

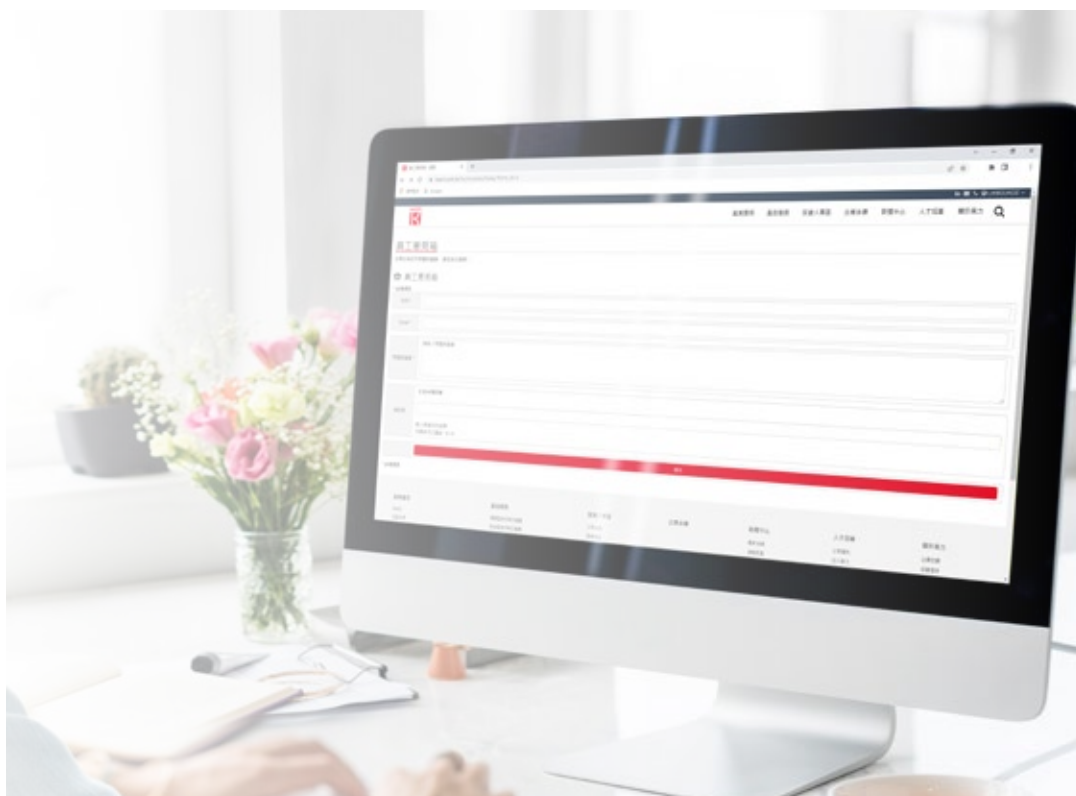
3.3 Customer Relations Management

Kaori adopts a “customer-centric” business approach and maintains strong relationships with customers in order to learn their needs and make appropriate adjustments. The Company also cooperates in customers' audits and makes improvements where necessary to ensure that customers' needs are satisfied, which in turn enables profit maximization and mutual benefit. We pay particular attention to product quality and after-sales service to achieve the above goals. In terms of marketing and promotion, we comply with relevant regulations and refrain from selling disputable products that do not meet environmental protection standards.

Kaori values every one of its customers. To ensure the quality of service to customers, the Company frequently gathers customers' opinions through satisfaction surveys and makes adjustments accordingly.

Customer Satisfaction Survey Process

We have placed our focus on offering top-quality products and services to key customers and working with their strategic partners to develop high-end, specialized materials. This is why Kaori pays particular attention to customers' satisfaction and organizes satisfaction surveys on product quality, product delivery, service quality, and professionalism in the fourth quarter of each year. A dedicated unit has been assigned to gather and analyze satisfaction scores and present them for discussion during meetings. For aspects that do not meet the required scores, the Company conducts in-depth discussions with customers and has the Quality Assurance Center provide relevant information such as customers' monthly supplier evaluation sheets, complaints, or records of returned goods to help identify the causes of dissatisfaction and verify the survey results.



Results of the Customer Satisfaction Survey for 2022

Kaori observes the customer satisfaction clause of ISO 9001 Quality Management System and conducts a customer satisfaction survey in the 4th quarter of each year (to be completed before the end of year) to ensure that data is not skewed due to the timing of the survey. The survey can be carried out via e-mail, phone interview, fax, and other channels, and respondents' responses are recorded in the "Customer Satisfaction Survey Form". The survey questions are designed based on the characteristics of the products offered by the respective business department. Using a scale of 1 to 5, satisfaction is rated with 5 being most satisfactory and 1 being least satisfactory, whereas importance is rated with 5 being most important and 1 being least important. Employees have been instructed to determine accountability immediately for any unsatisfactory response or any score of 2 and lower indicated in the survey. The accountable employees then have to analyze the underlying causes and explore improvements according to the "Company's Correction and Prevention Procedures".

Brazed Plate Heat Exchanger Department

Survey subjects:

Based on the amount of sales accumulated from January to September, the Company shortlists its top 20% customers and picks the top 20 customers to survey.

Survey coverage:

Product quality, delivery timing, service, professionalism, competitiveness

Survey results:

1. Questionnaire recovery rate of 96.67%
2. Overall average score for 2022 of 4.04
3. "Product delivery" was an aspect in which Kaori received a rating of 2 or lower in 2022. The Company has since followed up and analyzed the underlying causes and provided feedback to customers about the improvement measures that have been taken.

Fuel Cell Business

Survey subjects:

Customers ranking top 3 or top 20% in the amount of goods delivered

Survey coverage:

Product quality, product delivery, service quality, professionalism

Survey results:

1. Questionnaire recovery rate of 100%
2. Average customer satisfaction of 4.2 in 2022
3. No aspects rated 2 or lower in 2022

New Business Development - Hydrogen Power

Survey subjects:

Customers ranking top 3 or top 20% in the amount of goods delivered

Survey coverage:

Product quality, product delivery, service quality, professionalism

Survey results:

1. Questionnaire recovery rate of 100%
2. Average customer satisfaction of 4.82 in 2022
3. No aspects rated 2 or lower in 2022

New Business Development - Thermal Energy

The department currently has less than 5 main customers, and it convenes weekly meetings to keep customers up-to-date on project progress. A platform has also been created to facilitate real-time interaction.

Customer Data Confidentiality

Privacy has become an important issue at a time when technology plays a dominant role in our lives. Due to our relationships with business partners, department employees often come into contact with product secrets and customers' personal information. Kaori received no complaints concerning violations of customers' privacy or secrets in 2022. Kaori has restricted access to its document management system by project relevance. For example,

- Only the system administrator may create and modify customer profiles, and sales representatives may make requests for creating or changing profiles only after submitting application forms and seeking proper approval.
- Documents furnished by customers are managed according to the “Document and Record Management Procedures”. Schematics furnished by customers are placed on the server inside department-exclusive folders and made accessible only to authorized personnel.
- Supplies provided by customers are stored in a dedicated warehouse; all placements and withdrawals are controlled using the ERP system and forms.
- Confidentiality agreements are signed as required by customers or the Company. Parties that the Company discloses confidential information to for the performance of duties are prohibited from revealing such information to others or using it for purposes outside of work. The same applies after employees resign.
- The Company values intellectual property rights and is committed to protecting its intellectual properties and those of others (including patents, trademarks, copyrights, and business secrets), particularly during the transfer of know-how and production experience.

Customer Complaints and Improvements in 2022

The speed at which customers' complaints are addressed is key to raising customers' satisfaction. In addition to implementing customer sales policies and complaint procedures, Kaori also assigns dedicated personnel to maintain communication with customers and to investigate the underlying causes and accountability of all complaints raised. All complaints received are followed up quickly with effective solutions and improvement measures to prevent recurrence. Through productive communication, the Company is able to maintain good customer relations and ensure the quality of products delivered. Furthermore, transparent and efficient consumer grievance channels have been implemented to cater to customers' requirements for the products and services offered.

Customers are able to raise complaints to various departments using the contact number or e-mail disclosed in the Stakeholders section of Kaori's portal. We have made the number customer complaints one of our key performance indicators (KPI). Complaints are analyzed by cause and customer type and raised for discussion during annual management review meetings to serve as reference for next year's quality improvement goals. A total of 14 customer complaints and 11 customer service requests were received in 2022; all of which have been improved upon with preventive measures taken.