Policy

[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-safty\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-safty_en.pdf#view=Fit)



### Major Health and Safety Management Activities

■ Health and safety

Achilles Corporation has established a Health and Safety Committee at all of its manufacturing sites, and has put in place a health and safety system that includes the provision of health and safety education for employees based on the relevant laws and guidelines, and the cultivation of personnel holding the various qualifications required by law for health and safety purposes, etc. We also implement risk assessment of operations,

equipment, and chemical substances, and implement improvements based on the results of these assessments, with the aim of realizing meaningful safety.

Health and safety education for forklift operators (Shiga Factory No.2)



**[Percentage of employees who are members of health and safety committees]**

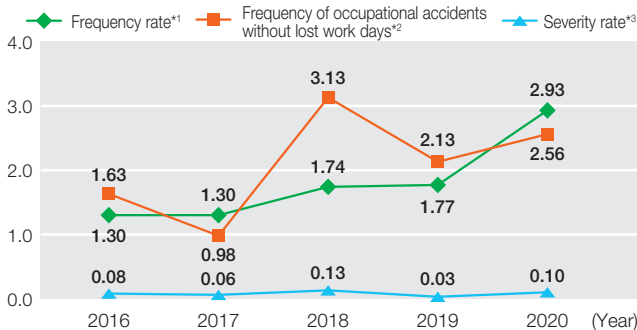
Business location	No. of Health and Safety Committee members	No. of employees	Health and Safety Committee members as percentage of all employees
Tokyo Head Office	12 persons	286 persons	4.2%
Kansai Branch Office	6 persons	77 persons	7.8%
Ashikaga Factory No. 1	19 persons	571 persons	3.3%
Ashikaga Factory No. 2	16 persons	295 persons	5.4%
Shiga Factory No. 1	12 persons	100 persons	12.0%
Shiga Factory No. 2	14 persons	126 persons	11.1%
<b>Total</b>	<b>79 persons</b>	<b>1,455 persons</b>	<b>5.4%</b>

\*As of March 31, 2021

**Occupational accidents**

The incidence of occupational accidents at the Achilles Corporation in 2020 is shown below. For manufacturing firms in Japan (including only firms with at least 1,000 employees) in 2020, the average occupational accident frequency rate was 0.28, and the average occupational accident severity rate was 0.03; the corresponding figures for the Achilles Corporation were 2.93 and 0.10 respectively.

**[Occupational accident frequency rate, frequency of occupational accidents without lost work days, and occupational accident severity rate (Achilles Corporation only)]**



\*1 Indicator denoting the frequency of occupational accidents (with lost work days) involving injury or death  
Occupational accident frequency rate = No. of occupational accident deaths or injuries/Total no. of hours worked × 1,000,000

\*2 Indicator denoting the frequency of occupational accidents (without lost work days) involving injury  
Frequency of occupational accidents without lost work days = No. of occupational accidents without lost work days/Total no. of hours worked × 1,000,000

\*3 Indicator denoting the frequency of occupational accidents (all types)  
Occupational accident severity rate = Total no. of work days lost due to occupational accidents/Total no. of hours worked × 1,000

**Safety awareness promotion and education**

To enhance safety awareness at the Achilles Corporation, we offer prayers for safety twice a year (at the beginning of the year and on the first day of National Occupational Safety Week) as annual events. At the beginning of the year, “safety oaths” that employees have written themselves are displayed around workplaces. Throughout the year, we hold various types of “zero accident” campaigns (during National Occupational Safety Week, the year-end/New Year period, and at the end of the business year) as well as traffic safety campaigns.



Offering prayers for safety (Ashikaga Factory No.1)

**Health management**

The Achilles Corporation implements periodic health examinations, special health examinations and stress checks, and uses the results as a basis for the provision of follow-up guidance by occupational health physicians and nurses. Besides these examinations, we also arrange for occupational health physicians to provide mental health care, health consultations and guidance in relation to employees’ other physical and emotional health concerns. We also encourage employees to participate in a wide range of health enhancement events, as part of our efforts to support the Total Health Promotion Plan (THP). Due to COVID-19, we did not participate in external events in FY 2020.

**Our Approach to Fire and Disaster Prevention**

Achilles Group Basic Policy on Fire Prevention and Disaster Response



[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-fire-prevention\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-fire-prevention_en.pdf#view=Fit)



**Comprehensive Fire Prevention and Disaster Response Drills**

The Achilles Corporation has established a Fire Prevention and Disaster Response Committee in each region, and Comprehensive Fire Prevention and Disaster Response Drills are held annually at each workplace with the aim of spreading and strengthening fire prevention and disaster prevention awareness and equipping employees with fire-prevention skills (indoor fire prevention and disaster response drills are held at manufacturing units three times a year, and disaster response drills are held at Achilles Corporation’s Head Office and Kansai Branch Office at least once a year).

Due to COVID-19, we reduced the scale of our operations in FY 2020 and held wireless communication disaster prevention drills at each workplace.



Disaster prevention drill using wireless communications at Ashikaga Factory No. 1

**Safety dojos**

In October 2019, “safety dojos” were opened at Ashikaga Factory No. 2 and Shiga Factory No. 2, and by the end of March 2021, a total of 1,235 employees and partner company employees took part. The safety dojos allow employees to experience simulations of dangers based on past real-life incidents using devices to mimic the experienced safety sensations. In addition to classroom lectures, the safety dojo simulations are anticipated to enhance employees’ sensory perception of danger. We are advancing our efforts to prevent accidents from happening, with a primary focus on employees with relatively little work experience.



Ashikaga Factory No. 2



Shiga Factory No. 2

**Stockpiling of food, etc.**

The Achilles Corporation’s individual business locations maintain stockpiles of food, water, etc. for use in the event of an earthquake or other natural disaster.

# Community Engagement and Social Contribution Activities

## Measures Implemented as Part of the Local Community

The Achilles Group positions communication with local communities and social contribution activities as an important focus of its CSR efforts, and implements measures that contribute to local development. In the districts where the Achilles Corporation has business locations, we provide plant visits and training opportunities for local educational institutions, as well as providing opportunities to participate in disaster preparedness drills, and we also provide sponsorship for a wide range of local events, collaborating with local organizations to help revitalize the local community. Last fiscal year, due to COVID-19, we concentrated our efforts into preventing infection at the workplaces and providing safe and secure products.


### ■ Establishing the National Cultural Property Stone Wall Repair and Reinforcement Technology Association [Tokyo Prefecture]

On July 2, 2020, we held a general meeting to establish the National Cultural Property Stone Wall Repair and Reinforcement Technology Association together with 14 member companies and 2 schools (founder representative: Professor Takao Hashimoto, Kokushikan University). The purpose of the association is to establish measures to maintain and preserve castle stone walls and stone walls of traditional buildings and become widespread throughout the country.

In 2011, the Great East Japan Earthquake caused the collapse of about 7,000 pieces of stone wall at 10 locations of Komine Castle in the town of Shirakawa in Fukushima Prefecture, and the earthquake that struck the city of Kumamoto in 2016 caused the collapse of nearly 80% of the stone walls of Kumamoto Castle. Due to the heavy rains in Western Japan in July 2018 and Typhoon Trami in October of the same year, repair areas at Marugame Castle in Kagawa Prefecture were exposed, causing the third collapse of stone walls.

While there are concerns about a collapse due to the next earthquake and heavy rains due to the deformation caused by jutting that is not yet damaged, the construction method from dismantling to reloading would require vast amount of time and cost, and as a result, it could lead to a loss of a historical and cultural heritage.

These reinforcement methods do not have a track record, and the countermeasure technology is not established in the civil engineering and geotechnology engineering fields. However, we have maintenance and repair technology using urethane foam for tunnel repair, and we are working together with member companies to use this technology to create countermeasures to maintain the status quo as best as possible and improve earthquake resistance while also maintaining aesthetics.

 文化財石垣補修・補強技術協会



General meeting

#### News release

<https://www.achilles.jp/news/2020/0702.html>  
(in Japanese)



### ■ Achilles rubber boats used in disaster prevention measures in Tokyo Bay [Tokyo Prefecture]

In February and March of 2021, an Achilles ARD730 Combined High-Speed Rescue Boat was used by the Tokyo Fire Department. The ARD730 is a large inflatable boat with a length exceeding 7 meters and a stability at sea and high-speed performance required for disaster response and sea rescue.



Tokyo Fire Department activities  
(Tokyo Bay)

#### ARD370 professional boat

<https://www.achilles.jp/product/medical-lifesaving/lifesaving/pro-boat/?tab01>  
(in Japanese)



### ■ Supporting wildfire firefighting efforts in Ashikaga [Tochigi Prefecture]

From February to March 2021, a large-scale wildfire occurred in the city of Ashikaga, Tochigi Prefecture where our production center is located.

We gifted 200 Fire Hunter water backpacks to the Ashikaga Fire Department. Fire Hunter is a backpack-style water container that has a high center of gravity and does not contain air inside that would cause water to slosh when moving, allowing for comfort while walking.

Fire suppression activities on the hillside inaccessible to firefighting vehicles were difficult, and once the fire was nearly contained, firefighters with the water-filled bags came in waves to help extinguish the remaining flames.

This fire took 23 days to extinguish after it was confirmed, and it burned approximately 167 hectares of forest.



Extinguishing the remaining flames (Image provided by the city of Ashikaga)

### ■ “Sokuiku” (“Foot Education”) Activities [Tokyo Prefecture]

From 13:00 to 17:00 in the afternoon on Tuesdays, Wednesdays, Thursdays and Fridays, the Foot Measurement and Counseling service is provided in the showroom at Achilles Corporation's Tokyo Head Office (reservations required). “Sokuiku” (“Foot Education”) consultation sessions are also held at major shopping centers throughout Japan, and Achilles Corporation can also arrange to give visiting sessions at elementary schools and junior high schools, etc. (these can be booked on the Achilles website), showing people how to choose shoes that are right for their feet, the right way to put shoes on, etc. To reduce the risk of COVID-19 infection, the Tokyo Head Office showroom is taking protection measures when providing the Foot Measurement and Counseling service, including employees wearing face masks and disinfecting surfaces with alcohol-based disinfectant.

Foot Measurement and Counseling service in progress at Achilles Corporation's Tokyo Head Office (Shinjuku-ku, Tokyo)



### ■ Clean Challenge [Tochigi Prefecture]

Achilles Corporation's Ashikaga Factory carries out regular street-cleaning activities in the area near the Factory.

Street-cleaning activity in progress near the Ashikaga Factory (Ashikaga City, Tochigi Prefecture)





# Environment

## Environmental Initiatives

### Environmental Management System

#### ISO 14001 Initiatives

To conserve the global environment, and to enhance the corporate constitution of the Achilles Group, we define our Environmental Policy and environmental targets using the ISO 14001 environmental management system standards as a tool. We develop production processes and create products that lead to reduced environmental impacts, and continuously conduct activities to improve the environment. In FY 2020, we underwent the second surveillance audit in relation to the transition to ISO 14001:2015. We received 29 observations, but no non-conformances

were noted, and we were able to maintain our ISO certification.

#### Achilles Group Environmental Policy



[https://www.achilles.jp/assets/pdf/csr/philosophy/policy-env\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-env_en.pdf#view=Fit)



**P.29 ISO 14001: JUSE-EG-661 worksites registered in 2015**  
(July 2021 renewal and registration)

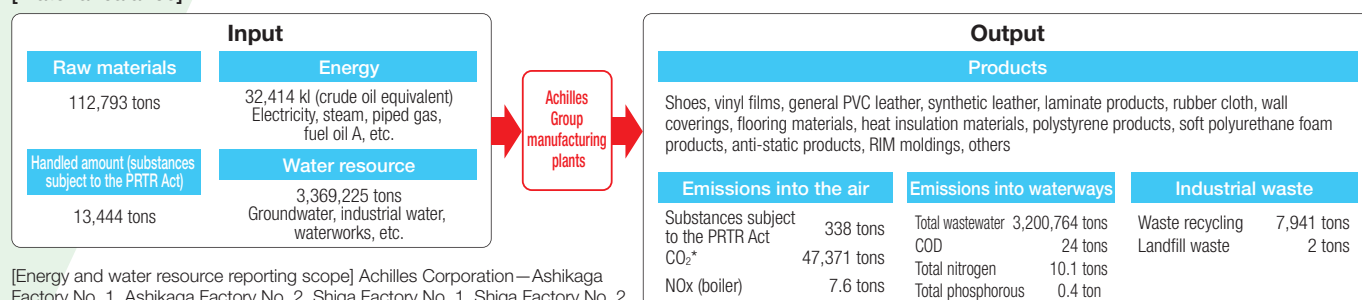
#### [Overview of FY 2020 activities results, targets for FY 2021 and beyond]

Item	Target		FY 2020 result	Evaluation	Target for FY 2021 and beyond	Listed page
	Management item	Value				
Global warming prevention and energy conservation	Total CO <sub>2</sub> emissions from energy use (Target set from FY 2021)	No target set for FY 2020	–	–	30% reduction by the end of FY 2030 compared with FY 2018 Conduct research and plan actions for achieving the above FY 2021 target	P.24
	Per-unit energy consumption (Electricity, fuel, etc.)	YoY comparison, 1% reduction	3.9% increase YoY	×	YoY comparison, 1% reduction	P.25
	Per-unit energy consumption in transportation	YoY comparison, 1% reduction	YoY comparison, 1.7% reduction	○	YoY comparison, 1% reduction	P.25
Complete zero emissions through 3R activities	Waste emission volume *Based on promoting 3R activities	FY 2017 comparison, 10% reduction	FY 2017 comparison, 8.9% reduction	×	20% reduction by the end of FY 2030 compared with FY 2018 8% reduction in FY 2021	P.26
	Achieve final waste disposal rate of less than 0.1%	Maintain less than 0.1% by FY 2020	0.03%	○	Maintain final waste disposal rate of less than 0.1%	P.26
Air pollution prevention of environmentally hazardous substances	Atmospheric emissions of five environmentally hazardous substances	FY 2010 comparison, 30% reduction	49.9% reduction	○	35% reduction by the end of FY 2030 compared with FY 2018 3.5% reduction in FY 2021	P.26
Environmental improvements from smart processes	Environmental consideration rate* *(Energy fees + waste treatment expense) ÷ Production value × 100	Lower than previous fiscal year	1.2% increase YoY	×	Lower than previous fiscal year	–
	Identify environmental risks and draft countermeasures	Reduced environmental risks and impacts from age-deterioration countermeasures and factory restructuring	Plan and implement facility installations, improvements, and other measures leading to reduced environmental impacts	○	Reduced environmental risks and impacts from age-deterioration countermeasures and factory restructuring	P.29
Environmentally friendly product development	Launch and sell environmentally friendly products	Using internal targets	Achieve sales targets and market launch of environmentally friendly products such as biodegradable films and non-halogenated highly flame-retardant urethane foam	○	Promote product development and R&D with consideration for environmental impacts	P.14
Adaption to climate change	Internal impacts and countermeasures due to climate change	Understand the current situation with an eye to activities to adapt to climate change	· Incorporate into Achilles Group Environmental Policy · Research other companies' trends in adapting to climate change	○	(1) Flooding countermeasures during heavy rains (i) Prevention of outflow of hazardous substances, etc. (ii) Flood damage countermeasures for facilities (2) Zero cluster infections with thorough infection control measures (3) Thorough heat stroke prevention measures	–

#### Overview of Environmental Impacts

We at the Achilles Group quantitatively identify the flow of substances and energy as part of our business activities, and strive to reduce our environmental impacts and effectively use resources in our business activities to achieve sustainable company development. The following presents an overview of the environmental load at the Achilles Group manufacturing plants.

#### [Material balance]



[Energy and water resource reporting scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles USA, Inc./Sanshin Enterprises Co., Ltd.



## Corrective Measures for Environment-related Incidents

In FY 2020, there was one wastewater incident at Ashikaga Factory No. 1. Oil in a pit inside the factory flowed into a wastewater pipe, and flowed out to the wastewater drainage ditch on the factory grounds. All of the oil that flowed out was recovered on the factory grounds, with no impact on the environment outside the factory.

After this incident, the location where the trouble occurred was investigated and remedial measures were implemented.

In FY 2020, measured values for water quality, air quality, and noise at all worksites were within the standard values defined in all environment-related legislation.

## Awareness-raising Activities

Environmental conservation activities cannot be done without the awareness and actions of each of our employees.

We conduct new employee trainings and trainings by company grade as well as making proactive efforts to have employees acquire specialized knowledge and qualifications.

Environment-related information is also disseminated using our corporate intranet, thereby helping to spread awareness of the importance of environmental protection activities.

## Initiatives for Biodiversity

### Basic approach to biodiversity

While human society receives many benefits from ecosystems, we recognize that human society also places a great burden on ecosystems and are implementing initiatives to contribute to conserving biodiversity.

### Cedar Avenue of Nikko Ownership System

The Cedar Avenue of Nikko is a tree-lined avenue of cedars planted around 370 years ago. The avenue consists of three parts that converge, which are the Nikko-Kaido Road, the Reiheishi-Kaido Road, and the Aizu-Nishi-Kaido Road. The Reiheishi-Kaido Road runs through Ashikaga City, the location of our Ashikaga factories. We are lending our cooperation to the conservation of the cedars by supporting the Cedar Avenue of Nikko Ownership System, which aims to protect the avenue of cedars from the deterioration of the surrounding environment that has occurred in recent years.



Cedar Avenue of Nikko

### Donations to a fund for afforestation of Lake Biwa

Lake Biwa is located in Shiga Prefecture, where we have manufacturing plants, and is an important water source. The forests around Lake Biwa are also important to protecting the water sources of Lake Biwa and the Yodogawa river basin. At the same time, the forests provide habitat for a diverse variety of plants and animals.

Shiga Prefecture is conducting afforestation projects to protect the environment of this important area, and we are supporting these activities.



Image of tree thinning in the forests surrounding Lake Biwa (photo provided by Shiga Prefecture)

## Conservation of Water Resources

We independently conduct monthly measurement of wastewater, and discharge wastewater into rivers after use in a state that does not pose environmental impact. Our Ashikaga Factory No. 2, Shiga Factory No. 1, and Kunshan Achilles New Material Technology Co., Ltd. recycle and reuse a portion of industrial water.

### Participation in drills to prevent damage from water-quality accidents from spreading

We actively participate in drills assuming an unexpected accident that are conducted by Shiga Prefecture and the Konan/Kouka Environmental Association and designed to prevent damage from water-quality accidents from spreading. The drills reaffirm the importance of conserving the surrounding environment including Lake Biwa.

The drills held on October 6, 2020 were limited in scope due to COVID-19, with a total of 90 people participating including council members and local and prefectural authorities.



Surface oil collection drill using absorption mats (Shiga Prefecture)

## Global Warming Countermeasures

### Greenhouse Gas Emissions Reductions

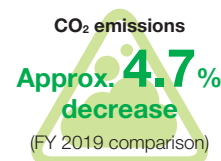
Greenhouse gases emitted by the Achilles Group mainly consist of carbon dioxide emissions as a result of energy consumption (fuel, electricity, etc.) and production of rigid urethane foam (CO<sub>2</sub>e of CFCs).

In FY 2020, in addition to the effects of environmental investments made the previous year and increasing our rate of use of non-fluorocarbon varieties of rigid urethane foam, we also reduced our energy consumption as a result of decreased production volume. Our greenhouse gas emissions fell by approximately 4.7% compared with FY 2019.

In view of the government of Japan's goal to become carbon neutral by 2050, we are strengthening our CO<sub>2</sub> emissions reduction efforts.

### P.29 Changes in greenhouse gas emissions

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd./Achilles Welder Co., Ltd.



## Environmental Conservation Activities in Logistics

### Carbon dioxide reduction activities and emissions results

We have reduced our CO<sub>2</sub> emissions in transportation through modal shift<sup>\*1</sup>, improvements in loading efficiency and the use of larger trucks.

In FY 2020, we improved our per-unit energy consumption in transportation by approximately 1.7%, and reduced our CO<sub>2</sub> emissions<sup>\*2</sup> by approximately 10.8%. In addition, our shipping ton-kilometers<sup>\*3</sup> fell approximately 9.3% as a result of decreased production.

\*1 Shifting freight transportation from trucks to rail and ship. Larger amounts of freight can be shipped at once, making it possible to achieve reductions in CO<sub>2</sub> emissions.

\*2 CO<sub>2</sub> emissions (t-CO<sub>2</sub>) = Energy consumption (GJ) × Emissions factor (from the Japanese Ministry of Economy Trade and Industry)

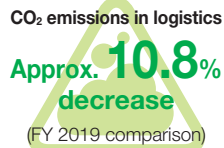
\*3 Transportation ton-kilometer = Freight weight (tons) × Transportation distance (kilometers)



Loading containers for rail transport

### P.29 CO<sub>2</sub> emissions in conjunction with transportation and modal shift rate

[Scope] ISO 14001:2015 registered worksites

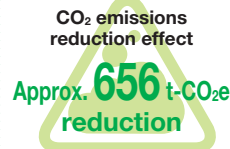


## Energy Creation from Solar Photovoltaic Power Generation

We have installed solar photovoltaic power generation systems at Ashikaga and Shiga with a total power generating capacity of 1,535 kW.

In FY 2020, we generated approximately 1,678,000 kWh of electricity, with a CO<sub>2</sub> emissions reduction effect of approximately 656 t-CO<sub>2</sub>e. This is equivalent to approximately 1.7% of our group's CO<sub>2</sub> emissions from energy use.

### P.29 Solar photovoltaic power generation equipment



Achilles Corporation Ashikaga Factory No. 2



Achilles Corporation Shiga Factory No. 2

## Energy Conservation

### Energy Conservation Activities

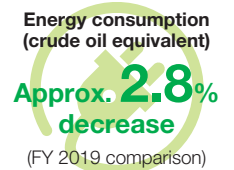
We at the Achilles Group recognize the importance of activities to conserve energy based on the Japanese Energy Conservation Act, and are taking steps companywide to conserve energy as an important part of efforts to reduce our environmental impacts.

#### Energy consumption (crude oil equivalent)

Our energy consumption decreased approximately 2.8% (800 kl/year) in FY 2020 compared with the previous fiscal year. In addition to improved energy efficiency due to facilities improvements, reduced production resulted in reduced energy consumption.

### P.29 Changes in annual power consumption (crude oil equivalent)

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd./Achilles Welder Co., Ltd.



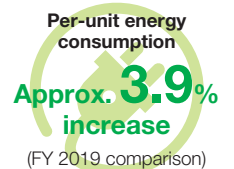
#### Per-unit energy consumption

In FY 2020, we undertook facilities improvements and installed energy-efficient equipment to meet our target of reducing our per-unit energy consumption compared with FY 2019 consumption by 1%, but our consumption increased by approximately 3.9% compared with FY 2019, due to the effects of reduced production (partially attributed to increased inefficiencies from small-lot production), and we did not meet our target.

We will continue conducting activities to conserve energy with the goal of decreasing our per-unit energy consumption by 1% year on year.

### P.29 Annual changes in per-unit energy consumption for the entire company and for each management-specified plant

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory

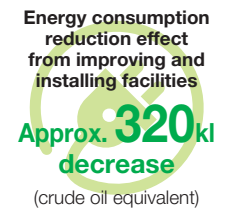


#### Decrease in energy consumption by improving and installing facilities

In FY 2020, we took steps to reduce our energy consumption, including replacing equipment with higher efficiency equipment, operating existing facilities more efficiently, and switching to LED lights.

### P.29 Main details of facility modification and introduction and energy consumption reduction effects (crude oil equivalent value)

[Scope] ISO 14001:2015 registered worksites



## 3R Activities and Complete Zero Emissions

### To Reduce Waste

We are conducting 3R\* activities aiming to realize a sound material-cycle society. We place particular importance on Reduce, aiming to decrease the amount of waste we generate in the first place, and are focusing on pursuing the root causes of waste and reducing waste generation.

\*Short for Reduce, Reuse, Recycle, e.g., reducing waste, reusing parts and other materials, and recycling resources

### Results of Activities to Reduce Waste and Other Materials\*

In FY 2020 we conducted activities to achieve our target of a 10% reduction in generated waste compared with FY 2017, and met this target with a decrease of approximately 726 tons (approx. 8.9%). A major factor contributing to this was the ability to sell materials that were formerly considered waste as valuable materials. Going forward, we will continue to focus on reducing waste, specifically on revising our existing recycling flow, thoroughly separating and sorting waste materials, promoting obtaining value and making products from waste materials, and reducing the amount of waste generated from increased production.

#### P.30 Total volume of generated waste and other materials

\*"Waste and other materials" includes industrial waste and recycled materials.

[Scope] ISO 14001:2015 registered worksites

Total volume of generated waste and other materials

Approx. **726 tons**  
Approx. **8.9%**  
decrease

(FY 2017 comparison)

### Final Disposal Volume

In FY 2020, we conducted activities with the target of achieving complete zero emissions (less than 0.1% final disposal rate\*) by FY 2020. As a result of our activities, we had a final disposal rate of approximately 0.03% (approx. 2 tons), achieving complete zero emissions again following FY 2019 (0.001% final disposal rate).

We will continue to set the target of complete zero emissions, taking steps to further increase separating and sorting waste as well as recycling.

#### P.30 Final disposal volume and final disposal rate

\*Final disposal rate (%) = Final disposal volume / Total emissions volume × 100

[Scope] ISO 14001:2015 registered worksites

Final disposal rate

Approx. **0.03%**

(FY 2020 result)

## Air Pollution Prevention

### Atmospheric Emissions Reduction Targets for Environmentally Hazardous Substances

Preventing air pollution from environmentally hazardous substances is set as a shared action goal for the Achilles Group. We set the mid- to long-term target of a 30% reduction in atmospheric emissions of environmentally hazardous substances by FY 2020 compared with FY 2010, and have worked to systematically manage and reduce atmospheric emissions based on the Japanese Industrial Safety and Health Act, PRTR\* Act, and Air Pollution Control Act.

\*Pollutant Release and Transfer Register: Systems to collect and disseminate information on a wide variety of hazardous chemical substances released into the environment as waste or transferred off-site for treatment, their amounts and locations

### Reduction in Class I Designated Chemical Substances under the PRTR Act

As a result of identifying emissions of the relevant substances based on the PRTR Act, in FY 2020 our annual emissions of Class I Designated Chemical Substances under the PRTR Act came to approximately 325 tons (approx. 52.3% reduction compared with FY 2010), and our annual transfer volume came to 195 tons (approx. 6.0% increase compared with FY 2010). Our annual combined emissions and transfer volume was 520 tons (approx. 39.9% reduction compared with FY 2010).

#### P.30 Emissions and transfer volumes of chemical substances subject to the PRTR Act

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd.

Emissions and Transfer Volumes of Chemical Substances Subject to the PRTR Act

Approx. **39.9%**  
reduction

(FY 2010 comparison)

### Atmospheric Emissions Reductions of VOCs

Of the VOC\* substances included in the substances subject to the PRTR Act, we defined the five substances we release into the atmosphere in the greatest volumes (DMF, dichloromethane, toluene, MEK, ethyl acetate), and are working to reduce atmospheric emissions by shifting from VOCs to non-VOC alternative substances and introducing flue gas treatment equipment (RTO) at all manufacturing divisions.

In FY 2020, as a result of efforts to achieve our target of a 30% reduction compared with FY 2010, we achieved approximately 49.9% reduction and met our target.

#### P.30 Total atmospheric releases of five substances of environmental concern

\*Volatile Organic Compound: Organic compound that easily become vapors or gases

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd.

Total atmospheric releases of five substances of environmental concern

Approx. **49.9%**  
reduction

(FY 2010 comparison)



# Governance

## Governance/Risk Management

### Corporate Governance

#### Corporate Governance System

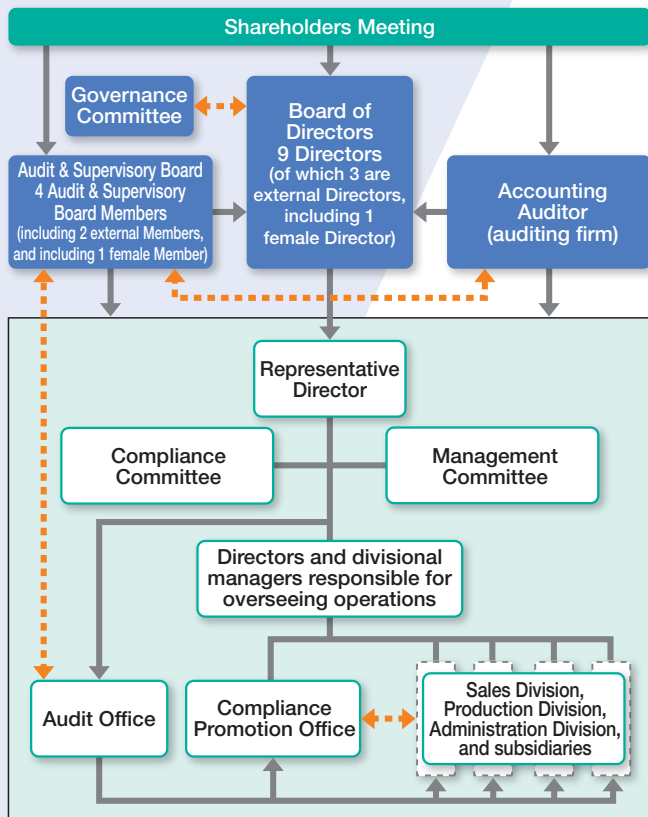
Achilles Corporation's Board of Directors monitors the implementation status of business operations. In regard to implementation, the company aims to ensure efficient management by delegating authority to the directors and divisional managers with responsibility for individual departments.

In addition, three external directors (one of whom is female) exercise a management oversight function by attending meetings of the Board of Directors while maintaining an objective, neutral perspective, and two external auditors (one of whom is female) also attend Board meetings, where they check on the appropriateness and legality of the Board's decision-making from an external perspective, thereby ensuring that the management oversight function operates effectively.

Furthermore, the Governance Committee (the membership of which comprises two internal directors and three external directors, and includes more than half of the company's external officers) holds regular meetings and advises the Board of Directors, with the aim of enhancing the level of independence and objectivity in relation to the Board's nomination and remuneration related functions, etc.

As of June 29, 2021, a structure of four Audit & Supervisory Board Members (of which two are full-time positions) has been adopted.

#### [Corporate governance system]



#### ■ Board of Directors

The Board of Directors undertakes evaluation and decision-making in relation to the company's basic policy, regulatory requirements, and other important managerial issues; the Board also supervises operational implementation status.

#### ■ Management Committee

To help realize speedy decision-making and operational efficiency, the Management Committee undertakes evaluation of matters entrusted to it by the Board of Directors, and also undertakes evaluation and decision-making in relation to specific implementation strategies based on the policy decided on by the Board and the implementation of other important tasks relating to management.

#### ■ Audit & Supervisory Board, Internal Auditing and Accounting Auditor

The Audit & Supervisory Board has 4 Members, including 2 external Members. Each Member follows the auditing policy and division of responsibility laid down by the Board, supervising the Directors' performance of their duties by attending meetings of the Board of Directors, examining circular approval letters and other important documents, visiting business locations (including subsidiaries), etc.

The internal Audit Office verifies compliance status both periodically and as needed. The Audit Office also strives to maintain close liaison with the Members of the Audit & Supervisory Board, collaborating with the Board Members to ensure effective implementation of auditing operations by Members.

For the Accounting Auditor (external audit), Achilles Corporation has appointed Deloitte Touche Tohmatsu LLC to implement auditing. An audit report meeting is held at which the Members of the Audit & Supervisory Board receive a presentation from the Accounting Auditor on the state of audit implementation and the audit implementation results, and at which the Accounting Auditor offers advice regarding issues relating to accounting and internal controls.

#### ■ Internal controls system

Achilles Corporation has formulated an Internal Controls Basic Policy, which outlines the systems used for ensuring that Directors carry out their duties in compliance with relevant laws and regulations and with the company's Articles of Incorporation, and the system for ensuring that both Achilles Corporation and the business group formed by the Achilles Group and its subsidiaries carry out their business activities appropriately.

In accordance with the Internal Controls Basic Policy, regarding the internal controls relating to the financial statements stipulated by the Financial Instruments and Exchange Act, the preparation and utilization of these internal controls by Achilles Corporation and its consolidated affiliates is assessed, and the assessment results are presented in the Internal Controls Report.



### ■ Analysis and evaluation of the overall effectiveness of the Board of Directors

Once a year, we give all directors an anonymous questionnaire regarding the effectiveness of the Board of Directors. The results of the questionnaire and opinions from auditors are confirmed by external directors, who issue a statement of opinion on the effectiveness of the Board of Directors. Lastly, the effectiveness is deliberated and evaluated by the Board of Directors. The results of the FY 2020 questionnaire are shown in the table below. The overall evaluation surpassed the standard score of 3, and we have determined that the Board of Directors is effective.

#### [Questionnaire regarding the effectiveness of the Board of Directors]

Question	FY 2019	FY 2020
Composition of the Board of Directors	3.8	3.9
Board of Directors operations	4.0	3.9
Information sharing with external officers	4.5	4.1
Completeness of deliberations in the Board of Directors	3.7	3.8
Improvement from the previous fiscal year	3.6	3.4
Overall evaluation	4.1	4.1

\*Five-point evaluation (5: Highly achieved; 3: Average; 1: Not achieved)

## Compliance

### Basic Approach

The Achilles Group has formulated a Charter of Corporate Behavior, which embodies the fundamental principles for corporate action that realizes compliance and respects corporate ethics, and has also formulated a Code of Conduct that specifies concrete standards in relation to the above. All Achilles Group personnel—including executive officers and contract and part-time workers—are required to understand the Charter of Corporate Behavior and to comply with the Code of Conduct. Revisions are made to the Charter of Corporate Behavior and the Code of Conduct corresponding to changes in society's expectations, including the SDGs (They were previously revised in April 2019).

#### Charter of Corporate Behavior

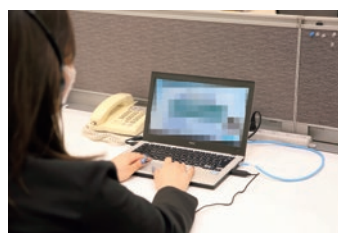
 [https://www.achilles.jp/assets/pdf/csr/philosophy/policy-code\\_en.pdf#view=Fit](https://www.achilles.jp/assets/pdf/csr/philosophy/policy-code_en.pdf#view=Fit)



### Compliance Promotion Activities

The main compliance promotion activities implemented in FY 2020 are as follows. Trainings were held online in principle, and when trainings were held in a group format, the number of participants was limited and other infection control measures were implemented, including ventilation and mask wearing.

- (1) Held compliance trainings:
  - Topic: Subcontract Act
  - Topic: Harassment prevention (in response to amended legislation)
- (2) Implemented a compliance awareness survey for officers
- (3) Other necessary adjustments to rules made in response to revision of relevant laws, etc., and making employees aware of these adjustments.



Employee taking on online compliance training (Tokyo Head Office)

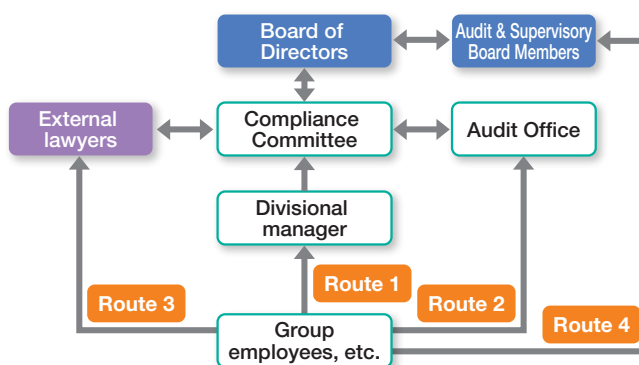
### Reporting and Consultation System

The Achilles Group has established, and utilizes, a hotline (internal reporting system) as a means for consultation and reporting in the event of improper, unlawful or unethical action by an organization or individual, or action that violates the Achilles Action Guidelines, or where it is determined that there is a danger of such action. In regard to matters relating to the Achilles Group's directors or senior managers, several reporting windows have been put in place, including a window for reporting directly to the Members of the Audit & Supervisory Board; in this way, the Achilles Group endeavors to ensure that any unlawful behavior is discovered and remedied at an early stage, thereby minimizing the risk to the company. Furthermore, internal rules have been put in place to ensure that persons who report improper behavior do not suffer any adverse consequences.

The hotline is also used for consultation and reporting regarding harassment; every effort is made to ensure that persons requesting consultation or submitting reports do not suffer any adverse consequences as a result.

Regarding any violations of human rights that may come to light through the operation of the hotline and the occasional questionnaire surveys, such matters will be discussed at the periodic meetings of the Compliance Committee, and appropriate measures will be taken.

#### [Hotline framework]



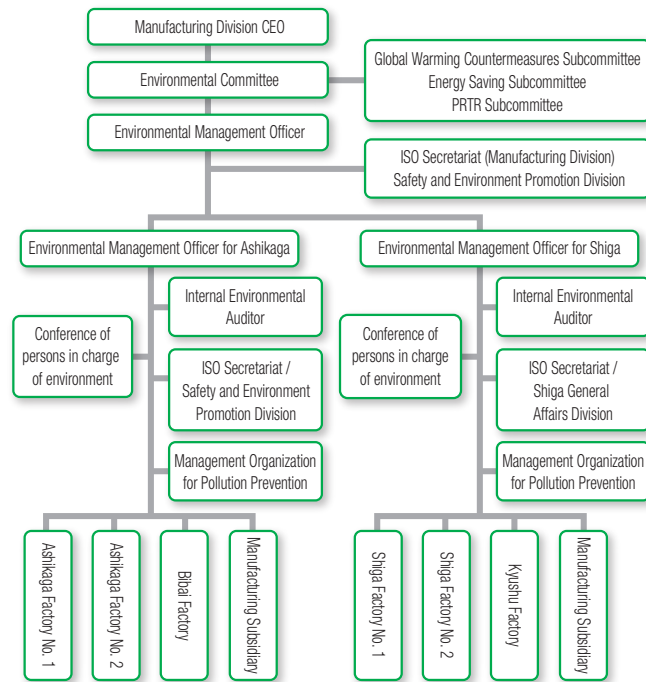
# Data Version (Environmental Initiatives)

## Environmental Management System

### [ISO 14001: JUSE-EG-661 worksites registered in 2015]

■ Achilles Corp. Ashikaga Factory No. 1	Expanded certification in September 2001
■ Achilles Corp. Ashikaga Factory No. 2	Acquired certification in July 2000
■ Achilles Corp. Shiga Factory No. 1	Expanded certification in September 2002
■ Achilles Corp. Shiga Factory No. 2	Expanded certification in September 2002
■ Achilles Corp. Bibai Factory	Expanded certification in September 2002
■ Achilles Corp. Kyushu Factory	Expanded certification in September 2002
■ Achilles Marine Co., Ltd.	Expanded certification in September 2001
■ Achilles Welder Co., Ltd.	Expanded certification in September 2001
■ Kanto Achilles Aeron Co., Ltd.	Expanded certification in September 2001
■ Osaka Achilles Aeron Co., Ltd. Shiga Sales Office	Expanded certification in September 2002
■ Kyushu Achilles Aeron Co., Ltd.	Expanded certification in July 2021

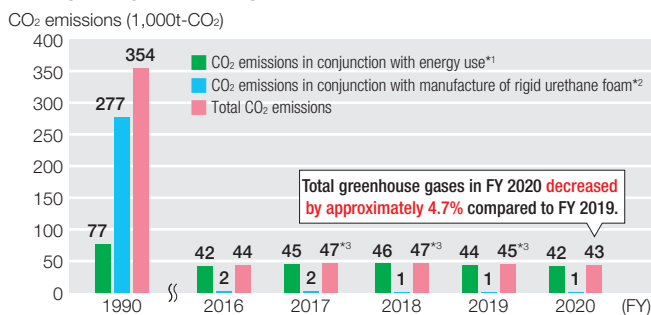
### [Environmental Management Promotion Organization]



[Scope] ISO 14001: 2015 registered worksites

## Global Warming Countermeasures

### [Changes in greenhouse gas emissions]



\*1 CO<sub>2</sub> emissions in conjunction with energy use is CO<sub>2</sub> generated in conjunction with the use of energy (fuel, electricity, etc.) relating to business activities. CO<sub>2</sub> emissions are calculated using the calculation method and emissions factor list pursuant to the Act on Promotion of Global Warming Countermeasures (revised act, effective April 2006). Since the 2011 Great East Japan Earthquake, the use of natural gas for thermal electric power generation has increased as a result of the shutdown of nuclear power reactors, and the emissions factors of electric power companies have increased substantially. As a result, data for FY 2010 and later is calculated using the factors for FY 2010.

\*2 CO<sub>2</sub> emissions in conjunction with manufacture of rigid urethane foam refers to chlorofluorocarbons (CFCs) that leak into the atmosphere during manufacture of original solutions and foaming converted into CO<sub>2</sub>. The global warming factors (CO<sub>2</sub> conversion factors) for CFCs are independently calculated based on data from the IPCC 4th report.

\*3 Emissions reductions from purchases of Yamagata Sun and Forest Group Credits (J-Credits) have not been deducted. J-Credits were not purchased in FY 2020.

[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd./Achilles Welder Co., Ltd.

### [CO<sub>2</sub> emissions in conjunction with transportation and modal shift rate]

Item (unit)	FY 2019	FY 2020	YoY comparison
Transportation ton-kilometer*1 (thousands)	77,231	70,078	90.7%
CO <sub>2</sub> emissions generated (t-CO <sub>2</sub> ) *2	9,786	8,733	89.2%
Modal shift rate*3	19.6%	19.4%	Decrease of 0.2 points

\*1 Transportation ton-kilometer=Freight weight (tons) × Transportation distance (kilometers)

\*2 CO<sub>2</sub> emissions (t-CO<sub>2</sub>) =Energy consumption (GJ) × Emissions factor (from METI)

\*3 Modal shift: Shifting freight transportation from trucks to rail and ship. Larger amounts of freight can be shipped at once, making it possible to achieve reductions in CO<sub>2</sub> emissions.

[Scope] ISO 14001: 2015 registered worksites

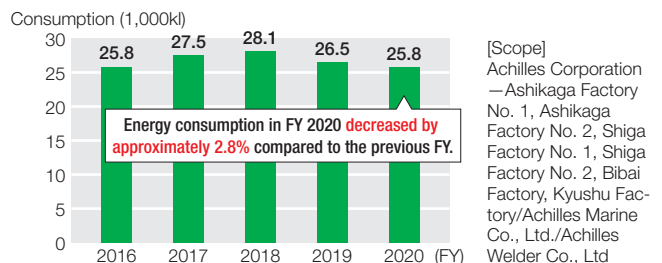
### [Solar photovoltaic power generation equipment]

	Solar power generation capacity (kW)	Electric power generated (thousand kWh/year)	Reduction in CO <sub>2</sub> * (t-CO <sub>2</sub> /year)
Ashikaga Factory No. 2	529	604	195.7
Shiga Factory No. 2	1,006	1,074	460.5
Total	1,535	1,678	656.2

\*The emission factor (2010) for Tokyo Electric Power Company was used for Ashikaga Factory No. 2, and the factor for Ennet power company was used for Shiga Factory No. 2

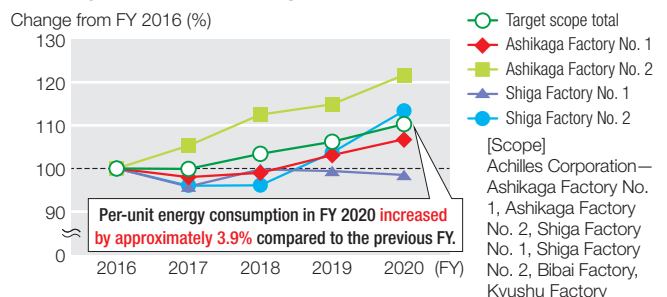
## Energy Conservation

### [Changes in annual power consumption (crude oil equivalent)]



[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd./Achilles Welder Co., Ltd.

### [Annual changes in per-unit energy consumption for the entire company and for each management-specified plant]



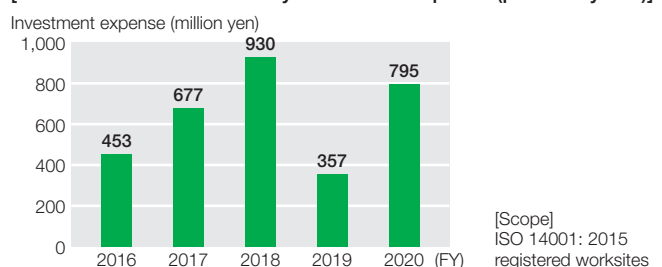
[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory

### [Main details of facility modification and introduction and energy consumption reduction effects (crude oil equivalent value)]

Details	Reduction Effects (kl/year)
Improved thermal insulation of and prevented steam leaks from pipes, valves, etc.	95
Updated compressors, prevented air leaks	65
Updated to the top runner standard air conditioners	45
Installed LED lighting and Hf fluorescent lights	35
Installed boiler flash steam collection device	25
Updated to high-efficiency voltage transformers at transformer stations	20
Other (adopted inverter pumps and motors, etc.)	35
Total	320

[Scope] ISO 14001: 2015 registered worksites

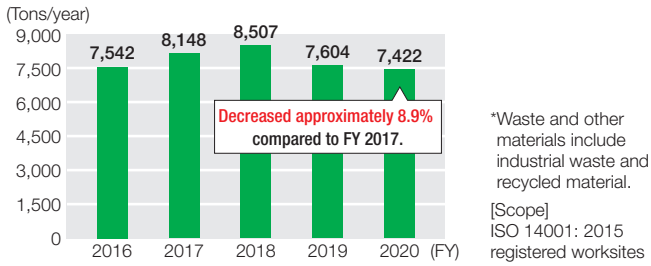
### [Annual environmental facility investment expense (past five years)]



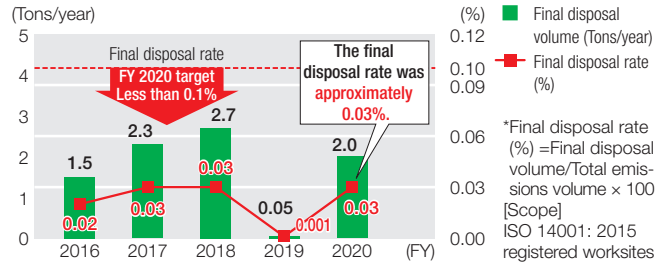
[Scope] ISO 14001: 2015 registered worksites

## 3R Activities and Complete Zero Emissions

[Total volume of generated waste and other materials\*]

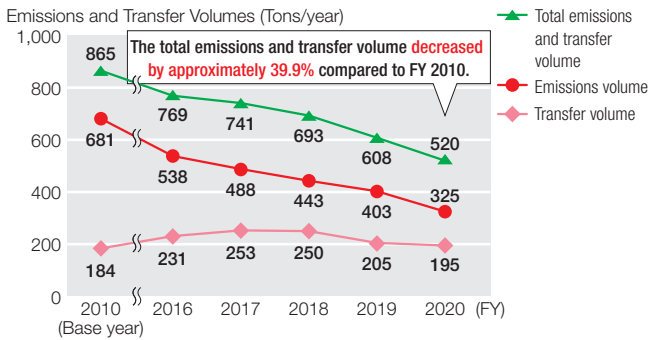


[Final disposal volume and final disposal rate\*]

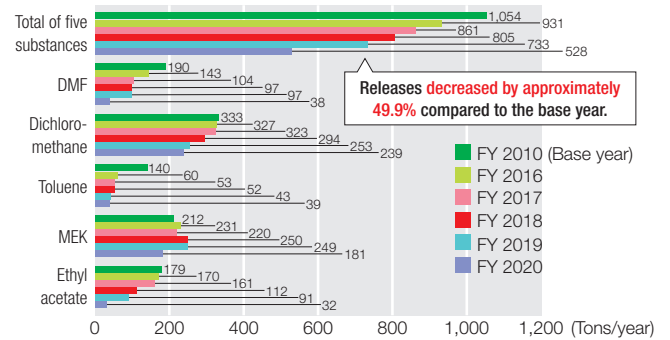


## Air Pollution Prevention (Environmentally Hazardous Substances)

[Emissions and transfer volumes of chemical substances subject to the PRTR Act]



[Total atmospheric releases of five substances of environmental concern]



[Scope] Achilles Corporation—Ashikaga Factory No. 1, Ashikaga Factory No. 2, Shiga Factory No. 1, Shiga Factory No. 2, Bibai Factory, Kyushu Factory/Achilles Marine Co., Ltd.

## Data by Business Site (April 1, 2020–March 31, 2021)

[PRTR data]

Names of Class I Designated Chemical Substances subject to the PRTR Act	Ashikaga Factory No. 1			Ashikaga Factory No. 2			Bibai Factory			Achilles Marine Co., Ltd.		
	Emissions volume		Transfer volume	Emissions volume		Transfer volume	Emissions volume		Transfer volume	Emissions volume		Transfer volume
	The air	Waterways	Waste	The air	Waterways	Waste	The air	Waterways	Waste	The air	Waterways	Waste
Antimony and its compounds	0.00	0.00	2.00	0.00	0.00	0.04	—	—	—	—	—	—
Xylene	0.07	0.00	0.02	2.50	0.00	0.13	—	—	—	—	—	—
Dichloromethane (methylene chloride)	130.00	0.00	5.20	3.10	0.00	0.20	8.40	0.00	0.54	—	—	—
N, N-dimethylformamide (DMF)	38.00	0.23	6.50	—	—	—	—	—	—	—	—	—
m-tolylene diisocyanate	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	—	—
Toluene	32.00	0.00	1.20	5.50	0.00	0.29	—	—	—	2.10	0.00	0.00
Bis phthalate (2-ethylhexyl)	0.62	0.00	23.00	0.04	0.00	38.00	—	—	—	—	—	—
Methylenebis (4,1-phenylene) =diisocyanate	0.00	0.00	3.90	0.00	0.00	0.27	0.00	0.00	0.40	—	—	—

Names of Class I Designated Chemical Substances subject to the PRTR Act	Shiga Factory No. 1			Shiga Factory No. 2			Kyushu Factory		
	Emissions volume		Transfer volume	Emissions volume		Transfer volume	Emissions volume		Transfer volume
	The air	Waterways	Waste	The air	Waterways	Waste	The air	Waterways	Waste
Xylene	0.01	0.00	0.00	—	—	—	—	—	—
Dichloromethane (methylene chloride)	—	—	—	100.00	0.00	4.70	—	—	—
m-tolylene diisocyanate	—	—	—	0.09	0.00	0.00	—	—	—
Toluene	0.02	0.00	0.00	0.00	0.00	0.00	—	—	—
Bis phthalate (2-ethylhexyl)	0.58	0.00	98.00	—	—	—	—	—	—
1-bromopropane	—	—	—	2.40	0.00	9.60	—	—	—
Poly (oxyethylene) nonylphenyl ether	—	—	—	0.00	0.00	0.01	—	—	—
Methylenebis (4,1-phenylene) =diisocyanate	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00
Triphenyl phosphate	0.00	0.00	0.00	0.00	0.00	0.03	—	—	—

Substances subject to the PRTR Act: Of the Class Designated Chemical Substances of which 1 ton or more was handled in FY 2020, only those with high-ranking emissions or transfer volumes are listed (unit: tons/year)  
Substances indicated with a minus sign are not subject to reports (volume handled was less than 1 ton/year).

[Water quality]

Measurement item	Unit	Base value	Ashikaga Factory No. 1			Shiga Factory No. 1 Site 1*			Shiga Factory No. 1 Site 2*		Base value	Shiga Factory No. 2
			Ashikaga Factory No. 1	Ashikaga Factory No. 2 Site 1*	Ashikaga Factory No. 2 Site 2*	Shiga Factory No. 1 Site 1*	Shiga Factory No. 1 Site 2*					
Hydrogen ion concentration (pH)	pH	5.8–8.6	7.0	7.2	7.2	6.0–8.5	7.4	7.8	6.0–8.5	7.8		
Biochemical oxygen demand (BOD)	mg/l	25 or less	1.4	4.7	1.4	25 or less	1.2	4.1	30 or less	1.1		
Suspended solids (SS)	mg/l	50 or less	1.0	12.7	1.1	25 or less	7.1	1.2	70 or less	1.7		
Normal hexane extractable content	mg/l	5 or less	<0.5	<0.5	<0.5	5 or less	<0.5	<0.5	5 or less	<0.5		
Nitrogen content (T-N)	mg/l	120 or less	3.1	3.4	3.2	12 or less	0.4	0.3	12 or less	2.6		
Phosphorous content (T-P)	mg/l	16 or less	<0.1	<0.1	<0.1	1.2 or less	0.05	0.89	1.2 or less	0.05		

\*Measurements were taken at two sites at the Ashikaga Factory No. 2 and two sites at the Shiga Factory No. 1  
\*The base value is determined according to regulations at each business site.

[The air]

Measurement item	Unit	Base value	Ashikaga Factory No. 1	Base value	Shiga Factory No. 1
SOx (boilers)	k value restriction	7	—	17.5	—
NOx (boilers)	ppm	150	39	150	31

City gas is used, and as a result, no SOx is released.

## Company Profile

Established May 1947  
 Representative Mamoru Ito, President & Representative Director  
 Capital 14.64 billion yen  
 No. of employees 1,662 (consolidated) \*As of March 31, 2021  
 Listed stock exchange First Section of the Tokyo Stock Exchange

Head Office address Shinjuku Front Tower, 2-21-1 Kita-Shinjuku, Shinjuku-ku, Tokyo 169-8885, Japan  
 Offices

**[Sales offices]** Tokyo, Osaka, Hokkaido, Aichi (urethane), Fukuoka prefectures

**[Production locations]** Tochigi (2 locations), Shiga (2 locations), Hokkaido, Fukuoka prefectures

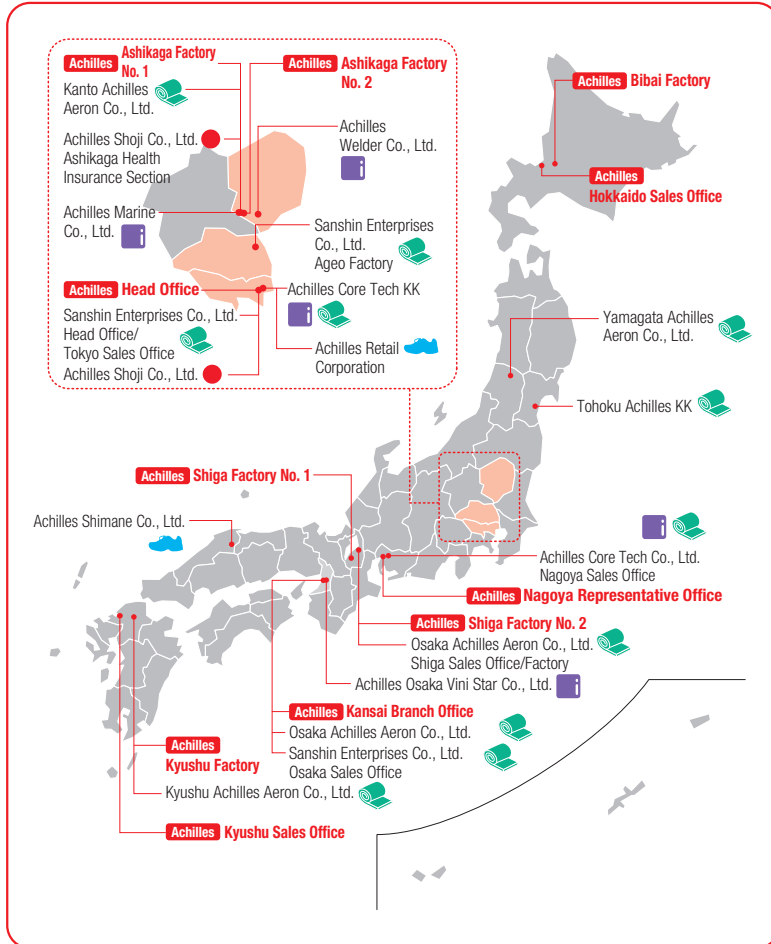
\*See the QR code on the right or the following link for the full addresses of our business locations.

<https://www.achilles.jp/english/company/>



## Business Locations

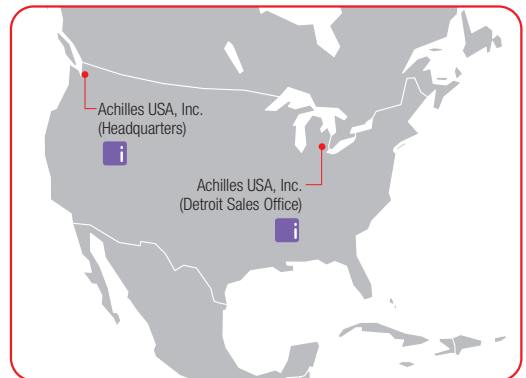
### Japan



### Asia



### North America



**Achilles** Achilles Corp. locations

#### Subsidiary business information

- Shoes
- Plastics
- Industrial Materials
- Others

\*In addition to the above, there are also the following four associated companies.  
 Toukai Kakou Corporation, Koa Kogyo Co., Ltd., Kunshan Achilles New Material Technology Co., Ltd. (Jiangsu, China), ANL Group Limited (Hong Kong)

## Achilles Report 2021

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### Inquiries

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