

*Topre Group*

# CSR Report **2023**

Corporate Social Responsibility  
( including SDGs )

***Topre***



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# High-level concepts of the Topre Group

## Basic Principles

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, 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.

Advanced technology,  
products and services

Ethical and conscientious  
business operations

## 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 these Action Guidelines.

### 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 harassment 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.

Company profile

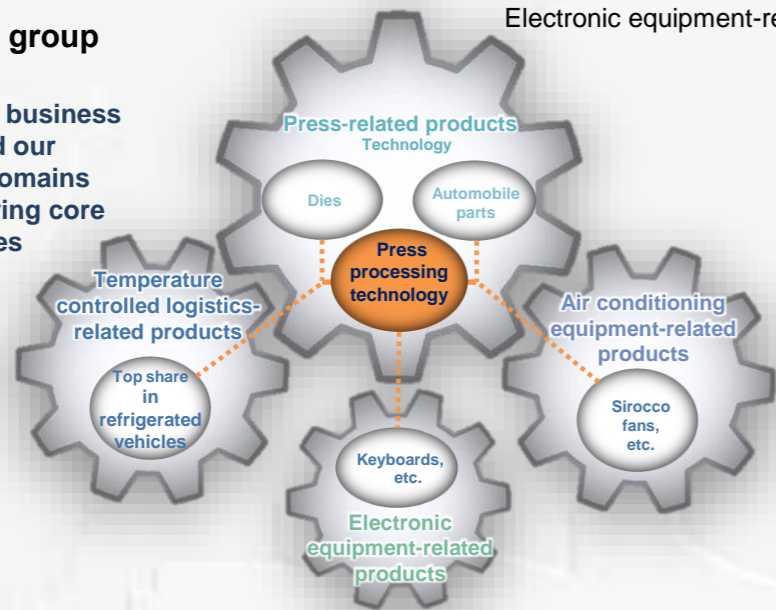
Company name Topre Corporation  
 Established April 30, 1935

Capital 5,610 million yen (as of March 31, 2023)  
 Stock Listed on the Prime Market of the Tokyo Stock Exchange  
 Business description

Press-related products,  
 Temperature controlled logistics-related products,  
 Air conditioning equipment-related products,  
 Electronic equipment-related products

Topre's product group

We deepen business and expand our business domains while applying core technologies



	Main customers	Main products
 Press-related products	Automobile manufacturers	Press products for automobile
		• Front / center / rear pillars
		• Door beams
 Temperature controlled logistics-related products	Transportation companies	Refrigerated vehicles
		• Energy saving direct-connection systems
		• Power generation systems
		• Cooling and heating systems
 Air conditioning equipment-related products	Air conditioning manufacturers House manufacturers Equipment companies	• Special containers
		Frozen and refrigerated warehouses
		Residential ventilation systems
		Fan filter units
		Medical clean units
 Electronic equipment-related products	Financial institutions Retailers OEM, etc.	VAV air conditioning systems
		Cooling unit for electrical enclosure
		Desiccant Humidity Control Ventilator
		Keyboards
		Touch panels
		Card readers
		PINPAD

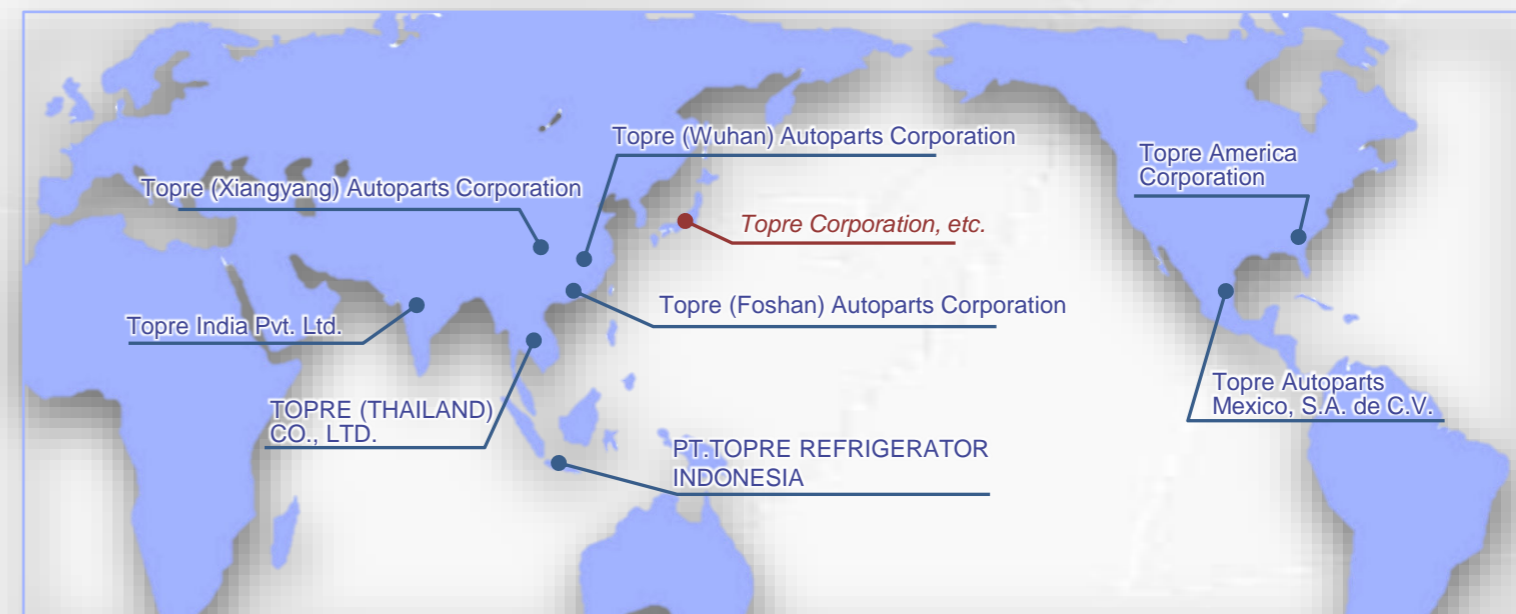
Business bases / number of employees

As of March 31, 2023

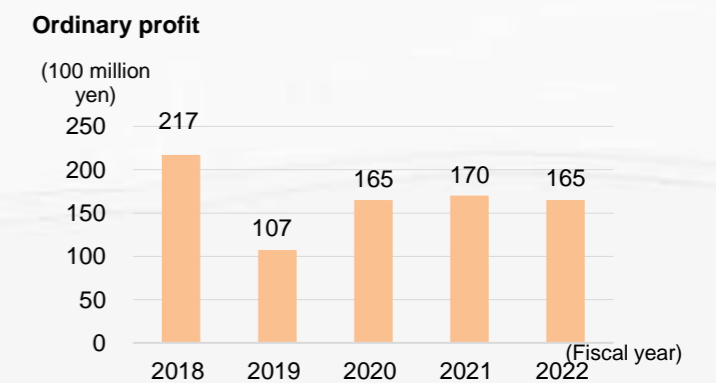
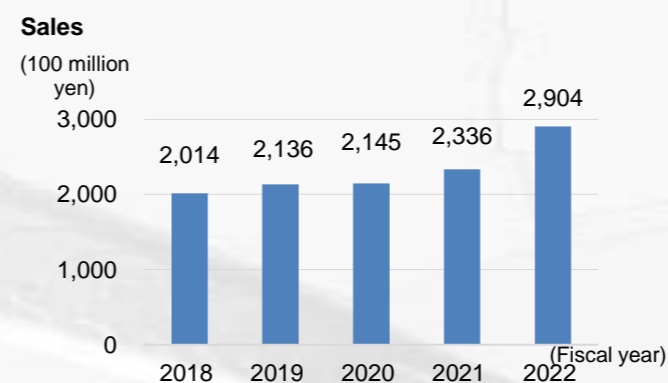
• Topre Corporation: Head Office, Sagami-hara Plant, Hiroshima Plant, Tochigi Plant, Gifu Plant, Saitama Plant

Topre Group companies [consolidated: 6,402 people]	
Japan [2,795 people]	Overseas [3,607 people]
Topre Corporation	Topre America Corporation
Toho Transportation Co., Ltd.	Topre Autoparts Mexico, S.A. de C.V.
Tokyo Metal Pack Co., Ltd.	Topre (Foshan) Autoparts Corporation
Tokyo Kinzoku Co., Ltd.	Topre (Xiangyang) Autoparts Corporation
Tokyo Multifastener Co., Ltd.	Topre (Wuhan) Autoparts Corporation
Toprec Corporation	TOPRE (THAILAND) CO., LTD.
Topre Kyushu Corporation	Topre India Pvt. Ltd.
Topre Tokai Corporation	PT.TOPRE REFRIGERATOR INDONESIA
Mitsuie Corporation	

Legend: ■ : 1,000 people, ■ : 500 people, ■ : 100 people, ■ : 50 people, ■ : Less than 50 people



Financial data (consolidated)





~ Aiming to be a company that contributes to society and prospers permanently ~



Topre Corporation  
President and Representative Director

Yutaka Yamamoto

**At the start of fiscal year 2023**

The impacts of COVID-19, which has been reduced in status to a class 5 infectious disease and is now under control, still remained in fiscal year 2022. However, we were able to increase sales as the Topre Group and they were the highest ever. This was thanks to all of our stakeholders and everybody related to the company, and I am grateful to you all.

In association with such results, the company's social responsibility increases. In corporate governance, to further improve the credibility of corporate management, the company has established a Nominations Committee, increased the number of outside directors and introduced an executive officer system. With this framework in place, we will operate so that governance is strengthened.

In addition, interest in sustainability initiatives is increasing more and more as a global trend, and among other developments, it has become mandatory to include information on sustainability in securities reports. I feel that we must promote CSR activities (sustainability, SDGs, ESG) further as the group overall from now on. This is basic for promotion as the group overall, but all employees of the Topre Group need to share awareness of CSR initiatives.

We hold Topre Group CSR meetings twice a year, send out CSR-related information regularly, and promote education such as e-learning to share awareness and information. Further, as stated in this report, we are advancing CSR activities towards our 2030 targets, but this fiscal year is also the year we will formulate our next medium-term management plan (for fiscal year 2024 to fiscal year 2026) so we would like to incorporate CSR activities in concrete terms.

For the reduction of CO<sub>2</sub> emissions, the most important part of our CSR activities, we are currently advancing energy-saving activities (installation of energy-saving equipment) and the installation of solar panels. We will get these moves into full swing in fiscal year 2023, including overseas. After that, we would like to achieve Topre's fiscal year 2030 reduction target through measures such as purchasing renewable energy power.

**Climate change measures**

The sixth report of the Intergovernmental Panel on Climate Change (IPCC) mentions that the temperature has already increased by 1.1 degrees celsius since before the industrial revolution, and that this increase may exceed 1.5 degrees celsius in the near future. Various state and related-industry requirements for CO<sub>2</sub> reduction activities are expected to become stricter from now on, and I feel the need to consider measures such as bringing forward the company's own reduction targets.

Automotive equipment-related business accounts for more than 70% of the company's total sales and has a significant impact on CO<sub>2</sub> reduction activities. In addition, recognizing that responding to moves by the automotive industry to reduce CO<sub>2</sub> emissions is important, we have established a new carbon neutrality promotion system in this business separately from the Topre Group's overall system.

Looking at the carbon footprint of steel plate press processing products in this business, the proportion of CO<sub>2</sub> emissions occupied by materials is high, but this is not something we can act on alone. First of all, we will promote with certainty the CO<sub>2</sub> reductions (scope 1, 2) that we can do in our own production activities, and we will also promote cooperation with partner companies.

**CSR activities and business**

In fiscal year 2023, moves towards the post-pandemic era will be one of the major points of change, and while travel demand and consumer activity will be activated, I think there will also be positive and negative factors, such as soaring prices and labor shortages. For Topre to develop further in the future, I think it will be important to apprehend such changes in the environment as opportunities and implement corporate management in consideration of CSR and sustainability-related items such as the reduction of CO<sub>2</sub> emissions, the development of environmentally-friendly products and technologies, the reform of employee work-styles, human resource development, and the strengthening of corporate governance.

I think that if all Topre Group employees work with the same mindset, corporate value will increase and the management foundations of the company will become stronger. In other words, our sustainability will improve.

I want us to be a company that looks to the future even in a world of rapid change, and move towards "being a company that contributes to society and prospers permanently" under the company's basic principles.

June 2023



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 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 (CO<sub>2</sub> 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.

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.



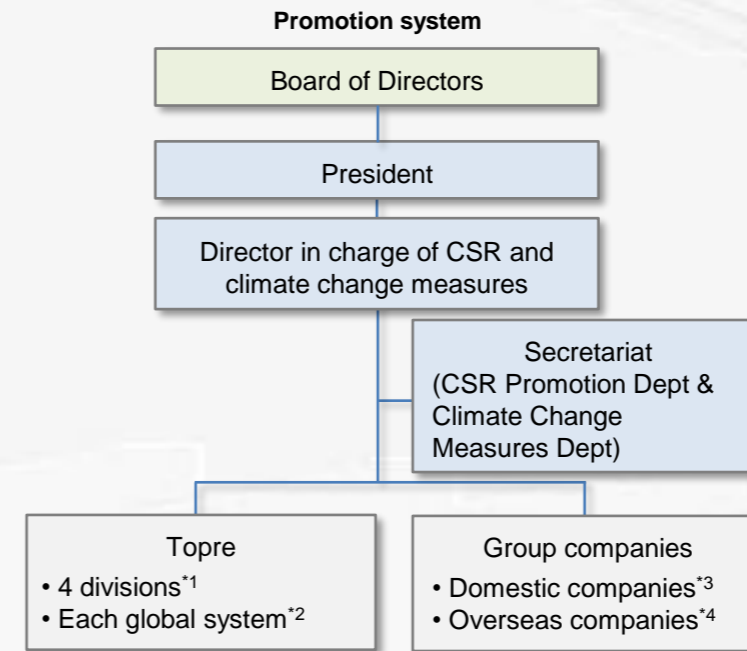
< e-learning >

We have begun specialized CSR education in an e-learning format for selected participants in each division. We expect the use of this knowledge and information in the improvement of understanding of initiatives aimed at CSR and climate change measures and in dialogue with customers.



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. Matters such as the results and plans for the promotion of CSR and climate change measures are reported after the Topre Group CSR Meetings held regularly twice a year, and when important matters concerning plans and implementation for the promotion of CSR and climate change measures occur, they are discussed by the Board of Directors through the Director in charge of CSR and climate change measures.



- \*1: Automotive Equipment, Refrigeration Equipment, Air Conditioning Equipment, Electronic Equipment
- \*2: Topre global systems: Internal Control Committee; Operations, Purchasing and Quality Control Headquarters; ISO14001 (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

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 Principles and Code of Conduct to all Topre Group employees. These are the high-level concepts of the Topre Group and fundamental to our CSR initiatives. We also prepare and distribute these cards translated into local languages at overseas bases.



Topre Group CSR Meetings

The company 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.



The meeting was held on the web in January 2022

Contributions to the SDGs

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, are global goals for 2030 addressing social issues such as poverty, employment and the environment. The company 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 company is striving to raise awareness of initiatives both inside and outside the company, such as distributing SDGs badges.



Dialogue with stakeholders

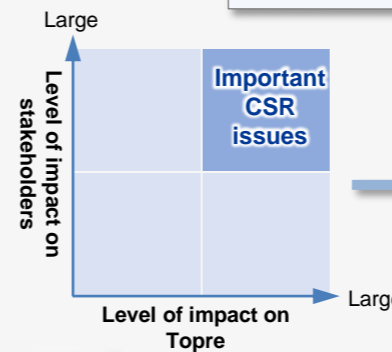
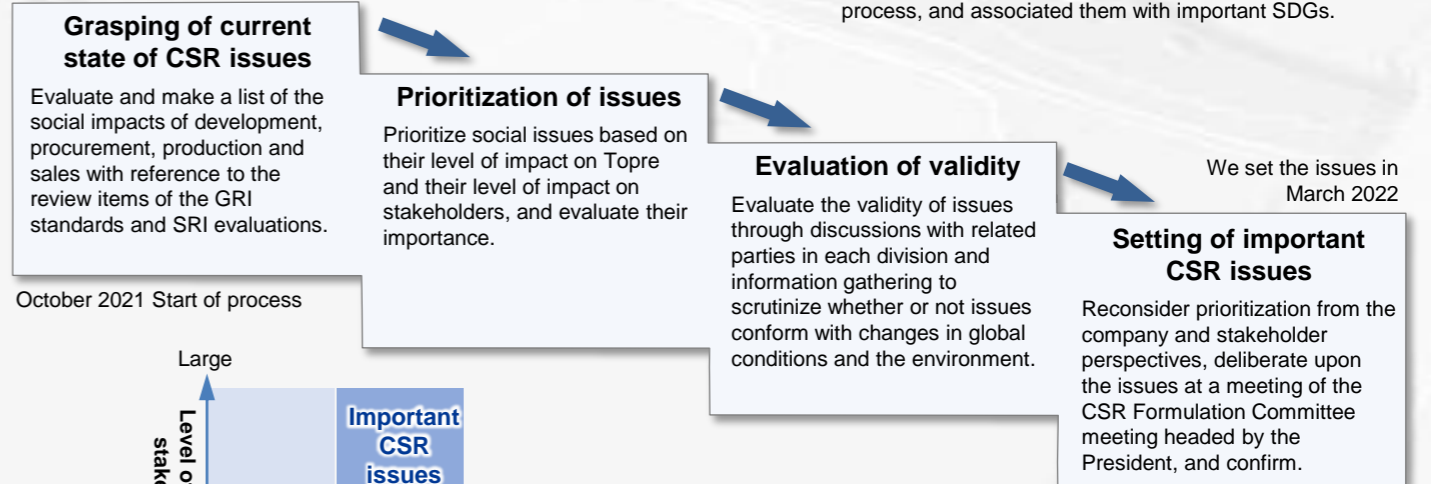
We ensure transparency by disclosing corporate information appropriately to stakeholders, and strive for mutual dialogue and cooperation.

Stakeholders	Main opportunities for dialogue
Customers	<p>We provide customers with high-quality products and services, value communication with them, and strive to meet their trust and expectations.</p> <ul style="list-style-type: none"> <li>Daily sales activities</li> <li>Maintenance</li> <li>Plant tours</li> <li>Company website</li> <li>Exhibitions</li> </ul>
Business partners	<p>Our business partners are important for us to produce high-quality products, 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.</p> <ul style="list-style-type: none"> <li>Daily purchasing activities</li> <li>Supplier conference</li> <li>QC competition presentation</li> <li>Company website</li> </ul>
Shareholders and investors	<p>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.</p> <ul style="list-style-type: none"> <li>General meetings of shareholders</li> <li>Financial results briefings</li> <li>IR website</li> <li>Individual interviews with institutional investors</li> </ul>
Employees	<p>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.</p> <ul style="list-style-type: none"> <li>Plant tours by the president</li> <li>Labor-management council</li> <li>Establishment of consultation desks</li> <li>Industrial physician interviews</li> <li>Various training and programs</li> <li>Company newsletter and internet</li> </ul>
Local society	<p>We are working positively on social contribution activities and environmental conservation in each country and region.</p> <ul style="list-style-type: none"> <li>Educational support for the next generation</li> <li>Support for the promotion of sport</li> <li>Plant tours</li> <li>Cleanup activities</li> <li>Regional exchanges</li> </ul>

CSR Materiality

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

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



Association of the important CSR issues identified with the SDGs (Yellow)

Placing of SDGs logo on related pages

	Items	Main initiatives	Related SDGs (1 to 17)	Page
Environment	Reduction of CO <sub>2</sub> emissions <sup>*1</sup>	• Reduction of CO <sub>2</sub> emissions in production activities	13	P21-28
	Establishment and operation of environmental management	• Acquisition of ISO 14001 certification: All domestic and overseas bases • Integrated acquisition of ISO 14001 certification: Domestic bases	-	P13-14
	Thorough implementation of chemical substance management	• Establishment and operation of internal management rules	12.4	P18
	Development of environmentally-considerate products and technologies	• Development of renewable energy-related equipment • Proposal of technologies that connect to environmental conservation	7.2, 9.4, 12.2, 13	P15-17
	Cooperation with suppliers	• Promotion of green procurement	12.4	P31-32
Society	Respect for human rights	• Education on human rights and diversity • Implementation of human rights due diligence	5, 10.2, 16	P33-34
	Establishment and operation of quality management	• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	-	P29-30
	Cooperation with suppliers	• Promotion of CSR procurement	16.b	P31-32
Governance	Strengthening of corporate governance	• Building of group governance	-	P45-47
	IR activities for investors	• Publication of CSR reports • Enhancement of disclosed information	-	P52
	Strengthening of information security	• Establishment of an information management system across the group	-	P50
	Strengthening of risk management	• Review of BCP	11.b	P49-50

\*1: Among the CSR materialities, the "reduction of CO<sub>2</sub> emissions" is the most important issue



CSR-related initiatives 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)	Main targets and measures for fiscal year 2030 (Long-term targets)	Fiscal year 2022 results	
E Environment	Reduction of CO <sub>2</sub> emissions*1	• Reduction of CO <sub>2</sub> emissions in production activities	• Promotion of the reduction of CO <sub>2</sub> emissions in Japan and overseas • Integration of CO <sub>2</sub> reduction items by the Environmental Improvement Committee of each division	• 30% reduction compared to fiscal year 2020 (scope 1, 2)	• Energy-saving activities, the installation of solar panels, etc., started in Japan. CO <sub>2</sub> emissions increased in absolute volume even while we advanced the reduction of CO <sub>2</sub> emissions gradually.	
	Establishment and operation of environmental management	• Acquisition of ISO certification: All domestic and overseas bases • Integrated acquisition of ISO certification: Domestic bases	• Acquisition of ISO 14001 certification: Saitama Plant (Integration with Sagami-hara Plant)	• Acquisition of ISO 14001 certification: Head Office, Toho, Toprec, Tokai • Promotion of the integrated acquisition of ISO 14001 certification: Domestic	• The integration of Saitama Plant into Sagami-hara Plant was completed. Promotion of the next step in fiscal year 2023.	
	Thorough implementation of chemical substance management	• Establishment and operation of internal management rules	• Determination of management rules and application to each division • PRTR (class I designated chemical substances) Reduction of the use of specified substances	• 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	• Development of renewable energy-related equipment • Proposal of technologies that connect to environmental conservation	• 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)	• Automotive: Body structure proposals conscious of LCA • Refrigerators: Development of a lineup of electric refrigerators (including RH and HP) and the introduction of low-GWP refrigerants • Air conditioning: Promotion of the switch to heat pump products with low-GWP refrigerants • Electronics: Reduction of packing materials (use of recycled paper / abolition of outer boxes)	-	
	Biodiversity initiatives	• At least 1 activity a year at each plant	• Continuation of activities	-	• Implementation of activity instructions and results reports from seven bases.	
	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	• Waste reduction: 4.4% reduction compared to fiscal year 2020	• Waste reduction: 20% reduction compared to fiscal year 2020	• Implementation of activity instructions, ongoing.	
	Compliance with environmental laws and regulations	• Confirmation of compliance: Domestic bases subject to laws and regulations	• All bases: At least once a year • Compliance rate: 100%	-	• Formulation of plans for fiscal year 2023 and start in fiscal year 2024.	
	Cooperation with suppliers	• Promotion of green procurement	• Green procurement evaluation method and start of evaluations	-	• Distribution of guidelines to Topre suppliers	
S Human rights and labor	Safety in the workplace	• Promotion of the reduction of industrial accidents	• Achievement of targets for accidents not accompanied by lost worktime • Accidents accompanied by lost worktime: 0 • Implementation of education at each base	-	• Continuation of autonomous promotion of safety activities (RA activities / KYT activities)	
	Implementation of special medical examinations	• Promotion of environmental improvements in hazardous workplaces	• Continuation of activities	-	• Implementation of activities	
	Implementation of stress checks	• Follow-up of workplace mental health measures	• Continuation of activities	-	• Implementation of activities	
	Respect for human rights	• Education on human rights and diversity • Implementation of human rights due diligence	• Topre and group companies implementation rate 100% • Topre implementation rate 100%	• Roll-out to suppliers 100% • Topre Group companies' implementation rate 100%	• Implementation of internal training on diversity • Implementation of harassment training	
	Activities of diverse human resources	• Creation of accepting and diverse workplaces • Creation of an organization that allows flexible work styles	• Implementation of unconsciousness bias training • Employment of more than 110 female employees • Compliance with the statutory employment rate for people with disabilities • Implementation of work-life balance training • Rate of taking childcare leave by male employees wishing to do so 100% • Rate of taking of childcare leave by female employees 100%	• Ratio of female managers of at least 5% • More than 130 female employees (March 2026 target) • Verification of understanding of work-life balance management	• Implementation of unconsciousness bias training • Employment of 102 female employees • Implementation of visits to special schools • Preparation for an engagement survey • Briefing session on the amendment of the Act on Childcare Leave, Caregiver Leave, etc. • Extended the periods of childcare leave and shortened work hours	
		Human resource development tailored to each individual	• Career plan / design training • Establishment of a system that rewards people who take on challenges	• Completion of roll-out to domestic group companies	• Started training for the development of the next generation of human resources	
	Social contributions	Exchanges with and contributions to local society	• At least 1 activity a year at each plant	• Continuation of activities	-	• Continuation of activities at each plant
	Quality	Establishment and operation of quality management	• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	• Acquisition of IATF 16949 certification: Sagami-hara (automobiles) (Topre, Metal Pack, Multi), Kyushu	• Acquisition of IATF 16949 certification: Tokai, Mitsuike, USA • Acquisition of ISO 9001 certification: Toho Transportation, Toprec, Indonesia	• Sagami-hara (automobiles) completed acquisition of IATF 16949 certification
	Cooperation with suppliers	• Promotion of CSR procurement	• CSR procurement evaluation method and start of evaluations	-	• Distribution of guidelines to Topre suppliers	
G Governance	Governance	Strengthening of corporate governance	• Building of group governance	• Inspection and strengthening of group management system	• Zero cases of misconduct	
	IR activities	IR activities for investors	• Publication of CSR reports • Enhancement of disclosed information	• Enhancement of non-financial information	• 100% completion of response to CG code	
	Information management	Strengthening of information security	• Establishment of an information management system across the group	• Thorough implementation of management rules and maintenance of management tools	• Zero serious information security incidents	
	Risk management	Strengthening of risk management	• Review of BCP	• Response to major earthquakes • Response to infections • Addition of climate change risk (Response to TCFD)	• Completion of response to TCFD	

## Environmental management

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

### Environmental policy

The company has shared the following policy with the group as a whole and is expanding environmental activities.

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.

#### Topre Group 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.

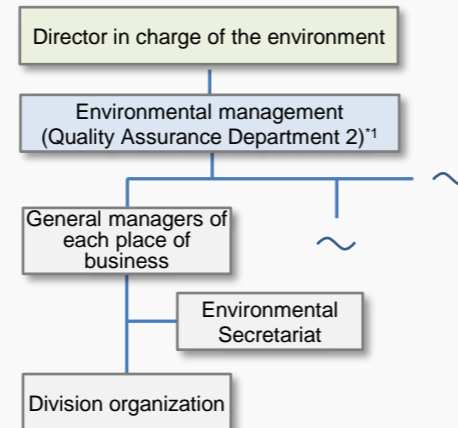
We aim to be an environmentally friendly company, strive to save resources by promoting the 3Rs of reduce, reuse, recycle, and work positively on the reduction of greenhouse gas emissions.

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 and have established an environmental management system.

#### < The Topre Group system >



\*1: Climate Change Measures Department is in charge of measures to reduce CO<sub>2</sub> emissions.

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 2023

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	Topre India
Scheduled for acquisition in fiscal year 2025	Scheduled for acquisition in fiscal year 2026

### 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.

### Environmental risk management

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.

### 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 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.

### 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.

The adoption of recycled material work clothes and office clothes (50% use of recycled PET fiber) is being promoted at some bases.



## 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.

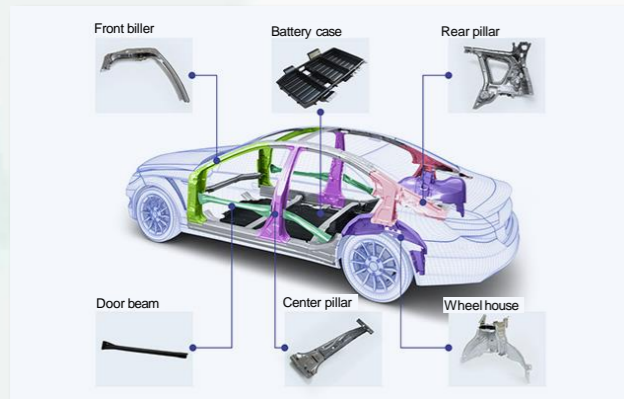


### Environmentally-considerate products

#### ● Press-related products

One of the company's major strengths is its high-tensile steel plate processing technology. The company 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 CO<sub>2</sub> 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.



\* CO<sub>2</sub> emissions reduction effect 15,455 t-CO<sub>2</sub> / 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 CO<sub>2</sub> 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 CO<sub>2</sub> generated, to switch from the hot stamp method, which generates a large amount of CO<sub>2</sub>.

#### ● 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 CO<sub>2</sub> emissions by not idling during cargo handling.



\* CO<sub>2</sub> emissions reduction effect 4,871 t-CO<sub>2</sub> / year  
 [Number of units operating in the GBS market x Fuel reduction effect (diesel)  
 x diesel CO<sub>2</sub> 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, CO<sub>2</sub> 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 company 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. The system saves energy, of course, and also realizes a comfortable indoor preserving stable humidity. This desiccant system saves about 30% of energy annually compared to conventional systems.



\* CO<sub>2</sub> emissions reduction effect (per system) 1.7 t-CO<sub>2</sub> / year  
 [Power saving (compared with conventional air conditioning system) × power CO<sub>2</sub> 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 capacity 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.



\* CO<sub>2</sub> emissions reduction effect 433 t-CO<sub>2</sub> / year  
 [High durability (comparison with general keyboards) x Number of units produced x CO<sub>2</sub> emission coefficient of plastic waste]



Development of environmentally-considerate products



Development of pipeline-type nano-hydroelectric power generation system

● Aiming for a recycling-oriented society

At present, in order to contribute to the realization of a decarbonized society, we are developing a pipeline-type nano-hydroelectric power generation system that uses unused energy (energy creation) in industry-academia cooperation, making full use of the company's plastic processing, control and fluid technology. For an overview of nano-hydroelectric power generation, please see "CSR Report 2022."

● Initiatives with Takaharu Town, Miyazaki Prefecture

We are currently implementing activities jointly with the local community aimed at revitalizing the local community and realizing a sustainable autonomous local community using small-scale hydropower and other renewable energy sources that the community possesses.

< Field verification case 1 >

- Agricultural water facilities in "Sano land improvement district," Takaharu Town

The developed product is installed in the terminal of a mud plug for mud that accumulates in the agricultural pipeline, with the electricity generated, about 500 W, supplied to a nursery school about 150 m away (enough electricity for one general household). The project has been developed as a public-private partnership project with the Ministry of Agriculture, Forestry and Fisheries to expand the market by deregulating, creating a system and proposing standardization aimed at social implementation.



Verification of power generation using agricultural water facilities

● Future development

We will use the technologies the company owns to develop products that can contribute to society as energy creation products.

We will carry out product development in fiscal year 2023 through a public-private partnership project with the Ministry of Agriculture, Forestry and Fisheries, including surveys of the amount of water resources at agricultural facilities and application to other plants and industries.

< Field verification case 2 >

- Aquaculture basin for a fishing pond at "Oujibaru Park" in Takaharu Town (commissioned by Takaharu Town)

The developed product is installed at the terminal of the pipeline that supplies water to the farmed fish in the fishing pond, and generated electricity is transmitted to a multi-purpose facility (Jimmu no Yakata).

The aim of introducing the facilities is to supply the electricity used in the park using renewable energy, including hydropower, solar power and wind power. In addition, the town is also planning for the facilities to be used for the education of school children.



Verification of local consumption in the park

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.

• Temperature controlled logistics-related products

We are working on the reduction of toluene, xylene, and methylbenzene, whose emissions are particularly high in manufacturing. By switching to alternative paints, we were able to reduce chemical substances subject to the PRTR Act by about 4%.

• 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.

Chemical substances for automotive parts are controlled using the automotive industry's IMDS system<sup>\*1</sup>.

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 suppliers 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")

With purchased electronic products, we manage chemical substances using chemSHERPA<sup>\*2</sup>.



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



Conservation of biodiversity

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

Initiatives at each base

The company has not been able to participate positively over the past few years due partly to the COVID-19 pandemic. As raised in the company'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 from now on. The following are activities picked up based on the results of implementation in fiscal year 2022.

< 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.

● 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."

< Overseas >

● Topre Thailand

We have been carrying out mangrove planting activities for many years and have planted more than 1,500 trees.

This fiscal year, 48 people participated on October 13 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.

	Number of mangrove trees				
Fiscal year	2018	2019	2020	2021	2022
Number of trees planted	150	325	350	330	500

● Topre (Foshan)

On March 14, we carried out tree-planting activities near a forest park in the Sanshui District of Foshan City. Ten people participated and we planted ten seedlings.

● Topre (Xiangyang)

On March 16, ten people participated in tree planting activities in the Xiangcheng District of Xiangyang City, and we planted ten trees. In addition, we are providing support (donations) for the greening of Xiangyang City.

● Topre (Wuhan)

On March 22, twelve people participated in a tree-planting activity in the Jiangxia District of Wuhan City, and we planted twelve trees.

● Topre Mexico

We are working on the regeneration of greenery by planting plants that use less water around the plant.



Sagamihara Plant: Survey of aquatic life in a river



Topre Thailand: Mangrove planting



Topre (Foshan): Tree-planting activities



Topre (Xiangyang): Tree-planting activities and donations



Topre (Wuhan): Tree planting activities



Topre Mexico: Planting around the plant



Carbon neutrality

We are expanding initiatives towards a decarbonized society.



Responses to climate change

The company established a Climate Change Measures Department in December 2021 to grasp the current state of CO<sub>2</sub> emissions throughout the group and to manage action plans aimed at the reduction of CO<sub>2</sub> 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, is now a necessity. As an initiative towards the achievement of carbon neutrality, the company grasped CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions credits.

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

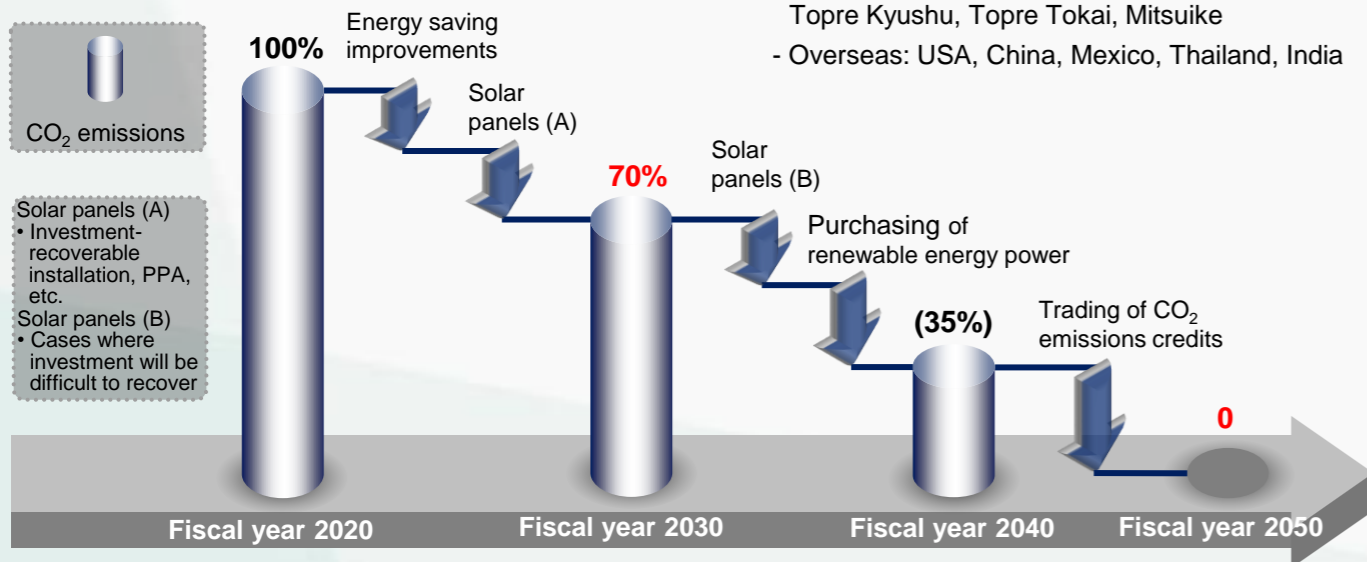
● CO<sub>2</sub> emissions reduction targets

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

- CO<sub>2</sub> emissions in production activities [ Fiscal year 2030: 30% reduction in emissions  
Fiscal year 2050: Carbon neutrality

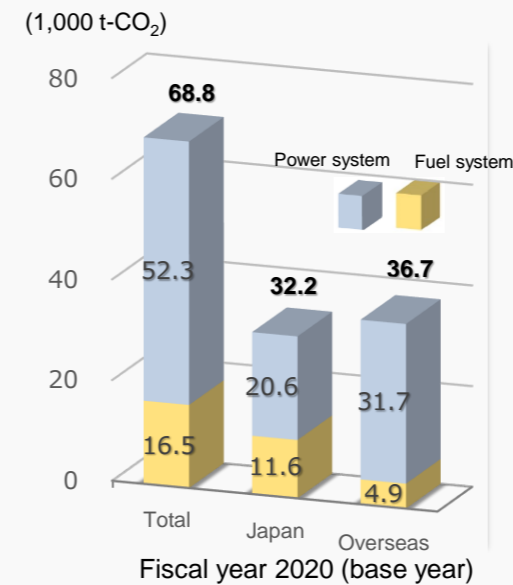
* Base year 2020	Annual target	Fiscal year 2021 - 2030	Fiscal year 2031 - 2050	
		3.0%	(3.5%)	
Long-term reduction target		Fiscal year 2030: 30%	(Fiscal year 2040: 65%)	Fiscal year 2050: 100%

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



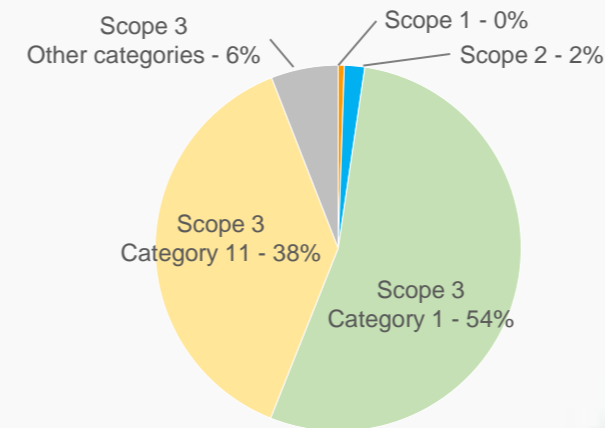
● CO<sub>2</sub> emissions based on the Topre Group base fiscal year

The group's CO<sub>2</sub> 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 CO<sub>2</sub> emissions in production activities. The group's biggest sources of Scope 3 emissions are in “Category 1 Purchased products and services (54%)” and “Category 11 Use of products sold (38%).”



Breakdown of supply chain emissions (fiscal year 2022 results)

● Scope 3 reduction targets

The group recognizes that the reduction of Scope 3 emissions is an important issue, and set targets for efforts in categories where there are high emissions and the suppression of CO<sub>2</sub> 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-CO<sub>2</sub> 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.

In this fiscal year's survey, we confirmed the company's score, and anticipate a B class evaluation result.





Carbon neutrality



Response to TCFD recommendations



The group recognizes that climate change problems are an important issue in the environmental area of corporate sustainability. The Topre Group raised a CO<sub>2</sub> 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. First, we have established the risks and opportunities in press-related products business in Automotive Equipment Division, which is the group's main business and accounts for about 80% of sales.

Governance

The group has built a framework for initiatives headed by the Board of Directors, which is indicated in "Topre's CSR (including SDGs)." 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.

----- See p.8 of this report.

Strategy

Described on the page to the right →

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 CO<sub>2</sub> 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 Topre Group started rolling out its CO<sub>2</sub> emission reduction measures (energy conservation measures, installation of solar panels, etc.) in earnest at each base in Japan from fiscal year 2022 and plans to roll out such measures overseas from fiscal year 2023. We plan for the results of reductions to increase gradually from fiscal year 2023. The results for The Topre Group's Scope 1 and 2 and Scope 3 CO<sub>2</sub> emissions are as indicated under "ESG data collection" in this report.

< Strategy >

The group analyzed two scenarios in regard to the impact of climate change on the company's automotive equipment 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 risks and opportunities in the "transition" and "physically," in consideration of the size of the impact. The group will promote its response so that we can minimize the risks and create opportunities.

In addition to the further development of hot stamp processing technologies, the group is continuously developing technologies such as cold ultra high tensile plates processing technology, which will be effective in the reduction of CO<sub>2</sub> 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 CO<sub>2</sub> emissions.

With regard to the financial impacts on profits and expenses, we select the degree of importance within the following scope based on forward-looking considerations by specialized departments and related parties as described in "Risk management."

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)

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	-	○	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 <sub>2</sub> reductions	Promotion and partial acceleration of CO <sub>2</sub> emission reduction measures	Small
		Regulations on gasoline vehicle sales	Mid to long-term	-	○	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 <sub>2</sub> reductions	Small
	Market	Shift to EVs	Mid to long-term	-	○	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	-	○	Increase in carbon lowering costs	Expansion of cold ultra-high tensile parts to replace hot stamp parts	Cold ultra-high tensile plates Development of processing technology, etc.	Small
	Reputation	CO <sub>2</sub> reduction target	Mid to long-term	-	○	Decrease in orders from customers (car manufacturers)	Increase in orders due to the achievement of CO <sub>2</sub> reductions	Promotion and partial acceleration of CO <sub>2</sub> emission reduction measures	Large
Physical	Chronic	Average temperature rise (Occurrence of abnormal weather)	Short, mid, long-term	○	-	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	○	-	Suspension of plant operations and suspension of employee attendance	Build disaster-resistant factories and establish BCP	Continuous BCP review	Medium

< Reference data >	Less than two degrees celsius scenario	Four degrees celsius scenario
• IPCC (Intergovernmental Panel on Climate Change)	SSP1-1.9/2.6	SSP5-8.5
• IEA (International Energy Agency)	NZE (Net-Zero Emissions by 2050 Scenario)	STEPS (Stated Policies Scenario)



Carbon neutrality

We are expanding initiatives towards a decarbonized society.



CO<sub>2</sub> emissions reduction activities - overall

● Energy saving and CO<sub>2</sub> emissions reduction initiatives

In Japan, we began the installation of solar panels, the main part of our CO<sub>2</sub> reduction measures, in earnest from fiscal year 2022, and our CO<sub>2</sub> 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, and we plan to start energy conservation measures and the installation of solar panels from fiscal year 2023, gradually increasing the reduction results.



● Plan for the reduction of CO<sub>2</sub> emissions (Japan and overseas)

- Following on from each of Topre's divisions and the nine divisions of the group's domestic companies, each of the group's overseas companies will start CO<sub>2</sub> reduction plans from fiscal year 2023.

However, as production volumes are also increasing, we must accelerate further if emissions are grasped as the absolute volume.

To accelerate investment in CO<sub>2</sub> reductions, the company 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 2023: 10,000 (yen / t-CO<sub>2</sub>)"

In November 2022, we issued a news release announcing that we will make step-by-step investments in energy-saving facilities at bases in Japan to achieve the company's fiscal year 2030 target for the reduction of CO<sub>2</sub> emissions. A reduction in CO<sub>2</sub> emissions of 10,000 tons is expected based on this initiative.

The company is strengthening the reduction of CO<sub>2</sub> emissions based on these initiatives.

Overview of considerations

- [1] First, 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 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.

< Facilities >

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 CO<sub>2</sub> emissions associated with manufacturing, we are actively introducing battery-powered forklifts, which can be expected to reduce CO<sub>2</sub> emissions compared to conventional LPG-powered forklifts. Sagami-hara Plant has introduced a total of 35 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. (We will consider the purchase of renewable energy power in the future.)

Bases		Results of initiatives in fiscal year 2022
Topre	Sagamihara Plant	<ul style="list-style-type: none"> <li>• Reduction of power consumption by switching to LED lighting in the plant and offices Reduction effect 23,365 kWh / year (replaced 244 fluorescent lamps)</li> <li>• Reduction of power consumption by upgrading air conditioners Reduction effect 1,000 kWh / year (upgraded 1 unit)</li> <li>• Reduction of power consumption by upgrading to battery-powered forklifts Reduction effect 22.2 t-CO<sub>2</sub> / year (upgraded 10 vehicles)</li> <li>• Installation of solar panels Press Plant 2 and Saitama Plant: Reduction effect 172 t-CO<sub>2</sub> / year</li> </ul>
	Hiroshima Plant	<ul style="list-style-type: none"> <li>• Reduction of power consumption by upgrading to battery-powered forklifts Reduction effect 3.6 t-CO<sub>2</sub> / year (upgraded 1 vehicle)</li> </ul>
	Tochigi Plant	<ul style="list-style-type: none"> <li>• Installation of solar panels Plant 3 Warehouse: Reduction effect 155 t-CO<sub>2</sub> / year</li> </ul>
	Gifu Plant	<ul style="list-style-type: none"> <li>• Reduction of power consumption by upgrading transformers</li> <li>• Change of compressor control</li> <li>• Reduction of power consumption by upgrading to battery-powered forklifts Reduction effect 3.6 t-CO<sub>2</sub> / year (upgraded 1 vehicle)</li> <li>• Installation of solar panels Plant 5 and Warehouse 1: Reduction effect 166 t-CO<sub>2</sub> / year</li> </ul>
Topre Kyushu		<ul style="list-style-type: none"> <li>• Reduction of power consumption by switching to LED lighting Reduction effect 170,000 kWh / year (replaced 138 mercury lamps)</li> <li>• Installation of solar panels Logistics building, plant building: Reduction effect 255 t-CO<sub>2</sub> / year</li> </ul>
Topre Tokai		<ul style="list-style-type: none"> <li>• Reduction of power consumption by switching from fluorescent lighting to LED lighting Toin Plant, Yokkaichi Plant, Suzuka Plant: Reduction effect 59.1 t-CO<sub>2</sub> / year</li> </ul>
Toprec		<ul style="list-style-type: none"> <li>• Replaced gasoline-powered company vehicles with hybrid vehicles (18 vehicles)</li> </ul>
Topre (Foshan)		<ul style="list-style-type: none"> <li>• Reduction of power consumption by natural illumination of the plant and offices Reduction effect 4.3 t-CO<sub>2</sub> / year (equivalent to 20 fluorescent lights)</li> <li>• Reduction of power consumption by optimization of facilities Reduction effect 115.8 t-CO<sub>2</sub> / year (3 facilities in total, automatic control, increased efficiency and integration)</li> <li>• Reduction of power consumption by optimization of plant lines Reduction effect 156.8 t-CO<sub>2</sub> / year (review of material transport)</li> </ul>
Topre (Xiangyang)		<ul style="list-style-type: none"> <li>• Changes to air conditioner temperature settings Reduction effect 31.4 t-CO<sub>2</sub> / year</li> </ul>
Topre (Wuhan)		<ul style="list-style-type: none"> <li>• Reduction of goods power by automating plant environment control Reduction effect 206,040 kWh / year</li> </ul>
Topre Thailand		<ul style="list-style-type: none"> <li>• Replaced gasoline-powered company vehicle with hybrid vehicle (1 vehicle)</li> </ul>



Carbon neutrality

We are expanding initiatives towards a decarbonized society.



CO<sub>2</sub> emissions reduction activities - State of installation of solar panels

● Fiscal year 2022 results

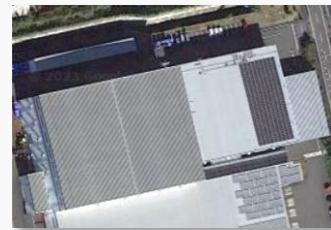
< Domestic >

**Topre Sagamihara Plant**

- Installation on Press Plant 2 / one roof of Saitama Plant
- Expected reduction 172 t-CO<sub>2</sub> / year



Press Plant 2



Saitama Plant

**Topre Tochigi Plant**

- Installation on the roof of Plant 3 warehouse
- Expected reduction 155 t-CO<sub>2</sub> / year



Plant 3 warehouse

**Topre Gifu Plant**

- Installation on Plant 5 / roof of Warehouse 1
- Expected reduction 166 t-CO<sub>2</sub> / year



Plant 5



Warehouse 1

**Topre Kyushu**

- Installation on logistics building / roof of plant building
- Expected reduction 255 t-CO<sub>2</sub> / year



< Front > Logistics building < Back > Plant building

● Fiscal year 2023 plan

< Domestic >

**Topre Sagamihara Plant**

- Plan for installation on Press Plant 2 / roof of Saitama Plant
- Expected reduction 361 t-CO<sub>2</sub> / year



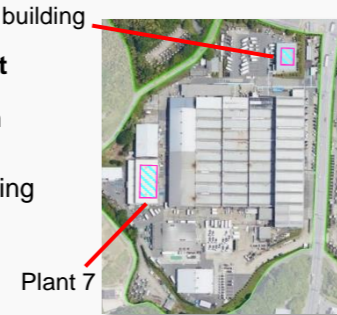
Press Plant 2



Saitama Plant

**Topre Hiroshima Plant**

- Plan for installation on Plant 7 / roof of welfare building
- Expected reduction: 57 t-CO<sub>2</sub> / year



Plant 7

**Topre Tochigi Plant**

- Plan for installation in adjustment ponds A and B
- Expected reduction: 321 t-CO<sub>2</sub> / year



Adjustment Pond A



Adjustment Pond B

**Topre Kyushu**

- Plan for installation on roof of Technology Center
- Expected reduction: 197 t-CO<sub>2</sub> / year



Technology Center (Kurume Plant)

**Topre Tokai**

- Plan for installation on part of the roof of Toin Head Office Plant
- Expected reduction: 175 t-CO<sub>2</sub> / year



< Overseas >

**Topre (Foshan)**

- Plan for installation on part of the plant roof
- Expected reduction: 1,537 t-CO<sub>2</sub> / year



**Topre (Xiangyang)**

- Plan for installation on part of the plant roof
- Expected reduction: 1,889 t-CO<sub>2</sub> / year



**Topre Thailand**

- Plan for installation on part of the plant roof
- Expected reduction: 761 t-CO<sub>2</sub> / 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 Topre, 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 >

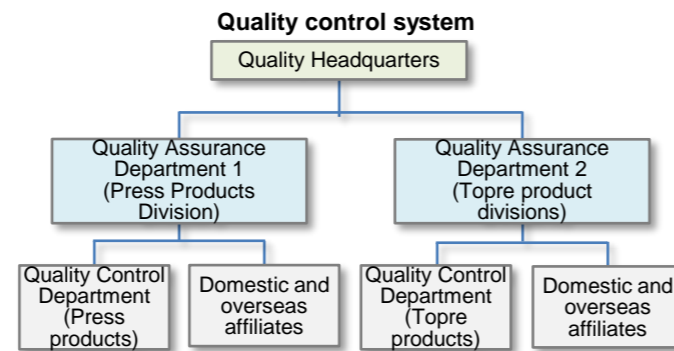
We provide products and services of a quality that can make all customers feel at ease to establish the “Topre quality” that our customers recognize.

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.

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, 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 Topre 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 [acquisition rate 86%]

Japan	
Sagamihara Plant	IATF 16949
Hiroshima Plant	ISO 9001
Tochigi Plant	“
Gifu Plant	“
Topre Kyushu	“
Topre Tokai	“
Mitsuike	“
Overseas	
Topre America	Scheduled for acquisition in 2025 ISO 9001
Topre Mexico	IATF 16949
Topre (Foshan)	“
Topre (Xiangyang)	“
Topre (Wuhan)	“
Topre Thailand	“
Topre India	Scheduled for acquisition in 2023 ISO 9001

Quality assurance at the planning and development stages

At the initial stage of product planning and development, the company 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 65 QC competitions as of 2022. This was the eighth holding of a competition to which QC circles from overseas bases were invited. Because of measures against COVID-19 infections from 2020 to 2022, these were held as the QC Global Video Competition, with the outcomes of QC put together on video, and we are continuing our activities.



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.



Consistent quality control

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

We normally hold this event with the participation of about 150 business partners, but we were unable to do so in fiscal year 2022 as it overlapped with various changes in the environment, including changes of directors. We will hold this conference in web format in July in fiscal year 2023.

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.



### CSR procurement

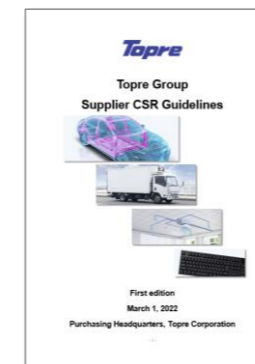
The Topre Group has established the "Topre Group Supplier CSR Guidelines" for the further promotion of CSR procurement, and under the Basic Philosophy of "contributing to society through the creation of products and services using its outstanding technologies," clarifies its approach to CSR as well as 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 promote 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](https://www.topre.co.jp/en/sustainability/social/files/en_csr_guideline.pdf)

Green Procurement Guidelines



### Promotion of green procurement

The company 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 CO<sub>2</sub> 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 procurement 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.



## 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 Action Guidelines, which is the standard for employee behavior, and are implementing initiatives for human rights and labor having clarified in the Action Guidelines 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.

### Responses to human rights risks

The group defines human rights risks as “risks that could infringe on the human rights of people related to the Topre Group and its business partners.” In order to ensure thorough respect for human rights throughout the supply chain, we have established items on respect for human rights in the “Topre Group Supplier CSR Guidelines,” and are working with business partners to promote initiatives towards compliance with those items.

In fiscal year 2022, there were no cases involving child labor or forced labor.

### Initiatives for the improvement of awareness of human rights

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

In fiscal year 2022, we implemented training for employees in Japan, including group companies, and other compliance education aimed at the prevention of harassment.

### Consultation on human rights

Aimed at preventing harassment in the workplace, we have set up a dedicated consultation desk to raise awareness not only among general employees, but the entire workplace, including managers. The methods for consultation are by e-mail, telephone or letter, and matters will be accepted even if anonymous.

Human Resources Department investigates information on harassment from people seeking consultation and if a case of harassment is found, considers measures to be taken against the offender and for the person seeking consultation. The department follows up with the offender and the person seeking consultation while giving full consideration to further harassment by the offender.

There were zero cases of discrimination at the company in fiscal year 2022.

## 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 or disability, can work actively, demonstrating their abilities to the maximum.

#### ● Promotion of female participation

Based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, the company has formulated an action plan to increase the number of female employees and 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)

##### ■ Target

Employ at least 130 full-time female employees

##### ■ 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 the use of a shorter work hours system and flexible work hours system for employees after childcare leave

#### ● Rehiring of seniors

With regard to the employment of the elderly, we have introduced an ongoing employment system based on the Act on Stabilization of Employment of Elderly Persons. In anticipation of the raising of the mandatory retirement age in the future, we are making efforts to improve the treatment of rehired retired employees by raising the wage level of retired employees and developing work systems considerate of individual circumstances such as nursing care.

Even if they are above 65 years old, we will continue to employ employees in an environment where they can continue to work in accordance with their wishes and aptitudes.

#### ● Hiring of foreign employees

Regardless of race or nationality, the company selects people in accordance with their experience and skills. We do not implement special selection for foreign nationals as we conduct recruitment activities with an awareness of equal employment for all applicants.

When the employment of foreign nationals in Japan is decided, we support them in the acquisition of a work visa, provision of a place of residence, and through the various procedures. In addition, we accept foreign technical trainees positively, which leads to the invigoration of the company through the realization of diversity and acceptance.

As of November 2022, foreign employees from six countries of North America and East Asia are working actively at the company.

#### ● Employment of people with disabilities

There are currently people with various disabilities working actively at the company. Rather than take the simpler tasks of daily work and promote the hiring of people with disabilities only as a “quota for hiring disabled people,” we establish work roles in accordance with people’s characteristics such as their personality, experience and skills.

Our goal is not to hire people with disabilities, but to create a work environment in which people can continue to work actively for a long time in cooperation with each division that accepts them.

In addition, from January 2022, we began using a farm, part of a social farm, and started on an initiative to create a new point of contact for the employment of people with disabilities. We are currently operating this farm smoothly. Further, we also provide training to division general managers to promote understanding of the employment of persons with disabilities.

In future, we will continue to create a work environment so that people with disabilities can play active roles, and will promote the employment of people with disabilities positively.



Social farm

Visit by division general managers



Work styles and education



Work-life balance

The company 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 company is supporting flexible work styles by introducing a flextime system that matches the workload and nature of each employee.

In addition, if COVID-19 infections occur, we recommend employees work from home or work in staggered hours in accordance with the type of work they do to prevent infections.

● Balancing support systems

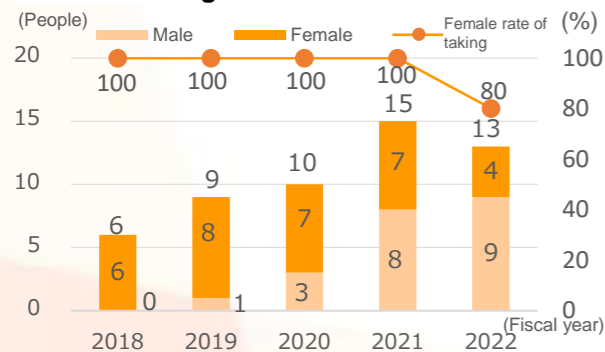
• Balancing of work and childcare

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, the company formulated and is implementing an action plan to enable employees to balance work and the raising of children and allow all employees to demonstrate their abilities to the full.

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)

- Target
- Male employees ... More than 30 employees take childcare leave during the plan period
- Female employees ... Maintain 100% taking of childcare leave during the plan period

• State of taking of childcare leave



• 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 short work hours system for employees to provide nursing care for family members who need it.

● Initiatives for overtime work

Based on the enforcement of the revised Labor Standards Act, the company raises “understanding of actual working hours,” the major premise in the management of overtime, as the most important matter. In general, attention is paid to “overtime cap regulations,” but if we make efforts towards “work style reforms” without knowing the workload of each and every employee, work methods and unreasonable, wasteful and redundant work, it could lead to the rampant unpaid “service overtime” of yesteryear. We believe that we should avoid such a situation and are striving to grasp the current situation and gather opinions. It is conceivable that it may take time to realize this goal, but we are striving to raise awareness among all employees, also including managers.

Human resource development

The company’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.”

With the globalization of economic activities and the declining birthrate and aging population of Japan, we are at a stage where we need to rethink past practices and ad hoc work methods.

We strive for the development of human resources who grasp the situation objectively and act logically towards goals.

● Development of global human resources

The company implements overseas training centered on young employees aimed at the development of the human resources who will support our global system in the future. By experiencing and learning about overseas realities and practices, we are aiming to cultivate an international sense and improve the quality of employees so that they can respond to the expansion of our global system in the future with a broad international perspective and free thinking.

● Development of employees who have acquired skills

We are making efforts towards the development of employees who have acquired skills such as 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.

● Initiatives towards career formation

In addition to implementing our human resources policy thoroughly and ensuring proper understanding of employees’ own responsibilities, we make efforts aimed at the acquisition of the knowledge, technology, skills, planning ability and judgment required to perform duties accurately and promptly, and the development of broad.

• Career training

The company has three main training systems, which can be divided into “education by division,” “hierarchical education” and “education by function” based on the aim of the training. We clarify the education required for each division’s work, including specialized knowledge and skills, and implement 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.

Policies for human resource development and internal environment development  
[https://www.topre.co.jp/en/sustainability/social/policy/human\\_resources.html](https://www.topre.co.jp/en/sustainability/social/policy/human_resources.html)

Labor practices

● Fair evaluations and treatment

The company uses a human resources evaluation system that evaluates the processes and results of employees’ roles and reflects these in compensation through salary increases, promotions and bonuses. For general positions, the system as a whole is divided into 10 grades, and the system is such that the higher the grade, the more important the results evaluation is. There is no gender gap at the same level, and we implement appropriate evaluations of clearly defined roles. In particular, we ensure transparency by holding feedback interviews with direct supervisors in each evaluation, and by engaging in dialogue on matters such as the reasons for evaluation results and future growth issues. For managers, targets are set at the beginning of each fiscal year in accordance with the three grade levels, and we have introduced a target management system that evaluates managers based on their own evaluations. We implement clear evaluations based on results in the same way as general positions, with managers confirming target progress and their level of achievement through feedback interviews.

In addition, we do not handle wages, work conditions, transfers, education, etc., in a discriminatory manner based on reasons such as nationality, creed, external status, race, gender, religion or age.

● Good relations with the labor union

The company and the Topre Labor Union respect each other’s differences of position and ways of thinking, emphasize communication and strive for the maintenance and strengthening of sound labor-management relations. We hold labor-management meetings twice a year at plants and overall to discuss issues in matters such as work conditions and production and to communicate with each other.

● The creation of rewarding workplaces

• Implementation of employee awareness surveys  
 The company conducts “employee satisfaction surveys” and “potential assessments” in some divisions aimed at the creation of rewarding workplaces.

• Enhancement of the remote work environment

Topre has created a remote work environment that allows employees to work without having to go to the company. We are promoting various work styles in conjunction with the “work from home system.”

• The creation of opportunities for meetings with employees

The company provides opportunities mainly for young employees to meet with Human Resources Division personnel. During these meetings, employees are asked about their physical and mental condition, which connects to handling such as daily follow-up, and leads to understanding of the capabilities and levels of each individual, and to the implementation of appropriate “hierarchical education” and “education by function.”



Safety and health

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

Occupational safety and health

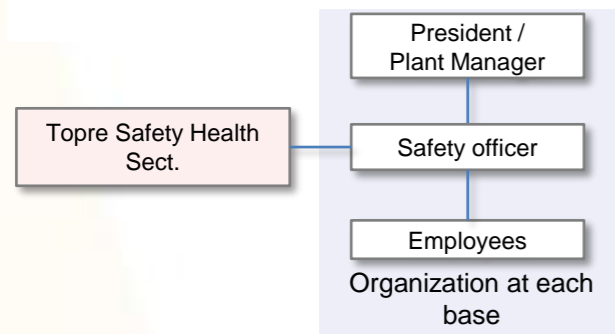
● Basic way of thinking on safety and health

The company 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



● Implementation of meetings of Safety and Health Committees

The company 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.

● Initiatives for the creation of safe workplaces

Topre 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.



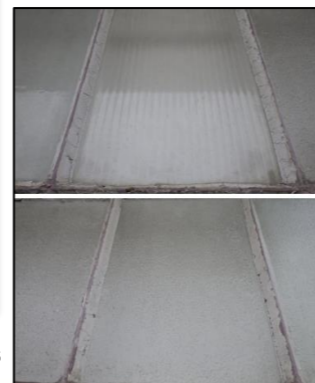
Safety experience room

● Earthquake resistance at plants

Sagamihara Plant has implemented measures for earthquake resistance to increase safety at the plant, such as measures to prevent objects falling onto small control panels or their displacement, and measures to prevent skylight glass from shattering. These measures were introduced as examples of earthquake resistance at a "Disaster prevention briefing for suppliers" held by a customer.



Measures to prevent objects falling and displacement



Measures to prevent the shattering of skylights

● 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 company promotes better health through the cooperation of the company, labor union, health insurance union, employees and their families. We publish "Health News" each month and are working on the improvement of knowledge of health.

● 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.

● 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.

Training support for the next generation

● Acceptance of internships (work experience)

The company offers summer internships for university students and various kinds of work experience in actual workplaces.

In addition, as part of our cooperation with university curriculums, we provide opportunities for practical training and research for the preparation of graduation theses, and we accept long-term internships for about five months. We are making efforts to create better places for practical training by arranging employees and training environments that provide support matched to themes.

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

Plant employees clean up the neighborhood on the 6th, 16th and 26th each month.



They carry out activities in rotation, in four groups, each with about 15 employees participating each time.

● Toho Transportation Co., Ltd.

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



● Provision of hometown tax payment goods to Sagamiara City

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

● Plant tours

We have currently suspended implementation of this program from the perspective of measures against COVID-19, but 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 due to the spread of COVID-19, 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

Sagamiara Plant and Toprec sponsor SC Sagamiara, which is based in Sagamiara City, aimed at invigorating local society.

● 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."

● 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.

Keyboard typing competition

● Holding of REALFORCE TYPING CHAMPIONSHIP 2023

The company has hosted the "REALFORCE TYPING CHAMPIONSHIP," using the company's keyboards as a keyboard typing competition for adults since 2017. We have not been able to hold the event since 2019 (third event) due to the pandemic, but we held the fourth event in March 2023.

This competition was held jointly with Nippon Television, and many viewers became aware of the event due to announcements on TV. A total of 13,531 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 winner received a gold "REALFORCE" keyboard

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 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

Topre Mexico has continued its ESR certification since fiscal year 2020.

In fiscal year 2022, they received the Excellent Award in recognition of their activities. The company also implements positive CSR activities overseas.



Winner of the Excellent Award





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

● Initiatives at Topre (Foshan)

We established an internal volunteer group in November 2022. We carried out support activities for single elderly people in cooperation with the labor union.

We implemented fund-raising activities and gave household goods to elderly people living alone.



Formation of a volunteer group



● Initiatives at Topre (Xiangyang)

Topre (Xiangyang) donated 150 books to No. 2 Elementary School in Hi-Tech Industry Development Zone, Xiangyang City.



● Initiatives at Topre (Wuhan)

In May 2022, we participated in "student intern" activities organized by the Caidian government. Government agencies and related university administrators visited the Topre (Wuhan) plant to exchange opinions, etc.



List of social contribution activities

● List of social contribution activities

Bases		Results of initiatives in fiscal year 2022
Topre	Sagamihara Plant	<ul style="list-style-type: none"> <li>• <b>Plant tours:</b> Plant tours for local residents continued to be suspended in fiscal year 2022 due to the spread of COVID-19 infections. We will continue to consider implementing plant tours in fiscal year 2023 based on the state of COVID-19 infections.</li> <li>• <b>Local cleanup activities:</b> We carried out cleanup activities around the plant on May 30 (Monday) and December 19 (Monday) in fiscal year 2022. We are planning to continue doing these cleanups twice a year (May and December).</li> <li>• <b>Holding of events:</b> With regard to the general opening of the new ground (for youth baseball, etc.), which started in fiscal year 2021, the frequency of use was not very high (twice in fiscal year 2021; once in fiscal year 2022) due to the COVID-19 situation, but in fiscal year 2023, we have already had two applications in April. In addition, it depends on the COVID-19 infection situation, but if the company decides to hold the fiscal year 2023 Summer Festival, we are planning to inform local residents who want to participate.</li> <li>• <b>Sagamihara City hometown tax payment goods</b> We started sales of REALFORCE keyboards as Sagamihara City hometown tax payment goods from February 2020. From an initial six models, the product lineup in fiscal year 2023 includes 32 models as the R3 series.</li> </ul>
	Hiroshima Plant	<ul style="list-style-type: none"> <li>• <b>Plant tours:</b> We held plant tours for teachers in charge of employment from the Private High School Association.</li> <li>• <b>Local cleanup activities:</b> About 50 employees clean the area around the plant once a month.</li> </ul>
	Tochigi Plant	<ul style="list-style-type: none"> <li>• <b>Plant tours:</b> Plant tours were held in November for nearby elementary school students.</li> <li>• <b>Cooperation with blood donations:</b> We cooperate positively with blood donations in response to requests from the blood center, which sends out a blood donation bus. (Implemented 3 times a year in April, July and November with about 50 people donating blood each time)</li> </ul>
	Gifu Plant	<ul style="list-style-type: none"> <li>• <b>Local cleanup activities:</b> As part of our 6S activities, we clean the neighborhood on the 6th, 16th and 26th of each month.</li> </ul>



## List of social contribution activities

## ● List of social contribution activities

Bases	Details of initiatives
Toho Transportation	<ul style="list-style-type: none"> <li>• <b>Local cleanup activities:</b> Every Monday and Friday, we clean about 100 meters of sidewalk to the north and east of Sagamiara office.</li> <li>• <b>Fund-raising activities</b> Donations to the Japan Traffic Safety Association: For the realization of a safe and secure community with no traffic accidents</li> </ul>
Toprec	<ul style="list-style-type: none"> <li>• <b>Support for sport:</b> Aimed at the local invigoration of Sagamiara, a place familiar to the Topre Group, we have agreed a contract with the J. League's SC Sagamiara as a pitch signboard sponsor.</li> <li>• <b>Local cooperation activities:</b> Atsugi Service Center participates in mass cleanups and summer festivals sponsored by the Regional Promotion Association.</li> <li>• <b>Local cleanup activities:</b> We conduct cleanup activities around each service center.</li> </ul>
Topre Kyushu	<ul style="list-style-type: none"> <li>• <b>Plant tours:</b> 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.</li> <li>• <b>Plant inspections:</b> 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.</li> <li>• <b>Local cleanup activities:</b> Ten technical interns and specified skill employees participated in activities and were able to build trust by interacting with local residents.</li> <li>• <b>Support for sport:</b> We employ three members of the local rugby team.</li> </ul>
Topre Tokai	<ul style="list-style-type: none"> <li>• <b>Local cleanup activities:</b> 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."</li> <li>• <b>Fund-raising activities</b> Donations to Toin Town: Enhancement of schools and education Donations to Mie Prefecture: The Green Fund</li> </ul>

\* Details introduced in the section on conservation of biodiversity is also included here.

## ● List of social contribution activities

Bases	Details of initiatives
Topre America	<ul style="list-style-type: none"> <li>• <b>Social contributions</b> Community Support</li> </ul>
Topre Mexico	<ul style="list-style-type: none"> <li>• <b>Fund-raising activities</b> Donations to orphanages, facilities for the elderly, and other charity groups</li> <li>• <b>Tree-planting activity</b> We distribute seedlings and plant trees around the premises.</li> <li>• <b>Training support for the next generation</b> Meetings with universities related to internships</li> </ul>
Topre (Foshan)	<ul style="list-style-type: none"> <li>• <b>Tree-planting activity</b> We planted ten trees.</li> <li>• <b>Fund-raising activities</b> The company created a volunteer group, which cooperated with the union to carry out fund-raising activities, and donated purchased household goods to elderly people living alone.</li> </ul>
Topre (Xiangyang)	<ul style="list-style-type: none"> <li>• <b>Tree-planting activity</b> We planted ten trees.</li> <li>• <b>Training support for the next generation</b> We held plant tours for local students, introduced Topre's activities and donated 150 books.</li> </ul>
Topre (Wuhan)	<ul style="list-style-type: none"> <li>• <b>Social contributions</b> We provided assistance to the poor.</li> <li>• <b>Tree-planting activity</b> We planted twelve trees.</li> <li>• <b>Reduction of water resource consumption</b> We diverted 200 m<sup>3</sup> of water from the fire prevention pond that was scheduled for disposal due to replacement to greening and thereby used it effectively.</li> <li>• <b>Exchange meetings at the plant:</b> We participated in "student intern" activities organized by the Caidian government, and government agencies and related university administrators visited the plant to interact.</li> </ul>
Topre Thailand	<ul style="list-style-type: none"> <li>• <b>Training support for the next generation</b> We donated stationery and sports equipment to schools.</li> </ul>

\* Details introduced in the section on conservation of biodiversity is also included here.



## 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 create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business. In addition to pursuing economic results, we conduct business activities with high ethical standards and good sense as a company that is required and respected by society as an international company.

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](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 Representative Director and External Directors.

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

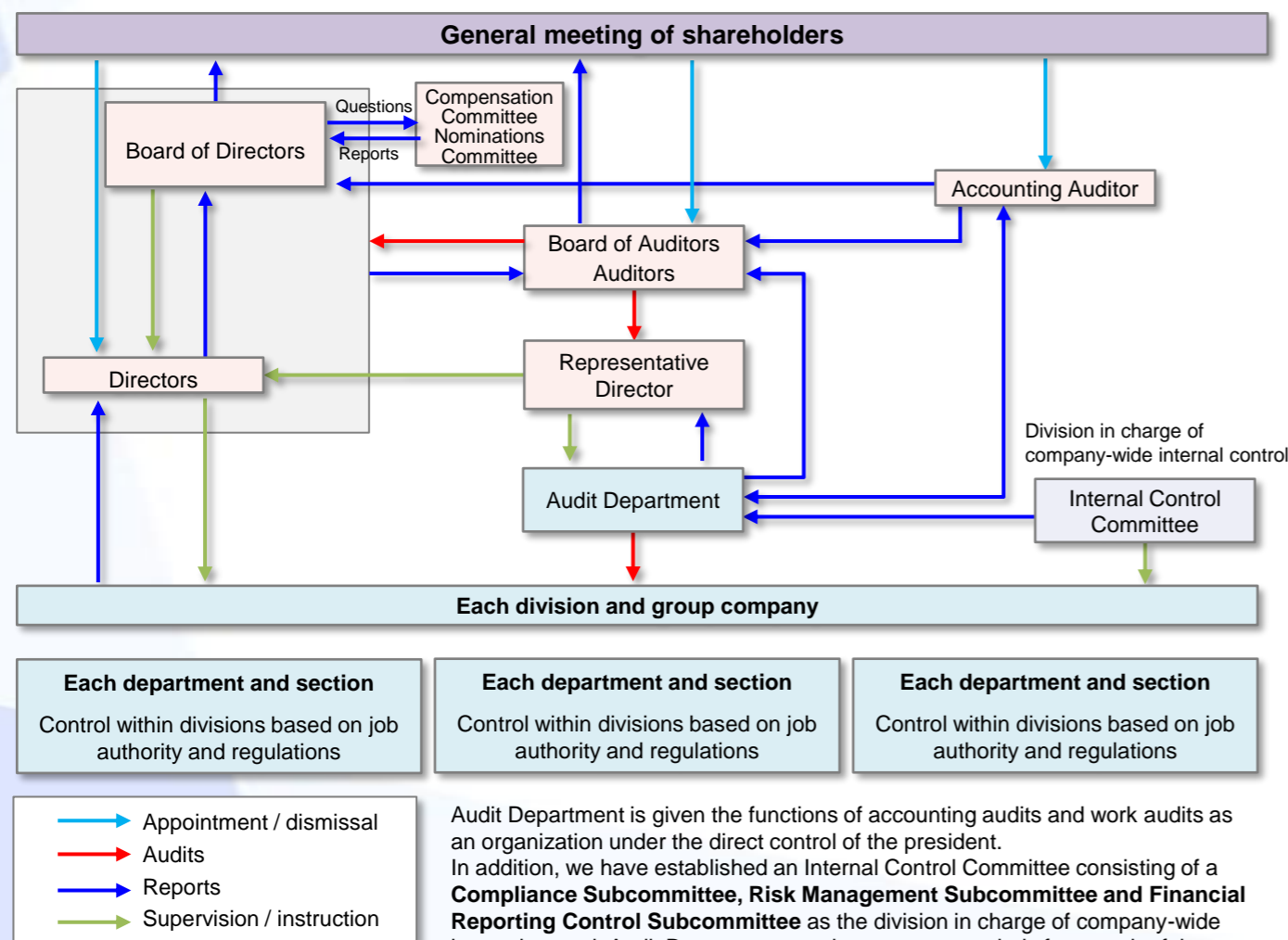
##### Executive officers (employment-type)

The company introduced an executive officer (employment-type) system in April 2023 and has appointed four executive officers. Executive officers are delegated the authority to execute business operations and do so under the supervision of the Board of Directors in accordance with the basic policies of the company resolved upon by the Board of Directors. This expedites decision making and improves the efficiency of business execution, thereby achieving more mobile business execution.

##### 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



Audit Department is given the functions of accounting audits and work audits as an organization under the direct control of the president. In addition, we have established an Internal Control Committee consisting of a **Compliance Subcommittee, Risk Management Subcommittee and Financial Reporting Control Subcommittee** as the division in charge of company-wide internal control. Audit Department receives reports regularly from each of these subcommittees and evaluates whether internal control are being put into practice.



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 Representative Director and External Directors. 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.



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 Action Guidelines 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 “Action Guidelines” 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 Action Guidelines so that we can promote work efficiently.

**Internal control system**

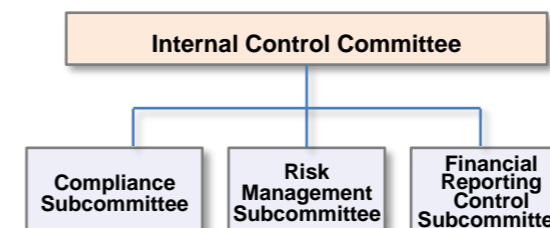
The internal control system ensures

- 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, we have established 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 carry out activities that evaluate and correct 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.

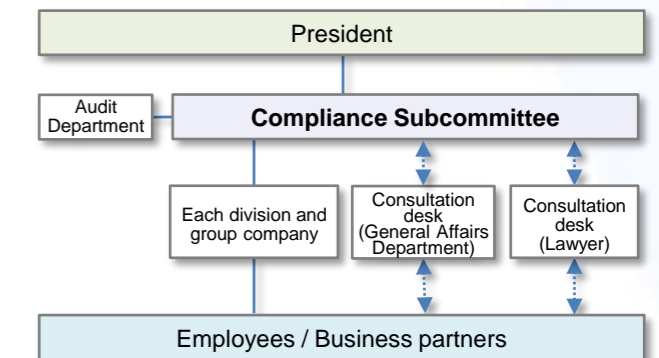
**Internal control system**



**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. Reception that can maintain the anonymity of reporters is available 24 hours a day, and investigations are carried out upon receiving reports of violations of laws and regulations concerning bribery, bid rigging, etc. We are making efforts to familiarize employees with the internal reporting system and to establish the environment for its use.



Internal control activities



● Corruption prevention initiatives

The company has established its “Basic Philosophy” and “Action Guidelines” and to ensure that all employees are aware of and comply with them, apart from e-learning and DVD training, 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  
[https://www.topre.co.jp/en/sustainability/governance/policy/anti\\_corruption.html](https://www.topre.co.jp/en/sustainability/governance/policy/anti_corruption.html)

● Initiatives for the protection of personal information

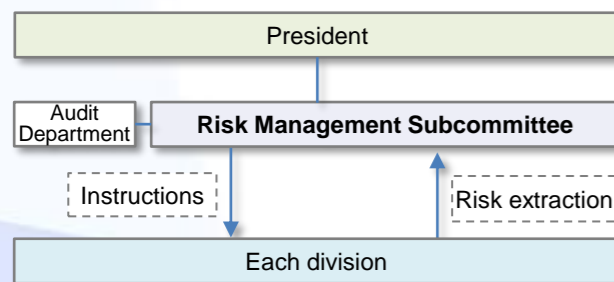
From the perspective of respect for human rights, we think that personal information should be handled with care, and are striving to ensure the proper handling of the personal information held by the company.

Topre Group privacy policy  
<https://www.topre.co.jp/en/sustainability/governance/policy/privacypolicy.html>

**Risk Management Subcommittee**

The Risk Management Subcommittee has been built as a system led by the President, receives reports on corporate risks implemented by each division of each group company and lists and manages important risks.

**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.

● Handling of BCP

The company 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  
<https://www.topre.co.jp/en/sustainability/governance/policy/bcp.html>

● Information security management system

The company 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 company 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 2022, 2,144 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, and restricting external storage devices based on the control of devices.

● 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.

Topre Group information security policy  
[https://www.topre.co.jp/en/sustainability/governance/policy/i\\_security.html](https://www.topre.co.jp/en/sustainability/governance/policy/i_security.html)

**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

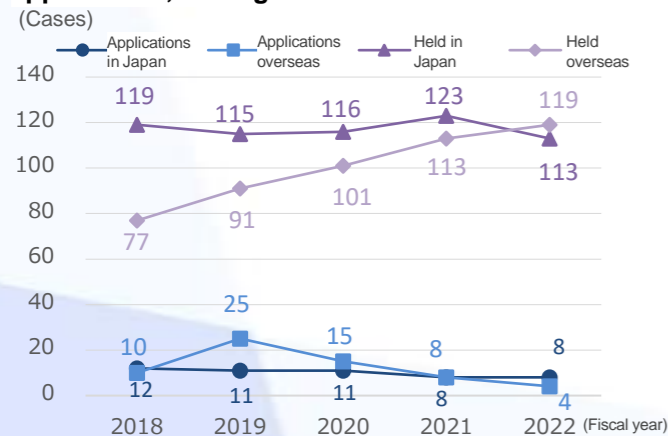
The company promotes the creation of intellectual property in Japan and overseas and the acquisition of intellectual property rights and uses them effectively in business. At the same time, the company conducts activities to avoid patent disputes and other risks, and to contribute to the strengthening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

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



#### ● 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.

## 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

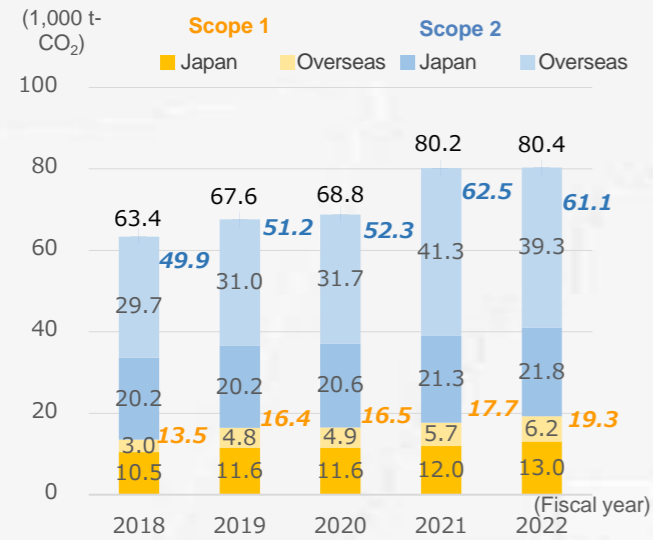
We have set up dedicated pages on the company website for shareholders and investors that provide the latest information such as information on financial reports and press releases. The company discloses materials concerning quarterly financial reports, shareholder newsletters and other materials, and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

Environment

CO<sub>2</sub> emissions [Scope 1 + 2] (global)



CO<sub>2</sub> per unit of sales (global)



Supply chain emissions (global)

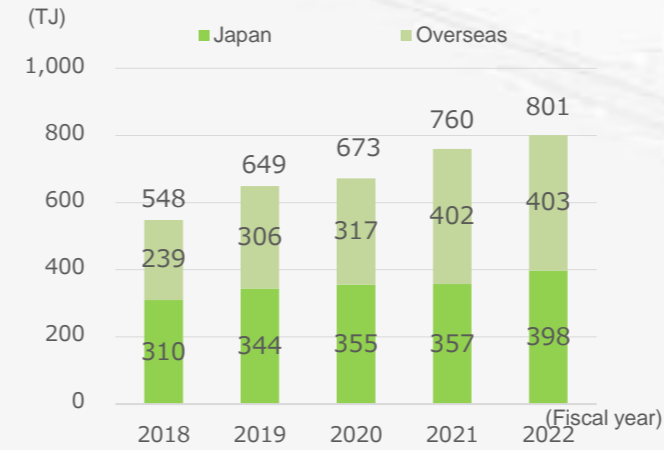
	Fiscal year 2020	Fiscal year 2021	Fiscal year 2022
Scope1	16.5	17.7	19.3
Scope2	52.3	62.5	61.1
Scope3	3,307.4	3,394.3	3,382.6
Total	3,376.2	3,474.6	3,463.0

CO<sub>2</sub> emissions [Scope 3] (global)

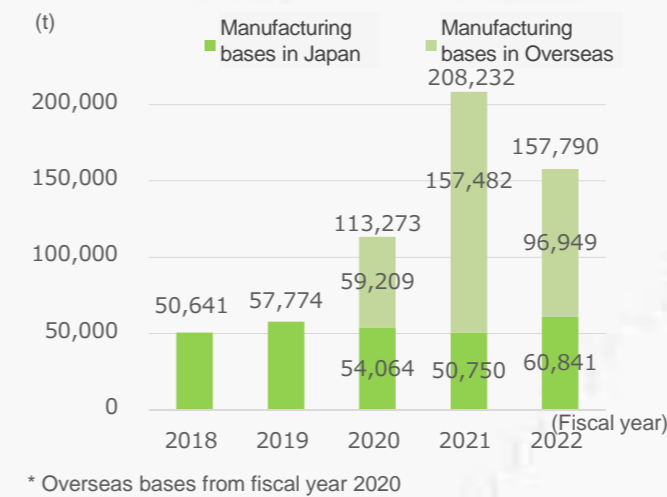
Scope 3 _ Categories 1-15	Fiscal year 2020	Fiscal year 2021	Fiscal year 2022
Total	3,307.4	3,394.3	3,382.6
1 Purchased goods and services	1,585.3	1,779.6	1,885.0
2 Capital goods	116.2	68.0	59.0
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	10.5	12.0	12.2
4 Upstream transportation and distribution	109.9	82.6	90.2
5 Waste generated in operations	1.9	2.3	1.8
6 Business travel	0.8	0.8	0.8
7 Employee commuting	5.5	5.8	5.7
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	*4 1,425.4	*4 1,412.9	*4 1,295.4
12 End-of-life treatment of sold products	14.2	14.0	14.0
13 Downstream leased assets	Excluded from calculation	*5	
14 Franchises	Excluded from calculation	*6	
15 Investment	37.7	16.4	18.5

\*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  
 \*: Figures for fiscal year 2020 and fiscal year 2021 were revised due to the addition of overseas bases.

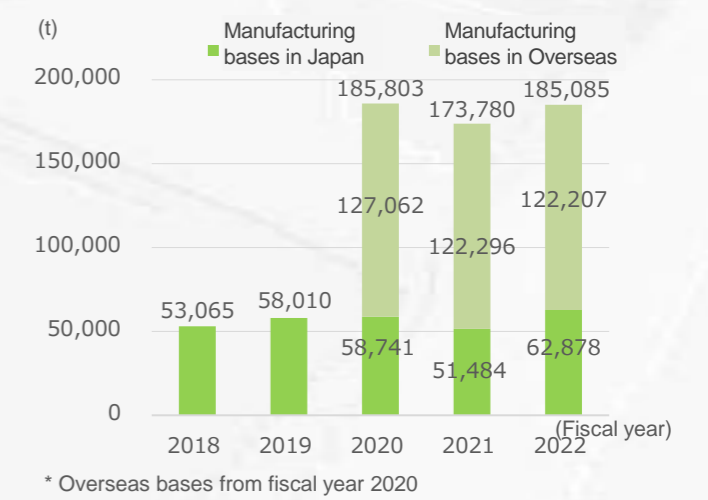
Energy consumption (global)



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

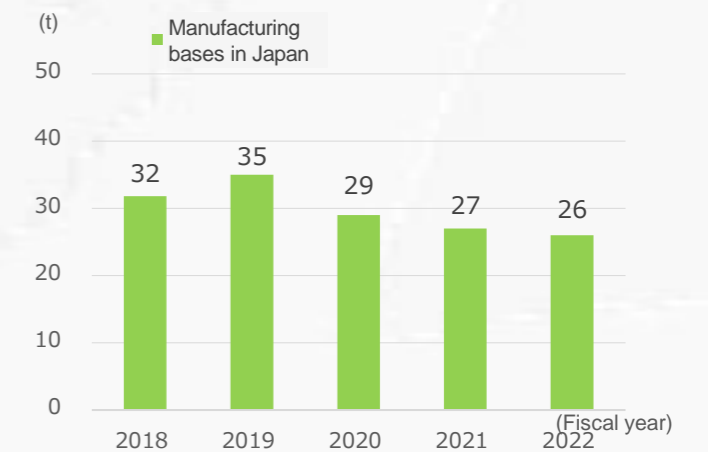


Water consumption (global)



\* Overseas bases from fiscal year 2020

Quantity of substances subject to PRTR handled (Japan)

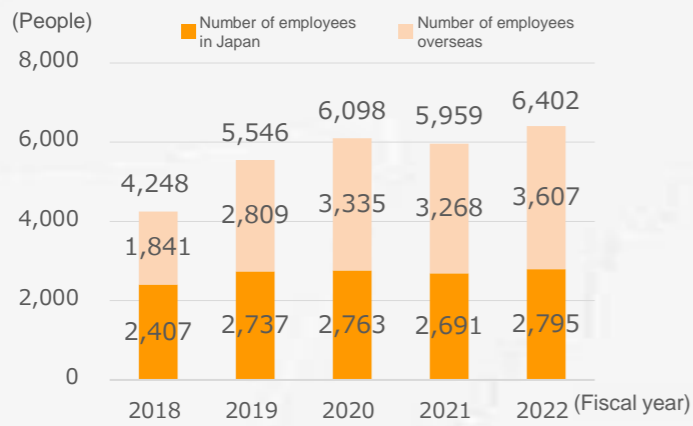




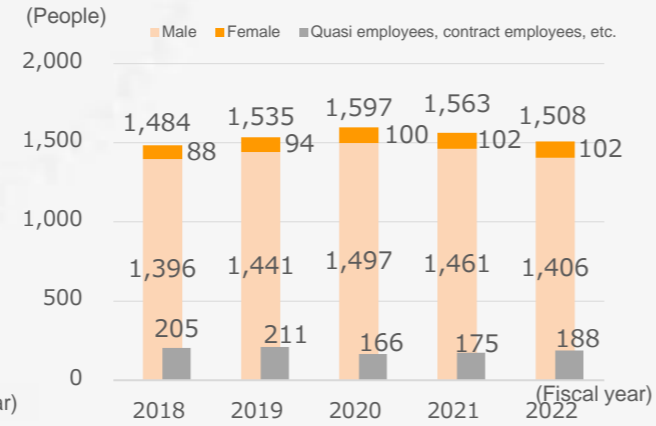
ESG data collection

Human resources

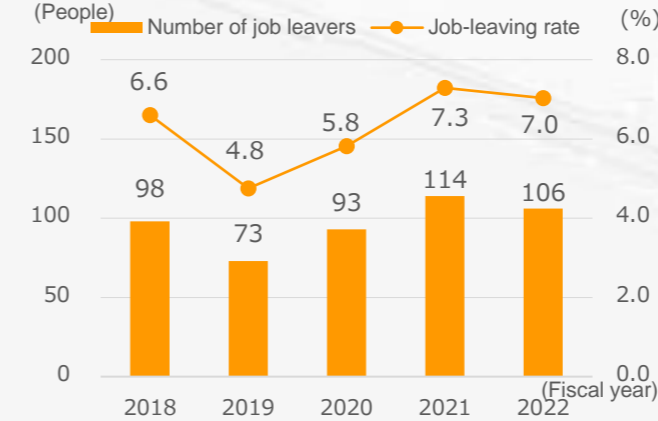
Number of employees (global)



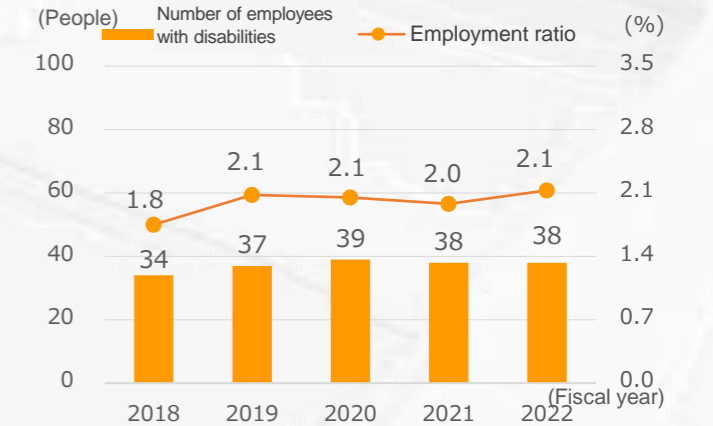
Number of employees (non-consolidated)



Number of job leavers and job-leaving rate (non-consolidated)

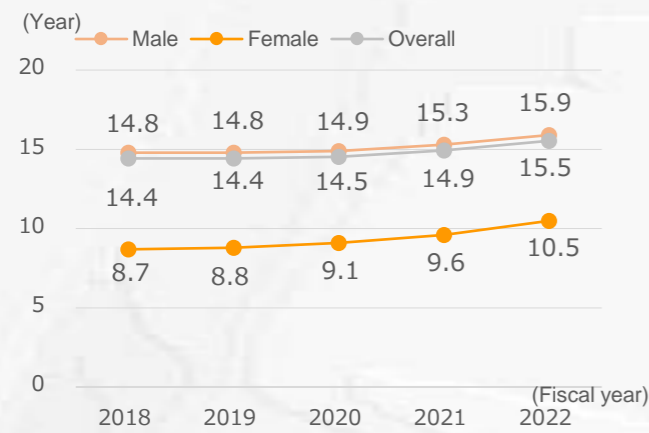


Number of employees with disabilities and employment ratio (non-consolidated)

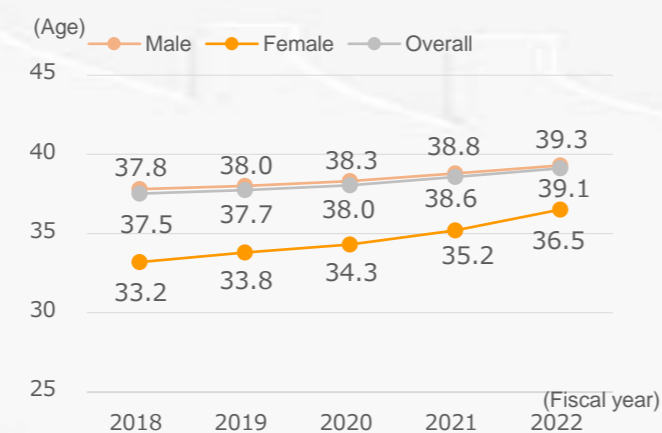


\* These figures are in accordance with the Ministry of Health, Labour and Welfare's "Employment rate system for persons with disabilities."

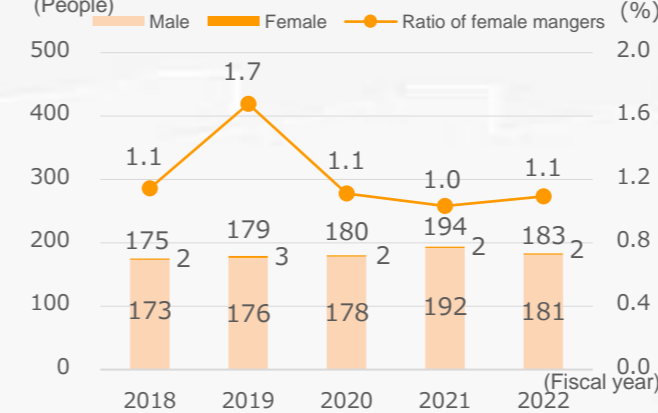
Average years of service (non-consolidated)



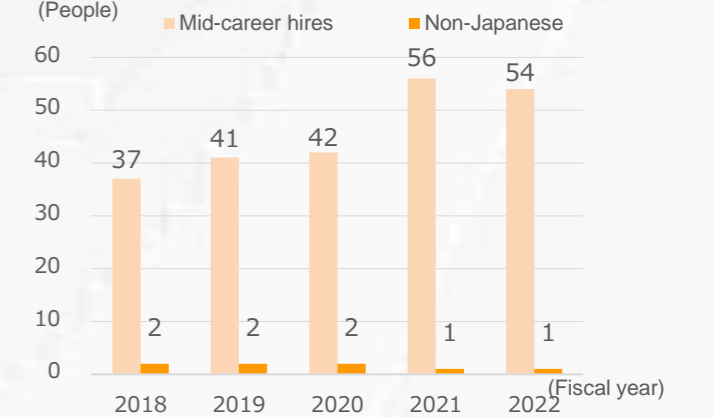
Average age (non-consolidated)



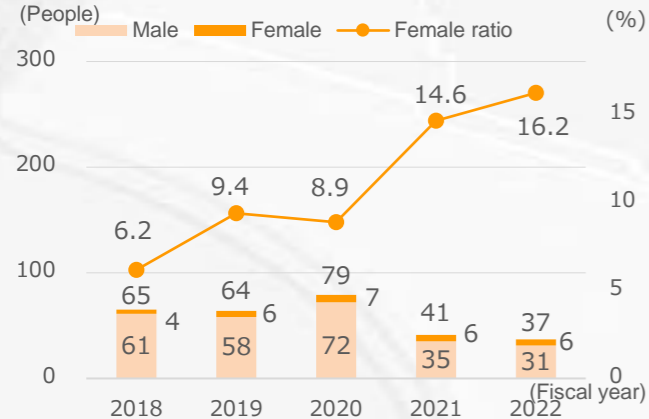
Number of managers and ratio of female managers (non-consolidated)



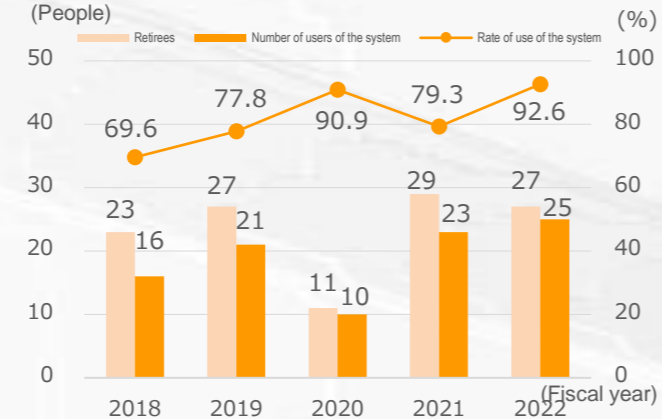
Number of hired mid-career and foreign managers (non-consolidated)



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

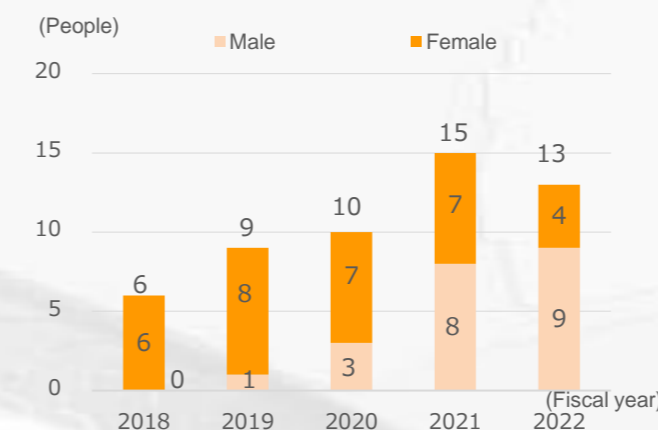


Number of users of rehiring system and rehiring system usage rate (non-consolidated)

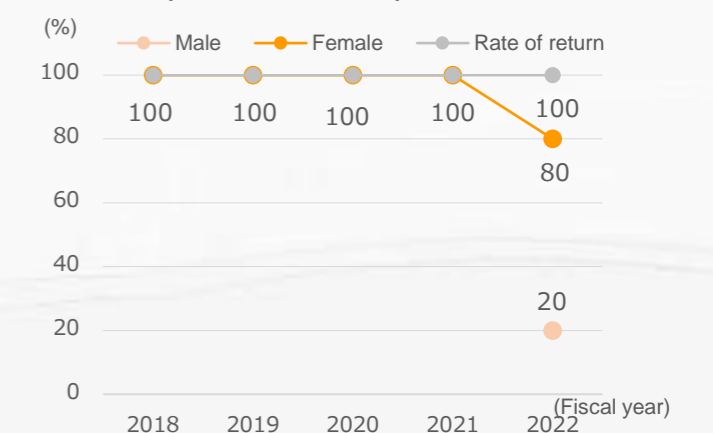


\* The number of males hired in fiscal year 2021 was revised.

Number of employees taking childcare leave (non-consolidated)



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

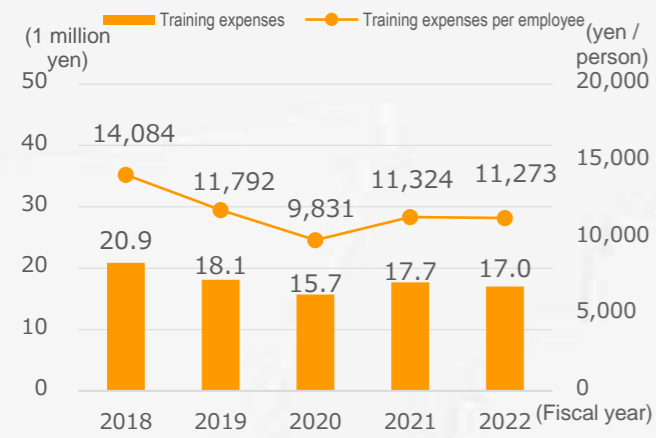


\* Rate of male taking of leave from fiscal year 2022

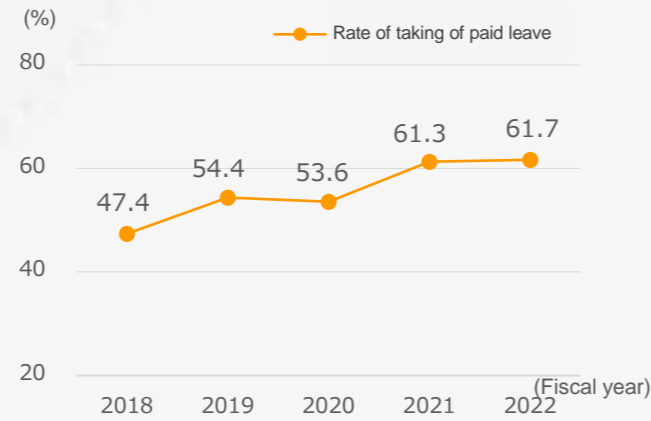
ESG data collection

Human resources

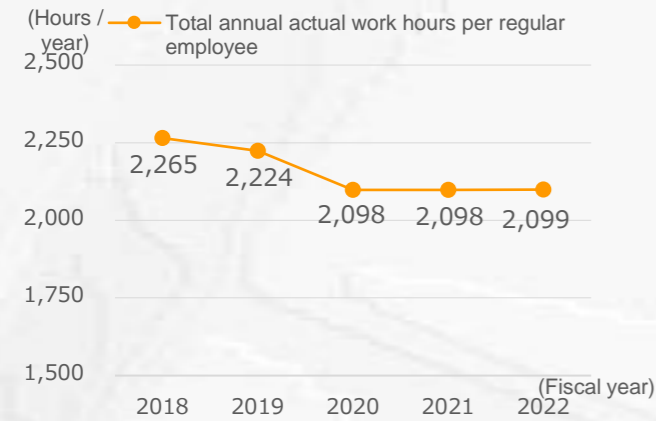
Training expenses (non-consolidated)



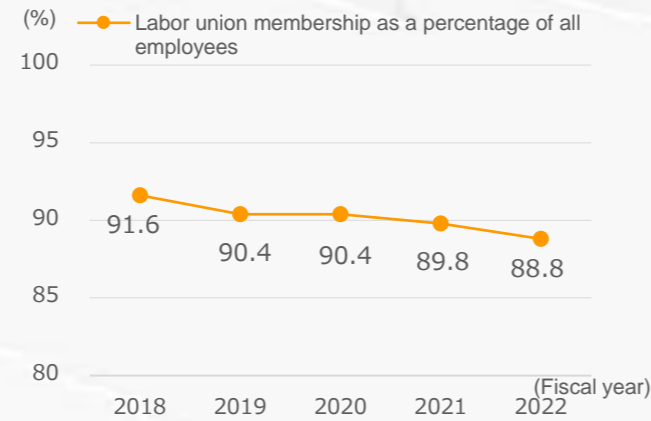
Rate of taking of paid leave (non-consolidated)



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



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

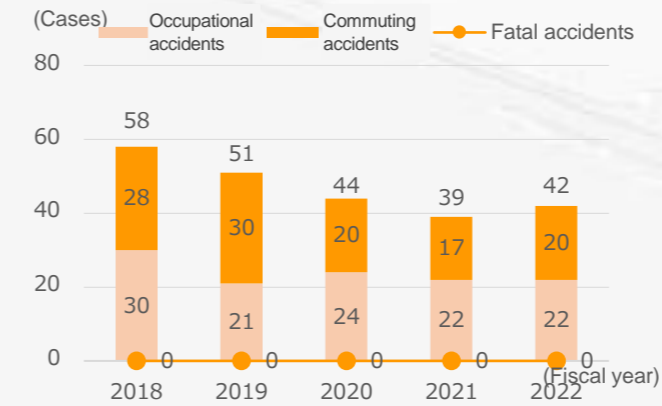


Male-female wage differences

	Fiscal year 2022 (%)		
	Topre	Topre Kyushu	Topre Tokai
All workers	64.3	69.6	73.5
Full-time employees	76.8	76.6	74.7
Contract employees, etc.	46.5	59.2	62.8

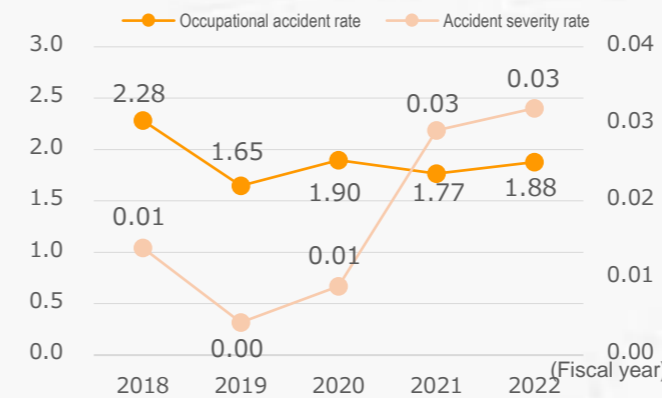
Safety and health

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)

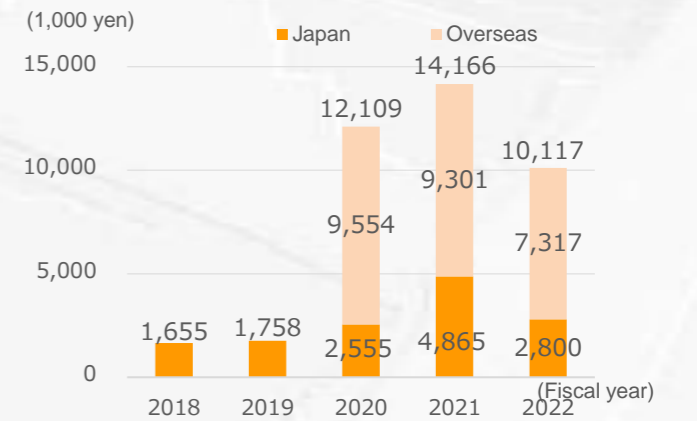
Occupational accident rate (Japan)



\* The value for each year is the number of occurrences from January 1 to December 31.  
 \* Also includes non-manufacturing divisions.

Social contribution activities

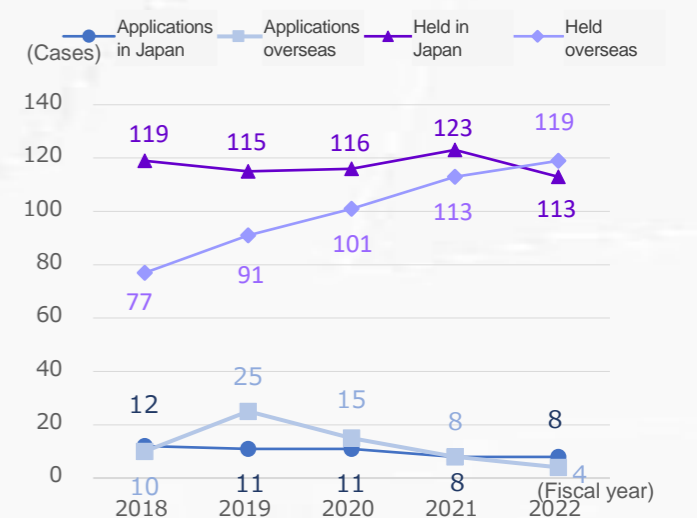
Expenses for social contribution activities (global)



\* Overseas bases from fiscal year 2020

Intellectual property activities

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





### ~ CSR activities of Topre Group ~



E-Square Inc.  
President and  
Representative Director  
Hiro Motoki

I have a REALFORCE keyboard made by Topre as my partner in work, and I am also using it to write this third party opinion for the Topre Group CSR Report, which is in its second year. As I touch this keyboard, I feel your company's commitment to its products and their high quality on a daily basis.

I can see that there has been various progress in your company's CSR initiatives since last year. Firstly, on the environmental front, disclosure was based on the TCFD framework. At present, this is limited to a qualitative analysis, but the results of consideration of the risks, opportunities and countermeasures based on two scenarios, a four degrees celsius scenario and a less than two degrees celsius scenario, have been presented. Moreover, the introduction of internal carbon pricing (ICP) in fiscal year 2023 will also be an important move. On the social front, social contribution activities, which were only in Japan last year, are now expanding to China and other countries. In addition, the company has strengthened its governance system, including the new establishment of a Nominations Committee and an increase in the number of Outside Directors.

I would like to raise three points with regard to your initiatives in the promotion of CSR from now on. The first concerns organizational structure. The explanations of the CSR promotion system and climate change measures system are given in the first half of the report, and the explanation of the corporate governance system is given in the second half. In order to promote CSR as something integrated with corporate management, it would probably be better to incorporate it into the corporate governance system. This fiscal year is also the year the next medium-term management plan will be formulated, and the incorporation of CSR into business is expected. I think that reinterpreting CSR as part of corporate governance will be able to foster a sense of integration with management.

My second point concerns human rights. The United Nations "Guiding Principles on Business and Human Rights" are the basis for the group's human rights initiatives, but at present, only some of those initiatives have been described. I appreciate the point that the Topre Group's human rights policy also requires the understanding of business partners, but you should probably also add matters such as an expression of support for the United Nations International Bill of Human Rights as the understanding of the Topre Group. There is no mention of a complaints handling mechanism in the human rights section. However, it would probably be better to explain this from the perspective of human rights as the reporting contact point for business partners, as well as the internal reporting system and consultation desks for group companies are also part of the complaint handling mechanism. An explanation of what kinds of measures are being taken with regard to the use of technical internship systems for non-Japanese, which is pointed out by the international community as a human rights issue, would also be desirable. And, "Implementation of human rights due diligence: Topre implementation rate 100%" is given as the target for fiscal year 2023, but it is unclear what is intended specifically, so detailed explanation is required.

Third is the use of CSV (Creating Shared Value). CSV is a concept that can be referred to when incorporating CSR into business. This strategic concept, adopted by many companies around the world, is one that grasps working on social and environmental issues and improving the company's own profits as the same thing. For example, the development of pipeline-type nano-hydroelectric power generation systems could be an important initiative in the realization of a decarbonized society. It is currently at the experimental stage, but if it can bring in revenue as a business in the future, it could be redefined as a good example of CSV.

In January of this year, the Financial Services Agency established CSR and sustainability initiatives as matters to be disclosed in securities reports, etc. Sustainability is becoming an essential part of corporate management not only in terms of stakeholder expectations, but also in the information disclosure rules. Precisely because Topre is a latecomer, I think learning from the best practices of the leading companies would allow the company to pursue many more effective initiatives. I look forward to your further progress.

### Response to the third-party opinion

Thank you for using "REALFORCE." And, I would also like to consider the review points that Mr. Motoki has given us based on the progress of the company's initiatives last year.

In fiscal year 2022, we started e-learning and other educational programs to deepen the sharing of CSR-related knowledge with general employees, and the results of initiatives increased while recognition of CSR at each base and in each division became stronger. However, due to the differences in the circumstances surrounding each place of business and division, where the products handled differ greatly, I also feel that there are at least slight differences of enthusiasm with regard to CSR initiatives as the Topre Group. As indicated in the Message from the President, we recognize that it is important for all employees of the Topre Group to share awareness of CSR initiatives, and we intend to strengthen dialogue with employees.

In addition, this is something that Mr. Motoki pointed out, but we would like to learn the best practices of leading companies with regard to sustainability activities and plan and implement effective initiatives. We will roll out those activities so that we can obtain the understanding of stakeholders by enhancing information disclosure about them.



Officer in charge of  
CSR, Topre Group  
Yoshinori Tsuyuki

### Editorial policy

The Topre Group published this CSR Report aimed at having all stakeholders understand its initiatives for sustainability and ESG. There are still some gaps in the content of the report, but we will accelerate activities from now on.

### Organizations subject to the report

Japan: 6 companies, Overseas: 7 companies  
(Same as CSR promotion system: see page 8)

### Period subject to the report

Fiscal year 2022 (April 1, 2022 to March 31, 2023)  
(Some information from April 2023 on is also included)

### Time of issue

June 2023

### Editorial reference

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

### Inquiries

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### Financial information details

<https://www.topre.co.jp/en/ir/>  
Please visit the Topre website.

