



Contributing to a sustainable world through management balancing business and ESG

Tetsuo Komori

Representative Director, CEO
FineToday Holdings Co., Ltd.

Message

Thank you to all of our stakeholders for their continued support of FineToday Group.

We have grown our businesses steadily since our founding in July 2021 as Fine Today Shiseido Co., Ltd. Today, we are advancing efforts to establish an autonomous management structure integrated from research and development through manufacturing and sales with a sense of urgency. At the same time, as our supply chain grows so does the scope of the stakeholders with whom the Group interacts. We recognize the need for even more active efforts in areas such as responding to climate change and human rights in the supply chain as integral parts of business management. We also recognize the importance of proactive disclosure of related

information, in order to build even stronger trust among all stakeholders and fulfill our responsibilities as a member of society.

This Report plays an important role in our disclosure initiatives by providing information on current initiatives centered on those related to sustainability. Nothing would make me happier than for this Report to help readers to understand the Group even better.

While the lengthy COVID-19 pandemic has at long last begun to show signs of settling down, the business environment continues to face numerous factors contributing to change, such as skyrocketing prices of raw materials and foreign-exchange instability. Even under these conditions, the Group was able to increase profits in FY2022. In FY2023 as well, all of us will continue working together to enhance our corporate value—including sustainability initiatives—toward our short-term target of an IPO.

Our Purpose is like the guiding star of the good ship *FineToday's* navigation.

The Group's businesses began in July 2021, succeeding to the personal care businesses of Shiseido Company, Limited and FT Shiseido Co., Ltd. Powered by our richly diverse organization and unceasing spirit of opening up new frontiers, we deliver products and services to enrich body and mind, based on aesthetic intelligence, to "Make Every Day a Fine Day" for people around the world.

When we marked our first anniversary in July 2022, we established our "Purpose" (our reason for being) and "Values," (Our ideals and principles) to express the vision to "Make Every Day a Fine Day" for people around the world that is the origin of our company name more vividly and to identify clearly our target courses of action.



These incorporate our determination to contribute to sustainable growth as a role model of a glocal enterprise in the region of Asia for the personal care field. We do this by supplying products localized for the needs of each country and region while valuing our inherited aesthetic intelligence as a company with roots in Japan and the principles of truth, goodness, and beauty.

Our employees, including those at Group companies overseas, played leading roles in formulating each of these important precepts. The Purpose is like the guiding star we will use to navigate our *FineToday* on its voyage toward being a group of companies beloved by our children's and grandchildren's generation a century from now. With this Purpose serving as a principle that we created ourselves, each employee will play an important role in charting our course and continuing to deliver sustainable value to all the stakeholders.

The importance of ESG to FineToday Group

Based on this Purpose, business administration and promotion of environmental, social, and governance (ESG) initiatives serve as the integral twin axles of our business. Without these two axles, the organization would be incomplete, as the Group continues to take on the challenge of making every day a positive experience by enriching the lives of people around the world.

The supply chain of the personal care products business is built on a wide range of stakeholders. We consider our ability to provide stakeholders with value not only in business aspects but also in those concerning sustainability, including the environment and

human rights, to be extremely important. We build trust, empathy, and inspiration through means that include supplying products that embody not only functional value but emotional value as well and carrying out various ESG initiatives. By doing so, we will generate in concert with our stakeholders' behavioral changes that will lead to positive action for people, society, and the environment. This also helps us to make progress toward further business growth and ESG initiatives at an even higher level. Through this cycle we will aim to increase our corporate value integrating both financial and nonfinancial aspects.

Practical ESG initiatives

To be a sustainable enterprise, it is vital to contribute to sustainability around the world. Based on this understanding, the Group has continued to enhance its sustainability initiatives ever since its founding.

In FY2022, we formulated "Fine Today & Tomorrow 2030," our mid- to long-term vision for realizing our Purpose and Values as we move forward toward FY2030 based on the four "P's" (Principles of Governance, People, Planet, and Prosperity). We see "Fine Today & Tomorrow 2030" as a roadmap for continuing to provide value to all of our diverse stakeholders, and today we are promoting a wide range of initiatives in line with this vision.

We have amassed a number of achievements through today. For example, we have identified priority materiality topics and expressed our support for international norms including the

United Nations Global Compact and the Roundtable on Sustainable Palm Oil (RSPO). In the area of climate change, we have calculated greenhouse gas emissions, declared our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), published a TCFD Report, and submitted a commitment letter for Science Based Targets (SBT) accreditation. We also earned a Silver Medal from EcoVadis* in 2022, our first year of undergoing review by that organization, ranking us among the top 25% in its assessment.

Under our medium- to long-term vision “Fine Today & Tomorrow 2030” as well, we will aim to achieve targets on KPIs established in the four “P’s” of Principles of Governance, People, Planet, and Prosperity. We also will strengthen our initiatives in the area of human rights, through means including formulation of a human-rights policy and launching a human-rights working group.

At the same time, we recognize that as our company grows rapidly in scale, we will need to develop a structure for thinking and acting autonomously on measures based on the actual conditions in each country and region (e.g., differences in receptivity to ESG initiatives). We also should make sure to deploy best practices horizontally across the organization in the future.

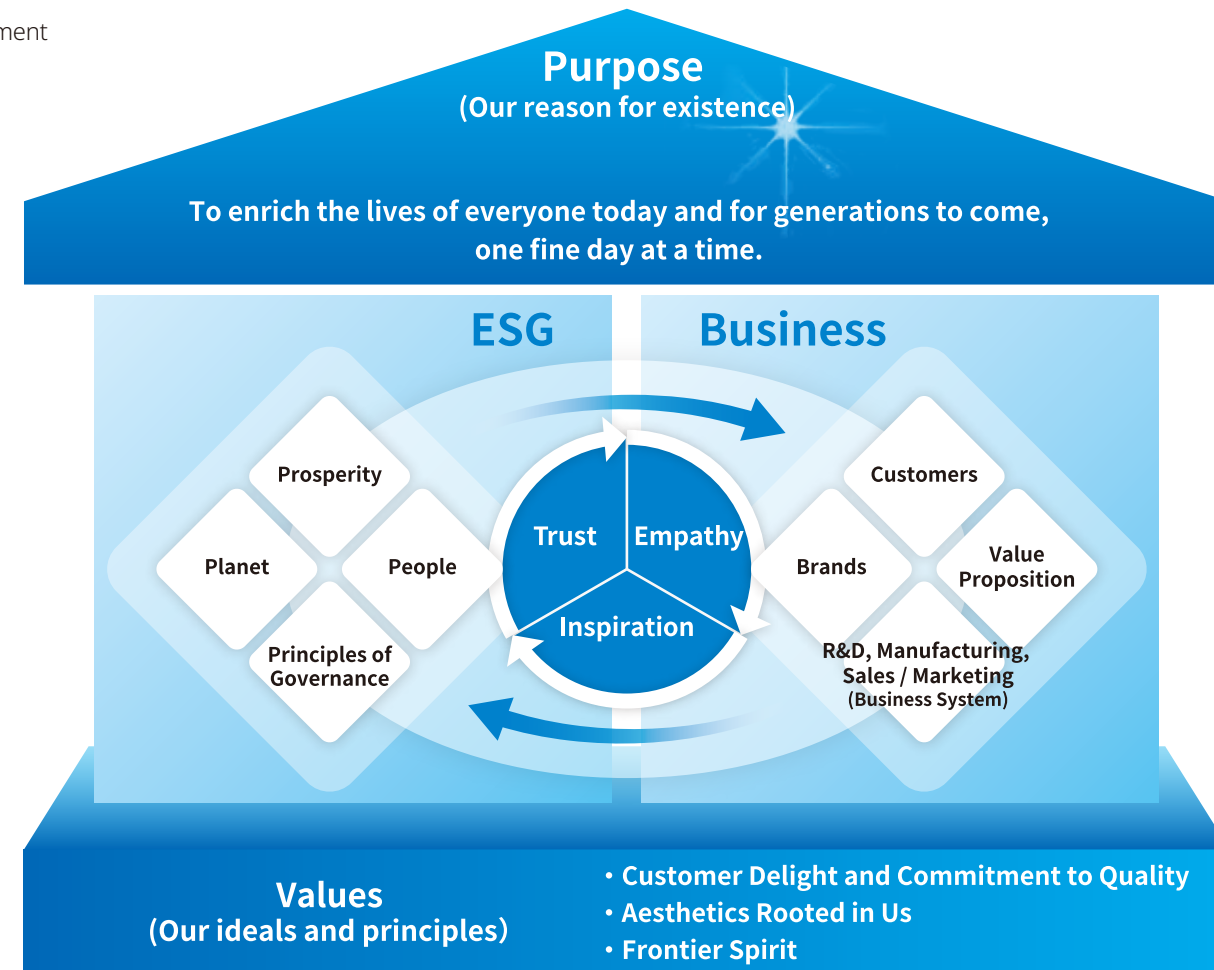
We will aim for even broader and more in-depth sustainability initiatives by sharing information and creating opportunities for discussion, to achieve even closer cooperation among individual countries and regions.

* The world's largest sustainability assessment agency, with more than 100,000 registered companies in 175 countries.

The importance of ESG to FineToday Group

Business management and ESG are the twin axles of our Purpose-driven management

Basic Concept of Purpose-Driven Management



Our aims in business operation

We consider the Group to be a “Big Venture”—that is, an organization that incorporates elements of both a major firm and a startup, recording net sales of more than 100 billion yen soon after its launch.

Overseas sales account for more than 50% of the net sales of our brands, which demonstrate competitive strengths on a global basis in the three priority regions of Japan, China, and the Asia-Pacific region (APAC). They include brands that are building flexible business promotion structures capable of adapting swiftly to local needs, through means such as deployment of products localized for individual countries and regions.

In light of these circumstances, our medium- to long-term vision calls for us to achieve by FY2030 the status of a role model in Asia for the glocal firm that the world of today expects. The entire organization will take steps toward achieving this vision together. As the first step, we will aim for further growth centered on Asia, by swiftly establishing autonomous business operations.

Toward this aim, in the roughly two years since we began business operations we have laid the foundations of business in a wide range of areas. In FY2022, we added 10 business entities in the APAC region to the Group, as well as completing the process of bringing in-house our IT systems in 11 countries and regions, including Japan. Furthermore, in FY2023, we acquired the Kuki Factory from Shiseido Company, Limited to as a manufacturing facility. It got a new start in April as Fine Today Industries Co., Ltd. We plan to acquire a factory in Vietnam in the second half of the

same fiscal year as well. We also are making steady progress on preparations to bring an R&D facility in-house.

Through these initiatives, we will focus on building a business system integrated from research and development through manufacturing and sales. This way, we will further accelerate and achieve flexibility in our ability to supply appropriate quantities of a diverse range of high-quality products to meet market needs in each country and region. We also will advance optimization of the entire supply chain while further promoting the competitive strengths of our brands, which have earned the support of numerous customers.

Together with this business growth, we expect the number of employees in the entire Group, including overseas operations, to reach a total of about 3000 people during FY2023, after starting at about 300 people. Under such conditions, it is vital to work toward solutions autonomously in teams that extend above and beyond sectional and hierarchical boundaries. We believe that doing so will promote inclusion naturally, leading to glocal innovation. As one example, the manufacturing facility Fine Today Industries Co., Ltd. is striving toward solutions across organizational boundaries through means such as factory employees, who also are consumers themselves, proposing improvements to packaging materials and contents, to function as a factory that generates solutions.

To be a group of companies that will remain beloved and respected in the world a century from now, we in FineToday Group will continue to navigate the seas of a world of uncertain prospects and an unpredictable future while overcoming various

business challenges, using our purpose and our values as our navigator. We would appreciate the continued guidance and support of all stakeholders.



Representative Director, CEO
FineToday Holdings Co., Ltd.

Continually creating value for all stakeholders, aiming to grow to be Asia's top personal care company

The value FineToday Group delivers to stakeholders

Embodying truth, goodness, and beauty

We will build the trust of all stakeholders by developing harmonious beauty through straightforward pursuit of ethical practices as a glocal enterprise.

Acting as one for the benefit of people and the planet

FineToday Group balances business growth with the sustainable development of the region centered on Asia: the growth engine of the global economy with a wealth of natural bounty.

Principles of Governance

To become a presence trusted by all of our stakeholders.



Pursuit of purpose	Transparent governance
Ethical conduct	Integration of risks and opportunities

Planet

To halve our environmental impact throughout our value chain.



Response to climate change	Conservation of nature and biodiversity
Pursuit of a circular economy	Caring for water, air, etc.

People

To respect all people and deepen our relationships.



Commitment to human rights	DE&I
Improvement of health and safety	Investment in talent

Prosperity

To provide a wonderful day to as many people as possible.



Expansion of economic contributions	Improvement of consumer satisfaction
Product innovation	Community support

Fine Today & Tomorrow

Our promises as we move toward 2030

To enable everyone in the world to weave a wonderful day and live everlastingly beautiful and enriched lives

Bringing wellness to mind and body as well as the environment

Respecting ethnical, cultural, and value diversity of the region centered in Asia, FineToday Group builds stronger ties with people by helping everyone work and live in their desired ways.

Making every day a fine day through aesthetic intelligence

FineToday Group takes on the unmet needs of today's society, as it changes in rapid and complex ways, to make every day a "fine day" through personal beauty products.

Identification of 18 materiality items fundamental to sustainable value creation

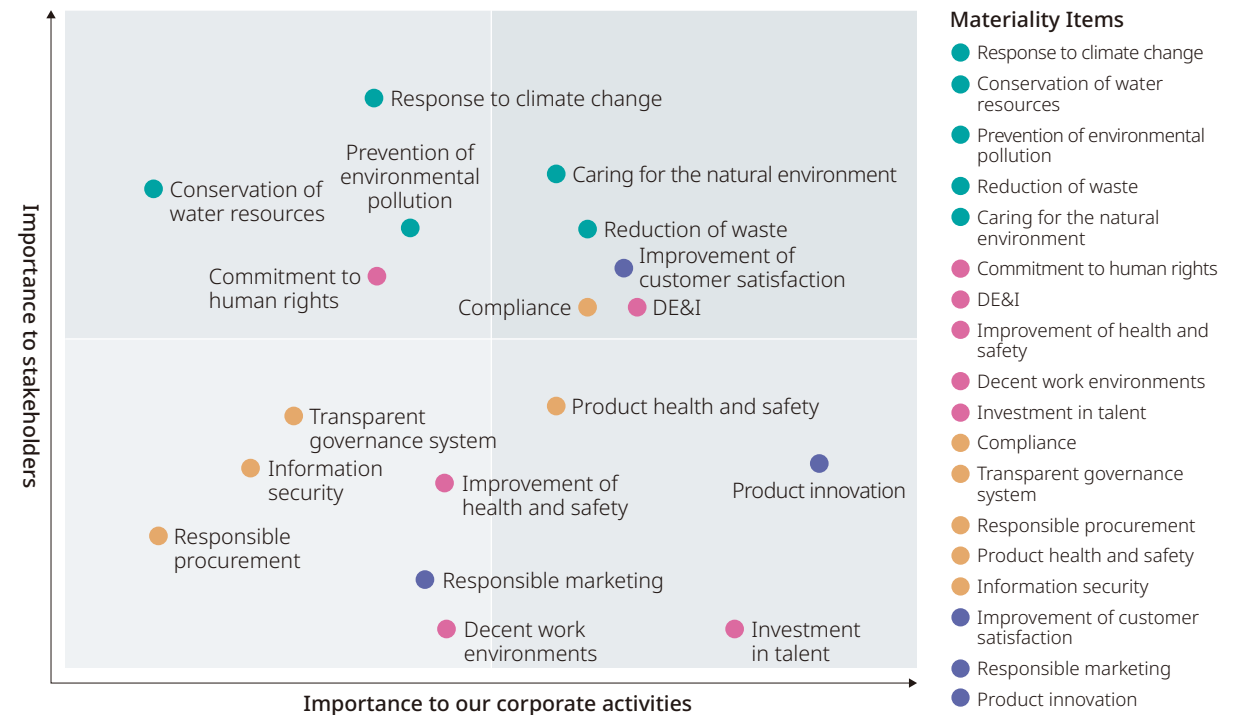
Materiality Identification Process

Reflecting international sustainability norms and guidance, in 2022 FineToday Group defined 18 materiality items (key issues) to address through a four-step process aimed at realizing its management vision and helping to achieve the United Nations Sustainable Development Goals (SDGs). Moving forward, the Group will revise these as needed in response to trends in the international community and changes in its businesses.

<p>Step 1 Identification of social issues to address</p>	<p>Listing materiality candidates with reference including the UN Global Compact, ISO 26000, the GRI Standards, the SDGs, and assessment items used by ESG assessment organizations</p>
<p>Step 2 Analysis of social and business impact</p>	<p>Examining the degree of the business impact of the materiality items identified in Step 1 in terms of responsibility to stakeholders and value creation, while reflecting the opinions of external experts</p>
<p>Step 3 Identification of the validity and priority of materiality items</p>	<p>Based on the results of the impact analysis in Step 2, preparing a materiality matrix to identify 18 materiality items that are demanded by stakeholders and have significant business impacts</p>
<p>Step 4 Approval by the executive committee and the board of directors</p>	<p>Approval of the 18 identified materiality items by the executive committee and the board of directors</p>

Materiality Matrix

FineToday Group identifies the ESG challenges that are important to implementing its mid-to-long-term strategies, in terms of their importance both to stakeholders and to our corporate activities. Then, it considers the actions that the Group must take.



Reflecting stakeholder dialogue in sustainability activities

Consumers FineToday Group is expanding its range of consumers contact through means such as consumer support desks and social media platforms. The Group rewards consumers' trust by listening with sincerity to their voices and reflecting them in quality management for its products and services.

- Dialogue methods and venues**
- Consumer support desks
 - Social media

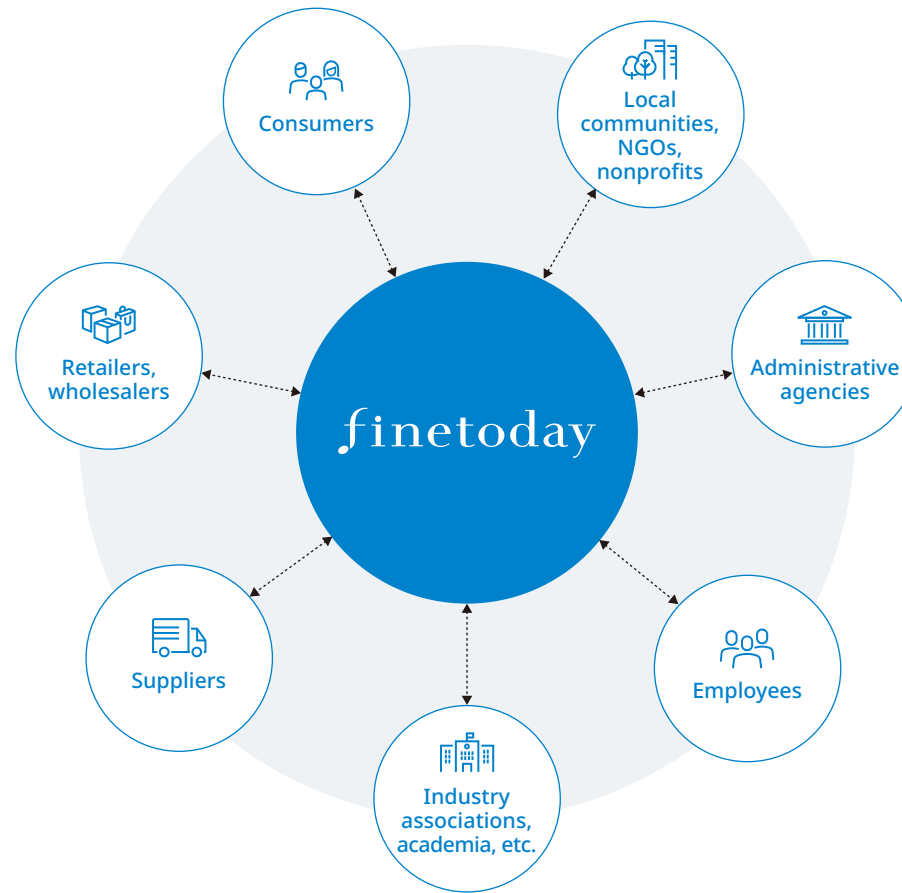
Retailers, wholesalers FineToday Group listens with sincerity to the voices of retailers and wholesalers and reflects them in product improvements, new-product development, and service improvements.

- Dialogue methods and venues**
- Briefings on new products and marketing
 - Meetings to share merchandising proposals
 - Product study meetings

Suppliers* FineToday Group strives to enhance sustainable and responsible supply chains together with suppliers who share the vision of the FineToday Group Procurement Policy.

- Dialogue methods and venues**
- Concluding Master Purchase Agreement which incorporates items required in the FineToday Group Supplier Code of Conduct

* Packaging materials, Raw materials, OEM and ODM suppliers



Local communities, NGOs, nonprofits As a good corporate citizen, FineToday Group actively participates in the activities of local communities, NGOs, and nonprofits, to help realize a sound, sustainable society and environmental solutions.

- Dialogue methods and venues**
- Activities to contribute to society in accordance with the FineToday Group Corporate Citizenship Policy
 - Donating funds and products
 - Volunteer activities
 - Dialogue with outside experts

Administrative agencies In addition to complying with applicable laws, regulations, and rules in each country and region, FineToday Group cooperates with administrative agencies to contribute to solutions to social issues and to sustainable development in the international community.

- Dialogue methods and venues**
- Exchange of opinions
 - Cooperation in events organized by local governments and others






Employees FineToday Group aims to be an organization in which diverse people can leverage their individual strengths to thrive on their own, regardless of gender, nationality, religious belief, disability status, and sexual orientation.

- Dialogue methods and venues**
- Engagement surveys
 - Internal whistleblowing systems, hotlines
 - Leadership development
 - Values and Leadership Behavior Internal Promotion, Global communication conferences










Industry associations, academia, etc. FineToday Group cooperates in contributing to the progress of society and the industry, through active and wide-ranging knowledge sharing and exchange of opinions.

- Dialogue methods and venues**
- Information collection
 - Exchange of opinions


Setting KPIs on 16 items in the four areas of the mid-to-long-term vision and promoting steady activities through a PDCA cycle








	Vision and story for 2030		Strategic KPIs and 2030 targets	Related Sustainable Development Goals (SDGs)
Principles of Governance 	Ethical conduct	<p>An organizational culture that prevents and has zero tolerance for compliance violations</p> <p>We will do business fairly, in pursuit of proper ethics, in every country, region, and environment.</p>	<p>Number of serious compliance violations*</p> <p>0</p>	
	Transparent governance	<p>Structures are in place under which anybody can notify the organization of any internal and external issues with confidence that they will be resolved.</p> <p>We will build systems that enable constant pursuit of even better business practices, across organizational and company boundaries.</p>	<p>Percentage of issues reported to the group internal hotline that have been resolved</p> <p>100%</p>	
	Integration of risks and opportunities	<p>Structures are in place throughout the value chain to detect and respond quickly to risks and opportunities.</p> <p>We strive to minimize the negative impacts and maximize the positive ones of our businesses, to support consumers' daily lives.</p>	<p>Percentage of long-term risks and opportunities analyzed and responded to appropriately by the Risk Management Committee</p> <p>100%</p>	
	Pursuit of Purpose	<p>Each and every employee puts into practice various actions and decision-making based on the Purpose.</p> <p>We act based on thinking of our Purpose at all times, to beautify and enrich the lives of people in diverse communities.</p>	<p>Percentage of positive responses on the Purpose and Vision in engagement surveys</p> <p>88pts.</p>	

* Acts subject to external disclosure under FineToday Group in-house rules, violations by Directors or Executives impacting Company management

Vision and story for 2030		Strategic KPIs and 2030 targets	Related Sustainable Development Goals (SDGs)
<p>People</p> 	<p>Commitment to human rights</p> <p>The human rights of all people are afforded the utmost respect, with no one left behind, throughout the value chain.</p> <p>We will deliver fine days with respect for all in our activities from raw-materials procurement through manufacturing and sales, centered on the Asia region.</p>	<p>Ratio of ascertaining internal and external human-rights risks, including those of suppliers, and responding appropriately</p> <p>100%</p>	 
	<p>DE&I</p> <p>All people in the value chain can demonstrate their abilities to the maximum in fair environments respecting diversity.</p> <p>We will provide consumers with better value as an organization in which everybody can work in their own ways with peace of mind, as an enterprise grounded in the diverse nationalities and values of Asia.</p>	<p>Psychological safety score on engagement surveys, the average of scores on interpersonal relations and acknowledgement</p> <p>78pts.</p> <p>Percentage of women managers</p> <p>30%</p>	 
	<p>Improvement of health and safety</p> <p>All people on the value chain do their job every day in decent work environments*.</p> <p>We take pride in beautifying and enriching heart, body, and planet thanks to our safe, healthy workplaces in each country and region.</p>	<p>Decent work score on engagement surveys, the average of scores on rewarding work and good health</p> <p>80pts.</p> <p>Number of on-the-job accidents (resulting in time off work)</p> <p>0%</p>	 
	<p>Investment in talent</p> <p>Each and every individual bravely takes on never experienced challenges, and has a positive impact both internally and externally working together as one.</p> <p>We will build an organizational culture whose members can experience true growth by taking on challenges dauntlessly while thinking about people and the planet.</p>	<p>Percentage of employees whose actions demonstrate Values & Leadership Behavior (permeation)</p> <p>95%</p> <p>Autonomous growth score on engagement surveys, the average of scores on opportunities for growth and culture of taking on challenges</p> <p>83pts.</p>	 

* Humane, rewarding work; more specifically, productive work in conditions of freedom, equity, security, and human dignity for all
 Source: International Labour Organisation <https://www.ilo.org/global/lang-en/index.htm>

Vision and story for 2030		Strategic KPIs and 2030 targets	Related Sustainable Development Goals (SDGs)
Prosperity 	Expansion of economic contributions <p>Sustained generation of profits and continual contribution to solutions to social challenges through business activities. We will reinvest profits from business in solutions to unresolved challenges, to build relations of co-prosperity with as many consumers as possible.</p>	Internal targets only	
	Improvement of consumer satisfaction <p>FineToday Group brands' unique products and services to meet the unmet needs of consumers across generations. We will build relations of trust between our brands and consumers, by beautifying and enriching their daily lives and making their lives more satisfying.</p>	Internal targets only	
	Product innovation <p>FineToday Group ceaselessly takes on the challenges of value innovation, to deliver fine days to as many people as possible around the world. In addition to progress on features and technologies for healthier, more attractive skin and hair, we will continue to improve the sensual value that delivers joy and satisfaction.</p>	Internal targets only	
	Community support <p>Contributing to community development as a member of the local communities where business activities take place. We will support the progress of the communities near our facilities and factories across the countries and regions of Asia, through sustainable business growth.</p>	Internal targets only	

Vision and story for 2030		Strategic KPIs and 2030 targets	Related Sustainable Development Goals (SDGs)
Planet 	Response to climate change Reducing greenhouse-gas (GHG) emissions throughout the product life cycle, and contributing to minimizing climate risks and maximizing climate opportunities. We can lessen the risks of climate change to consumers in Asia and worldwide by rebuilding the ways we do business with an emphasis on the planet.	GHG emissions Reduced 42% (vs. 2021) (Realizing carbon neutrality by 2050)	
	Conservation of nature and biodiversity Assessment and reduction of impacts on ecosystems throughout the value chain. We can balance forest conservation and business development in Southeast Asia through means such as use of certified palm oil.	Sustainable palm oil procurement 100%	 
	Pursuit of a circular economy Circular social systems are developed and the resource cycle is made more efficient, including use of sustainable containers and packaging. We can contribute to reducing oceanic pollution in Asia and around the world through means such as reducing use of plastics and increasing recycling rates.	Percentage of sustainable containers and packaging 100%	 
	Caring for water, air, etc. Business activities minimize their impacts on water and the natural environment. We can contribute to reducing the water stress that affects half the world's population through products that help conserve water.	Water intensity Reduced by 10% (vs. 2021) (Factory water monitoring: 100%)	

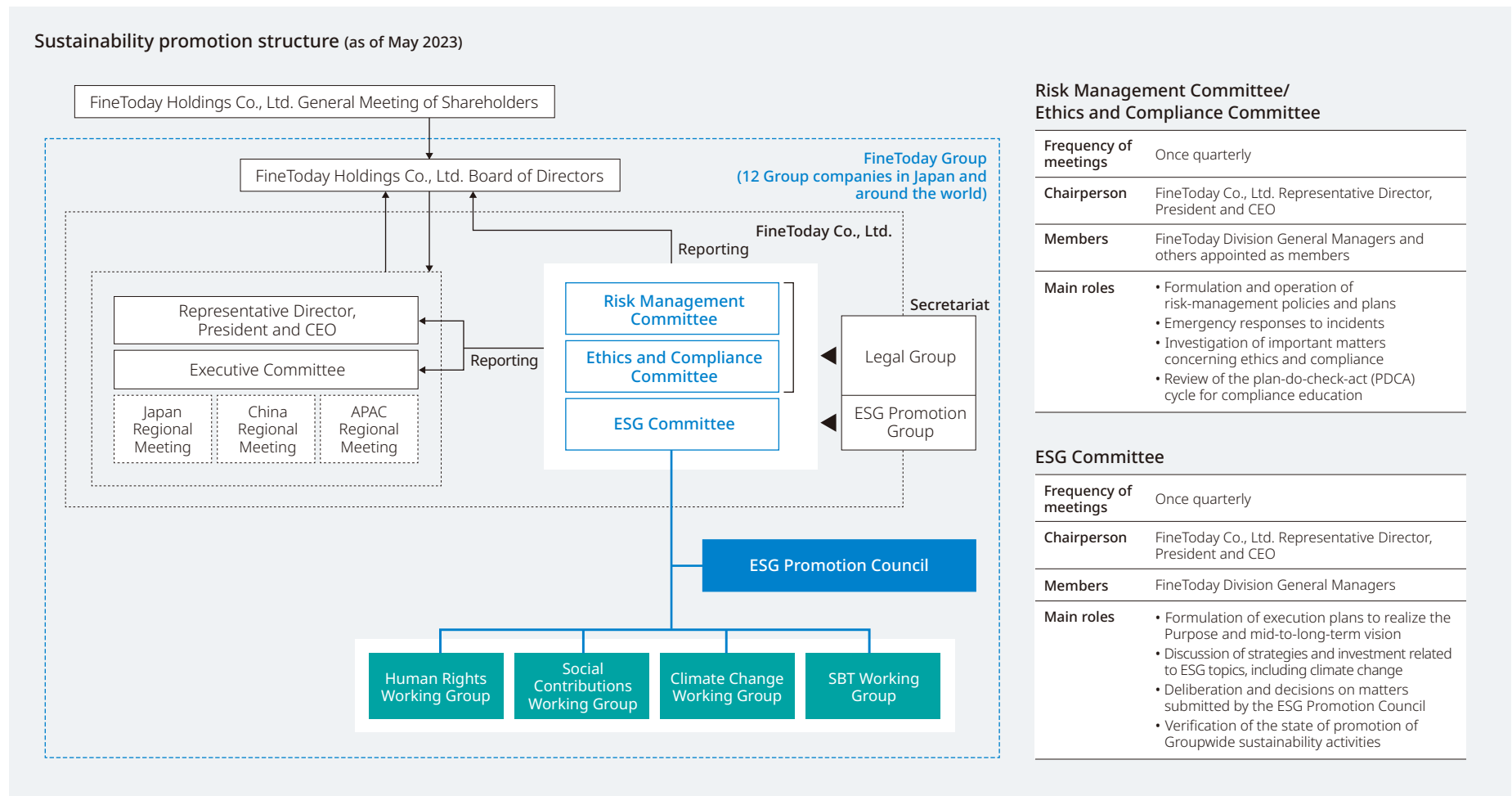
Developing a sustainability promotion structure in which top management plays a central role

FineToday Group has established the Risk Management Committee, the Ethics and Compliance Committee, and the ESG Committee as organizations responsible for activities such as confirming and assessing risks related to the environment, society, and governance (ESG) and formulating policies and plans for sustainability activities. The Representative Director, President and CEO is responsible for these committees.

FineToday Group has established the ESG Promotion Council and the ESG Working Group under the ESG Committee. They perform central roles in activities such as following up on the sustainability action plans carried out by individual sections and formulating execution plans on important topics.

FineToday Group also has adopted a system that reflects sustainability indicators in decisions on remuneration for executives and division general managers.*

* This system will be adopted beginning in the second half of FY2023 and reflected in actual remuneration beginning in FY2024. While plans call for using the two indicators of EcoVadis assessment results and engagement survey results in the first fiscal year, the Group plans to consider additional indicators and when to adopt them in the future.



Focus
1

R&D in FineToday Group

Developing an R&D structure to meet glocal needs

Aiming to be a role model for a glocal enterprise in Asia, FineToday Group is making progress on development of an integrated business system covering activities from development of new technologies, products, and brands through manufacturing and sales. The aim is to continue supplying products and services to meet the diverse needs of consumers in the areas where it does business.

Since FY2021, FineToday's R&D Division has played a central role in building an R&D

structure as part of these efforts. This division has formulated a three-year midterm plan under which it aims to realize the R&D needed of a glocal enterprise in Asia, by FY2024, through systematic progress in areas such as enhancement of human resources and organizational reforms. In this way, FineToday Group is taking on the challenge of growing to be a business group that will earn the support of even more consumers in the personal care field.

Overview of and progress on midterm plans

Toward realizing a development structure as a glocal enterprise

At least 50% of FineToday Group's sales come from the overseas markets of China and APAC. Currently, Group products consist of brands developed in the Japan market adjusted for overseas markets. In the future, however, the Group will aim to develop products and services better suited to consumers through thoroughly identifying and analyzing consumer needs in each country and region. The Group has identified as an important future goal the development of a structure under which facilities outside of Japan individually collect information on market needs and work together with the R&D Division in Japan to develop and supply unique products and

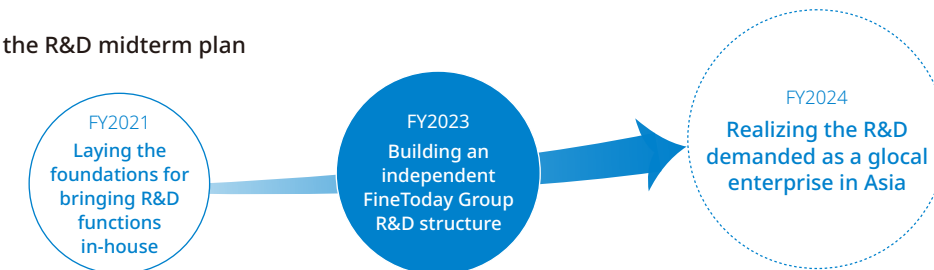
services for each country and region.

The R&D Division's midterm plan identifies the themes of initiatives for each fiscal year based on this goal. In this way, the Group will move forward steadily on improving its R&D structure to meet glocal needs.

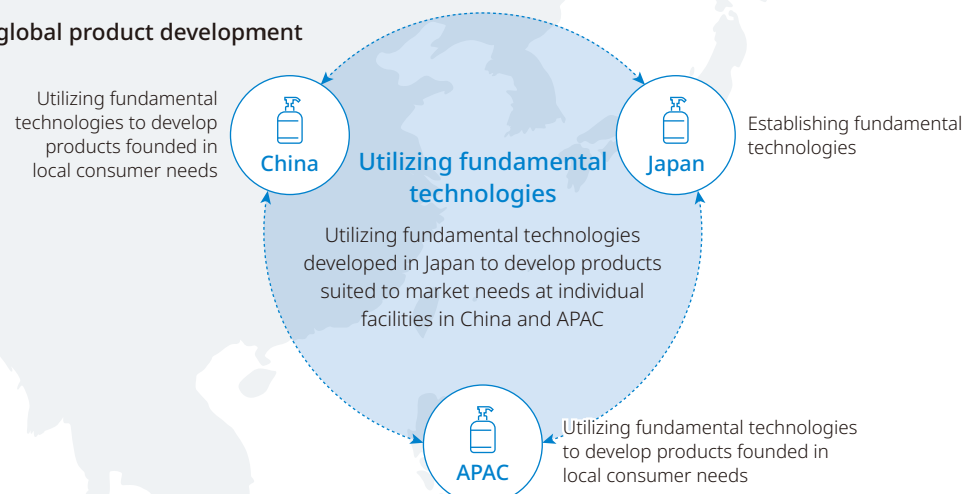
FineToday Group has laid the foundations for building such an R&D structure in FY2022-2023, which it has identified as the period in which the Group will establish this structure. The Group has made enhancements to its people in charge of R&D, pharmaceutical affairs, quality assurance, technology, and intellectual property. It also is making progress in areas such as development of organizational structures and information systems in addition to securing the permits needed.



Topics of the R&D midterm plan



– Future global product development



Promotion structure

Brand value development and core research and development for future solutions

To promote the midterm plan in R&D, FineToday Group's R&D focuses on the central themes of brand value development and applied and advanced research for future solutions. Brand value development aims to establish technologies to deliver to consumers FineToday Group's unique brand value, which has earned the trust of personal care markets, while valuing the brand value technologies inherited from Shiseido Co., Ltd.

In addition to product quality, safety, and features, the Group strives to generate sensual value through which consumers truly can experience the brand value of the products they use. For this reason, it is focusing on research

and development and enhancement of expertise to communicate this sensual value to consumers.

At the same time, it is vital to carry out R&D over the medium to long term on core technologies to serve as foundations for new product development. In the cosmetics and pharmaceuticals industry in particular, which includes the personal care field, not a few companies leverage their own proprietary core technologies to develop products with competitive advantages. FineToday Group too will aim to develop technologies to contribute to further growth in China and APAC while enhancing the Group's resources such as its people and facilities.

FineToday Group's strengths

Leveraging Group resources toward further growth

Currently, the R&D Division's staff includes researchers with backgrounds in various organizations, including raw-material producers as well as cosmetics manufacturers. This stimulating environment of interaction among people with such diverse backgrounds serves as an important strength in advancing development of products and services.

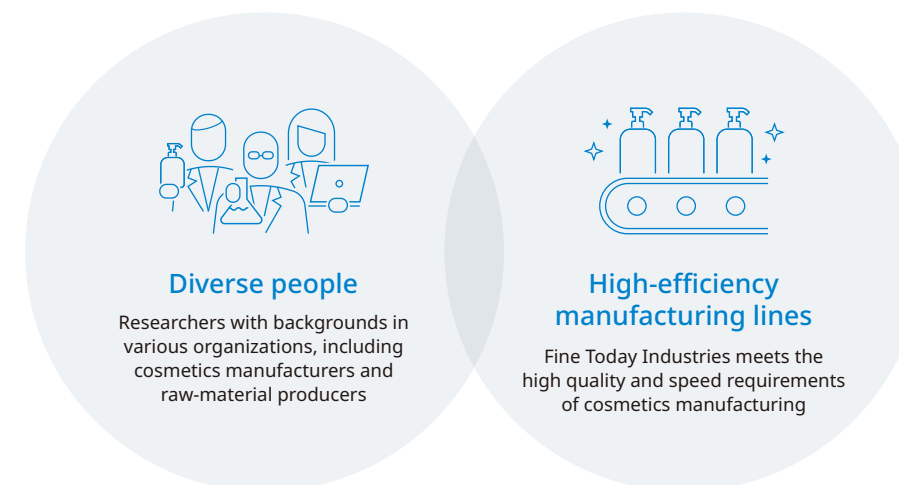
Fine Today Industries (formerly the Shiseido Company, Limited Kuki Factory), which joined the Group in April 2023, satisfies the high quality

and manufacturing-speed demands of cosmetics. It is capable of timely introduction of products that reflect basic research and new ideas.

FineToday Group will strengthen collaboration and leverage its strengths to the maximum in accelerating innovation deliver value to consumers and accelerate innovation for growth.



– The Group's strengths serving as the bases for delivering value



Diverse people

Researchers with backgrounds in various organizations, including cosmetics manufacturers and raw-material producers

High-efficiency manufacturing lines

Fine Today Industries meets the high quality and speed requirements of cosmetics manufacturing

Focus
2

Fine Today Industries' environmental and social initiatives

Aiming to produce high-quality products with consideration for employee safety and lessening environmental impact

Fine Today Industries Co., Ltd. (FTI), which is responsible for FineToday Group's manufacturing functions, began operation in April 2023.

FTI, whose predecessor the Shiseido Co., Ltd. Kuki Factory began operation in 1983, seeks to produce high-quality personal care products to beautify and enrich consumers' daily lives, with a thorough focus on aesthetic intelligence. In its manufacturing processes, it focuses on lessening environmental impact and maintaining safe, secure working environments, as a member of the local community.

FTI has a worldwide presence in the FineToday Group, as it aims to develop an integrated business system from technology development through purchasing, manufacturing, sales, and marketing.

— Profile of FTI

Trade Name	Fine Today Industries Co., Ltd.
Location of Head Office	5 Kiyoku-cho, Kuki City, Saitama Prefecture
Representative	Hiroto Morozumi, CEO and Representative Director
Business Areas	Manufacturing of personal care products, etc.
Major Shareholder and Shareholding Ratio	FineToday Holdings Co., Ltd.: 100%



A group photo from the ceremony commemorating FTI's founding

Environmental management

Continual improvements to environmental activities based on ISO 14001

In 1997, when it was operating as the Kuki Factory of Shiseido Co., Ltd., FTI was the first facility in the cosmetics industry in Japan to earn ISO 14001 certification. By running through a plan-do-check-act (PDCA) cycle based on ISO 14001, it strives to enhance its environmental management structure and continually reduce its environmental impact.

It continues to maintain ISO 14001 certification through annual regular maintenance review and update review every three years, both conducted by external agencies.

Compliance with environmental laws and regulations through a periodic checking structure

The manufacturing sections, whose activities involve larger environmental impacts, play leading roles in assessment of compliance with environmental laws, regulations, etc. based on ISO 14001, to ensure thorough compliance.

Promoting education and training to raise employees' environmental conscious

FTI provides a wide range of environmental education and training for employees. By raising the environmental awareness of each and every employee involved in diverse activities in each section, it aims to lessen its environmental impact while also maintaining and building positive relations with the local community.

Main education and training topics at FTI

- Sharing results and plans for environmental management, including protection of energy sources and responding to climate change
- Requests for cooperation in waste segregation, energy conservation, and paperless operations
- Raising awareness of measures to prevent outflows of raw materials and chemicals off site
- Requests for cooperation in refraining from idling vehicle engines

Lessening environmental impact

Reducing CO₂ emissions through systematic environmental investment

FineToday Group's mid-to-long-term vision Fine Today & Tomorrow 2030 identifies the "Planet" as one important pillar of the Group's activities. FTI too is striving to reduce CO₂ emissions through systematic investment.

Upgrading cogeneration systems

In 2012, FTI upgraded the gas-turbine generator system it had adopted in 2001 to a power-generation system based on two gas-engine generators. It uses waste heat generated by this system to produce hot water and steam for use in manufacturing areas. Stable operation of this generation system also supports manufacturing with little energy loss. It also supplies about 900 kW of electricity and makes it possible to secure power supplies even in the event of lengthy power failures or rolling blackouts due to natural disasters or other causes.

– Main examples of capital investment toward CO₂ reduction

2001	• Adoption of a cogeneration system (one gas-turbine system)
2004 – 2007	• Replacement of lighting fixtures (replacement of approx. 3000 40-watt fluorescent lamps with energy-saving lamps)
2005	• Upgrading to high-efficiency compressors (four units)
2006	• Upgrading electrical substation transformers (two units)
2010	• Installing solar lightning in warehouses (82 units) • Installing hybrid wind- and solar-powered street lighting
2012	• Upgrading from absorption chillers to heat-pump chillers • Upgrading cogeneration systems (two gas-engine systems)
2015	• Upgrading brine chillers • Changing method of connecting fluid supplies from semifinished-product tanks to filling lines (reducing CO ₂ emissions by using less hot water, through switching from automated pipe connectors to a process under which workers connect fluid supply hoses manually)
2016	• Upgrading the electrical substation for factory building no. 4 from standard oil-immersed transformers to super-high-efficiency oil-immersed transformers (three units)
2017	• Upgrading the production chillers in factory building no. 4 and switching to LED lighting in the building
2018	• Promoting use of LED lighting
2019	• Switching some electricity used to hydroelectric power (3,455 MW)
2022	• Switching all electricity used to hydroelectric power (target power: 9,799 MW) • Use of carbon-offset credits (J-Credits) (purchase of CO ₂ emissions credits) • Upgrading the electrical substation for factory building no. 5 to ultra-high-efficiency transformers • Upgrading the energy building's compressor to an inverter-controlled compressor (one unit)

Futa 21 hybrid wind- and solar-powered street lighting, a symbol of FTI's environmental initiatives (installed in December 2010)



Focusing on waste reduction and appropriate control of chemical substances

Together with advancing efforts to reduce wastes generated in manufacturing processes and the employee dining hall, FTI also properly controls harmful chemical substances used in its operations. It also carries out periodic environmental surveys in accordance with laws, regulations, etc. to prevent soil pollution and air and water pollution.

Waste reduction

Each type of waste is treated in accordance with applicable environmental work procedures.

- Various shredders and compactors have been adopted in the Recycling Center on site, where some wastes are compacted and reduced for recycling as valuable resources.
- FTI has adopted drum washers to wash the insides of polymer drums and composite packaging, previously disposed of as waste, so they can be recycled as valuable resources.
- Raw wastes, produced mainly in the employee dining hall, are reduced through biotreatment in raw-waste disposal equipment.

Control of hazardous wastes

- Waste batteries are disposed of properly by industrial waste processing vendors.

Ex.: Primary batteries (alkaline and manganese batteries) are disposed of properly through a process of segregation and nonferrous smelting (zinc recovery)

Control of substances subject to the PRTR Act

- Pursuant to the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Act), the names and quantities handled of specified chemical substances produced or used are reported to the Atmospheric Environment Department of the Saitama Prefecture Environment Bureau in June of each year.

Prevention of soil pollution

- A review conducted in FY2021 showed that soil pollution levels conformed to reference values. FTI renovates facilities such as the interior and exterior drainpipes of individual buildings and underground piping on the factory site in a timely manner.

Prevention of air and water pollution

- FTI has adopted equipment and technologies to reduce atmospheric pollutants such as NOx and SOx and organic substances included in wastewater generated in manufacturing processes to within the reference values stipulated by laws and regulations and values agreed to with local governments. It measures NOx concentrations twice a year and soot and dust concentrations once every five years.
- FTI processes manufacturing wastewater through activated-sludge treatment in its wastewater treatment facilities, releasing it into the sewer system only after first treating it to conform to values specified by laws and regulations.

Prevention of noise pollution

- FTI thoroughly prohibits idling by delivery trucks and employees' personal vehicles on site.
- It measures noise levels on site boundary lines once a year. These measurements showed that reference levels continued to be satisfied in FY2022.

FTI's environmental data (January-December 2022)

Atmosphere

NOx emissions	24.15 t
SOx emissions	N/A

Substances subject to the PRTR Act

Emissions of substances subject to the PRTR Act	23.24 t
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Wastes

Waste emissions	1,762.5 t
Volume recycled	1,762.5 t
Volume not recycled	0.002 t Asbestos used as thermal-insulation materials in thermostat-oven processing
Landfill wastes	0 t
Waste recycling rate	99% or above

Water

Total water intake	235,090 m ³
Total drain water	203,882 m ³

Maintaining working environments in which people can do their jobs with safety and peace of mind

Complying with independent rules based on occupational health and safety laws and regulations

Delivering stable supplies of products that earn the support of diverse customers requires working environments where people can work with peace of mind.

FTI has established its own independent rules conforming to applicable laws and regulations, through which it strives to ensure the safety of its workplaces. As part of these efforts, it endeavors to eliminate hazards and reduce danger in the workplace through identification and risk assessment of dangers involved in the equipment, chemical substances used, and work performed in the workplace. It also educates employees to prevent workplace accidents by learning about how they occur, through simulated experience with common accidents and injuries in manufacturing workplaces.



Shampoo manufacturing process



The bright, spacious employee dining hall



Hands-on safety training

FTI employee data (as of April 2023)

366 women | 315 men



Percentage of employees with disabilities
3.97%