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PLANNING RECOVERY MANAGEMENT ONGOING OPERATION RISK RESILIENCE PROCEDURES

SMC Business Continuity Plan
Uninterrupted Operations and a Resilient Supply Chain

Japan — Shimotsuma Factory

Europe — Czech Factory

Japan — Tsukuba Factory

Asia — China Factory

Japan — Yamatsuri Factory

Japan — Soka Factory

Japan — Kamaishi Factory

Asia — Singapore Factory

Asia — India Factory

Japan — Tono Factory

Asia — Vietnam Factory
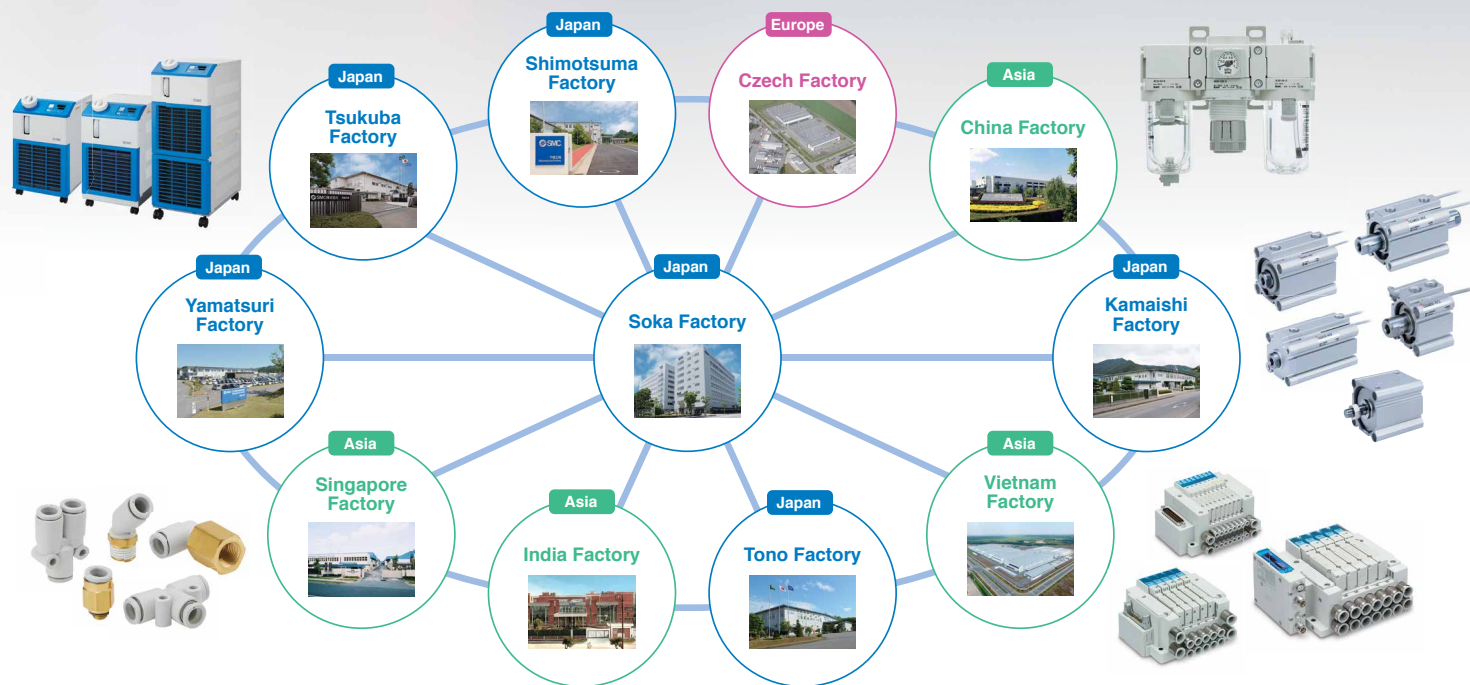
Business Continuity Plan:
Uninterrupted Operations and a Resilient Supply Chain

THE customer's trust is earned with our manufacturing, engineering, sales, management, and financial continuity efforts with a sustainable product supply. SMC will ensure that every process within our company's business activities will consider the protection of the environment. This will include removing environmentally hazardous substances and materials, conserving energy and resources, reducing the use of packing materials, reducing noise, and proper disposal of wastewater and other waste materials.

We are committed to ensuring that SMC is prepared for any emergency and that our business activities will not stop in the event of such an emergency. This includes maintaining a system that can quickly resume operations in the event of an unavoidable termination. At the same time, we are also introducing the latest security technology to fully protect our customer's information.

Sustainable BCP Initiatives

Production Department BCP

■ **Risk hedging by dispersing the location of production and logistics centers**
  - A sustainable product supply is provided by consistently managing the flow of information and goods from procurement to production and distribution.
  - Measures are taken with a long–term perspective in order to implement flexibility and rapid responses to the risks of sudden changes in the production environment.

■ **SMC's supply system provides coverage of the world's major countries**
  - Production bases located in 29 countries and regions with an extensive local inventory system.

Technical Department BCP

■ **Global Engineering Network Established**
  - The BCP is implemented with collaborations between Japan, Asia, US, and European Technical Centers, providing a quick response with 1,700 engineering staff members.
  - Accurate and rapid responses to customer issues on a global basis.
  - Technical services are provided worldwide through information sharing and close collaboration.

- Other technical centers, working in parallel to each other, can provide operational backups

- Product development conducted by the JTC (Japan Technical Center) is backed up by the other technical centers

Sales Department BCP

- **With 532 sales offices in 83 countries around the world, SMC provides support for customers with 8,700 person strong global sales staff**
  SMC offers a full range of sales offices and staff to meet every customer request from diverse countries and regions. By doing this, we can deliver additional satisfaction to our customers within the global market.

- **Customer relationship management via Sales Connect (CRM)**

Global Sales Network

- Through our overseas network, SMC has established a solid reputation as a reliable international brand, with a global market share reaching 37 percent and aiming for more. We aim to leave customers worldwide with nothing to be desired. By increasing the numbers of sales locations and staff, we hope to continue to exceed our customers expectations in different countries and regions.

- **Managing client data through Sales Connect (CRM)**
  - Customer information from countries around the world is managed using CRM.

Our CRM management system will be strengthened to assure our customers that their vital data is safe

- **Strengthened information security with a globally maintained unified infrastructure. (Server, Firewall, Network Equipment, PCs, Security Tools)**

- **Prevention of cyber attacks, automatic detection, and strengthening of the monitoring system**

- **Installation of data centers to establish a disaster recovery* system**
  - Implementation of strong security measures within several unified data centers.
  - We'll build the latest disaster recovery system to detect and take countermeasures against the spread of the virus and cyber attacks. The system will constantly monitor for malware and intruders. When an infection is detected, the system will recover in a short period due to system redundancy.
  - Utilising cloud CTI, we will continue reliable operations, by shifting work from business centers to working from home.
  - Ordering data is synchronised between data centers located in Japan, Asia, North America, South America, Oceania, and Europe.

Management and Finance Related BCP

- **Establishment of an advisory committee**
  Established an emergency business continuity system with the Chinese, Italian, American, and Singaporean subsidiary general managers.

- **A strong financial foundation**
  In the event of an emergency, SMC can provide a safe and solid financial base (with cash, deposits, and equity capital) that will sufficiently cover the working capital and funds needed to rebuild buildings and equipment required for business continuity. This is done to provide our customers and workers alike with peace of mind.

Information Security
(Applicable to all departments)

- **Strengthened information security with a globally maintained unified infrastructure. (Server, Firewall, Network Equipment, PCs, Security Tools)**

- **Prevention of cyber attacks, automatic detection, and strengthening of the monitoring system**

- **Installation of data centers to establish a disaster recovery system**
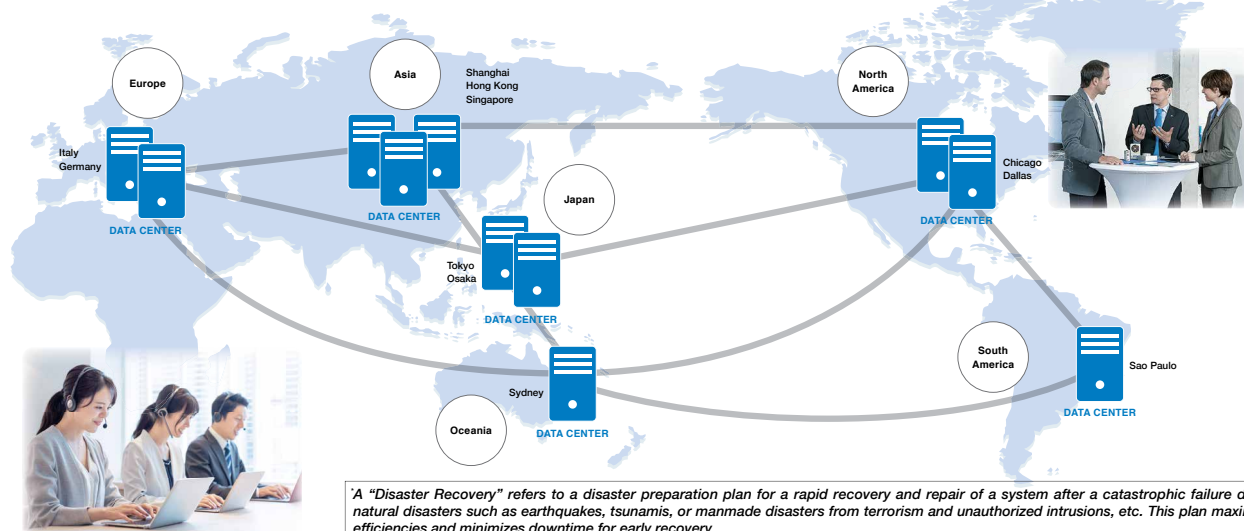
*A "Disaster Recovery" refers to a disaster preparation plan for a rapid recovery and repair of a system after a catastrophic failure due to natural disasters such as earthquakes, tsunamis, or manmade disasters from terrorism and unauthorized intrusions, etc. This plan maximizes efficiencies and minimizes downtime for early recovery.

Introduction of SMC security stack to all SMC group locations by March 31, 2022