

Topre Group

ESG Databook 2024

Topre

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Editorial policy

In association with the publication of the Integrated Report from fiscal year 2024, we discontinued the CSR Report and changed to an ESG Databook specializing in ESG data disclosure. The group has published the ESG Databook aimed at having all stakeholders understand its sustainability and ESG initiatives, and will continue to make efforts to enhance its content.

Organizations subject to the report

Japan: 6 companies, Overseas: 7 companies
(Same as CSR promotion system: see page 2)

Period subject to the report

Fiscal year 2023 (April 1, 2023 to March 31, 2024)
(Some information from April 2024 on is also included.)

Time of issue

July 2024

Editorial reference

Ministry of the Environment "Environmental Reporting Guidelines" (2018 edition)

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Financial information details

<https://www.topre.co.jp/en/ir/>

Please refer to the IR Information top page of the Topre website.



High-level concepts of the Topre Group

Basic Philosophy

The Topre Group's mission is to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business.

The group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards and common sense, which will promote a Topre Group image that will be acknowledged and respected. This philosophy will guide The Topre Groups domestic and international business actions, while also continuously seeking to enhance the group's long term prosperity and making positive contributions to the societies in which it is engaged.



Code of Conduct

1. Compliance with law, internal regulations and social morality

- We comply with all laws and regulations applicable to the company's activities.
- We establish and comply with internal regulations for the implementation of fair and transparent corporate activities.
- We observe morals and norms as a member of society.
- We have established an internal reporting window, respond appropriately to violations and prevent and correct them.
- Managers establish a corporate culture with high ethical standards.
- Managers establish internal systems preventing situations that would violate the Code of Conduct.

2. Contributions to society

- We provide products and services that make society safer, more convenient and more comfortable.
- We respect the culture and customs of surrounding communities, engage in activities and contribute to their development.

3. Fair and equitable relationships

- We build fair, equitable, and moderate relationships with stakeholders.
- We maintain transparency in our transactions and do not provide entertainment or exchange gifts that deviate from common sense.
- We have no relationships whatsoever with antisocial forces and respond resolutely and systematically to unreasonable demands.
- We disclose corporate information on the details of management and business activities in a timely and appropriate manner.
- We do not engage in wrongful conduct or acts that lack fairness and impartiality with regard to political and government officials.

4. Respect for human rights and diversity

- We respect human rights and do not tolerate discrimination or any kind of harassment, etc. based on race, creed, gender, nationality, physical characteristics or any other reason in any case.

5. Environmental protection

- The Topre Group as a whole is working on the protection of the global environment.
- We strive for resource savings by promoting the 3Rs of reduce, reuse and recycle.
- We work positively on the reduction of greenhouse gas emissions.

6. Safety and health

- We give top priority to ensuring the safety and health of employees.
- We eliminate industrial accidents and create safe and healthy work environments.

7. Company assets

- We prohibit the private diversion of company assets and their use for anything other than business purposes.
- We do not leak or use corporate information or assets illegally.
- We acquire, use and dispose of assets by legitimate procedures and not for the interests of any specific person.

8. Information security

- We establish and comply with regulations, etc., on the management and protection of personal and confidential information.

Sustainability

Basic CSR Policy

Basic way of thinking

Topre contributes to society by giving top priority to the provision of products and services that reduce environmental impacts.

1. As a company, we strive for fairness and transparency by complying thoroughly with ethical standards and laws and regulations.
2. We promote social contribution activities and initiatives for sustainability.
3. The company as a whole responds to environmental problems and implements environmental conservation initiatives positively. In particular, we emphasize efforts to combat climate change (CO₂ reductions).
4. We enhance and develop technologies to provide products and services useful to society through customer satisfaction.
5. We provide safe and healthy work environments for all employees.
6. We promote CSR activities cooperatively through communication with stakeholders.

The sharing of the CSR spirit

To strengthen activities with a common awareness of CSR, we distribute these portable cards with the group's Basic Philosophy and Code of Conduct to all group employees. These are the high-level concepts of the group and fundamental to our CSR initiatives. We also prepare and distribute these cards translated into local languages at overseas bases.



CSR education

< Provision of regular information >

We have issued "Topre CSR Information" bimonthly since October 2022 to provide basic education on sustainability and send out updated information to all employees. We are working to raise awareness of CSR initiatives by having everybody feel initiatives related to CSR and climate change closely.



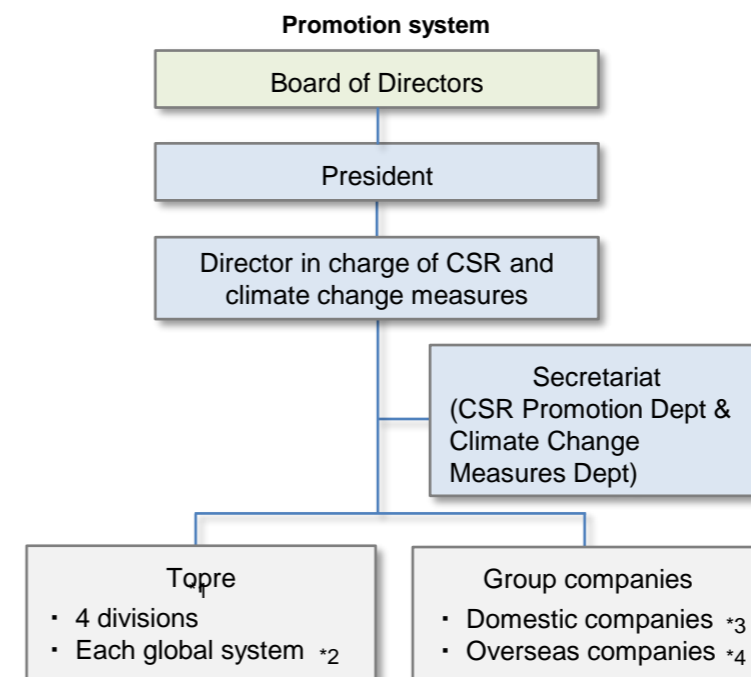
< e-learning >

We are implementing specialized CSR education in an e-learning format for selected participants in each division. By producing educational materials internally, we are able to keep educational content up-to-date, and we will use this knowledge and information in the improvement of understanding of initiatives aimed at CSR and climate change measures and in dialogue with customers from now on. In fiscal year 2023, 222 people received this education across the group as a whole.

東プレCSR(サステナビリティ)関連 e-learning			
1: サステナビリティ (SDGs), ESG, CSR 基本知識と動向			
CSRの基本知識となります。			
コンテンツ名	種別	学習開始日	
①-1. サメ、ナドリ、SDGs/ESG/CSRの相関	学習		
①-2. サステナビリティ (SDGs/ESG/CSR) 社会的動向	学習		
①-3. SDGs/ESG/CSRの計数まとめ	学習		
①-4. サステナ			
①-5. サメ、ナ			
①-6. サステナ			
①-7. 日本のサ			
②-1. SDGs			
②-2. SDGs			
②-3. みんなで			
5. 東プレのCSR取り組み			
5-1. SDGsへの取り組み			
SDG1	貧困をなくす	SDG2	気候変動に具体的な対策を
SDG3	健康と長寿を促す	SDG4	質の高い教育をみんなに
SDG5	ジェンダー平等を実現しよう	SDG6	清潔な水とトイレを世界中に
SDG7	エネルギーをみんなに	SDG8	持続可能な成長を世界中に
SDG9	産業とイノベーションに力をかかろう	SDG10	人や国を超えて公正で包摂的な成長を
SDG11	持続可能な都市とコミュニティを	SDG11	持続可能な都市とコミュニティを
SDG12	持続可能な消費と生産を実現しよう	SDG12	持続可能な消費と生産を実現しよう
SDG13	気候変動に具体的な対策を	SDG13	気候変動に具体的な対策を
SDG14	海洋資源を持続可能な開発に向けて	SDG14	海洋資源を持続可能な開発に向けて
SDG15	陸域生態系を持続可能な開発に向けて	SDG15	陸域生態系を持続可能な開発に向けて
SDG16	公正で包摂的な社会を	SDG16	公正で包摂的な社会を
SDG17	パートナーシップで目標を達成しよう	SDG17	パートナーシップで目標を達成しよう

The CSR promotion system and climate change measures system

The group has established the promotion of CSR and climate change measures under the same system with the Board of Directors at the top. The Board of Directors is composed of all Directors, including External Directors, with the President assuming the role of chair. The secretariat reports to the Board of Directors under the direction of the Director in charge of CSR and climate change measures. The results of and plans for sustainability initiatives are reported at Topre Group CSR Meetings held regularly twice a year, and the results of Topre Group CSR Meetings are reported to the Board of Directors. In addition, the Board of Directors conducts reviews through the Director in charge of CSR and climate change measures when important issues related to sustainability initiatives occur.



- *1: Automotive Equipment, Refrigeration Equipment, Air Conditioning Equipment, Electronic Equipment
- *2: Topre global systems: Internal Control Committee; Operations, Purchasing and Quality Headquarters; ISO 14001 (Environment) Secretariat; Safety and Health Committee
- *3: Domestic companies: Toho Transportation, Toprec, Topre Kyushu, Topre Tokai, Mitsuike
- *4: Overseas companies: USA, China (3 companies), Thailand, Mexico, India

Topre Group CSR Meetings

The group holds Topre Group CSR Meetings twice a year. By reporting on and confirming CSR and the climate change measures taken in each division, activities are being promoted with common awareness of the initiatives taken within the group as a whole, both in Japan and overseas, and we are aiming to connect this to more enhanced initiatives in each division.



Web-based CSR Meeting in January 2024

Sustainability

Contributions to the SDGs

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, are global achievement goals for 2030 addressing social issues such as poverty, employment and the environment. The group will engage with various issues facing the world and contribute to the realization of a sustainable society, namely the achievement of the SDGs, through its business activities.



The group is striving to raise awareness of initiatives both inside and outside the company, such as distributing SDGs badges.



Dialogue with stakeholders

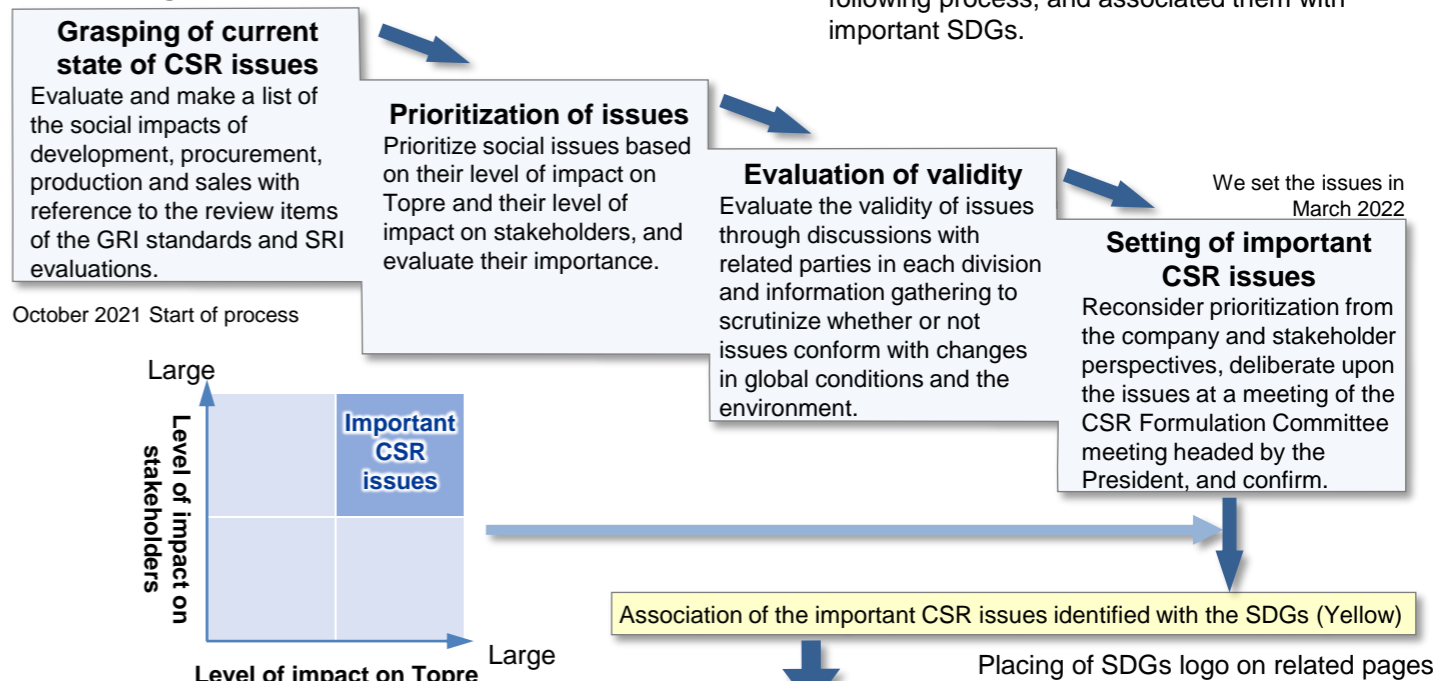
We ensure transparency by disclosing corporate information appropriately to stakeholders, and strive for mutual dialogue and cooperation.

Stakeholders	Main opportunities for dialogue
Customers	By providing customers with superior products and services, and valuing communication with them, we strive to meet their trust and expectations. <ul style="list-style-type: none"> Daily sales activities Maintenance Plant tours Company website Exhibitions
Business partners	Our business partners are important for us to produce high-quality products stably, and we believe the establishment of cooperative systems is important. We strive to build relationships of trust with business partners and for understanding and cooperation towards the realization of a sustainable society. <ul style="list-style-type: none"> Daily purchasing activities Supplier conference QC competition presentation Company website
Shareholders and investors	The company raises management transparency by disclosing accurate and fair information in a timely manner, and strives to build relationships of trust with shareholders and investors through constructive dialogue that leads to understanding of the company's business activities. <ul style="list-style-type: none"> General meetings of shareholders Financial results briefings IR website Individual interviews with institutional investors
Employees	We respect human rights based on the high-level concepts of the Topre Group, and aim to create an environment in which each and every employee can demonstrate their abilities to the maximum. <ul style="list-style-type: none"> Plant tours by the president Various training and programs Industrial physician interviews Establishment of consultation desks Labor-management council Company newsletter and internet
Local society	We are working positively on social contribution activities and environmental conservation in each country and region. <ul style="list-style-type: none"> Educational support for the next generation Support for the promotion of sport Plant tours Cleanup activities Regional exchanges

CSR Materiality

The process of identifying important CSR issues and associating them with the SDGs

* In March 2022, the group identified the CSR materialities to work on in accordance with the following process, and associated them with important SDGs.



	Items	Main initiatives	Related SDGs (1 to 17)	Page
Environment	Reduction of CO₂ emissions ^{*1}	• Reduction of CO ₂ emissions in production activities	13	P10-14
	Establishment and operation of environmental management	• Acquisition of ISO 14001 certification: All domestic and overseas bases • Integrated acquisition of ISO 14001 certification: Domestic bases	-	P6
	Thorough implementation of chemical substance management	• Establishment and operation of internal management rules	12.4	P8
	Development of environmentally-considerate products and technologies	• Proposal of technologies that connect to environmental conservation	9.4, 12.2, 13	P7
	Cooperation with suppliers	• Promotion of green procurement	12.4	P16
Society	Respect for human rights	• Education on human rights and diversity • Implementation of human rights due diligence	5, 10.2, 16	P17
	Establishment and operation of quality management	• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	-	P15
	Cooperation with suppliers	• Promotion of CSR procurement	16.b	P16
Governance	Strengthening of corporate governance	• Building of group governance	-	P25-26
	IR activities for investors	• Publication of ESG Databook (CSR Report) • Enhancement of disclosed information	-	P29
	Strengthening of information security	• Establishment of an information management system across the group	-	P28
	Strengthening of risk management	• Review of BCP	11.b	P27-28

*1: Among the CSR materialities, the "reduction of CO₂ emissions" is the most important issue

Sustainability

CSR-related initiatives results and targets

Blue: CSR materialities / Yellow: SDGs-related Issues, *1: Most important issue

Theme	Items to work on	Main initiatives	Main targets and measures for fiscal year 2023 (The last fiscal year of the 15th medium-term management plan)	Fiscal year 2023 results	Main targets and measures for fiscal year 2030 (Long-term targets)		
E	Environment	Reduction of CO₂ emissions *1	<ul style="list-style-type: none"> Reduction of CO₂ emissions in production activities 	<ul style="list-style-type: none"> Promotion of the reduction of CO₂ emissions in Japan and overseas Integration of CO₂ reduction items by the Environmental Improvement Committee of each division 	<ul style="list-style-type: none"> Installation of solar panels (8 bases) Completion of unified form plan and deployment to internal and external groups 	<ul style="list-style-type: none"> 30% reduction compared to fiscal year 2020 (Scope 1, 2) 	
		Establishment and operation of environmental management	<ul style="list-style-type: none"> Acquisition of ISO 14001 certification: All domestic and overseas bases Integrated acquisition of ISO 14001 certification: Domestic bases 	<ul style="list-style-type: none"> Acquisition of ISO 14001 certification: Saitama Plant (Integration with Sagami-hara Plant) 	<ul style="list-style-type: none"> Saitama Plant: Acquisition of ISO 14001 certification/integration with Sagami-hara Plant Head Office, Topre Tokai: Holding of ISO 14001 Promotion Committee meeting 	<ul style="list-style-type: none"> Acquisition of ISO 14001 certification: Head Office, Toho, Toprec, Tokai Promotion of the integrated acquisition of ISO 14001 certification: Domestic 	
		Thorough implementation of chemical substance management	<ul style="list-style-type: none"> Establishment and operation of internal management rules 	<ul style="list-style-type: none"> Determination of management rules and application to each division Reduction of the use of PRTR specified substances (class I designated chemical substances) 	-	<ul style="list-style-type: none"> Continuous operation of management rules Elimination of the use of PRTR specified substances (class I designated chemical substances) 	
		Development of environmentally-considerate products and technologies	<ul style="list-style-type: none"> Development of renewable energy-related equipment Proposal of technologies that connect to environmental conservation 	<ul style="list-style-type: none"> Commercialization of nano-hydroelectric power generation Building of a refrigerating machine system for EV and FCV Vehicles Launch of new products (improvement of humidity-controlling equipment energy saving) 	<ul style="list-style-type: none"> Demonstration of nano hydropower generation (5kwh) and a collaborative project with the Ministry of Agriculture, Forestry and Fisheries have been completed. Refrigerators: Expansion of monitoring of EV power-supply vehicles, preparation of mass production of BEV systems Air conditioning: Field verification completed, confirmation of the effectiveness of energy saving 	<ul style="list-style-type: none"> Automobiles: Proposal of body structures conscious of LCA Refrigerators: Development of electric refrigeration equipment lineup including hot gas heating and heat pump products, and introduction of low-GWP refrigerants Air conditioning: Promotion of the switch to heat pump products with low-GWP refrigerants Electronics: Reduction of packaging materials (use of recycled paper / abolition of outer boxes) 	
		Biodiversity initiatives	<ul style="list-style-type: none"> At least one activity a year at each plant 	<ul style="list-style-type: none"> Continuation of activities 	<ul style="list-style-type: none"> Implementation of activity instructions and results reports from seven bases. 	-	
		Reduction of water resource consumption	<ul style="list-style-type: none"> Use of rainwater / reclaimed water 	<ul style="list-style-type: none"> Concrete planning of initiatives 	-	<ul style="list-style-type: none"> Use at domestic bases (plants / daily life) 	
		Reduction of waste generation	<ul style="list-style-type: none"> Suppression and reuse of waste generated 	<ul style="list-style-type: none"> Waste reduction: 4.4% reduction compared to fiscal year 2020 	<ul style="list-style-type: none"> Submission of waste emission reduction plans (activities) by 19 bases 	<ul style="list-style-type: none"> Waste reduction: 20% reduction compared to fiscal year 2020 	
		Compliance with environmental laws and regulations	<ul style="list-style-type: none"> Confirmation of legal compliance: Domestic bases subject to laws and regulations 	<ul style="list-style-type: none"> All bases: At least once a year Compliance rate: 100% 	<ul style="list-style-type: none"> Confirmed legal compliance at four bases Compliance rate: 100% 	-	
		Cooperation with suppliers	<ul style="list-style-type: none"> Promotion of green procurement 	<ul style="list-style-type: none"> Green procurement evaluation method and start of evaluations 	<ul style="list-style-type: none"> Distribution of the Topre Group Green Procurement Guidelines Implemented CSR survey of eight major automobile-related suppliers 	-	
	S	Safety and health	Safety in the workplace	<ul style="list-style-type: none"> Promotion of the reduction of industrial accidents 	<ul style="list-style-type: none"> Achievement of targets for accidents not accompanied by lost worktime Accidents accompanied by lost worktime: 0, education provided at each base 	<ul style="list-style-type: none"> Continuation of autonomous promotion of safety activities (RA activities / KYT activities) 	-
		Implementation of special medical examinations	<ul style="list-style-type: none"> Promotion of environmental improvements in hazardous workplaces 	<ul style="list-style-type: none"> Continuation of activities 	<ul style="list-style-type: none"> Implemented for 100% of subjects 	-	
		Implementation of stress checks	<ul style="list-style-type: none"> Follow-up of workplace mental health measures 	<ul style="list-style-type: none"> Continuation of activities 	<ul style="list-style-type: none"> Implemented for all employees 	-	
		Respect for human rights	<ul style="list-style-type: none"> Education on human rights and diversity 	<ul style="list-style-type: none"> Topre and group companies implementation rate 100% 	<ul style="list-style-type: none"> Implementation of internal training on diversity Reconfirmation of basic group-wide policies on human rights and diversity 	<ul style="list-style-type: none"> Roll-out to suppliers 100% 	
			<ul style="list-style-type: none"> Implementation of human rights due diligence 	<ul style="list-style-type: none"> Topre implementation rate 100% 	-	<ul style="list-style-type: none"> Topre Group companies' implementation rate 100% 	
		Human rights and labor	<ul style="list-style-type: none"> Creation of accepting and diverse workplaces 	<ul style="list-style-type: none"> Implementation of unconsciousness bias training Employment of at least 110 female employees Compliance with the statutory employment rate for people with disabilities 	<ul style="list-style-type: none"> Implemented with the management improvement curriculum of the division general manager training program Employment of 105 female employees 2.5% compared to the statutory employment rate of 2.3%. 	<ul style="list-style-type: none"> Ratio of female managers of at least 5% Employment of at least 130 female employees (March 2026 target) 	
			<ul style="list-style-type: none"> Creation of an organization that allows flexible work styles 	<ul style="list-style-type: none"> Implementation of work-life balance training Rate of taking of childcare leave by male employees wishing to do so 100% Rate of taking of childcare leave by female employees 100% 	<ul style="list-style-type: none"> Prepared training plan for the new medium-term management plan period, plan for implementation from fiscal year 2024 Rate of taking childcare leave by male employees wishing to do so 100% Extension of shortened period of childcare leave, rate of taking of childcare leave by female employees 100% 	<ul style="list-style-type: none"> Verification of understanding of work-life balance 	
			<ul style="list-style-type: none"> Human resource development tailored to each individual 	<ul style="list-style-type: none"> Career plan / design training Establishment of a system that rewards people who take on challenges 	<ul style="list-style-type: none"> Implemented career training for 30-year-old employees Began consideration of a new personnel system including human resource development measures 	<ul style="list-style-type: none"> Completion of roll-out to domestic group companies 	
		Social contributions	Exchanges with and contributions to local society	<ul style="list-style-type: none"> At least one activity a year at each plant 	<ul style="list-style-type: none"> Continuation of activities 	<ul style="list-style-type: none"> Implemented activities at 14 bases 	-
		Quality	Establishment and operation of quality management	<ul style="list-style-type: none"> Acquisition of IATF 16949 certification: Automotive related Acquisition of ISO 9001 certification: Product-related 	<ul style="list-style-type: none"> Acquisition of IATF 16949 certification: Sagami-hara (automobiles) (Topre, Metal Pack, Multi), Kyushu 	<ul style="list-style-type: none"> Sagami-hara (automobiles): Received regular IATF 16949 review Topre India: Acquisition of ISO 9001 certification 	<ul style="list-style-type: none"> Acquisition of IATF 16949 certification: Tokai, Mitsuike, USA Acquisition of ISO 9001 certification: Toho Transportation, Toprec, Indonesia
	Cooperation with suppliers	<ul style="list-style-type: none"> Promotion of CSR procurement 	<ul style="list-style-type: none"> CSR procurement evaluation method and start of evaluations 	<ul style="list-style-type: none"> Distribution of guidelines to Topre suppliers Implemented CSR survey of eight major automobile-related suppliers 	-		
G	Governance	Strengthening of corporate governance	<ul style="list-style-type: none"> Building of group governance 	<ul style="list-style-type: none"> Inspection and strengthening of group management system 	<ul style="list-style-type: none"> Zero cases of misconduct in the group Compliance education (DVD) 2,393 viewers Publication of CSR Report 2023 News releases on carbon neutrality initiatives Disclosure of sustainability information in securities reports 	<ul style="list-style-type: none"> Zero cases of misconduct 	
	IR activities	IR activities for investors	<ul style="list-style-type: none"> Publication of CSR reports Enhancement of disclosed information 	<ul style="list-style-type: none"> Enhancement of non-financial information 	-	<ul style="list-style-type: none"> 100% completion of response to CG code 	
	Information management	Strengthening of information security	<ul style="list-style-type: none"> Establishment of an information management system across the group 	<ul style="list-style-type: none"> Thorough implementation of management rules and maintenance of management tools 	<ul style="list-style-type: none"> Implementation of information security education (all employees) 	<ul style="list-style-type: none"> Zero serious information security incidents 	
	Risk management	Strengthening of risk management	<ul style="list-style-type: none"> Review of BCP 	<ul style="list-style-type: none"> Response to large earthquakes and infectious diseases Addition of climate change risk (Response to TCFD) 	<ul style="list-style-type: none"> Additional review of BCP for major earthquakes and infectious diseases Press-related product business, temperature controlled logistics-related business, TCFD publication 	<ul style="list-style-type: none"> Completion of response to TCFD 	

Sustainability

Targets for CSR-related initiatives

Blue: CSR materialities / Yellow: SDGs-related Issues, *1: Most important issue

We have set the main targets and measures for fiscal year 2026 in association with the formulation of the 16th medium-term management plan. We have revised some of our main targets and measures for fiscal year 2030 in view of the recent world situation.

Theme	Items to work on	Main initiatives	Main targets and measures for fiscal year 2026 (The last fiscal year of the 16th medium-term management plan)	Main targets and measures for fiscal year 2030 (Long-term targets)	
E	Environment	Reduction of CO ₂ emissions*1	• Reduction of CO ₂ emissions in production activities	• Ascertain measures for achievement of fiscal year 2030 targets and determine plans	• 30% reduction compared to fiscal year 2020 (Scope 1, 2)
		Establishment and operation of environmental management	• Acquisition of ISO 14001 certification: All domestic and overseas bases • Integrated acquisition of ISO 14001 certification: Domestic bases	• Acquisition of ISO 14001 certification: Head Office, Tokai, Toho Transportation, Toprec • Acquisition of ISO 14001 certification: Head Office, Tokai, Toho Transportation, Toprec, Mitsuike	• Acquisition of ISO 14001 certification: Head Office, Toho Transportation, Toprec, Tokai, India • Promotion of the integrated acquisition of ISO 14001 certification: Domestic
		Thorough implementation of chemical substance management	• Establishment and operation of internal management rules	• Establishment and operation of internal management rules	• Continuous operation of management rules, and elimination of the use of PRTR specified substances (class I designated chemical substances)
		Development of environmentally-considerate products and technologies	• Development of renewable energy-related equipment • Proposal of technologies that connect to environmental conservation	• Development: Development of environmentally-considerate new products • Automobiles: Establishment of multi-material technology • Refrigerators: Mass production of energy-saving models of electric refrigeration equipment, and implementation of market evaluation for the introduction of low-GWP refrigerants • Air conditioning: Promotion of the switch to heat pump products with low-GWP refrigerants • Electronics: Development of products using environmentally friendly parts	• Automobiles: Proposal of body structures conscious of LCA • Refrigerators: Development of electric refrigeration equipment lineup including hot gas heating and heat pump products, and introduction of low-GWP refrigerants • Air conditioning: Expansion of products with improved energy saving through the use of inverters • Electronics: Reduction of packaging materials (use of recycled paper / abolition of outer boxes)
		Biodiversity initiatives	• At least one activity a year at each plant	• Implementation of activities at 80% of subject bases or more, disclosure of information in line with the TNFD	-
		Reduction of water resource consumption	• Use of rainwater / reclaimed water	• Concrete planning of initiatives	• Use at domestic bases (plants / daily life)
		Reduction of waste generation	• Suppression and reuse of waste generated	• Continuation of activities at all bases (10% reduction)	• Waste reduction: 20% reduction compared to fiscal year 2020
		Compliance with environmental laws and regulations	• Confirmation of legal compliance: Domestic bases subject to laws and regulations	• All bases: At least once a year, compliance rate: 100%	-
		Cooperation with suppliers	• Promotion of green procurement	• Review of evaluation of green procurement and building of support rules	-
		S	Safety and health	Safety in the workplace	• Promotion of the reduction of industrial accidents
Implementation of special medical examinations	• Promotion of environmental improvements in hazardous workplaces			• Continuation of activities	-
Implementation of stress checks	• Follow-up of workplace mental health measures			• Continuation of activities	-
Promotion of health management	• Excellent Health Management Corporation certification and maintenance			• Implementing Initiatives for White 500 Certification	• Continuation of White 500 certification
Human rights and labor	Respect for human rights		• Education on human rights and diversity	• Establishment and implementation of human rights and diversity education programs (non-consolidated)	• Completion of Group rollout of human rights and diversity education programs
			• Implementation of human rights due diligence	• Establishment of risk management system (non-consolidated) • Building of mechanism to implement human rights due diligence regularly	• Completion of Group rollout of risk management system
	Activities of diverse human resources		• Creation of accepting and diverse workplaces	• Ratio of female managers of at least 3% (non-consolidated) • Ratio of female employees of at least 10% (non-consolidated) • Operation of the Job Return system	• Ratio of female managers of at least 10% (non-consolidated) • Ratio of female employees of at least 20% (non-consolidated) • Ratio of non-Japanese (without Japanese citizenship) managers of at least 1% • Operation of the alumni recruitment system • Compliance with the statutory employment rate for people with disabilities
			• Creation of an organization that allows flexible work styles	• Expansion of divisions using variable work hours • Reduction in overtime hours of 10% (compared to fiscal year 2023) • Rate of taking of childcare leave by male employees 100%	• Operation of the work style selection system (non-consolidated) • Reduction in overtime hours of 30% (compared to fiscal year 2023) • Rate of taking of childcare leave by male employees 100% • Rate of taking of childcare leave by female employees 100%
Social contributions	Exchanges with and contributions to local society		• At least one activity a year at each plant	• Implementation of activities at 100% of subject bases	-
Quality	Establishment and operation of quality management		• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	• Acquisition/integration of IATF 16949 certification: Kyushu	• Acquisition of IATF 16949 certification: Kyushu, Tokai, Mitsuike, USA • Acquisition of ISO 9001 certification: Toho Transportation, Toprec, India
Cooperation with suppliers	• Promotion of CSR procurement	• Review of evaluation of CSR procurement and building of support rules	-		
G	Governance	Strengthening of corporate governance	• Building of group governance	• Continuation of regular internal audits by Audit Department • Continuation of regular executive meetings including group companies	• Zero cases of misconduct
	IR activities	IR activities for investors	• Publication of ESG Databook (CSR Report) • Enhancement of disclosed information	• Enhancement of disclosure of long-term vision and medium-term management plan • Disclosure and IR including non-financial information such as sustainability • Ongoing dialogue with institutional investors, etc.	• 100% completion of response to CG code • Enhancement of dialogue with investors by expansion of meetings with institutional investors and events (financial results briefings and IR events for individual investors) • Continuous improvement of information disclosure in IR materials (financial results briefing materials, audio distribution of financial results briefings, etc.)
	Information management	Strengthening of information security	• Establishment of an information management system across the group	• Viewing of information security education videos by all employees • Implementation of targeted attack email training • Regular reviews of confidential information management ledgers and continuation of technical security measures	• Zero serious information security incidents
	Risk management	Strengthening of risk management	• Review of BCP	• Regular identification of risks at each base and implementation of countermeasures	• Maintenance and updating of BCP

Environmental management

The group aims to be an environmentally friendly company in the execution of corporate activities.

Environmental policy

In preventing environmental pollution caused in relation to our business activities, products and services, and implementing continuous improvements to our environmental preservation activities for the reduction of waste and pollutants, we share and implement the following policy throughout the group. In addition, we are working on environmental activities with all-employee participation through the enhancement of awareness of all employees involved in ordering, design, development, production and delivery.

Environmental policy

< Basic way of thinking >

We promote our business activities while recognizing that conservation of the global environment is the most important issue for all humankind.

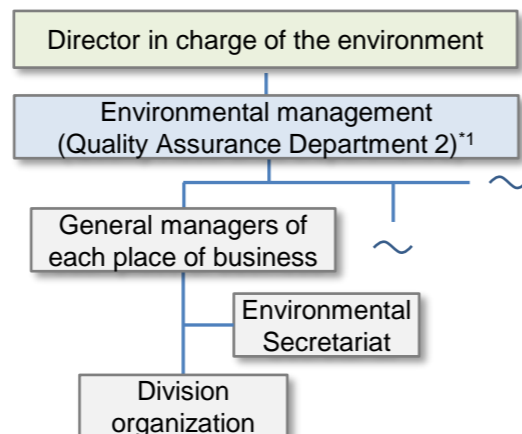
We aim to be an environmentally friendly company, strive to save resources by promoting the 3Rs of reduce, reuse, recycle, and work positively on the reduction of greenhouse gas emissions.

1. We have established an environmental management system and each and every employee carries out environmental activities.
2. We promote the development and purchasing of environmentally-friendly technologies and products aimed at the reduction of environmental impacts.
3. We strive for the reduction of greenhouse gas emissions by suppressing energy use and improving efficiency.
4. We promote the efficient use and reuse of resources.
5. We comply with laws, regulations and other requirements and manage chemical substances appropriately.
6. We strive for the prevention of environmental pollution and the protection of the environment by suppressing the use and discharge of harmful substances.
7. We strive to conserve biodiversity through local contribution activities.

Environmental management system

In order to operate our environmental activities properly, we have acquired ISO 14001 certification for each place of business of production bases and have established an environmental management system.

< The Topre Group system >



*1: Climate Change Measures Department is in charge of measures to reduce CO₂ emissions.

Compliance with environmental laws and regulations

We identify and comply thoroughly with applicable environmental laws and regulations. In implementing our environmental management systems, we obtain information on laws and regulations and other requirements related to our business activities and products, identify applicable laws and regulations, and communicate them to related divisions. If laws and regulations are established or revised, if there is a change in the business environment such as the introduction of new equipment due to the launch of new products, or a request from a stakeholder, we review our systems each time. In addition, we also conduct internal audits on compliance with laws and regulations.

Environmental management system

Each place of business is continuing to implement environmental activities based on the environmental management system. We are planning to acquire ISO 14001 certification in succession at bases that have not yet done so by fiscal year 2026. In addition, we will promote the sequential integration of "environmental management systems" that have acquired certification at each base in Japan.

< State of acquisition of ISO 14001 certification at domestic and overseas production bases >

Acquisition rate of 86% as of March 2024

Japan	Overseas
Sagamihara Plant	Topre America
Hiroshima Plant	Topre Mexico
Tochigi Plant	Topre (Foshan)
Gifu Plant	Topre (Xiangyang)
Topre Kyushu	Topre (Wuhan)
Mitsuike	Topre Thailand

Plan for the acquisition of certification at bases not yet certified

Japan	Overseas
Topre Tokai (Scheduled for acquisition in fiscal year 2025)	Topre India (Scheduled for acquisition in fiscal year 2024)

Further, we have planned as follows for the acquisition of non-production facilities in Japan.

- Topre Head Office Scheduled for acquisition in fiscal year 2025
- Toho Transportation Scheduled for acquisition in fiscal year 2026
- Toprec Scheduled for acquisition in fiscal year 2026

Topre Group environmental policy

In order to reduce environmental risks, each division extracts environmental risks related to its business activities once a year. In order to prevent or mitigate environmental accidents and emergencies that may occur, or the environmental impacts that may occur along with accidents or emergencies, we have established procedures and make efforts to train employees and maintain those procedures.

Environmental education

We think that we need to provide all employees with appropriate environmental education in order to operate environmental management systems effectively, and are planning environmental education in each division. Environmental education is divided into three categories: "self-awareness education" in which all employees learn about the deterioration of the global environment and environmental management systems; "education on environmental impacts and work" for employees who have an impact on environmental performance and compliance obligations; and "qualification education" for employees who do work that requires qualifications. We work on education planning after considering the details of business, our environmental policy and objectives, and clarifying our environmental education needs.

Environmental audits

We are striving to prevent environmental pollution in our business activities, products and services, and to enable the continuous implementation of environmental conservation activities.

We confirm from an objective standpoint based on internal and external audits whether or not the environmental management plans established in each division conform with the environmental management system and whether environmental management systems are functioning in the operations of each division, and we make continuous environmental improvement while implementing the PDCA cycle.

Development of environmentally-considerate products

We are working on the development of environmentally-considerate products to reduce the environmental impacts of products throughout their life cycles.

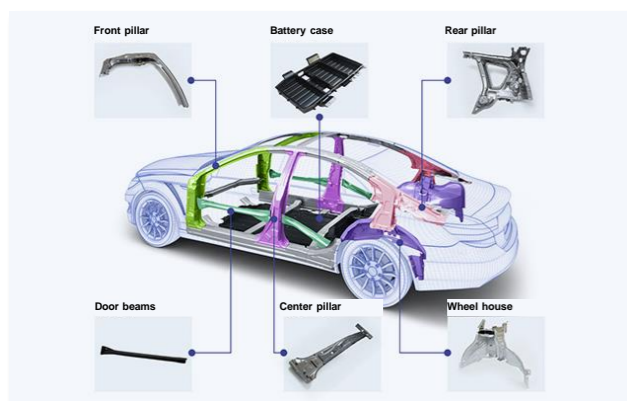


Environmentally-considerate products

● Press-related products

One of the group's major strengths is its high-tensile steel plate processing technology. The group makes products from high-tensile steel, which is particularly strong and extremely difficult to mold, with its advanced technological capabilities.

To support the reduction of CO₂ emissions while ensuring automobile safety, we will pursue further weight reductions and greater strength for each part and provide technologies for the global environment and a new automotive society.



- * CO₂ emissions reduction effect 15,455 t-CO₂ / year
[Gross product weight (980, 1180 Mpa high tensile)
× weight reduction rate (compared with 590 Mpa high tensile)
× fuel efficiency improvement rate (gasoline reduction)
× gasoline CO₂ emission factor]

■ Expansion of application of cold-formed 1,470 MPa material to press parts

We are advancing the development of technology for cold-formed 1,470 MPa press parts, which have the same strength as the hot stamp method with little CO₂ generated compared to the hot stamp method, which generates a large amount of CO₂.

■ Development and manufacture of battery cases for electric vehicles

With battery cases for electric vehicles, it is important to ensure characteristics such as water-tightness, battery storage capacity and strength, and we are developing technologies that lead to high quality and low cost by making full use of our production technology know-how and structural analysis.

● Temperature controlled logistics-related products

■ GBS

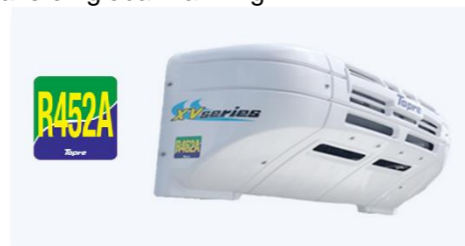
GBS, one of the major products of our temperature controlled logistics-related products business, is a refrigeration system equipped with a generator. This enables the refrigerated and frozen vehicles to stop idling, which was previously not possible, and contributes to the reduction of CO₂ emissions by not idling during cargo handling.



- * CO₂ emissions reduction effect 4,871 t-CO₂ / year
[Number of units operating in the GBS market x fuel reduction effect (diesel) x diesel CO₂ emission coefficient]

■ Adoption of low global warming potential refrigerants

We have led the industry in adopting R452A refrigerants (for low temperatures) and R513A refrigerants (for medium temperatures) in refrigerated vehicles. These are replacement refrigerants with a low environmental impact at about half the impact conventional refrigerants have on global warming.



- * Global warming potential
R452A 46% reduction (compared with conventional refrigerant: R404A)
R513A 56% reduction (compared with conventional refrigerant: R134a)

● Air conditioning equipment-related products

■ DesiTop desiccant humidity control ventilator for buildings

As part of Japan's energy-saving policies, CO₂ emissions in the commercial and household sectors in 2030 will have to be drastically reduced by about 40% compared to fiscal year 2013. Equipment for greater energy saving will be essential due to the promulgation of the Act on the Improvement of Energy Consumption Performance of Buildings and the future ZEB target.

The group used the technology it has accumulated in heating and cooling, ventilation and air blowing to commercialize and sell the DesiTop outdoor air processing unit, which has energy-saving effects. This product is a heat pump type that does not require a heat source (cold / hot water, outdoor unit). A total heat exchanger, heat pump and desiccant rotor are built in to control indoor humidity in three stages. It saves energy of air conditioning systems, of course, and also realizes a comfortable indoor preserving stable humidity. This desiccant system saves about 30% of energy annually compared to conventional systems.



- * CO₂ emissions reduction effect (per system) 1.7 t-CO₂ / year
[Power saving (compared with conventional air conditioning system) × power CO₂ emission factor]

● Electronic equipment-related products

■ Non-contact electrostatic capacitive keyboards

The company's ergonomically-considerate keyboards realize quiet typing and exceptional key touch. In addition, because they minimize fatigue for users, even with extended use, and are highly durable, they are used by various customers as specialized input devices in a range of commercial settings such as financial institutions, data entry at data processing centers, logistics, transportation, medicine, ATMs in convenience stores and broadcasting environments.

The REALFORCE series of keyboards for general sale use the same non-contact electrostatic capacitive type system as the business keyboards, which have gained high acclaim in OEM production. They have also been adopted as Sagami City hometown tax payment goods, and they are at the top of the popularity rankings as people regard their good durability highly.



- * CO₂ emissions reduction effect 433 t-CO₂ / year
[High durability (comparison with general keyboards) x Number of units produced x CO₂ emission coefficient of plastic waste]

Reduction of environmentally hazardous substances



We are implementing initiatives aimed at reducing the use of environmentally hazardous substances in our business activities.

Chemical substance management

● Initiatives to reduce environmentally hazardous substances

We are working on the management and reduction of chemical substances that lead to environmental impacts in products designed by the company. We are promoting initiatives aimed mainly at the reduction of chemical substances subject to the PRTR Act and the management of chemical substances contained in products.

▪ Press-related products

Chemical substances for automotive parts are controlled using the automotive industry's IMDS system^{*1}. We have stipulated chemical substance management rules based on ISO 14001 for our various purchased items, and are implementing chemical substance management. We have also stipulated a "List of Controlled Chemical Substances," a management standard, and ask business partners to manage the chemical substances in the products they deliver with that and to deliver products managed under the same thinking as that of the company. (Included in the "Topre Group Green Procurement Guidelines")

▪ Temperature controlled logistics-related products

We are advancing initiatives to reduce the use of toluene, xylene, and methylbenzene, which are chemical substances with high emissions in manufacturing processes. In particular, we are transitioning from conventional paints to alternative paints aimed at reducing use of the chemical substances listed in the PRTR law.

▪ Air conditioning equipment-related products

The paints used in the blower product production process were subject to the PRTR Act, but after testing and evaluation, we obtained customer approval and switched to paints that did not fall under the PRTR Act. Due to this initiative, we were able to consider the health of workers and management became easier too as we were able to unify three kinds of paint into one.

▪ Electronic equipment-related products

We have introduced a dedicated management system for information on chemical substances contained in products and parts. Due to this initiative, we have become able to handle survey requests from customers and the work of providing answers smoothly, as well as searches specifying laws and regulations based on information on contained substances tabulated at the product, intermediate material and part levels.

By managing information on chemical substances contained in products positively, it becomes possible to obtain good evaluations from customers.

With purchased electronic products, we manage chemical substances using chemSHERPA^{*2}.



List of Controlled Chemical Substances

*1 IMDS:

A supply chain environmental information transmission system developed by the Verband der Automobilindustrie (VDA) of Germany with the ELV Directive in mind.

*2 chemSHERPA:

A data creation support tool led by the Ministry of Economy, Trade and Industry for the proper management of information on chemical substances contained in products throughout the supply chain, from upstream companies to downstream companies

Effective use of resources

Waste generated from each place of business is sorted fully to ensure appropriate treatment, environmental preservation and the improvement of public health. We sort generated waste into different materials as far as possible to turn waste into resources and reduce its volume. In addition, to make effective use of resources, we improve yield rates during production and reuse detergents.

● Initiatives at Sagamihara Plant

The amount of waste emitted from Sagamihara Plant had been tending to increase from around 2020. Therefore, the plant separated plastic to be disposed of thoroughly and started collecting waste plastic aimed at recycling from October 2021.

As a result, the plant was able to convert waste plastic into resources of value and achieved a reduction in waste of about 6 tons per year.

In addition, the plant started an initiative to recycle the collected waste plastic by commissioning a recycling company to recycle it into 45 l and 90 l garbage bags for reuse as recycled garbage bags at the plant starting from February 2024.

We are planning in future to roll this out to other bases and group companies in addition to Sagamihara Plant.



Recycled garbage bags

● Initiatives at Tochigi Plant and Hiroshima Plant

At Tochigi Plant and Hiroshima Plant, compressing waste insulation material produced in the manufacture of refrigerated truck containers to less than 1/20th its original volume using a volume reduction machine enables the reduction of CO₂ emissions when transporting waste and use of the waste material as fuel.



Volume reducing machine

Compressed waste material

● Initiatives at Toho Transportation

Toho Transportation is promoting the adoption of work and office clothing made of recycled polyester fiber (60% or more recycled PET fiber) recycled from PET bottles and other materials.

Comfort, durability, etc., are virtually the same as conventional polyester materials, and with employees wearing Eco Mark-certified work and office uniforms, they are contributing to the reduction of our environmental impact.



Conservation of biodiversity

We are working on the conservation of biodiversity towards the realization of a sustainable society.

Initiatives at each base

As raised in the group's CSR activities, we recognize that the conservation of biodiversity is essential, and we will plan and implement biodiversity initiatives that are a premise of our business activities. The following are activities picked up based on the results of implementation in fiscal year 2023.

< Japan >

● Topre Sagamihara Plant

Sagamihara Plant is a member of the Sagamihara Environmental Improvement Association run by Sagamihara City and participates in surveys of aquatic life and water quality in the rivers of Sagamihara City, doing so twice in fiscal year 2023 on May 26 and October 13.

● Topre Tokai

By raising donations for the Green Fund in Mie Prefecture, we are contributing to the creation of forests, greening, and the development of human resources to cooperate in the three areas of "forest development," "the promotion of greening" and "international cooperation related to the promotion of forest development or greening" in Mie Prefecture.

< Overseas >

● Topre Thailand

We have been carrying out mangrove planting activities for many years and have planted more than 1,500 trees. In fiscal year 2023, 48 people participated on November 25 and we planted a total of 500 trees in an area of about 100 ha along about 2 km of the Gulf of Thailand. We will continue to contribute to the maintenance of diverse ecosystems in future too.

Fiscal year	Number of mangrove trees				
	2019	2020	2021	2022	2023
Number of trees planted	325	350	330	500	500

● Topre (Foshan)

On March 26, 2024, we carried out tree-planting activities at a forest park in the Sanshui District of Foshan City. Ten people participated and we planted eight seedlings.

● Topre (Xiangyang)

Sixteen people participated in a tree-planting activity conducted by the Environmental Bureau of the Gaoxin District of Xiangyang City during the tree planting festival on March 12, 2024, planting 30 trees.

● Topre (Wuhan)

We conducted tree-planting activities in the Caidian District of Wuhan City on March 14, 2024. Twenty people participated and planted 20 trees.

● Topre Mexico

We participated in the greening and rehabilitation of Las Aguilas Park in July 2023.



Sagamihara Plant: Survey of aquatic life in a river



Topre Thailand: Mangrove planting



Topre (Foshan): Tree-planting activities



Topre Mexico: Participation in the greening and regeneration of a park



Topre (Wuhan): Tree-planting activities



Topre (Xiangyang): Tree-planting activities

Carbon neutrality

We are expanding initiatives towards a decarbonized society.



Responses to climate change

The group established a Climate Change Measures Department in December 2021 to grasp the current state of CO₂ emissions throughout the group and to manage action plans aimed at the reduction of CO₂ emissions. Aiming for carbon neutrality by 2050, we built a climate change measures system consisting of top management, and are working on this.

Responses to climate change, a global-scale issue, are now a necessity. As an initiative towards the achievement of carbon neutrality, the group has grasped CO₂ emissions in its production activities and set long-term targets for their reduction. The group as a whole, both in Japan and overseas, will advance reductions step-by-step to achieve “a 30% reduction in CO₂ emissions in fiscal year 2030” and “carbon neutrality in fiscal year 2050,” based on improvements in energy saving, the installation of solar panels, purchasing of renewable electricity, and the trading of CO₂ emissions credits.

The group will fulfill its social responsibilities towards the realization of a sustainable society by implementing various measures.

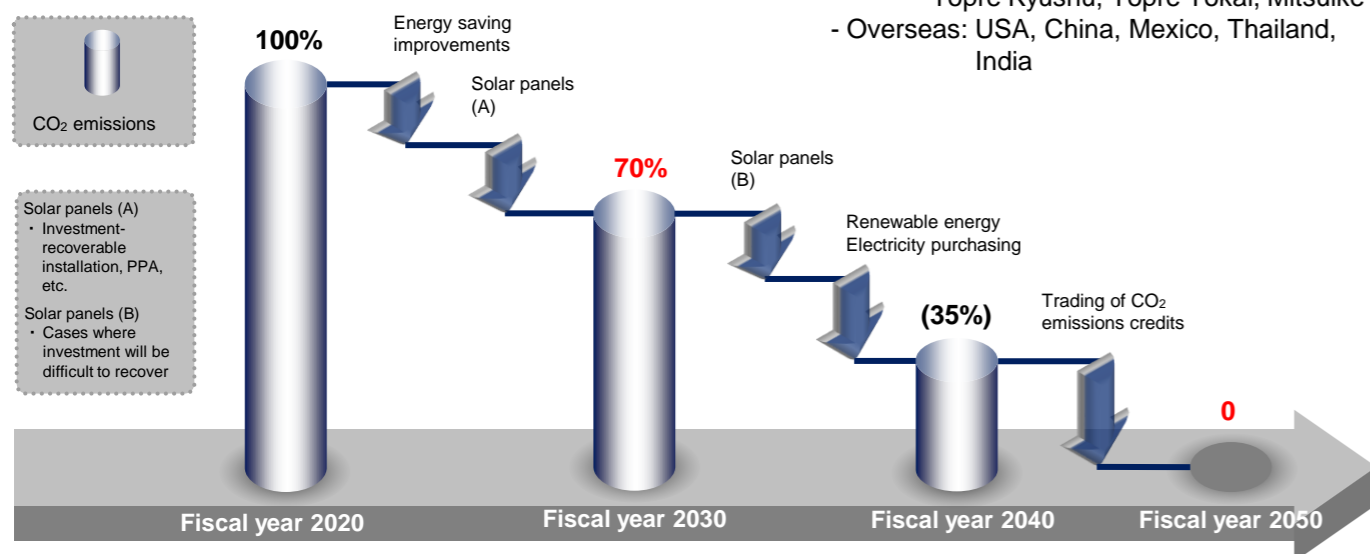
CO₂ emissions reduction targets

We set the target values using fiscal year 2020 as the base year.

- CO₂ emissions in production activities
 - Fiscal year 2030: 30% reduction in emissions
 - Fiscal year 2050: Carbon neutrality

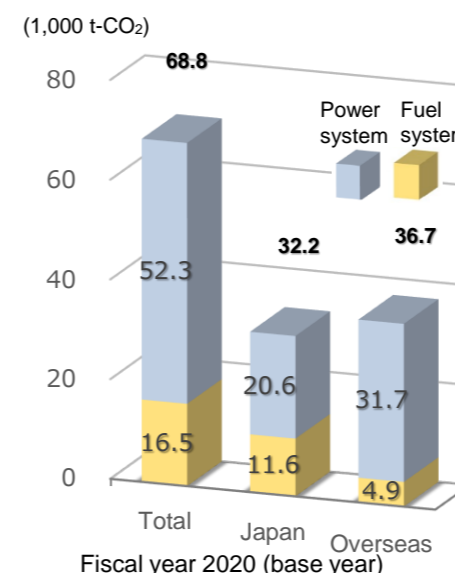
* Base year is fiscal year 2020	Annual target	Fiscal year 2021 - 2030	Fiscal year 2031 - 2050	
		3.0%	(3.5%)	
Long-term reduction target		Fiscal year 2030: 30%	(Fiscal year 2040: 65%)	Fiscal year 2050: 100%

- Subject Topre Group companies:
 - Japan: Topre, Toho Transportation, Toprec, Topre Kyushu, Topre Tokai, Mitsuike
 - Overseas: USA, China, Mexico, Thailand, India



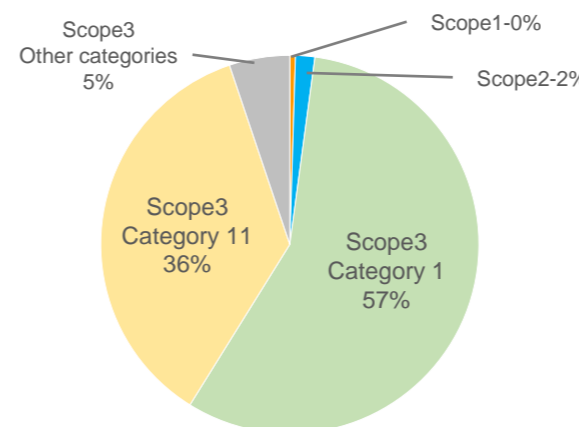
CO₂ emissions based on the Topre Group base fiscal year

The group's CO₂ emissions associated with fuel consumption and power consumption were about 68,800 tons in the base year, fiscal year 2020. We plan to reduce these emissions in line with the targets.



Grasping of Scope 3 emissions

Scope 3 emissions are those by other companies aside from CO₂ emissions in production activities. The group's biggest sources of Scope 3 emissions are in “Category 1 Purchased products and services (57%)” and “Category 11 Use of products sold (36%).”



Scope 3 reduction targets

The group recognizes that the reduction of Scope 3 emissions is also an important issue, and has set targets for efforts in categories where there are high emissions and the suppression of CO₂ can be expected.

Subject category	Subject sector	2030 target (Compared to fiscal year 2020)	2050 target (Compared to fiscal year 2020)
1	Automotive Equipment Division	30% reduction	100% reduction
11	Product Division	25% reduction	75% reduction
7	Domestic group companies		

We will consider the selection and purchase of low-CO₂ materials and parts to reduce Category 1 emissions. With regard to Category 11 reductions, we will develop a lineup of refrigerated vehicles equipped with electric refrigeration equipment and promote replacement with low-GWP refrigerants. We are promoting subsidies for the purchase of electric vehicles with regard to the reduction of commuting by Category 7 employees.

Release of CDP answers

Topre has been responding to the CDP questionnaire since 2017. We are currently publishing the answers and evaluation results.



Carbon neutrality

We are expanding initiatives towards a decarbonized society.



Response to TCFD recommendations



The group recognizes that climate change problems are an important issue in the environmental area of corporate sustainability. The group raised a CO₂ emissions reductions target in March 2022 and is advancing initiatives systematically towards its achievement.

In addition, the group has expressed its support for TCFD as an indication of its positive response to climate change. We will analyze scenarios of the risks and opportunities presented by climate change, and promote the disclosure of climate-related information in line with the TCFD framework. Following on from the group's main business, press-related products business, we have set risks and opportunities in the group's other major business, temperature controlled logistics-related business, from fiscal year 2024.

Governance

The group has built a framework for initiatives headed by the Board of Directors, which is presented under "Sustainability." The Board of Directors reviews reports on the results and plans of climate change measures, and discusses important issues related to climate change measures when they occur through the Director in charge of CSR and climate change measures.

----- Refer to "The CSR promotion system and climate change measures system" on p2

Risk management

The group analyzes in detail corporate risks, including sustainability risks, in each division. Reevaluation is carried out once a year in each division and the results are reported to the Risk Management Subcommittee. Risks judged to be of high importance are listed and managed by the Risk Management Subcommittee. New risks that are judged to require the formulation of new plans or existing risks that are judged to require a review are considered and dealt with in each division without restrictions on the timing of the reevaluation of risk. The results are reflected in the reevaluation of risk.

The Risk Management Subcommittee asks each base to implement BCP initiatives with regard to risks on the list concerning all bases as required to enhance the BCP. Even if climate-related risks are not related to all bases, the Risk Management Subcommittee requests BCP initiatives as required based on the regional and geographical conditions of each base, and plans to manage them in relation to the risk management at each base.

In addition, Climate Change Countermeasures Department is promoting the group's reduction of CO₂ emissions, but a dedicated department in charge of the promotion of carbon neutrality activities has been established separately in the large Automotive Equipment Division. In line with the TCFD framework, climate-related risks are evaluated and reviewed once a year by the dedicated department and related parties who grasp the latest information on the automotive industry, and the results are reported to the Board of Directors.

Indicators and targets

The group's climate change targets are as indicated under "Responses to climate change" on the previous page.

The group's CO₂ emissions reduction measures (energy-saving measures, installation of solar panels, etc.) have become gradually more effective due to solar panels since fiscal year 2023. In addition, some bases are planning to achieve carbon neutrality ahead of schedule by "switching to renewable energy-derived electricity" and "purchasing non-fossil certificates with tracking." The results for the group's Scope 1 and 2 and Scope 3 CO₂ emissions are as shown under "ESG data."

Strategy

The group analyzed two scenarios in regard to the impact of climate change on the company's press-related products business and temperature controlled logistics-related business, one with a global average temperature rise of four degrees Celsius and one with a global average temperature rise of less than two degrees Celsius, and identified the "transition" and "physical" risks and opportunities in consideration of the size of their impacts. The tables are disclosed separately as there is a difference in business structure between press-related products business and temperature controlled logistics-related business. The group will promote its response so that we can minimize the risks and create opportunities.

In press-related products business, in addition to the further development of hot stamp processing technologies, we are continuously developing technologies such as cold ultra high tensile plates processing technology, which will be effective in the reduction of CO₂ emissions by reducing fuel and weight during production, as an alternative technology to hot stamp processing. We are working to contribute to the future reduction of CO₂ emissions.

In temperature controlled logistics-related business, we are developing highly efficient, lightweight products and their production facilities in anticipation of the conversion of refrigerated trucks to BEVs and FCEVs, continuing to develop products compatible with new refrigerants in relation to the Fluorocarbon Emissions Control Act, and working to contribute to future CO₂ emission reductions.

Major risks and opportunities

Financial impact: Large (10 billion yen or more), Medium (1 billion to less than 10 billion yen), Small (less than 1 billion yen)
Time horizon: Short (to 2026), Mid (to 2030), Long (to 2050)

Assumed scenarios

Less than 2°C scenario

This is a scenario based on the premise that the rise in temperature will be limited to less than 2°C, and assumes that energy use without CO₂ emissions will be implemented sufficiently to achieve that, and that the process will be able to circulate.

< Reference material >

- IPCC (Intergovernmental Panel on Climate Change) SSP1-1.9/2.6
- IEA (International Energy Agency) NZE (Net-Zero Emissions by 2050 Scenario)

4°C scenario

This is a scenario under which average temperatures will continue to rise as decarbonization policies are not strengthened, and natural disasters will become more frequent and more severe. It assumes that energy use without CO₂ emissions will not be implemented sufficiently.

< Reference material >

- IPCC (Intergovernmental Panel on Climate Change) SSP5-8.5
- IEA (International Energy Agency) STEPS (Stated Policies Scenario)

Environmental management

Development of environmentally-considerate products

Reduction of environmentally hazardous substances

Conservation of biodiversity

Carbon neutrality



Carbon neutrality

We are expanding initiatives towards a decarbonized society.

Response to TCFD recommendations

[Press-related products business]

Major classification	Middle classification	Minor classification	Time horizon	Scenario		Risks	Opportunities	Response	Financial impact
				4°C	below 2°C				
Transition	Policies and regulations	Introduction of carbon tax	Mid to long-term	-	O	Deterioration of profit and loss in association with increases in procurement costs, production costs and tax burden	Avoidance of additional taxation and acquisition of preferential tax treatment by achieving CO ₂ reductions	Promotion and partial acceleration of CO ₂ emission reduction measures	Small
		Regulations on gasoline vehicle sales	Mid to long-term	-	O	Decrease in unit sales -> decrease in sales	Increase in orders for hydrogen, FCV and EV parts for non-gasoline vehicles	Proposal of methods considerate of CO ₂ reductions	Small
	Market	Shift to EVs	Mid to long-term	-	O	Decrease in orders due to changes in body structure	Expansion of opportunities for new portions due to structural changes	Technology proposals using new materials and technologies	Large
	Technology	Demand for lower carbon in hot stamping	Mid to long-term	-	O	Increase in carbon lowering costs	Expansion of cold ultra-high tensile parts to replace hot stamp parts	Development of processing technology, etc., for cold ultra-high tensile parts	Small
	Reputation	CO ₂ reduction target	Mid to long-term	-	O	Decrease in orders from customers (car manufacturers)	Increase in orders due to the achievement of CO ₂ reductions	Promotion and partial acceleration of CO ₂ emission reduction measures	Large
Physical	Chronic	Average temperature rise (Occurrence of abnormal weather)	Short, mid, long-term	O	-	Suspension or shutdown of plant production capacity due to restrictions on power use	Strengthening of BCP through installation of solar panels, storage batteries, etc.	Continuous BCP review	Medium
	Acute	Greater frequency of flooding and flood damage	Mid to long-term	O	-	Suspension of plant operations and suspension of employee attendance	Build disaster-resistant factories and establish BCP	Continuous BCP review	Medium

[Temperature controlled logistics-related business]

Major classification	Middle classification	Minor classification	Time horizon	Scenario		Risks	Opportunities	Response	Financial impact
				4°C	below 2°C				
Transition	Policies and regulations	Revised Energy Conservation Act	Mid to long-term	-	O	Decrease in demand for existing products in association with decrease in diesel trucks	Increase in demand due to conversion to BEVs and FCEVs	Development of BEV and FCEV compatible products and support for production facilities	Small
		Fluorocarbon Emissions Control Act	Mid to long-term	-	O	Deterioration in availability of current refrigerants, increased repair costs	Increase in orders received due to introduction of new refrigerants	Development of products compatible with new refrigerants	Large
	Market	Shift to EVs	Mid to long-term	-	O	Decrease in orders due to non-handling or delayed handling of weight reductions, electric refrigeration systems, etc.	Increase in orders due to conversion to BEVs and FCEVs	Development of BEV and FCEV compatible products and support for production facilities	Small
		Conversion from fossil fuel equipment to electrified equipment	Short, mid, long-term	-	O	Increase in equipment installation costs	Use ICP to promote capital investment	Promotion of low-carbon investment and measures	Medium
		Changes in costs associated with increased electricity prices	Short, mid, long-term	-	O	Increase in burden of renewable energy procurement costs	Expansion of use of internal power generation (clean energy)	Promotion and partial acceleration of CO ₂ emission reduction measures	Medium
Physical	Chronic	Average temperature rise (Handling in products)	Mid to long-term	O	-	Decrease in orders received due to non-handling or delay in handling of increased cold retention and cooling performance	Increase in orders received due to strengthening of container and refrigeration equipment specifications matched to the environment	Development of refrigerated vehicles matched to the environment	Large
	Acute	Handling when more intensive disasters occur	Short, mid, long-term	O	-	Suspension of production and supply chain	Build disaster-resistant factories and establish BCP	Continuous BCP review	Medium

CO₂ emissions reduction activities - overall

Energy saving and CO₂ emissions reduction initiatives

In Japan, we began the installation of solar panels, the main part of our CO₂ reduction measures, in earnest from fiscal year 2022, and our CO₂ emission reductions have increased. Energy conservation measures are also advancing systematically in parallel, and the reduction results have increased. Overseas too, like Japan, we are implementing surveys and making plans. We started energy saving measures and the installation of solar panels from fiscal year 2023, and the reduction results are increasing gradually.

ICP settings

Because production volumes have risen in association with the expansion of sales in recent years, we must accelerate CO₂ emissions reductions further if the CO₂ emissions reduction target is taken as an absolute amount.

To accelerate investment in CO₂ reductions, the group set internal carbon pricing (ICP) in Japan from fiscal year 2023. We will review ICP once a year in light of the situation in general and at the company. "Fiscal year 2024: 10,000 (yen / t-CO₂)"

To achieve its CO₂ emissions reduction target for fiscal year 2030, the group is strengthening CO₂ emissions reductions by investing in energy-saving equipment in stages at domestic bases based on the news release issued in November 2022.

Overview of the plan for the reduction of CO₂ emissions

We are considering the introduction of energy-saving equipment and solar panels, and measures for lower carbon energy at bases in Japan and overseas, and accumulating results in CO₂ emissions reductions.



Plan for the reduction of CO₂ emissions (Japan and overseas)

Overview of considerations

- [1] We will thoroughly implement everyday improvements for energy saving and the successive installation of solar panels on rooftops where they can be installed.
- [2] Examples of items for consideration (other than solar panels)
 - Plant air leakage prevention and supply control
 - Switch to LED lighting
 - Visualization of energy
 - Upgrade to highly efficient transformers
 - Change company vehicles to EVs
 - Change to centralized control of air conditioning
 - Upgrade to heat exchange type ventilation systems
 - Adaptation of office buildings, etc. to ZEBs

< Lighting >
Switching to LED lights in plants and offices has largely been completed and we are advancing the change from mercury lamps, which consume a lot of electricity, to electricity-saving LED lights. At Tochigi Plant, for example, we reduced electricity consumption by about 70% by switching some lighting from mercury lamps to LED lights.

< Equipment >
We are upgrading to highly efficient power transformers and air conditioners. In addition, we are also working on everyday improvements such as reducing power consumption by adjusting the timing of the turning off of power to air compressors and the heating time of heat source equipment for each season.

< Logistics >
We are conducting activities aimed at the improvement of fuel efficiency by setting annual fuel efficiency targets. In addition, as an initiative to reduce CO₂ emissions associated with manufacturing, we are actively introducing battery-powered forklifts, which can be expected to reduce CO₂ emissions compared to conventional LPG-powered forklifts. Sagami-hara Plant has introduced a total of 39 battery-powered forklifts since 2017.

< Use of renewable energy >
As an initiative for carbon neutrality, we plan to install solar panels in stages on all plant roofs where installation is possible.

Environmental management

Development of environmentally-considerate products

Reduction of environmentally hazardous substances

Conservation of biodiversity

Carbon neutrality

Carbon neutrality

We are expanding initiatives towards a decarbonized society.



[Domestic bases]

Bases		Results of initiatives in fiscal year 2023
Topre	Sagamihara Plant	<ul style="list-style-type: none"> Reduction of power consumption by switching to LED lighting in the plant and offices Reduction effect 21,170 kWh / year (replaced 329 fluorescent lamps and floodlights) Reduction of CO₂ by upgrading to battery-powered forklifts Reduction effect 18.8 t-CO₂ / year (upgraded 4 vehicles) Installation of EV quick-charging facilities Installation of solar panels Press Plant 2 and Saitama Plant: Reduction effect 356 t-CO₂ / year
	Hiroshima Plant	<ul style="list-style-type: none"> Control of air compressor emission pressure: Reduction effect 2.3 t-CO₂ / year Installation of solar panels Welfare building and Plant 7: Reduction effect 35 t-CO₂ / year
	Tochigi Plant	<ul style="list-style-type: none"> Installation of solar panels Trestle-type installation on top of balancing reservoir: Reduction effect 321 t-CO₂ / year Replaced gasoline-powered company vehicle with electric vehicle (1 vehicle) Reduction effect 2.9 t-CO₂ / year Installation of EV quick-charging facilities Reduction of power consumption by upgrading to battery-powered forklifts Reduction effect 4.1 t-CO₂ / year (upgraded 1 vehicle)
	Gifu Plant	<ul style="list-style-type: none"> Reduction of power consumption by air-conditioner demand control Reduction effect 8 t-CO₂ / year
Toho Transportation		<ul style="list-style-type: none"> Replacement with low-carbon trucks (12 vehicles) Switched 76 indoor and outdoor fluorescent lights and 5 mercury lights to LED: Reduction effect 5.5 t-CO₂ / year Upgrading of air conditioners in head office meeting rooms: Reduction effect 0.6 t-CO₂ / year Reduction of power consumption by electrification and upgrading of forklifts Reduction effect 8.2 t-CO₂ / year (upgraded 3 vehicles)
Toprec		<ul style="list-style-type: none"> Replaced gasoline-powered company vehicles with hybrid vehicles (39 vehicles) Reduction effect 49.5 t-CO₂ / year Upgrading of Head Office air-conditioning equipment (23 places)
Topre Kyushu		<ul style="list-style-type: none"> Installation of solar panels Kurume Plant: Reduction effect 221 t-CO₂ / year Converted heaters to heat pump-type, Kurume Plant : Reduction effect 21 t-CO₂ / year Converted hydraulic pumps to inverter-type, Kanda Plant: Reduction effect 36 t-CO₂ / year
Topre Tokai		<ul style="list-style-type: none"> Reduction of power consumption by switching from fluorescent lighting to LED lighting (758 places) Toin Plant (buildings and warehouse), Suzuka Plant (buildings): Reduction effect 68.3 t-CO₂ / year Installation of solar panels Toin Plant: Reduction effect 175 t-CO₂ / year
Mitsuike		<ul style="list-style-type: none"> Switched fluorescent lights at Totsuka Plant to LED (520 lights): Reduction effect 20 t-CO₂ / year

[Overseas bases]

Bases		Results of initiatives in fiscal year 2023
Topre America		<ul style="list-style-type: none"> Improvement of productivity due to improvement of press SPM Reduction effect 3,511 t-CO₂ / year Reduction of power consumption by electrification and upgrading of forklifts Reduction effect 41.8 t-CO₂ / year (upgraded 21 vehicles)
Topre Mexico		<ul style="list-style-type: none"> Converted lights on the factory premises to LED (102), switched to LED lighting in offices Reduction effect 843.3 t-CO₂ / year Reduction of power consumption by electrification and upgrading of forklifts Reduction effect 86.2 t-CO₂ / year
Topre (Foshan)		<ul style="list-style-type: none"> Installation of solar panels Plant 1, Plant 2, office building Reduction effect 1,537 t-CO₂ / year Reduction of power consumption by automatic control of production facilities Reduction effect 186.5 t-CO₂ / year (total of 4 facilities) Reduction of electricity consumption when printing by switching to paperless printing of related forms Reduction effect 0.8 t-CO₂ / year
Topre (Xiangyang)		<ul style="list-style-type: none"> Reduction of power consumption by decreasing mold breakage by introducing AI cameras Reduction effect 79 t-CO₂ / year Decrease in electricity use by upgrading with natural illumination strips in factory ceiling Reduction effect 28.9 t-CO₂ / year Switched streetlights on company property to solar-powered type Reduction effect 5.6 t-CO₂ / year
Topre (Wuhan)		<ul style="list-style-type: none"> Decrease in the number of truck trips by changing pallet transportation method Reduction effect 0.9 t-CO₂ / year Installation of solar panels Reduction effect 746 t-CO₂ / year
Topre Thailand		<ul style="list-style-type: none"> Switched fluorescent lighting to LED Reduction effect 62.7 t-CO₂ / year Added inverters to cooling water systems Reduction effect 17.7 t-CO₂ / year Installation of solar panels Reduction effect 544 t-CO₂ / year
Topre India		<ul style="list-style-type: none"> Switched outside roadway lighting at plant to LED Reduction effect 0.3 t-CO₂ / year Turned off ceiling lights in press building during the day Reduction effect 3.5 t-CO₂ / year



Carbon neutrality

We are expanding initiatives towards a decarbonized society.

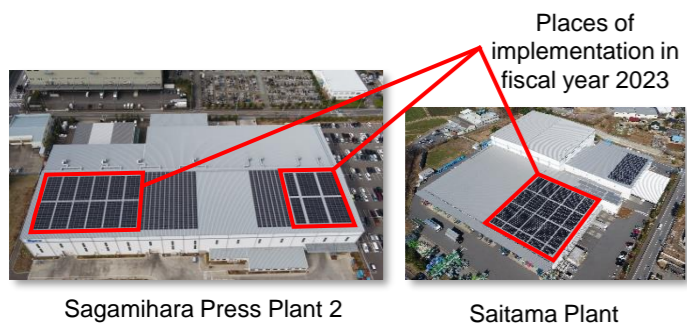
CO₂ emissions reduction activities - State of installation of solar panels

Fiscal year 2023 results

< Domestic >

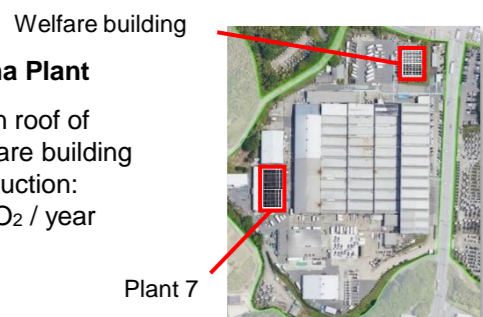
Topre Sagamihara Plant

- Expansion of installation on roof of Press Plant 2 / Saitama Plant
- Expected reduction: 356 t-CO₂ / year



Topre Hiroshima Plant

- Installation on roof of Plant 7 / welfare building
- Expected reduction: 35 t-CO₂ / year



Topre Tochigi Plant

- Trestle-type installation on top of balancing reservoir
- Expected reduction: 321 t-CO₂ / year



Topre Tokai

- Installation on part of the roof of Toin Head Office Plant
- Expected reduction: 175 t-CO₂ / year



Topre Kyushu

- Installation on part of the roof of Kurume Plant
- Expected reduction: 221 t-CO₂ / year



< Overseas >

Topre (Foshan)

- Installation on part of the plant roof
- Expected reduction: 1,537 t-CO₂ / year



Topre (Wuhan)

- Installation on part of the plant roof
- Expected reduction: 746 t-CO₂ / year



Topre Thailand

- Installation on part of the plant roof
- Expected reduction: 544 t-CO₂ / year

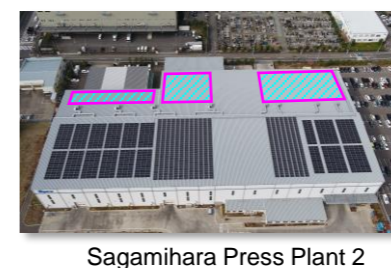


Fiscal year 2024 plan

< Domestic >

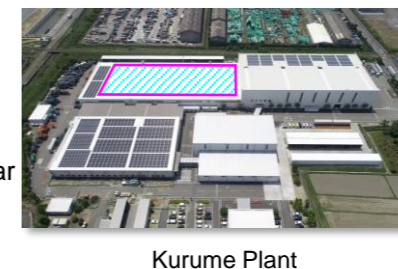
Topre Sagamihara Plant

- Expansion of installation on Press Plant 2 northern side roof
- Expected reduction 113 t-CO₂ / year

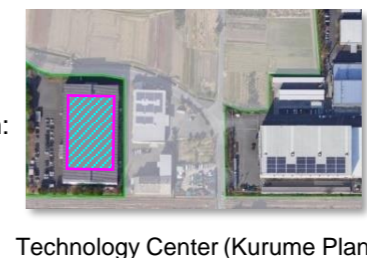


Topre Kyushu

- Installation on part of the roof of Kurume Plant
- Expected reduction: 269 t-CO₂ / year



- Installation on roof of Technology Center
- Expected reduction: 221 t-CO₂ / year



- Installation on part of the roof of Kanda Plant
- Expected reduction: 269 t-CO₂ / year



Topre Tokai

- Installation on part of the roof of Toin Head Office Plant
- Expected reduction: 508 t-CO₂ / year



< Overseas >

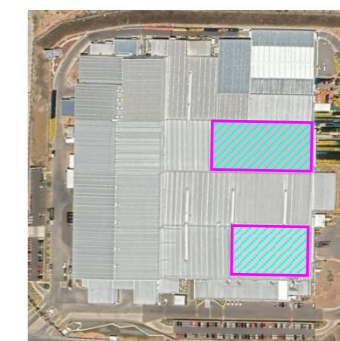
Topre (Xiangyang)

- Installation on part of the plant roof
- Expected reduction: 1,889 t-CO₂ / year



Topre Mexico

- Installation on part of the plant roof
- Expected reduction 457 t-CO₂ / year



Products and services

We provide products and services of a quality that can make all customers feel at ease to establish the “Topre quality” that our customers recognize.

Quality Policy

At the Topre Group, we are conscious of our quality assurance philosophy in all processes and at all bases, and in order to unify and improve the Topre brand, we have formulated the Group Quality Policy to be worked on and have rolled it out to related divisions. In addition, every year, each plant and related division prepares a Quality Activity Plan based on the Medium-Term Management Plan, the Quality Policy, and the Quality Management Policy, and engages in quality activities.

Topre Group Quality Policy

< Basic way of thinking >

We provide products and services of a quality that can make all customers feel at ease to establish the “Topre quality” that our customers recognize.

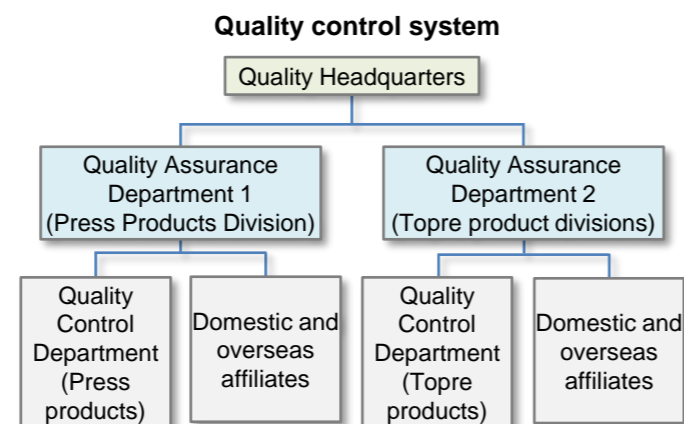
1. We have established a quality management system and each and every employee carries out quality assurance activities.
2. We take on the challenge of improving quality in work at all times, from development to production and sales.
3. We identify market needs and trends accurately, and provide customers with optimal products, services and information.
4. We develop human resources through education and training in order to maintain quality activities.
5. We strive to ensure quality and safety while complying with customer requirements and laws and regulations.
6. We follow the PDCA cycle at all times to make continuous improvements.
7. We maintain good relations with cooperating manufacturers and strive to improve quality.

*1: IATF16949

This is a QMS based on the international standard ISO 9001 with additional requirements specific to the automotive industry.

Quality management system

The company’s plants, global subsidiaries and suppliers have standardized their quality assurance systems based on the standard requirements of ISO 9001 or IATF 16949,^{*1} customer requirements and legal requirements, and built quality management systems that they now operate and manage. The Topre Group has built a global system with Quality Headquarters positioned at the top of the organization. In addition, Quality Assurance Department 1 is responsible for maintaining and managing the quality system for press-related products produced at the group and suppliers, and Quality Assurance Department 2 is responsible for maintaining and managing the quality system for company products related to temperature controlled logistics, air conditioning equipment, and electronic equipment.



Domestic and overseas production bases
State of acquisition of quality management systems

Japan	
Sagamihara Plant	IATF 16949 ^{*1}
Hiroshima Plant	ISO9001
Tochigi Plant	"
Gifu Plant	"
Topre Kyushu	"
Topre Tokai	"
Mitsuike	"
Overseas	
Topre America	Scheduled for acquisition in 2025 ISO9001
Topre Mexico	IATF 16949 ^{*1}
Topre (Foshan)	"
Topre (Xiangyang)	"
Topre (Wuhan)	"
Topre Thailand	"
Topre India	ISO9001

Quality assurance at the planning and development stages

At the initial stage of product planning and development, the group designs the standards, regulations and laws that apply to products from the perspective of environmental considerations and lifecycle, and conducts design verification through analysis, verification of safety using prototypes and testing assuming various environments of use to ensure product quality.

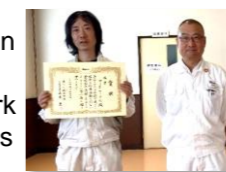
Initiatives for QC activities

Continuing since 1970, the company has held a total of 66 QC competitions as of 2023. These QC competitions are held with QC circles at domestic bases, and also with QC circles invited from overseas bases. This year was the fifth time we held a competition also including overseas bases, named the TQCC Global Competition. The TQCC Global Competition in 2023 was held for the first time in four years, and had more than 300 participants, including suppliers. (From 2020 to 2022, the competition was held as the Global Video Competition due to COVID-19 countermeasures.). A total of 17 circles from Japan, China, Mexico, Thailand and India participated in the competition and gave presentations on their daily initiatives. The details of all of the activities were well received, and we were able to deepen friendships with members with whom we usually have little opportunity to interact. We will continue to work on improvements through small group activities and QC circle activities.



5th TQCC Global Competition

In addition, apart from the QC competitions, we have systems that allow the proposal of improvements in quality, health and safety, environmental conservation, and work efficiency. The content of proposals is judged in terms of ingenuity, applicability, effectiveness, etc., and we give prizes and awards in accordance with the points received.



Award for an improvement proposal

Consistent quality control

The group is striving to create products that can satisfy customers by strengthening product development and technologies from a customer perspective in order to respond to diversifying needs. Further, in cooperation with affiliated companies, we are making efforts to improve customer satisfaction by feeding back information on customer needs and problems to products quickly.

Information provision and quality labeling

Topre is striving to provide appropriate information on how to use its products in order for customers to use the company’s products safely for a long period of time. We have prepared product labels and instruction manuals so that customers can operate products, carry out daily maintenance and handle errors safely.

Initiatives for the improvement of maintenance quality

We have established a dedicated department and a system for staff with product knowledge to respond quickly to customer inquiries about product explanations, repairs and replacements. In addition, we have established a service system that can be deployed nationwide through a system of cooperation with other companies. By sharing maintenance and service information, we maintain uniform maintenance quality nationwide.

In general, with products of high quality, maintenance is easy to understand and consideration is also given to making it easy and safe. We are advancing efforts to improve product quality in newly developed product designs by giving feedback on points for improvement obtained from customers to Design Division and reflecting that in designs, thereby improving the future quality of maintenance.

We provide customers with highly marketable products and easy-to-understand instruction manuals and maintenance explanations. Internally, for staff and service personnel, we will enhance product education and maintenance manuals that are easy-to-understand through the use of photos and videos. In addition, we will also work on the further improvement of maintenance quality by establishing a system that enables us to respond quickly and correctly to newly developed products as well.

Supply chain management

We build fair, impartial and moderate relationships with the people related to the Topre Group.
We maintain highly transparent transactions with business partners, cooperating businesses and suppliers.



Purchasing policy

Topre Group Purchasing Policy

< Basic way of thinking >

The Topre Group has shared the following policy with the Topre Group as a whole for the procurement of materials. We build relationships of trust with business partners, promote procurement emphasizing CSR and environmental conservation, and roll-out initiatives towards the development of a sustainable society.

1. Compliance with law, regulations and social morality
We promote fair and transparent purchasing activities in compliance with related laws and regulations as well as social morality and norms.
2. Environmental protection
We implement purchasing activities that lead to environmental conservation based on our environmental policy, and promote “green procurement activities.”
3. Fair and equitable transactions
We provide open, fair and equitable entry opportunities regardless of nationality, company size or whether or not we have a track record of business.
4. Selection of business partners
We select based on comprehensive consideration of quality, cost, technology, delivery time and other capabilities, as well as management attitudes and systems. In addition, we strengthen cooperation among each division, domestic and overseas bases and affiliated companies to ensure the optimal procurement of materials by using the mass benefits of centralized purchasing.
5. Building of relationships of trust
We establish relationships of trust with business partners through fair and transparent transactions, and promote mutual development. By strengthening trust with suppliers, we realize flexible and timely parts provision to customers.
6. Information protection
We manage confidential information properly and do not disclose it without mutual approval.

Strengthening of supplier partnerships

Our business partners are important for us to produce high-quality products, and we believe the building of cooperative systems is important.

The group holds a supplier conference once a year to explain the group's current situation, strategies, purchasing policy and Topre initiatives.

About 150 suppliers participated in the event, which was held on the web on July 10, 12, and 14 in fiscal year 2023. We will resume holding the conference in-person from fiscal year 2024.

We will promote procurement that emphasizes CSR and the environment, strive to build relationships of trust with business partners throughout the group, and aim to contribute to the realization of a sustainable society.

At the company's QC Circle Competitions, we share information on quality and manufacturing processes and consider issues. We also ask business partners to present examples of their quality improvements and work with them to raise awareness of quality.

Apart from that, the company's Parts Acceptance Division visits suppliers regularly to conduct on-site audits of manufacturing processes, provide advice on improvements, and propose improvements to the work environment.



Supplier conference online

CSR procurement

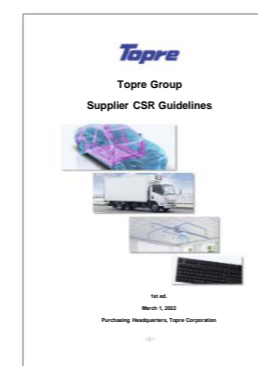
The Topre Group has established the “Topre Group Supplier CSR Guidelines” for the further promotion of CSR procurement, and under the Basic Philosophy of “contributing to society through the creation of products and services using its outstanding technologies,” clarifies its approach to CSR as well as requirements for business partners concerning human rights, labor, health and safety, anti-corruption measures and consideration for the environment, and promotes CSR initiatives across the supply chain together with business partners.

● Initiatives for the promotion of CSR procurement

Through the “Topre Group Supplier CSR Guidelines” issued by Topre, we will have existing business partners understand CSR activities centered on quality, human rights, the environment and compliance with laws and regulations, and request the diffusion and spread of CSR initiatives.

In addition, we will work on the promotion of sustainable procurement in cooperation with business partners by asking them to fill out a “Confirmation of Agreement,” including matters such as cooperation with each guideline.

Supplier CSR Guidelines



Supplier CSR Guidelines
https://www.topre.co.jp/en/sustainability/social/files/en_csr_guideline.pdf

Green Procurement Guidelines



Promotion of green procurement

The group has established the “Topre Group Green Procurement Guidelines” as its basic way of thinking on consideration for the environment in procurement activities, including the company's way of thinking on carbon neutrality and a request to business partners to reduce CO₂ emissions. In addition, as an initiative at the procurement stage, we promote “green procurement,” by which we procure from business partners who are positive about environmental improvement activities, such as materials, parts and units considerate of the environment.

Business partner hotline

In order to maintain fair, impartial, and highly transparent transactions with related business partners, the group has established a contact point for business partners to report.

We promise to protect reporters so that there is no disadvantageous treatment or deterioration of the trading environment due to reporting, and handle personal information based on the company's protection of personal information. This contact point has been established in a division independent of Purchasing Division, and the manager in charge of compliance investigates the details reported and takes appropriate action.

Purchasing personnel

The group provides education to employees towards the thorough implementation of fair and transparent transactions and the promotion of CSR throughout the supply chain, and provides regular education and training for purchasing personnel. In recent years, these efforts have led to an increase in the skills and knowledge of personnel in charge of subcontracting, compliance, CSR procurement and other areas of particular importance.

In addition, we also provide education and guidance on their attitude as employees and buyers.

Human capital management

We strive to develop human resources and create an environment that is easy to work in, and expand opportunities for people with awareness of diversity to play active roles.

Human capital management initiatives

● Basic policy on human capital management

The group's human resource policy is to "cultivate human resources who are independent in everything, always have a bird's-eye view of the situation, and work logically." As economic activities become more globalized and the birthrate in Japan declines and the population ages, we are aiming to become "a group that grasps the situation objectively and acts logically towards the achievement of goals."

In addition, we raised "We strive to develop human resources and create an environment that is easy to work in, and expand opportunities for people with awareness of diversity to play active roles. We will continue to be a company that is responsible to the employees who will lead the next generation" as one of our basic policies in the 16th Medium-Term Management Plan, which started in fiscal year 2024.

● Key themes / ideal situation

1. Respect for human rights
 - Understanding and penetration through the continuous implementation of education on human rights and diversity
 - Reduction of governance risk by implementing human rights due diligence
2. Activities of diverse human resources
 - Creation of accepting and diverse workplaces
 - Creation of an organization that allows flexible work styles
 - Training and guidance tailored to the individuality of each employee

● The creation of rewarding workplaces

▪ Employee engagement surveys

We conduct "engagement surveys" aimed at grasping the current situation and extracting issues for future development.

Based on the results of the fiscal year 2023 survey, we understood that the level of the engagement score overall can be raised by promoting improvements and new measures related to human resource development and personnel evaluations.

We will continue fixed point observation of the state of engagement to grasp issues and changes that need to be resolved with priority, leading to the execution of new measures and the measurement of their effectiveness.

▪ The creation of opportunities for meetings with employees

The company provides opportunities mainly for young employees to regularly meet with Human Resources Division personnel. During these meetings, employees are asked about their physical and mental condition, and the required follow-up is provided.

In addition, we grasp the state of execution of work of each individual and their current issues, consider future development plans, and encourage skill improvement by taking "hierarchical education" and "education by function" as required.

Respect for human rights

We respect human rights and do not tolerate discrimination or harassment based on race, creed, gender, nationality, physical characteristics or any other reason in any case.



Basic policy on respect for human rights

Topre Group basic policy on respect for human rights

< Basic way of thinking >

In conducting business activities, we fulfill our responsibility to respect human rights, which are fundamental human rights. We raise "respect for human rights" in the Topre Group Code of Conduct, which is the standard for employee behavior, and are implementing initiatives for human rights and labor having clarified in the Code of Conduct that "In order to respect human rights and accept diversity in the conduct of business activities, the company will not discriminate or harass on grounds of race, creed, gender, nationality, physical characteristics or any other reason."

Through this policy, we will build a system for the respect of human rights and handle this appropriately. This policy applies to all officers and employees of the Topre Group.

1. Respect for human rights

- In order to respect human rights and accept diversity, we respect the diverse abilities, individuality and sense of value of each and every employee.
- We do not tolerate discrimination based on race, creed, gender, nationality, physical characteristics or any other reason, or any harassment that harms human rights or somebody's personality.
- We do not tolerate child labor, forced labor or human trafficking.

2. Responses to human rights risks

We apprehend human rights violations as a human rights risk and build and manage appropriately processes to identify, mitigate and prevent human rights risks.

3. Protection and relief of human rights

We will strive for the protection and relief of human rights if a human rights violation is made clear.

4. Appropriate labor management

We comply with laws and regulations concerning labor that are applicable in each country and region, and provide and manage appropriate work environments for employees.

5. Education and enlightenment

We implement appropriate education and enlightenment activities for all officers and employees.

6. Business partners

We ask all business partners to understand this policy, and to respect and not violate human rights.

7. Information disclosure

We disclose the state of implementation of our initiatives for the respect of human rights to the general public.

Initiatives for the improvement of awareness of human rights

The group is making efforts for the improvement of employee awareness of human rights, including the prohibition of discrimination and the prevention of harassment.

Specifically, we implement compliance education regularly, such as harassment training for employees including domestic group companies.

Responses to human rights risks

The group has established items concerning respect for human rights in the "Topre Group Supplier CSR Guidelines" based on the international principles of the "Guiding Principles on Business and Human Rights" and "Children's Rights and Business Principles."

We are promoting compliance initiatives together with suppliers aimed at the thorough implementation of respect for human rights throughout our supply chain.

Consultation on human rights

We have established a dedicated consultation service intending to raise awareness throughout the workplace to prevent harassment in the workplace.

The methods for consultation are by email, telephone or letter, and matters are accepted even if anonymous. Human Resources Division is in charge of consultation on harassment. After being consulted, we investigate the actual situation promptly, and if there is harassment, we consider and implement the measures that should be taken while giving full consideration to second harassment.

Respect for the rights of the child

The group gives donations to pediatric cancer facilities and orphanages to support the promotion of children's health and the development of their educational environment.

Diversity in human resources

We respect diversity and support the potential of people who take on challenges.



Promotion of diversity

We aim to create an environment in which each and every employee, regardless of race, creed, gender, nationality, age, LGBTQ, religion or disability, can work actively, demonstrating their abilities to the maximum.

● Recruitment of diverse human resources

While we carry out human resource recruitment activities continuously, we are working positively on the recruitment of women as well as foreign nationals and people with disabilities. In particular, we recognize that the employment of people with disabilities is a responsibility that companies should fulfill and view it as an important issue for the creation of new value based on the realization of diversity. For the maintenance and expansion of the recruitment of people with disabilities, we are conducting internal education and awareness raising activities on consideration and safety measures at the workplace level tailored to individual circumstances, and the recruitment of people with disabilities, and promoting the building and maintenance of an environment in which people with disabilities can work with peace of mind.

● Introduction of referral and alumni recruitment

In light of the intensification of competition to procure human resources due to the decline in the working population, as well as the increasingly active job change market and growing mobility of human resources, we started the introduction of “referral and alumni recruitment” in April 2024 as a measure to acquire the human resources the group is looking for stably. Although still at the trial operation level, we plan to establish a system that will lead to the securing of human resources and improvement of the retention rate, and transition to full-scale operation during fiscal year 2024.

● Promotion of female participation

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, the group has formulated an action plan to create an employment environment in which women can participate, and is implementing initiatives towards its achievement.

General Employer Action Plan based on Act on Promotion of Women's Participation and Advancement in the Workplace (April 1, 2021 to March 31, 2026)

Goal 1: Employ at least 130 full-time female employees

< Details of initiatives >

- Participation in and holding of briefings for female students
- Analysis and improvement of issues related to the assignment of female employees
- Implementation of unconsciousness bias training for managers
- Implementation of diversity and inclusion training for managers

Goal 2: Male employees: At least 30 take childcare leave during the plan period; Female employees: Maintain 100% taking of childcare leave within the plan period

< Details of initiatives >

- Promotion of awareness of various systems such as prenatal and postnatal leave, childcare leave, and childcare leave benefits
- Promotion of awareness of the shorter work hours system and flexible work hours system for employees after childcare leave
- Secure substitute personnel during childcare leave, and review the details of work and work systems
- Implementation of unconsciousness bias training for managers
- Implementation of diversity and inclusion training for managers
- Implement initiatives to improve the abilities of employees after childcare leave

There are currently three female managers, but this number is expected to increase in stages. In addition to the positive recruitment of women, this is due to the impact of carrying out fair personnel evaluations and human resources development regardless of gender, nationality, etc., which we have done for some time. We plan to implement various measures to build a workplace environment that is easier for women to work in, including the establishment of working groups, the implementation of female success awareness seminars and career development education, etc.

● Rehiring of seniors

Currently, the Group has introduced a continuous employment system based on the Act on Employment Security of Elderly Persons. In addition, we also continue to employ senior workers of the age of 65 or above by providing them with appropriate jobs and work environments based on their wishes and aptitudes. Moreover, in anticipation of the obligatory raising of the mandatory retirement age in the future, we are striving to improve the treatment of employees by raising wage levels, establishing work systems considerate of individual circumstances, such as nursing care.

● Hiring of foreign employees

Foreign employees from six countries of North America and East Asia are working actively at the group. In recruitment activities, we conduct fair screening of all applicants, and this also applies to foreign nationals. We hire people in accordance with their skills and experience, regardless of race, nationality, etc. If hiring foreign nationals in particular, we assist the acquisition of work visas, provide a residence, and support various procedures. In addition, we also accept foreign technical trainees positively, which leads to the invigoration of the company through diversity.

● Employment of people with disabilities

There are currently people with various disabilities working actively. One of the characteristics of the group is that we do not assign duties uniformly, but rather in accordance with individuality and characteristics such as each individual's personality, experience, knowledge and skills. In addition, related divisions cooperate to build a work environment in which people can continue to work vigorously over the long term. From January 2022, we started using a farm, part of a social farm, as a new initiative. In addition, we provide the general managers of each division regular opportunities to attend briefings and tour workplaces to promote understanding of the employment of people with disabilities and expand the number of divisions that accept them. In future, we will continue to maintain and expand a work environment in which people with disabilities can play active roles, and will promote the employment of people with disabilities positively.



Working on a farm

Division general manager training at the farm

Work styles and education

We promote flexible work styles and enhance education for the next generation.



Work-life balance

The group is striving to enhance leave systems and welfare programs so that each and every employee can enjoy their daily work and life comfortably.

● Support for flexible work styles

The group is promoting the establishment of an environment so that employees can work flexibly tailored to individual work characteristics, workloads, etc., including a flexible work hours system, working from home depending on the details of work, and staggered work hours. Furthermore, in addition to annual paid leave, the company grants “special leave (refresh leave)” in accordance with years of service, and provides “welfare services” that employees and their families can select from a range of content numbering about 3.5 million. Through the use of such systems and services, we are aiming to realize an environment in which each and every employee can lead a fulfilling life and stay healthy both physically and mentally, thereby enabling them to continue working vigorously with high motivation.

● Balancing support systems

▪ Balancing of work and childcare

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, the group formulated and is implementing an action plan to build an environment in which all employees can work vigorously, demonstrating their abilities to the full, and balance work and the raising of children.

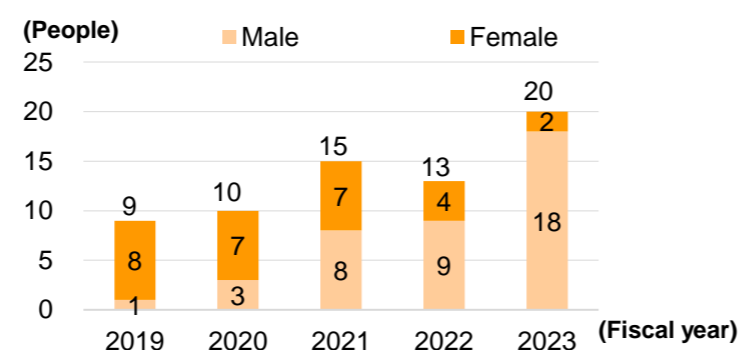
▪ Balancing of work and nursing care

We have a system under which employees can use nursing care leave up to three times within a total of 93 days for each family member who needs nursing care, and a shorter work hours system for employees to provide nursing care for family members.

General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (April 1, 2021 to March 31, 2026)

1. Goal
 - (1) Male employees: At least 30 employees take childcare leave during the plan period.
 - (2) Female employees: Maintain 100% taking of childcare leave during the plan period.
 - (3) Establish “time management,” eradicate the non-payment of overtime, and achieve work within the scope of the “36 labor agreement.”
 - (4) Provide continuous guidance in education and the company newsletter so that the number of consultations is 20 or less per year.
 - (5) Hire at least 130 full-time female employees to increase the number of female management candidates.
2. Support measures
 - (1) Secure substitute personnel during childcare leave, and review the details of work and work systems.
 - (2) Implement initiatives to improve the abilities of employees after childcare leave.
 - (3) Promote use of the shorter work hours system and flexible work hours system for employees after childcare leave.
 - (4) Promote awareness of various systems such as prenatal and postnatal leave, childcare leave, and childcare leave benefits.

▪ State of taking of childcare leave (non-consolidated)



Labor practices

● Initiatives for overtime work

Based on the enforcement of the revised Labor Standards Act, the group emphasizes the “understanding of actual work hours,” the major premise in the management of overtime.

The eyes of all of society are currently turned towards “overtime cap regulations,” but working towards work style reforms without taking stock of workloads and work methods, and eliminating unreasonable, wasteful and redundant work may also conversely increase unpaid overtime and other compliance risks.

Because of this, the group has a common understanding that “work style reform cannot be realized overnight,” and is working firstly to grasp the current situation, gather opinions, and reform the awareness of each and every employee.

▪ Addressing long work hours

Long work hours can cause chronic lack of sleep and fatigue, which can reduce productivity and increase the risk of unforeseen accidents. To address this issue, the group concludes “36 labor agreements” through labor-management discussions and has employees undertake interviews with industrial physicians. In addition, to encourage employees to take their annual paid leave, we have set a target for employees to take at least nine days of annual paid leave, and are striving for the realization of an environment that is easy to work in.

▪ Premium wage rate

Under the Labor Standards Act, the premium wage rate for overtime work is at least 25 percent, but the company’s premium wage rate is 30 percent. Similarly, we have also set premium wage rates above the statutory rates for holiday work at 40% (above the statutory rate of 35%) and late-night work at 30% (above the statutory 25%).

● Leave systems

▪ Annual paid leave

Under the Labor Standards Act, if an employee’s attendance rate is 80% or more six months after joining the company, the company must grant them 10 days of annual paid leave, but the group grants 12 days of annual paid leave from the time of joining the company. Moreover, we have set the maximum number of days of annual paid leave granted at 23 days, which is above the statutory 20 days.

In addition, although legally, unused annual paid leave expires after two years, the group has established a “conserved annual paid leave” system that allows employees to accumulate up to 50 days of expired annual paid leave.

▪ Refresh leave

For employees who have been reached 10, 20, 30 or 40 years of service, we grant two days of special leave known as “refresh leave,” and give them 100,000 yen as funds to refresh.

● Good relations with the labor union

The company and the Topre Labor Union strive for the maintenance and strengthening of sound labor-management relations by engaging in thorough communication at all times. Specifically, we hold labor-management meetings twice a year overall and at plants to discuss issues in matters such as working conditions and production activities, and to communicate with each other.

Work styles and education

We promote flexible work styles and enhance education for the next generation.



Human resource development

Human resource development policy

“Increasing competitive human resources”
~ Supporting people who take on challenges and
rewarding people who achieve results ~

To realize continuous business growth and success,
being an organization that can continue to provide
value to customers is essential.

We think it is important to shape employees towards
new leaps forward by allowing them to evolve field,
technological and product capabilities based on free
and flexible ideas.

We will continue to pursue this kind of dynamic
organization where we advance towards our goals
while everybody enjoys and is excited about change.

Internal environment development policy

For further growth in the future, Topre will support the
potential of people who take on challenges and
appropriately reward people who achieve results.

1. Desired human resource image

Go beyond your limits: Enjoy the challenge of
breaking the mold! This will lead to new leaps
forward by allowing the evolution of field,
technological and product capabilities. These include
evolution as a person, the evolution of manufacturing
and the evolution of the company based on free and
flexible ideas.

2. Support

It is up to individuals to take on challenges and grasp
opportunities, and to use them for their own growth.
Take on challenges one after the other without fear
of failure. We will continue to provide opportunities
for diverse people with individuality to gather and
grow through friendly competition.

3. Compensation

We reward people who take on challenges and
achieve results. Regardless of age, gender,
nationality or educational background, if you have
ability and motivation, there are endless
opportunities to flourish. If you take on challenges
and do well, the company will reward you for your
achievements.

● Education and training systems

The group’s education and training are divided into three
major categories in accordance with the purpose of
implementation: “divisional education;” “hierarchical
education;” and “education by function.” We clarify the
knowledge and skills required for each division’s work,
including specialized knowledge and skills, and draw up
educational plans.

Training courses include: “divisional education,” which
provides education and training on the knowledge and
skills required for work by division; “hierarchical
education,” which provides education on the knowledge,
technology, skills, management, etc., required at each
level from new employees to mid-level employees, core
employees and managers; and “education by function,”
which provides education on the knowledge, technology,
and skills required for manufacturing, quality control,
compliance, etc.

● Improvement of the management ability of managers and the career awareness of all employees

1. An organization that uses diversity and the
improvement of people management abilities
2. Support for employee career autonomy
3. Systematic development of next-generation human
resources

We are rebuilding our company-wide education system
under the three key themes above. With regard to “An
organization that uses diversity and the improvement of
people management abilities,” which we emphasize in
particular, we provide opportunities for organization
leaders to recognize the differences in values and
thinking styles in an organization with diverse human
resources, and to refine their human skills centered on
communication ability. In addition, for “Support for
employee career autonomy,” we provide training
opportunities by age for new employees in their 20s,
mid-career employees in their 30s, and veteran
employees in their 40s and 50s, and have prepared a
system for people to think about their careers in life from
various perspectives, which enhances their
independence and leads to the improvement of work
performance.

● Development of global human resources

The group implements overseas training mainly for
young employees. By experiencing and learning
practical business in a global business environment,
participants develop a broad perspective, the ability to
think freely, an international outlook and leadership
skills. Such training is aimed at developing
systematically the human resources who will become
the core of the group in the near future.

● Next generation production human resources development program

Aimed at the steady passing on of “Topre’s unique
strengths” mainly in manufacturing concepts and
methods, and at the further improvement of the skills of
manufacturing human resources, we have prepared
multiple training programs that employees who wish to
can participate in. Some of the programs are taught by
executive officers, and because anybody can participate
regardless of affiliation, qualifications, or responsibilities,
etc., it produces the effects of raising skill levels
company-wide, and promoting the sharing of information
and functional collaboration across divisions.

● Development of employees who have acquired skills

We are making efforts towards the continuous
development of employees who have acquired skills
through the implementation of education on the “Topre
way of manufacturing” for the certain transfer of
manufacturing knowledge and skills to occur, “superior
education for section managers, plant managers and
leaders by rank” and “education on practical
improvement methods” aimed at the improvement of
productivity.

Safety and health

We make securing safety and health our top priority and create safe and healthy workplace environments.

Occupational safety and health

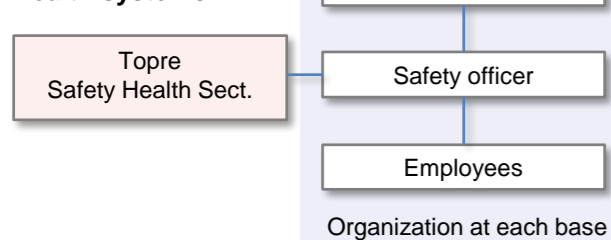
● Basic way of thinking on safety and health

The group has enacted Safety and Health Management Regulations, establishes the matters required for safety and health management, and carries out continuous occupational safety and health management independently to reduce the potential danger of industrial accidents, promote the health of all employees, promote comfortable work environments and improve the level of safety and health at all plants.

▪ Formulation of a safety standard systems

The Topre Group has formulated a group-wide safety standard system to promote and implement intrinsic safety based on the principle of respect for people - "prioritize safety in everything." Based on this safety standard system, we promote safety activities and establish safety rules to protect the safety of employees. We are aiming for the realization of zero hazards from zero accidents.

▪ Safety and health systems



● Handling when occupational accidents and incidents occur

We have established guidelines for dealing with accidents when they occur that apply to the occurrence of accidents at the group, stating clearly how to handle accident victims, including moving them, emergency treatment and methods of transportation. In addition, the safety manager at the workplace where an accident occurs will grasp the state of the accident and prepare an accident report aimed at the prevention of similar accidents. Reports are rolled out horizontally throughout the group as safety bulletins through Safety Health Sect.

● Initiatives for the creation of safe workplaces

The group's employees definitely receive safety training when entering the company, and the company distributes safety guidance to all employees, has established and uses a safety experience room where employees can experience simulations of the dangers of equipment, etc., and conducts risk assessments aimed at the creation of workplaces where employees can work with peace of mind. In addition, we also install easy-to-understand stickers on sidewalks to raise awareness of safety.



Safety experience room

● Certified by the Ministry of Health, Labour and Welfare as an "Excellent Health Management Corporation 2024" (large corporations section)

The group is developing health management measures through a specialist organization that the President is responsible for. In addition, "health management promoters" have been appointed at each place of business to promote measures and confirm the situation at each place of business and workplace.

As specific measures, we are promoting

- The strengthening of smoking rules aimed at the reduction of smoking rates (expansion of restrictions on smoking hours and locations, establishment of no smoking days, etc.)
- Regular implementation of internal education on "employee health and mental health" and "the balancing of work and childcare," etc.
- Promotion of the shortening of work hours (effective use of flex-time and working from home, planned taking of annual paid leave, etc.), etc., and have been able to obtain a certain level of effects. As a result of these initiatives, we were certified as an "Excellent Health Management Corporation 2024 (large corporations section)" in March 2024.



● Implementation of meetings of Safety and Health Committees

The group has established a Safety and Health Committee at all plants, regardless of the number of employees, and they hold meetings once a month. The committees implement surveys and hold deliberations on matters related to safety and health management, report on the safety and health of employees, and consider and implement specific measures to address the problems raised.

● Earthquake resistance at plants

Sagamihara Plant has implemented measures for earthquake resistance to increase safety inside the plant, such as measures to prevent objects falling onto small control panels or their displacement, and measures to prevent skylight glass from shattering.

● Holding of lifesaving training sessions

AEDs (automated external defibrillators) are installed in workplaces and Fire Department personnel visit once a year to hold training sessions for employees to learn about cardiopulmonary resuscitation and how to use AEDs aimed at providing appropriate first aid and minimizing employee health damage when responding to an accident or emergency in the workplace.



Sagamihara Plant: Lifesaving training session



Head Office: Lifesaving training session

Health management and promotion initiatives

In order to create safe and secure work environments, the group promotes better health through the cooperation of the company, labor union, health insurance union, employees and their families.

● Implementation of medical examinations

We are focusing on initiatives towards the health of each and every employee based on the regular implementation of medical examinations and special medical examinations. Industrial physicians and public health nurses hold meetings with employees at health risk and provide health guidance, such as recommending medical examinations and reviews of lifestyle habits, to promote health improvements.

● No smoking awareness activities

The World Health Organization (WHO) has pointed out that smoking causes disease and health problems. The group works on the prevention of passive smoking, and has limited and reduced the number of smoking areas internally. Moreover, we have established the week including World No Tobacco Day as "No Smoking Week," during which we refrain from selling cigarettes and call on all employees to stop smoking. Furthermore, in association with the "No Smoking Day" established by the Tobacco Control Medical-Dental Research Network, we promote no smoking internally on the 22nd of each month (or the day before if it falls on a holiday) as a no smoking day.

● Responses to mental health care for employees

We provide mental health counseling services by telephone and face-to-face, with clinical psychologists and other mental health counselors responding as expert consultation staff. Telephone consultation can be handled anonymously and privacy will be protected.

● Handling of health and medical consultations for employees and their families

A telephone consultation service for all health and medical treatment matters is available 24 hours a day, seven days a week, provided by qualified personnel such as doctors and public health nurses. Telephone consultation can be handled anonymously and privacy will be protected.

Social contribution activities

Aiming for the harmony and development of corporate and social interests, we implement social contribution activities positively.

Other social contribution activities

Local cleanup activities

As part of our workplace environment improvements and local contribution activities, we carry out cleanup activities in the area around each base.

• Hiroshima Plant

About 50 employees participate in cleanup activities around the plant once a month.



• Gifu Plant

On the 6th, 16th, and 26th of each month, about 15 people are divided into three groups and rotate to clean up the neighborhood.



• Toho Transportation

Company employees clean around the plant on Monday and Friday each week.



Donation to the Japan Traffic Safety Association

Toho Transportation Co., Ltd., and Toprec Corporation made donations to the Japan Traffic Safety Association, which carries out activities aimed at the “realization of a safe and secure community with no traffic accidents.”

Provision of hometown tax payment goods to Sagami City

The company's REALFORCE keyboards have been available as hometown tax payment goods from Sagami City, where Electronic Equipment Department is based for production, since February 2020, and we have been getting a big response.

Community investment

The group has established “We respect the culture and customs of surrounding communities, engage in activities and contribute to their development.” in its Code of Conduct, and aims long-term coexistence and mutual development by implementing social contribution activities that contribute to local society and contributing to development. Specifically, we donate to and support local sports and traffic safety associations, greening projects, and local elementary schools in the areas where our bases are located. These activities meet the needs of the community, contribute to the development of society as a whole, and lead to the sustainable growth of the company.

Plant tours

We are implementing plant tours for local residents and students at some of the production bases of the group. Through plant tours, we are deepening the understanding by local residents of the group's manufacturing and we are also making efforts as part of our support for the education of the children who will lead the future. We hope that by continuing to do so, visitors will deepen their understanding of the company's manufacturing and plant tours will contribute to the building of relationships of trust.

Blood donation activities

While the number of blood donation participants has decreased, we are cooperating positively with the Red Cross Blood Center to eliminate blood shortages. Tochigi Plant holds blood donation activities three times a year, and about 60 employees participate each time.

Support for sport

Sagami Plant and Toprec sponsor the J.League's SC Sagami, which is based in Sagami City, aimed at invigorating local society.

Support for e-sports

Electronic Equipment Department sponsors the professional “Human Academy CREST GAMING” team aimed at supporting the expansion of the e-sports industry.

Educational support for the next generation

Acceptance of internships (work experience)

The group provides internship opportunities for technical college students, university students, and graduate students so they can experience various work in actual workplaces.

We also cooperate with educational programs by providing the necessary opportunities for practical training and research for graduation theses and accepting long-term internships.

To contribute to the development of the next generation of human resources, we improve continuously the skills of the employees we support and the practical training environment, and strive to provide effective work experiences and appropriate support.

Sponsorship of typing study

To support the improvement of elementary, middle and high school students' touch-typing skills, we sponsor the national “Everyday PC Typing Competition,” a project sponsored by the Ministry of Education, Culture, Sports, Science and Technology, in which students compete for touch-typing speed and accuracy.

Evaluation of CSR at Topre Mexico

Initiatives for the ESR certification system

In Mexico, there is an ESR certification system that provides annual certification of “socially responsible companies” that carry out CSR activities. The four following CSR activities are reviewed by the Mexican Philanthropy Center (COMEFI), and companies can acquire ESR certification if they meet or exceed the specified standards.

- Improvement of the quality of work hours, holidays, etc.
- Thorough implementation of corporate ethics
- Contributions to local society
- Environmental consideration and protection



The award received

Topre Mexico has been ESR certified continuously since fiscal year 2020 and received the award for the fourth time in fiscal year 2023. The group also implements positive CSR activities overseas.

Keyboard typing competition

Holding of the REALFORCE TYPING CHAMPIONSHIP 2024

The “REALFORCE TYPING CHAMPIONSHIP,” a typing event sponsored by Topre, has been held since 2017, with the fifth competition held in March 2024.



Like last year, this competition was held jointly with Nippon Television, and many viewers became aware of the event due to announcements on TV. A total of 12,495 people participated in the online qualifiers, and the final with the 16 winners was streamed live on YouTube. The high level final, which required not only typing speed, but also accuracy, was very exciting, with running commentary and explanation of the heated battle.

We would like to continue holding competitions to convey the fun of typing and help to spread typing as an e-sport.



Courtesy Nippon Television © NTV

Courtesy Nippon Television © NTV

The REALFORCE TYPING CHAMPIONSHIP 2024

Social contribution activities

Aiming for the harmony and development of corporate and social interests, we implement social contribution activities positively.

Activities to contribute to the community

Local hiring and procurement

Through our business around the world, the group aims to promote local hiring and procurement for the invigoration and sustainable development of local communities. In this way, we pursue coexistence and co-prosperity with local communities.

Initiatives at Topre Kyushu

The LeRIRO Fukuoka adult rugby team was established in 2022 in Ukiha City, Fukuoka Prefecture, with the aim of getting into Japan Rugby League One, Japan's top rugby league. Topre Kyushu shares the mission and vision of LeRIRO Fukuoka, as well as the spirit of challenge from the local community, and has established an environment that will allow the team to continue its activities balancing work and rugby. Currently, six members of LeRIRO Fukuoka are working hard to balance work and rugby each day. In addition, we also contribute to the local community through rugby by providing match uniforms to the local Ukiha-Kyushinkan High School rugby team, which was central to the founding of LeRIRO Fukuoka.



Commemorating victory in the championship-deciding match in the 2022 Kyushu League Championship

Initiatives at Topre Mexico

Topre Mexico provides positive support for orphanages, homes for the elderly and other charitable organizations.



Donation of building materials to an elementary school



Donations of food to local hospitals

Initiatives at Topre (Foshan)

We donated stationery to students at schools in economically disadvantaged areas.



Shishan Town in Zhenyuan District awarded us the "Loved Company" award for our donation to schools in the industrial park area.



Initiatives at Topre Thailand

We donate stationery and sports equipment to local schools aimed at supporting the development of the next generation.



Donations to schools

List of social contribution activities

List of social contribution activities

Bases		Results of initiatives in fiscal year 2023
Topre	Sagamihara Plant	<ul style="list-style-type: none"> Local cleanup activities: At Sagamihara Plant, we carried out cleanup activities around the plant on May 31 (Wednesday) and December 18 (Monday). We are planning to continue doing these cleanups twice a year (May and December). In addition, at Saitama Plant, we carry out cleanups around the plant once a month in the name of beautification activities. Opening of the grounds to the local general public: We open the grounds at the plant so that they can be used by the local community and they are being used as a place for youth baseball practice. Sagamihara City hometown tax payment goods: REALFORCE keyboards have been adopted as Sagamihara City hometown tax payment goods since February 2020. From an initial six models, the product lineup in fiscal year 2023 had 30 models including mice. Support for sport: We support SC Sagamihara as a club sponsor aimed at the regional activation of Sagamihara, the plant's hometown.
	Hiroshima Plant	<ul style="list-style-type: none"> Plant tours: We held plant tours for technical high school students and for a new employees training program of suppliers. Local cleanup activities: About 50 employees clean the area around the plant once a month.
	Tochigi Plant	<ul style="list-style-type: none"> Plant tours: Plant tours were held in November for nearby elementary school students. Fund-raising activities: Donations using the corporate version of hometown tax payments: Support for local lifelong learning and childcare
	Gifu Plant	<ul style="list-style-type: none"> Local cleanup activities: As part of our 6S activities, we clean the neighborhood on the 6th, 16th and 26th of each month. Fund-raising activities: Sponsorship of Kawabe-cho Fireworks Festival Donation through Kawabe-cho Industrial Environment Section: Green Fund

Social contribution activities

Aiming for the harmony and development of corporate and social interests, we implement social contribution activities positively.

List of social contribution activities

List of social contribution activities (domestic group companies)

* Content introduced in "Conservation of biodiversity" also listed.

Bases	Results of initiatives in fiscal year 2023
Toho Transportation	<ul style="list-style-type: none"> ▪ Local cleanup activities: Every Monday and Friday, we clean the sidewalks on the south and west sides facing Toho Transportation's Head Office for about 200 meters. ▪ Fund-raising activities: Donations to the Japan Traffic Safety Association: For the realization of a safe and secure community with no traffic accidents Donation to Ishikawa Prefecture: Noto Peninsula Earthquake relief fund
Toprec	<ul style="list-style-type: none"> ▪ Support for sport: Aimed at the local invigoration of Sagamihara, a place familiar to the Topre Group, we have agreed a contract with the J.League's SC Sagamihara as a pitch signboard sponsor. ▪ Local cooperation activities: Atsugi Service Center participates in mass cleanups and summer festivals sponsored by the Regional Promotion Association. ▪ Local cleanup activities: We conduct cleanup activities around each service center.
Topre Kyushu	<ul style="list-style-type: none"> ▪ Plant tours: We hold plant tours for people such as local residents and high school students (including guardians and teachers) as needed to build relationships of understanding and trust with regard to manufacturing. ▪ Plant inspections: We deepened engagement with employees of the Fukuoka Prefecture Government, employees of Kurume City and members of Kanda Town Council with overview explanations of our business and inspections of our production plant and mold plant. ▪ Local cleanup activities: Nine technical interns and specified skill employees participated in activities and were able to build trust by interacting with local residents. ▪ Support for sport: We employ six members of the local adult rugby team as our employees.
Topre Tokai	<ul style="list-style-type: none"> ▪ Local cleanup activities: We participated in the Toin Town Cleanup Campaign, which aims to "create an environment in which garbage is difficult to throw out" and for "enlightenment through cleaning activities." ▪ Fund-raising activities: Donation to the Japanese Red Cross Society: Living assistance for victims of the Noto Peninsula Earthquake Donations to Toin Town: Enhancement of schools and education Donations to Mie Prefecture: The Green Fund

List of social contribution activities (overseas group companies)

* Content introduced in "Conservation of biodiversity" also listed.

Bases	Results of initiatives in fiscal year 2023
Topre America	<ul style="list-style-type: none"> ▪ Social contributions: Community Support
Topre Mexico	<ul style="list-style-type: none"> ▪ Fund-raising activities: Donations to orphanages, facilities for the elderly, and other charity groups ▪ Tree-planting activity: Tree planting and regeneration activities in neighborhood parks ▪ Plant tours: Held plant tours for students
Topre (Foshan)	<ul style="list-style-type: none"> ▪ Tree-planting activity: We planted eight trees. ▪ Fund-raising activities: Donations to schools in the industrial park area Donations of stationery to students at schools in economically disadvantaged areas
Topre (Xiangyang)	<ul style="list-style-type: none"> ▪ Tree-planting activity: We participated in tree-planting activities of the Environmental Bureau of Gaoxin District in Xiangyang City during the Tree-Planting Festival, with 16 people planting 30 trees. ▪ Local cleanup activities: We participated in a trash pickup activity with people from the Gaoxin District housing estate in Xiangyang City.
Topre (Wuhan)	<ul style="list-style-type: none"> ▪ Tree-planting activity: We planted twenty trees. ▪ Reduction of water resource consumption: Reduction of consumption of cleaning water by installing filtration equipment in a welding coolant (circulating water) system We reused water for cleaning a firefighting reservoir for greening of the premises. ▪ Local cleanup activities: Thirty-eight people participated in a trash pickup activity in Hannan District, Wuhan City.
Topre Thailand	<ul style="list-style-type: none"> ▪ Training support for the next generation: We donated stationery and sports equipment to schools.

Corporate governance

We share our Basic Philosophy and act looking for contributions to society and the permanent prosperity of the company.

Corporate governance

● Basic way of thinking

The Topre Group's mission is to contribute to society through the creation of products and services using its outstanding technologies. The Group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards and common sense, which will promote a Topre Group image that will be acknowledged and respected.

The employees of the Topre Group working around the world share this philosophy and strive to enhance the system of corporate governance aimed at contributing to society and the permanent prosperity of the company.

● Basic policy on corporate governance

1. We strive to ensure the rights and equality of shareholders.
2. We strive for appropriate cooperation with stakeholders other than shareholders.
3. We strive to ensure appropriate information disclosure and transparency.
4. We make transparent, fair, prompt and decisive decisions, fulfill our management responsibilities and responsibilities to make decisions on and supervise the execution of business as the duties and roles of the Board of Directors.
5. We strive for constructive dialogue with shareholders.

Corporate governance report
https://www.topre.co.jp/en/sustainability/pdf/sustainability-co_governance-governance.pdf

● Corporate governance system

Board of Directors

The system at the company sees the Board of Directors cooperate to assume responsibility for management and business execution. At meetings of the Board of Directors held each month, basic management policies are determined and deliberations on business execution and specific plans take place.

In addition to meetings of the Board of Directors, we hold monthly meetings to determine and have intensive discussions on themes for each division. Positive deliberations and considerations take place at these meetings, and we have a management system that enables quick and accurate decision-making, and flexible and effective management.

Board of Auditors

We have adopted an auditor system as our corporate management monitoring system. The Board of Auditors is comprised of three people in total, one full-time Auditor, and one legal expert and one accounting expert as External Auditors, all of whom are men. The Board of Auditors attends important meetings such as meetings of the Board of Directors so we have a system that fully monitors the execution of business by the Board of Directors.

Internal audits

We established Internal Audit Department as an organization under the direct control of the President to implement accounting and work audits and report to the President and the Board of Auditors. The company has increased the transparency of the Board of Auditors by appointing two External Auditors with expert knowledge and it fulfills the functions of monitoring and supervising management.

In addition, while maintaining its independence, the Board of Auditors meets regularly with the accounting auditor to further enhance the effectiveness of audits, and confirms the audit policy, accounting system and other key matters that reflect changes. Moreover, it also exchanges opinions positively on the results of audits and strengthens its management monitoring function.

Accounting audits

The company appoints an external auditing firm as its accounting auditor and enters into an audit contract for audits based on the Companies Act and the Financial Instruments and Exchange Act. In addition, the assistants in accounting audits number twelve people including three certified public accountants.

Nominations Committee

The company established the Nominations Committee to ensure fairness, transparency and objectivity in the procedures related to the nomination of directors. It is comprised of three or more members, including the President and Director and External Directors.

The Nominations Committee deliberates on matters related to the nomination policy, such as the duties and qualifications required of the Director and President and Directors, and matters related to the appointment and dismissal of the Director and President and Directors, and submits its findings to the Board of Directors.

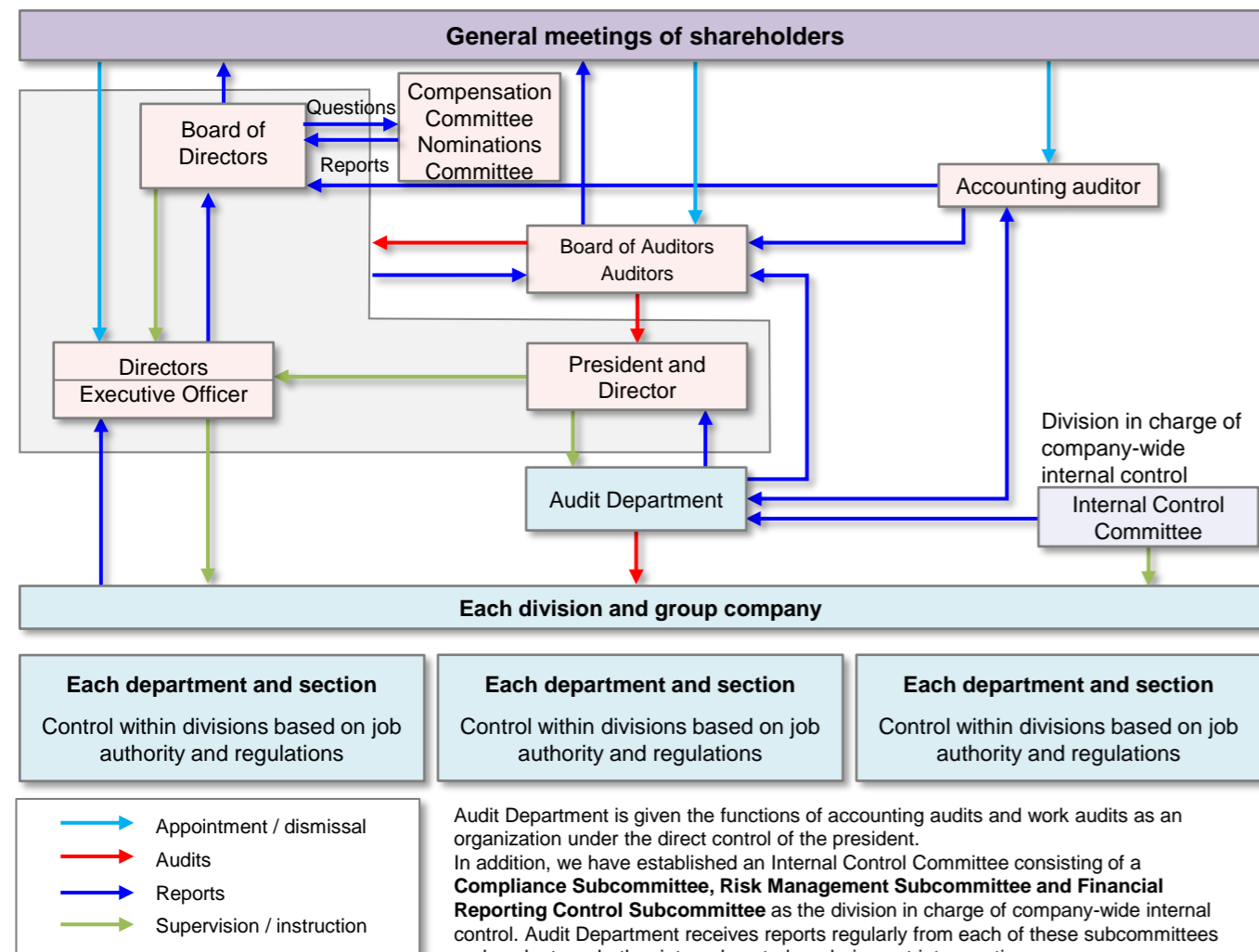
Executive officers (delegate-type)

The company introduced a delegated executive officer system on June 26, 2024 and strengthened the functions of the Board of Directors to speed up decision-making and improve the efficiency of business execution. The Board of Directors determines the election and dismissal of executive officers after deliberation by the Nominations Committee. Their term of office is one year.

External Directors and External Auditors

We make efforts so that External Directors and External Auditors grasp the details of business in full through the Board of Directors and the Board of Auditors. In addition, the full-time Auditors also communicate directly with the External Auditors as required to communicate information and provide materials.

Corporate governance system



Corporate governance

We share our Basic Philosophy and act looking for contributions to society and the permanent prosperity of the company.

Corporate governance

● Executive compensation

The company has established the following policies regarding the determination of the amounts of compensation for officers.

- 1) A compensation system that motivates directors to perform their duties
- 2) A compensation system linked to business results
- 3) A compensation system suitable for the roles and responsibilities of directors

Based on these policies, the compensation system for directors consists of basic compensation, short-term results-linked compensation and medium to long-term results-linked compensation. The Board of Directors delegates matters concerning compensation for directors to the Compensation Committee aimed at improving objectivity and appropriateness.

Compensation Committee

The Compensation Committee is an optional decision-making body comprised of the President and Director and Directors appointed by the President and Director, with External Directors occupying a majority of positions. The Compensation Committee establishes the amount of monthly compensation and bonuses for each Director based on the regulations within the total amount of compensation approved by the General Meeting of Shareholders, excluding stock compensation.

Compensation system

- Basic compensation

Monthly compensation is determined for each Director based on the discussions of the Compensation Committee.

- Short-term results-linked compensation

Bonuses linked to results for a single fiscal year are determined based on the discussions of the Compensation Committee taking into consideration each Director's contribution to results.

- Medium to long-term results-linked compensation

The company provides its own shares, etc., based on the cumulative number of points granted in accordance with the degree of achievement of management indicators for each fiscal year.

The compensation system for Auditors includes only basic compensation.

Evaluation of the effectiveness of the Board of Directors

The Company implements questionnaires on evaluations of the effectiveness of the Board of Directors to improve the functions of the Board of Directors and enhance the corporate governance system further. The results are compiled and analyzed, and an overview of the results and directions for improvement are reported to the directors.

Based on the results of the most recent questionnaire on evaluations of the effectiveness of the Board of Directors, we have evaluated that there are no problems with the effectiveness of the Board of Directors overall.

Internal control activities

In order to build "a corporate culture that does not violate laws and regulations" and "a system that does not violate laws and regulations" based on the Basic Philosophy and Code of Conduct of the Topre Group, we established a basic policy on the development of an internal control system and are striving for proper and efficient business execution.

Internal Control Committee

The obligation of management to establish an internal control system to prevent legal violations and losses was clarified by the Companies Act. Based on the "Basic Philosophy," the Internal Control Committee, which includes the representatives of each group company, has established "Code of Conduct" that each individual must keep in mind so that everybody can understand the direction that the Topre Group is aiming for. We have established regulations, manuals, etc., to embody the Code of Conduct so that we can promote work efficiently.

Internal control system

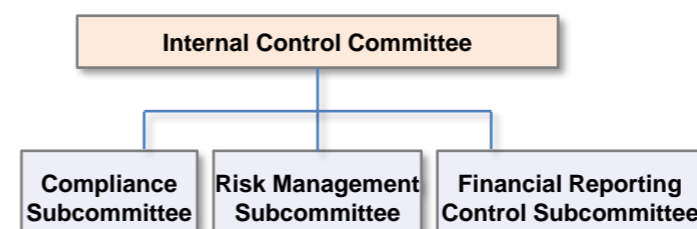
The internal control system ensures

- The effectiveness and efficiency of business
- The reliability of financial reporting
- Compliance with laws and regulations concerning business activities

The processes that are incorporated into work and executed by all employees in order to ensure the above constitute the internal control system. In order to promote work efficiently and comply with laws and regulations, the activities involve establishing a "corporate culture that does not violate laws and regulations," "a system that does not violate laws and regulations" and "a system for preparing correct accounting documents," and evaluating and correcting the current situation continuously.

The company established an Internal Control Committee and the following three subcommittees in order to develop and promote this internal control system.

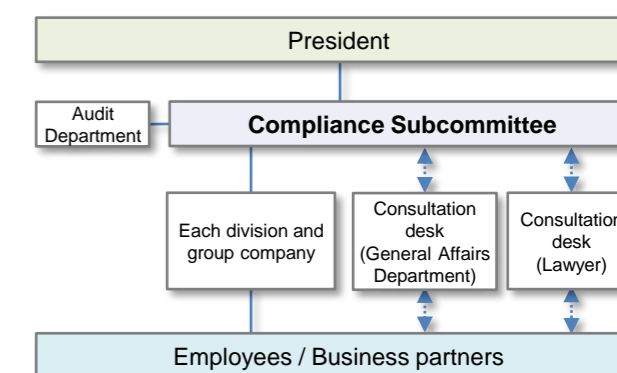
Internal control system



Compliance Subcommittee

For the strengthening of compliance management throughout the Topre Group, we hold meetings of the Compliance Subcommittee to diffuse awareness of compliance further among officers and employees.

Compliance system



● Compliance education

The company implements compliance education and raises awareness through regularly held hierarchical education. We are working to improve awareness and knowledge of compliance by issuing "Topre Compliance Communication" to all employees. In addition, with "Topre Contract Communication," we are working to notify employees about matters such as the points of caution when concluding contracts.

● Establishment of an internal reporting system

We have established an internal reporting system and consultation desks (internally and at lawyers' offices) for each group company. We have set rules for internal reporting and if we receive a report about a violation of the law, regulations or rules, such as bribery or bid rigging, an investigation is carried out and we take corrective action and measures to prevent reoccurrence. The anonymity of the reporter is maintained and they are protected in accordance with the rules. In addition, we are making efforts to familiarize employees with the internal reporting system and to establish the environment for its use.

Internal control activities

In order to build “a corporate culture that does not violate laws and regulations” and “a system that does not violate laws and regulations” based on the Basic Philosophy and Code of Conduct of the Topre Group, we established a basic policy on the development of an internal control system and are striving for proper and efficient business execution.



Compliance Subcommittee

● Corruption prevention initiatives

The group has established “Basic Philosophy” and a “Code of Conduct,” etc., and strives for the comprehensive prevention of corruption, including bribery through political contributions and charitable activities, conflicts of interest, insider trading, money laundering, obstruction of justice, contact with antisocial forces, etc. To ensure that all employees are aware of and comply with the principles and code, apart from e-learning and DVD training, the group issues internal newsletters regularly to provide information on laws and regulations related to business, and compliance, and aims for the thorough prevention of corruption.

Basic policy of the Topre Group on the prevention of corruption

1. Aimed at preserving fair and sound relationships with all stakeholders in the conduct of business activities, we strive for the prevention of corruption and establish action guidelines and internal regulations as actions that will prevent corruption.
2. All employees are aware of the prevention of corruption in the execution of their duties and strive to promote it. At the same time, all employees comply with related laws and regulations and act in accordance with company rules.
3. In the event of a violation by an employee, the company will handle it promptly, correct the violation, revise the Code of Conduct and internal regulations as required, and strive to prevent reoccurrence.

● Initiatives for the protection of personal information

From the perspective of respect for human rights, we think that personal information should be handled with care, and are striving to ensure the proper handling of the personal information held by the group.

Topre Group’s personal information protection policy (Privacy policy)

Topre Corporation (hereinafter referred to as “company”) recognizes the importance of personal information, considers it our social responsibility to handle personal information appropriately and strives for the protection of personal information based on the following policy.

1. **Compliance with laws and regulations**
In the handling of personal information, we comply with the Act on the Protection of Personal Information and related laws, regulations, guidelines, etc.
2. **Collection and use of personal information**
The company collects personal information after obtaining consent from the person it concerns and uses personal information within the scope of the purposes of use* described below.
3. **Provision of personal information to third parties**
We do not provide personal information to third parties unless we obtain consent in advance, outsource work or otherwise have a legitimate reason.
4. **Joint use of personal information**
When sharing personal information with a group company, we disclose the details of sharing in advance and collect personal information after obtaining consent.
5. **Safety management measures**
We take appropriate information security measures to maintain the accuracy of personal information and to prevent the loss, falsification or leakage of, or unauthorized access, etc., to personal information.
6. **Continuous improvement of personal information protection systems**
In order to protect personal information, we develop the necessary systems, provide education to employees on the appropriate handling of personal information and make improvements continuously.
7. **Procedures for disclosure, etc., of personal information**
The company’s Personal Information Protection Consultation Office is in charge of inquiries, disclosures, corrections, etc., relating to personal information.

* Purposes of use

- (1) Personal information of people who use public relations, IR and other customer consultation services
 - Provision of the company’s public relations and IR materials, etc.
 - Guidance and communication on the company’s public relations and IR events (briefings, etc.)
 - Consideration, investigation and handling of the content of consultations, communications, etc.
 - Communication and provision of information to product manufacturers, importers, sellers, etc.
 - Notification and reporting to government agencies and organizations we participate in
- (2) Personal information of business partners and users of company products
 - Negotiation, communication, consultation, settlement and handling of transactions
 - Performance of contractual responsibilities with business partners
 - Improvement and development of products and services
 - Provision of useful information on products and services
 - Notification and reporting to government agencies and organizations we participate in
- (3) Personal information of shareholders
 - Performance of obligations based on the Companies Act and handling of the exercise of shareholder rights.
 - Implementation of various measures to facilitate relationships with shareholders.
 - Shareholder management including the preparation of shareholder data in accordance with prescribed standards based on various laws and regulations
- (4) Personal information of applicants for employment
 - Provision and communication of corporate information, employment information, hiring decisions and other information
 - Hiring decisions and planning of hiring strategies
- (5) Personal information of directors, employees, employees’ family members and former employees
 - Labor management such as attendance management, salary payments, personnel assignments, evaluation, skill development, welfare, and health and safety, and performance of obligations established by related laws and regulations
 - Communication and provision of information to labor unions, health insurance unions, the director shareholding association, the employee shareholding association, subsidiaries and affiliates
 - Publication in internal and external public relations publications and on websites
 - Sending of internal newsletters and other handouts, and emergency communication
 - Communication in social activities such as OB and OG meetings
 - Notification and reporting to government agencies and organizations we participate in

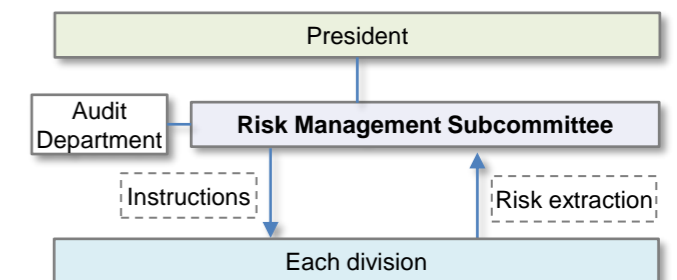
* We may review the purposes of use above as appropriate and may change the purposes of use to the extent established by law.

Risk Management Subcommittee

The Risk Management Subcommittee holds meetings to investigate natural disaster risks, accident and disaster risks, and risks at each overseas base, and to review the management system for such risks.

Each company in the group re-extracts and re-evaluates the possible risks for each division and formulates countermeasures against them.

Risk management system



● Risk identification process

Each group company and division reevaluates corporate risks, including sustainability risks, once a year and formulates countermeasures.

New risks that are judged to require the formulation of new plans or existing risks that are judged to require a review are considered and dealt with in each division without restrictions on the timing of the reevaluation of risk, and the results are reflected when reevaluating risks. The level of impact of risks is evaluated based on the two points of “magnitude of impact” and “frequency of occurrence” and summarized on a risk map. Risks that should be addressed with priority are selected and measures established for risk avoidance or mitigation.

Internal control activities

In order to build “a corporate culture that does not violate laws and regulations” and “a system that does not violate laws and regulations” based on the Basic Philosophy and Code of Conduct of the Topre Group, we established a basic policy on the development of an internal control system and are striving for proper and efficient business execution.



Risk Management Subcommittee

● Handling of BCP

The group has formulated a business continuity plan (BCP) with the highest priorities of “protecting and rescuing human life” and “restoring and maintaining production and services” in response to “major risks that have a particularly large impact on the company” and is working on the handling of emergencies.

With regard to the major risks for each division, we have prepared a “Prevention of assumed risks and countermeasures table” and are striving to take countermeasures. The Risk Management Subcommittee asks each base to implement BCP initiatives as required with regard to risks concerning all bases to enhance BCP. In fiscal year 2022, we formulated the basic content of the “earthquake” and “infectious diseases” sections.

The Risk Management Subcommittee will ask for BCP initiatives concerning climate-related risks as required based on the regional and geographical conditions of each base, and will manage them in relation to the risk management at each base.

Topre Group basic policy on BCP

< Basic way of thinking >

If a management crisis occurs, all employees, from the president down, will work together quickly and calmly to minimize the impact on business partners and society, and aim for business continuity and an early recovery.

In addition, the company will handle the following matters with priority.

1. Protection, rescue and securing of the safety of human life
 - We will protect the lives of employees and their families with the highest priority.
 - We will cooperate and collaborate with local communities as far as possible for the early recovery of affected areas.
2. Recovery or continued maintenance of production and services
 - We will preserve the company’s facilities, aim for the early recovery of work activities and resume operations promptly.
 - We will strive to minimize the impact on business partners and communicate necessary information to them promptly.

● Information security management system

The group has established the Topre Group Information Security Policy to manage and protect information assets acquired in business activities appropriately, has built an information security system and strives for the continuous strengthening of security.

▪ Organizational safety management measures

The group complies with laws, regulations and guidelines on the protection of personal information, and strives to protect specific personal information through all of its business activities. Departments that handle personal information appoint a responsible person who manages and supervises that information and provides education and training on its handling. In fiscal year 2023, 1,347 employees at domestic group companies received education on information security.

▪ Technical safety management measures

We are making efforts to strengthen information security by managing PCs that can connect to internal networks, introducing systems that prevent unauthorized intrusion, keeping records of emails sent and received, and keeping records of access and operations, including external media, for each PC.

▪ Physical safety management measures

We are striving to prevent information leaks by limiting the number of employees who can enter server rooms and by managing records of entry based on electronic locking.

▪ Human safety management measures

In order to prevent information leaks, we are striving to raise awareness of information security by disseminating information security policies and rules, and providing education on information management and the prevention of leaks.

▪ Management of information security incidents

We have established a system to mitigate damage and prevent reoccurrence if an incident related to information security occurs, such as an information leak, unauthorized access or virus infection.

● Information security drills

As part of the strengthening of information security, the group conducts annual “targeted attack email drills” assuming cyber attacks. In fiscal year 2023, we ran the drills from November 2023 to January 2024 with 500 randomly sampled employees. Moreover, we implemented the drills again in February 2024 for anybody who opened a URL in a drill email during this period, to ensure that everyone is aware of the risks.

The group will continue to work on information security education for the strengthening of information security.

Topre Group information security policy

< Basic way of thinking >

We strive to build and improve information security systems to manage and protect appropriately information assets obtained through business activities.

1. Information security measures
 - We understand the risks associated with information security, take appropriate technical, physical and human measures, and manage and store information assets so that no issues such as unauthorized intrusions, leaks, alterations or losses occur.
2. Legal compliance and the establishment of internal rules
 - We establish internal rules on information security and comply with legal and contractual security obligations. We take preventive and corrective measures against violations of these rules and acts of information leakage.
3. Implementation of information security education
 - The company implements regular education on information security to employees working at the Topre Group to make them aware of the importance of information security and to ensure that they use information assets appropriately.
4. Handling of information security incidents and accidents
 - If a problem occurs in information security, we investigate the cause, minimize the damage and strive for the prevention of reoccurrence. In addition, we share risk information such as cases of information leakage within the group and reflect them in the security rules.

Financial Reporting Control Subcommittee

The Financial Reporting Control Subcommittee conducts regular evaluations of the asset management and accounting of the group as a whole to ensure the appropriateness of financial affairs.

The group holds Accounting Division global training sessions to ensure the accuracy and consistency of work related to accounting, costs and finance of the group as a whole.

Intellectual property activities

We create intellectual property and are working on the acquisition and effective use of rights.

Intellectual property activities

● Basic way of thinking

The group promotes the creation of intellectual property in Japan and overseas and the acquisition of intellectual property rights and uses them effectively in business. At the same time, the company conducts activities to avoid patent disputes and other risks, and to contribute to the strengthening of its development and sales capabilities.

● Activities that contribute to business

Intellectual Property Division participates regularly in meetings of divisions related to intellectual property, such as Development Division and Technology Division, to discuss invention-finding activities and application strategies to promote business superiority. It also conducts intellectual property activities linked with business activities.

In addition, to create effective patents at an early stage, the division uses patent maps that digitize and visualize patent information to understand the state of applications and development directions in specific fields and create patent strategies. The division lists patents related to business regularly and shares information with related departments to consider applications for intellectual property rights (patent rights, utility model rights, design rights, trademarks, etc.) and their effective use.

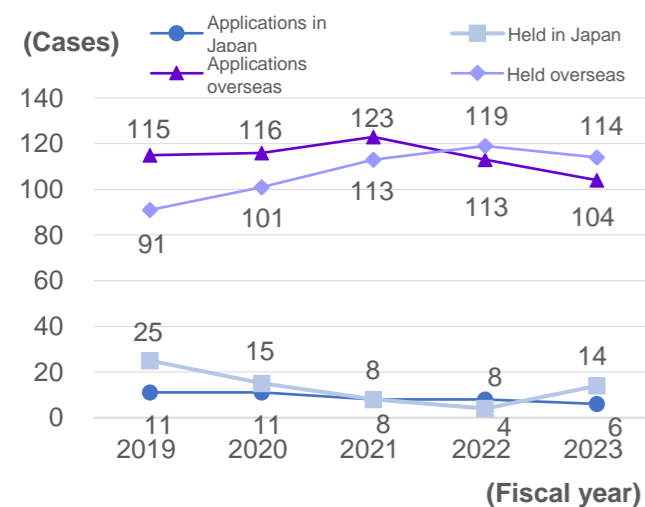
● Development of human resources for intellectual property

There are many situations in which knowledge of intellectual property rights is required in corporate activities, and we provide education as part of compliance education, as well as education for Development Division and Technology Division to increase their basic knowledge of intellectual property and awareness of applications.

For Intellectual Property Division, we are striving for human resource development in accordance with each stage in order to enhance expertise in areas such as human resource development by external organizations, support for the creation of intellectual property and the planning of intellectual property strategies.

In addition, in order to encourage inventors to produce inventions, etc., we have enhanced our employee invention incentive system, which provides incentive payments to inventors in accordance with their applications, registrations and results for inventions, etc., as an encouragement for inventions, etc., worthy of future application.

Numbers of patent, utility model and design applications, and rights held



Responsibility to shareholders and investors

We strive for the proper disclosure of information to stakeholders and for mutual dialogue and cooperation.

Thinking on information disclosure and dialogue

The company's corporate information is concentrated in General Affairs Department, the department responsible for the handling of information. General Affairs Department judges the necessity of information disclosure. When it does so, it judges the appropriateness of disclosure not only in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange, but also from the perspective of building and maintaining relationships of trust with the stakeholders surrounding the company.

1. Information on decisions and financial reports

The Board of Directors discusses important facts about the company and its decisions are communicated promptly to General Affairs Department (the department responsible for the handling of information) via the Secretary's Office, the secretariat of the Board of Directors. In addition, information on financial reports is communicated to General Affairs Department by Accounting Department.

2. Information on the facts of occurrence

Each division sends information to General Affairs Department.

3. Strengthening of disclosure systems at subsidiaries

We are explaining the timely disclosure of corporate information relating to subsidiaries again to each subsidiary in order to promote understanding of the Timely Disclosure Rules in regard to important facts, and the company is also involved positively in information collection.

General meetings of shareholders

The company holds an ordinary annual general meeting of shareholders in June each year. We believe that general meetings of shareholders are a valuable forum for dialogue with shareholders and are making efforts to invigorate general meetings of shareholders and facilitate the exercise of voting rights. Examples of our main initiatives are as follows.

- Setting of general meetings of shareholders avoiding days when such meetings are concentrated
- Exercise of voting rights by electromagnetic means
- Provision of an English version of the Notice of Convocation (summary)

General meetings of shareholders
<https://www.topre.co.jp/en/ir/meeting.html>

Dialogue with shareholders and investors

● Relationships with individual investors

We are making efforts to have the company known among individual investors. Twice a year, we issue shareholder newsletters so that shareholders can deepen their understanding of the company. Shareholder newsletters can be viewed on the company's website.

● Relationships with institutional investors

We hold financial results briefings twice a year for institutional investors and securities analysts, giving them overviews of results, and explaining business reports and our future prospects. In addition, we also hold individual interviews and teleconferences throughout the year and make efforts to promote understanding of the company among institutional investors.



Financial results briefings

● Information disclosure on the website

We have set up dedicated pages on the company website for shareholders and investors that provide the latest information such as information on financial reports and press releases. The company discloses materials concerning quarterly financial reports, shareholder newsletters and other materials, and carries out activities aimed at promoting understanding of the company.

● Shareholder returns

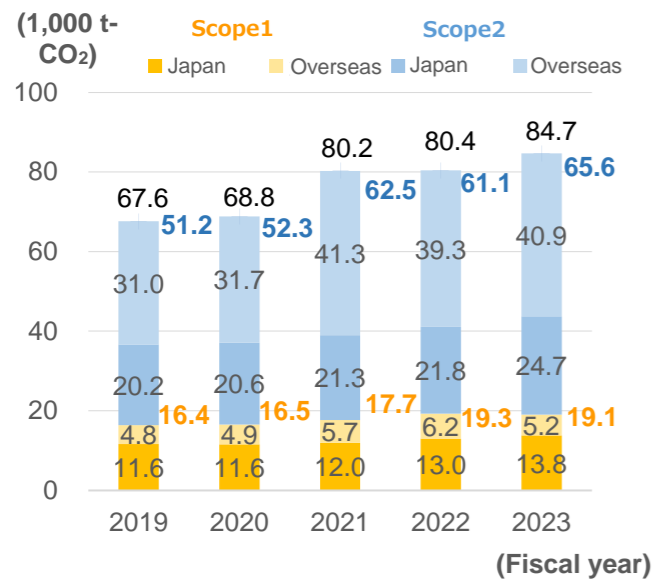
We recognize that profit distribution is an important mission for companies to fulfill and our basic policy is to realize stable dividends continuously. The company will also make investments using retained earnings in readiness for future business development and the strengthening of our management structure, such as capital investment in accordance with technological innovation in related industries and R&D investment to increase future corporate value.

The company's basic policy is to pay dividends from surplus funds twice a year, an interim dividend and year-end dividend.

ESG data

Environment

Greenhouse gas emissions [Scope 1+2] (global)

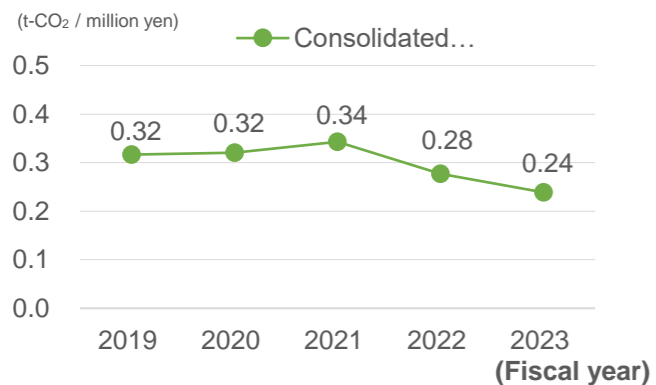


*: From fiscal year 2023, we have calculated non-energy origin greenhouse gas emissions and recorded 0.2 thousand t-CO₂ in Scope 1.

Breakdown of non-energy origin greenhouse gas emissions (global)

Break down	Unit	Fiscal year 2023
Carbon dioxide gas	t-CO ₂	137
Freon gas	t-CO ₂	28
CH ₄	t-CO ₂	7
N ₂ O	t-CO ₂	44
Total non-energy origin greenhouse gas emissions	t-CO₂	216

Greenhouse gas emissions per unit of sales (global)



Greenhouse gas emissions [Scope 3] (global) (1,000 t-CO₂)

Scope 3 _ Categories 1-15	Fiscal year 2021	Fiscal year 2022	Fiscal year 2023
Total	3,394.3	3,382.6	3,895.8
1 Purchased goods and services	1,779.6	1,885.0	2,257.8
2 Capital goods	68.0	59.0	70.8
3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	12.0	12.2	13.2
4 Upstream transportation and distribution	82.6	90.2	77.9
5 Waste generated in operations	2.3	1.8	2.1
6 Business travel	0.8	0.8	0.9
7 Employee commuting	5.8	5.7	6.5
8 Upstream leased assets	Excluded from calculation *1		
9 Downstream transportation and distribution	Excluded from calculation *2		
10 Processing of sold products	Excluded from calculation *3		
11 Use of sold products	1,412.9 *4	1,295.4 *4	1,431.8 *4
12 End-of-life treatment of sold products	14.0	14.0	16.1
13 Downstream leased assets	Excluded from calculation *5		
14 Franchises	Excluded from calculation *6		
15 Investment	16.4	18.5	18.2

*1: Recorded under Scope 1 and 2
 *2, *3: Reasonable calculation is not possible
 *4: Calculation only of internal products (products designed internally)
 *5: There is no external leasing of assets
 *6: There is no franchising

<< Reference CO₂ emissions intensity >>

Scope1	Ministry of the Environment, "List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems"
Scope2	Domestic: Ministry of the Environment, "Emission Factor by Electric Utility Operator" Overseas: Factors published by local governments, IGES List, etc.
Scope3	IDEA v2.3 and Ministry of the Environment "Emissions Intensity Database"

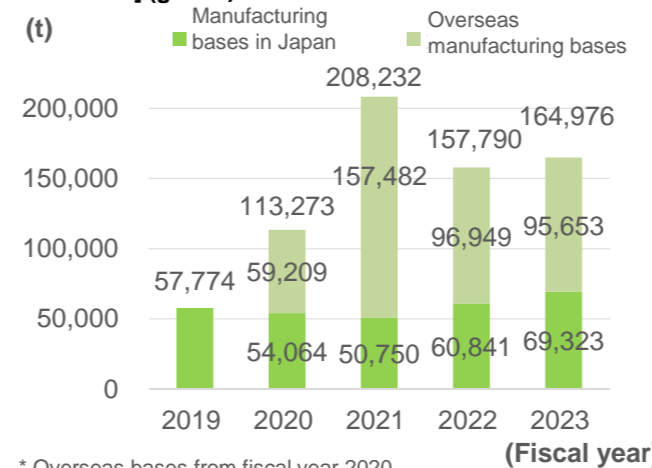
Supply chain emissions (global) (1,000 t-CO₂)

	Fiscal year 2021	Fiscal year 2022	Fiscal year 2023
Scope1	17.7	19.3	19.1
Scope2	62.5	61.1	65.6
Scope3	3,394.3	3,382.6	3,895.8
Total	3,474.6	3,463.0	3,980.5

Electricity consumption (global) (MWh)

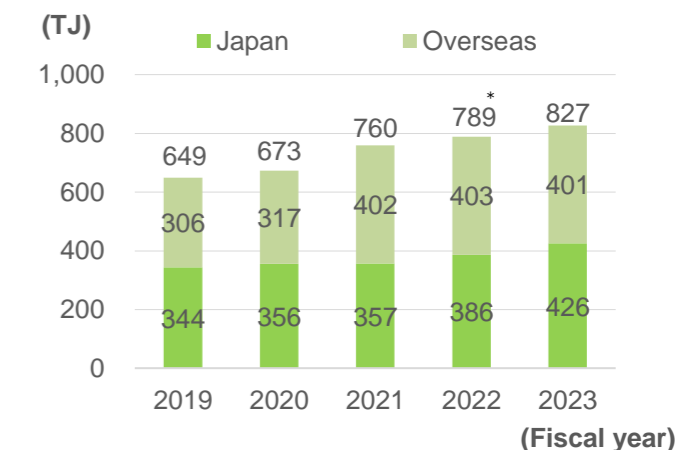
	Fiscal year 2021	Fiscal year 2022	Fiscal year 2023
Total power consumption	128,671	129,937	143,836
Non-renewable energy	128,671	129,678	139,980
Renewable energy (Private power generation)	0	113	2,468
Renewable energy (PPA)	0	146	1,220
Renewable energy electricity switchover	0	0	97
Non-fossil certificates	0	0	70
Renewable energy ratio	0%	0.2%	2.7%

Amount of waste discharged [including valuable resources] (global) (t)



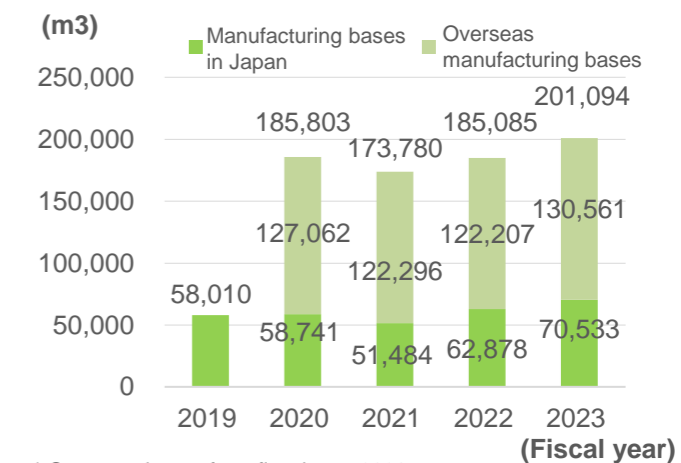
* Overseas bases from fiscal year 2020

Energy consumption (global) (TJ)



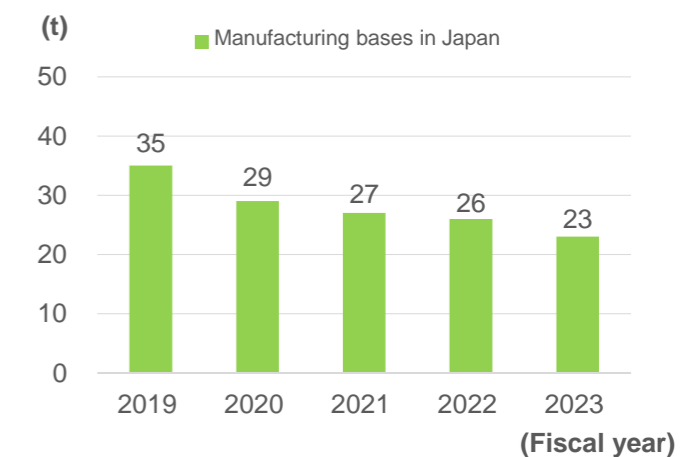
* There are errors in historical data and they have been corrected.

Water withdrawal (global) (m3)



* Overseas bases from fiscal year 2020

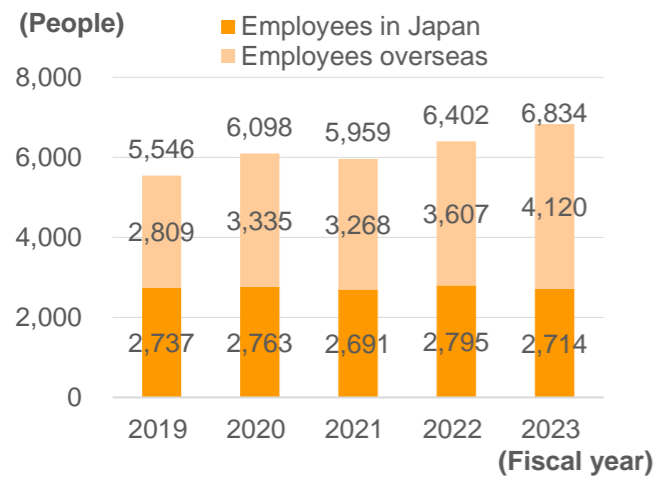
Quantity of substances subject to PRTR handled (Japan) (t)



ESG data

Human resources

Number of employees (global)

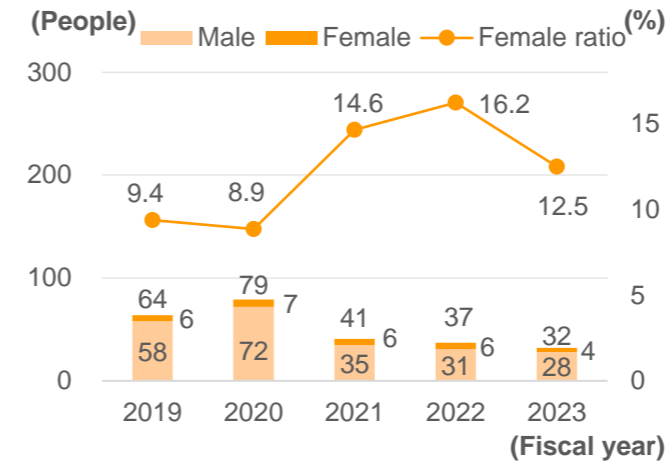


Ratios of female employees and female managers (global)

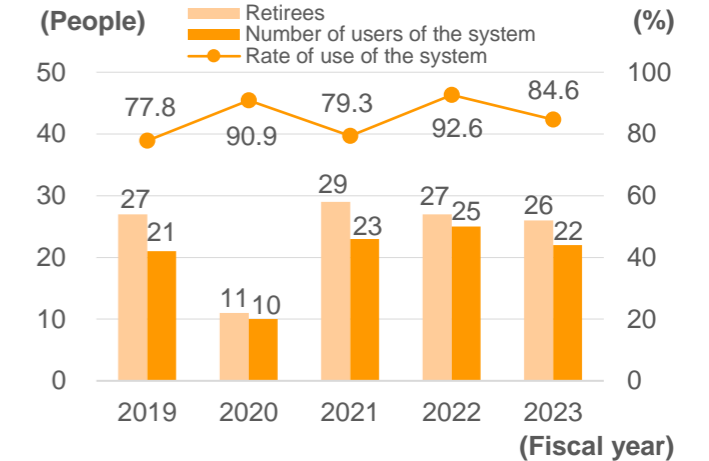
			Fiscal year 2023
Consolidated employees	Female	People	571
	Female ratio	%	12.5
Employees in Japan	Female	People	112
	Female ratio	%	3.9
Employees overseas	Female	People	459
	Female ratio	%	27.1
Consolidated management positions	Female	People	38
	Female ratio	%	8.5

* Excludes U.S. bases (because gender is not grasped from the perspective of gender equality)

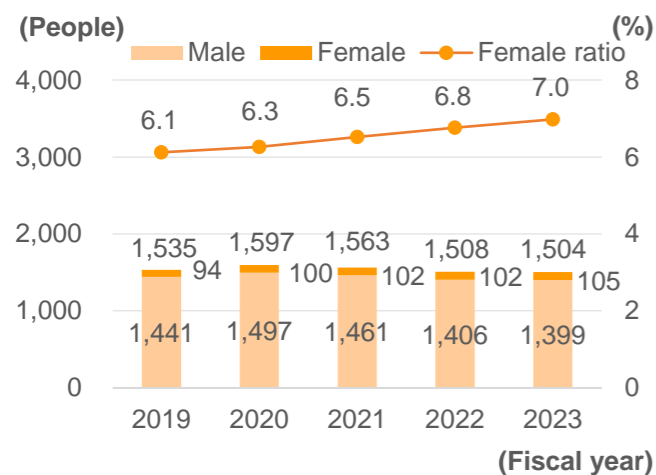
Number of new graduate employees and female ratio (non-consolidated)



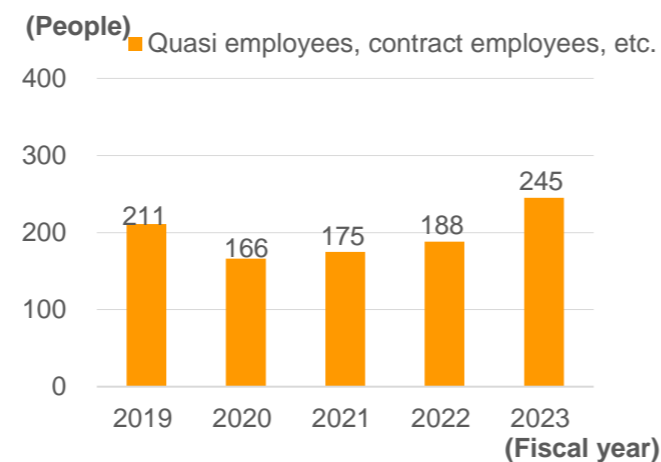
Number of users of rehiring system and rehiring system usage rate (non-consolidated)



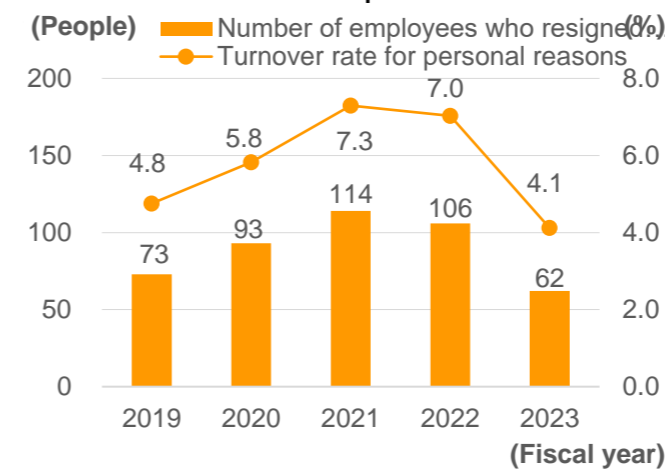
Number of employees (non-consolidated)



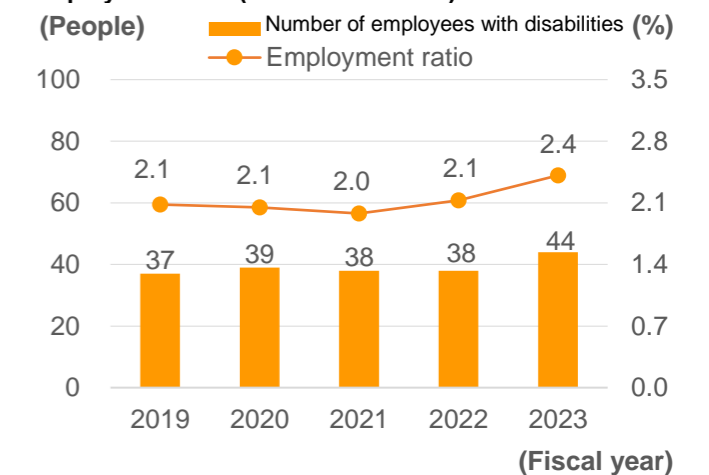
Quasi employees, contract employees, etc. (non-consolidated)



Number of employees who resigned for personal reasons and turnover rate for personal reasons

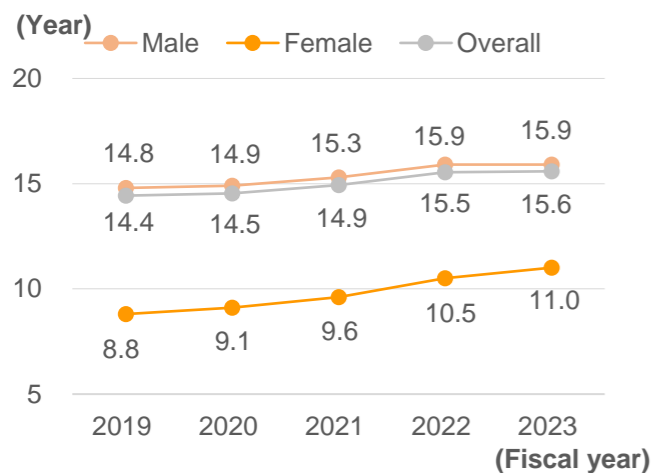


Number of employees with disabilities and employment ratio (non-consolidated)

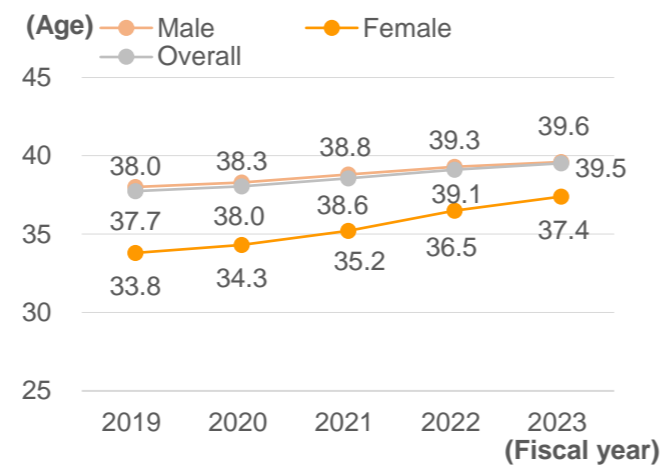


* These figures are in accordance with the Ministry of Health, Labour and Welfare's "Employment rate system for persons with disabilities."

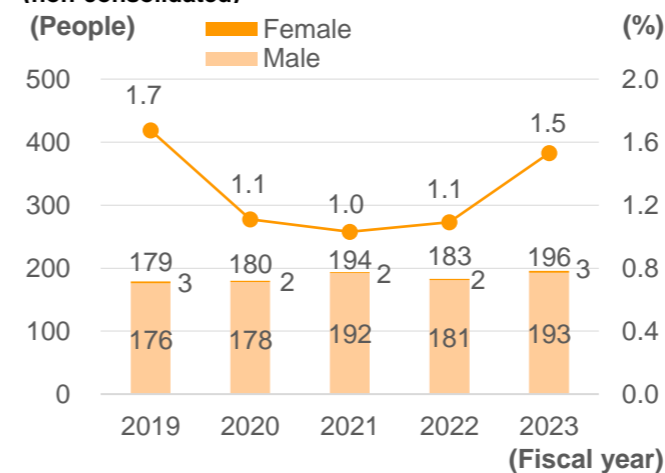
Average years of service (non-consolidated)



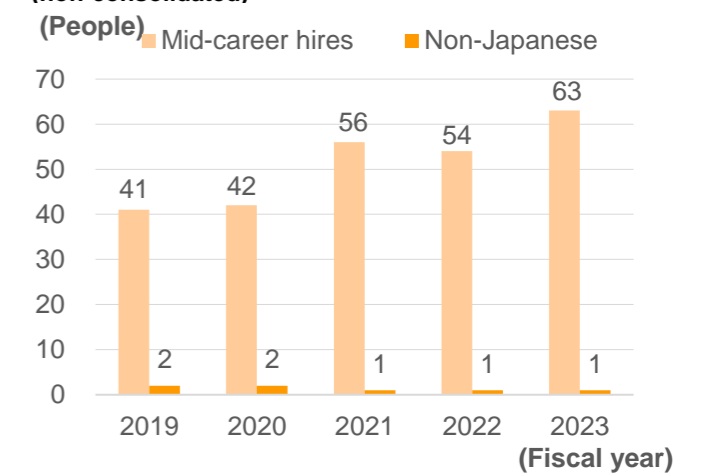
Average age (non-consolidated)



Number of managers and ratio of female managers (non-consolidated)



Number of hired mid-career and foreign managers (non-consolidated)

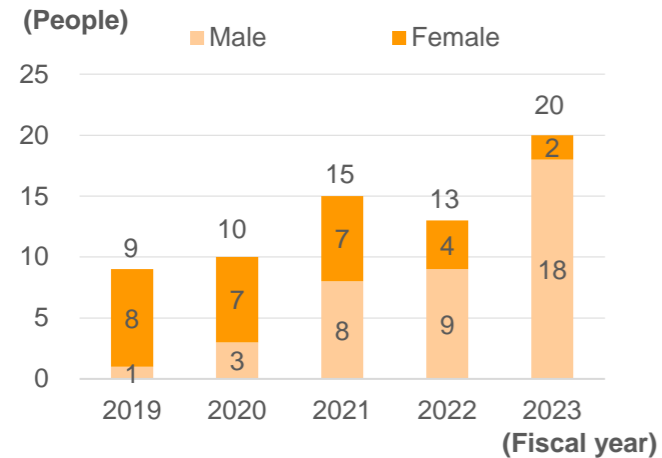


* The number of males hired in fiscal year 2021 was revised.

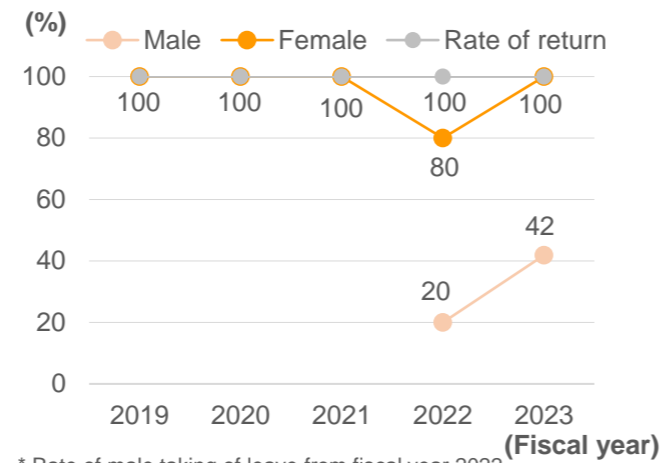
ESG data

Human resources

Number of employees taking childcare leave (non-consolidated)

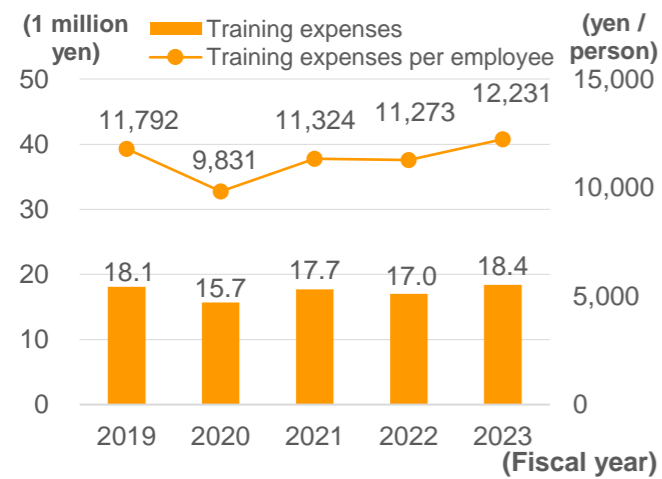


Rate of taking of childcare leave and return to work rate (non-consolidated)



* Rate of male taking of leave from fiscal year 2022

Training expenses (non-consolidated)



Rate of taking of paid leave (non-consolidated)



Total annual hours worked per regular employee (non-consolidated)

Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year
2019	2020	2021	2022	2023
2,224	2,098	2,098	2,099	2,176

Male-female wage differences (%)

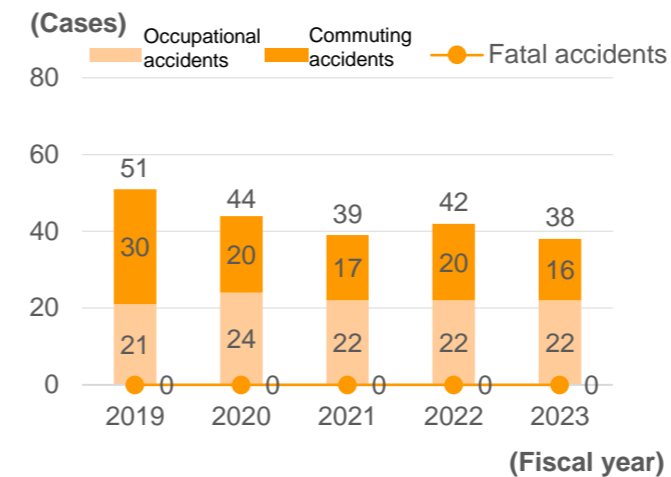
		Fiscal year	
		2022	2023
Topre	All workers	64.3	65.0
	Full-time employees	76.8	77.9
	Contract employees, etc.	46.5	40.0
Topre Kyushu	All workers	69.6	52.5
	Full-time employees	76.6	79.7
	Contract employees, etc.	74.7	11.4
Topre Tokai	All workers	73.5	77.8
	Full-time employees	74.7	77.9
	Contract employees, etc.	62.8	43.5

Labor union membership as a percentage of all employees (non-consolidated)

Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year
2019	2020	2021	2022	2023
90.4	90.4	89.8	88.8	91.5

Safety and health

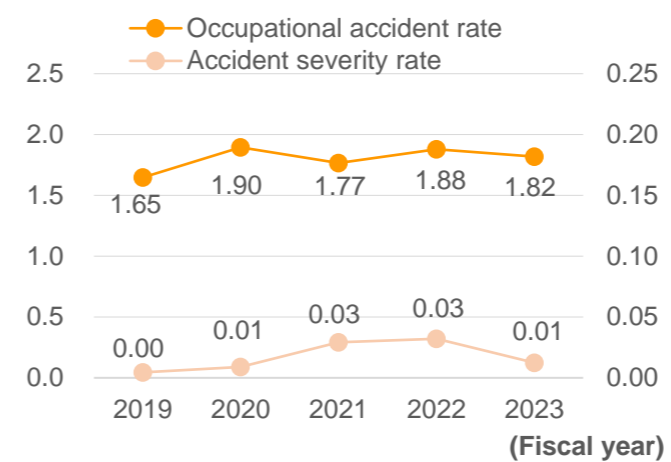
Number of occupational accidents (Japan)



* The value for each year is the number of occurrences from January 1 to December 31.

* The number of occurrences was partially corrected. (Addition of non-manufacturing divisions, correction of counting errors)

Occupational accident rate (Japan)

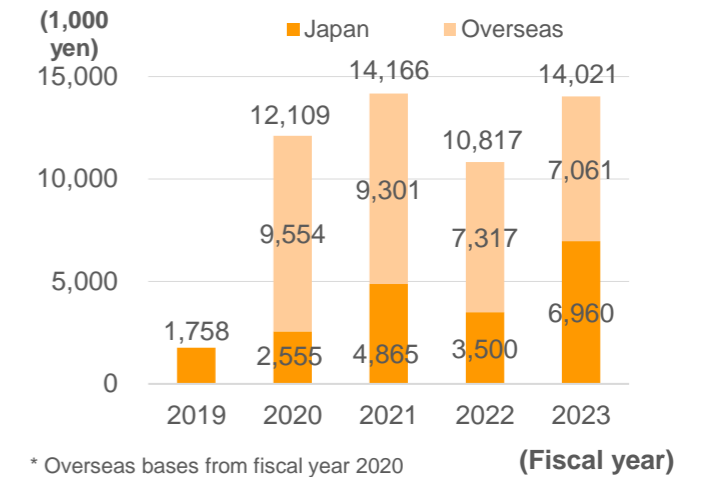


January 1 to December 31.

* Also includes non-manufacturing divisions.

Social contribution activities

Expenses for social contribution activities (global)



* Overseas bases from fiscal year 2020

Intellectual property activities

Numbers of patent, utility model and design applications, and rights held

