

Celebrating 90 years thanks to your support
Topre will continue to offer valuable technology



Topre Group ESG Databook 2025

Topre

CONTENTS

Editorial policy 2

Corporate information

Company overview 4

Bases 5

High-level concepts of the Topre Group 6

Sustainability

Sustainability management 8

Stakeholder engagement 10

Materiality 11

Environment

Environmental management 14

Development of environmentally-considerate products... 16

Reduction of environmentally hazardous substances 19

Conservation of biodiversity..... 22

Carbon neutrality 24

Social

Multi-Stakeholder 33

Products and services 34

Supply chain management..... 36

Human capital management 39

Respect for human rights 40

Diversity in human resources 43

Work styles and education 45

Safety and health..... 49

Social contribution activities 53

Governance

Corporate governance 60

Internal control activities 63

Intellectual property activities..... 69

Responsibility to shareholders and investors 70

ESG Data

Environmental data 72

Social data 73

Governance data 75

Editorial policy

In April 2025, we celebrated the 90th anniversary of the founding of Topre Corporation. We would like to express our gratitude to our customers, business partners, and all other stakeholders who have supported Topre Corporation’s efforts to date. At the same time, upon the milestone of the 90th anniversary of our founding, we will endeavor to contribute further through the technical expertise we have accumulated and new initiatives that will serve future generations. Since 2024, we have published an “Integrated Report” along with an “ESG Databook,” which specializes in ESG data disclosure. The Topre Group has published the “ESG Databook” aimed at having all stakeholders understand its sustainability and ESG initiatives, and will continue to make efforts to enhance its content.

Period subject to the report

Fiscal year 2024 (April 1, 2024 to March 31, 2025)
(Some information from April 2025 on is also included.)

Organizations subject to the report

Topre Corporation, 5 subsidiaries in Japan, and
8 overseas subsidiaries

Time of issue

July 2025

Issue frequency

Issued once per year

Guidelines referenced

Ministry of the Environment “Environmental Reporting Guidelines” (2018 edition)
“GRI Sustainability Reporting Standards” (GRI Standards)
We have published an index for GRI-related content on the website below.
<https://www.topre.co.jp/en/sustainability/gri/>
“Task Force on Climate-related Financial Disclosures” (TCFD)

Contact point for inquiries

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TEL: 03-3271-0711 (switchboard) FAX: 03-3271-7045

Financial information

Please refer to the IR Information top page of the Topre website.
<https://www.topre.co.jp/en/ir/>

Disclaimer

The information presented in this ESG Databook includes forecasts related to the future business environment, plans related to sustainability, and other such information based on past facts concerning the Topre Group. These statements are based on information available at the time of writing, and may differ from actual results in the future owing to changes in various conditions. Readers are requested to maintain an understanding of this point.

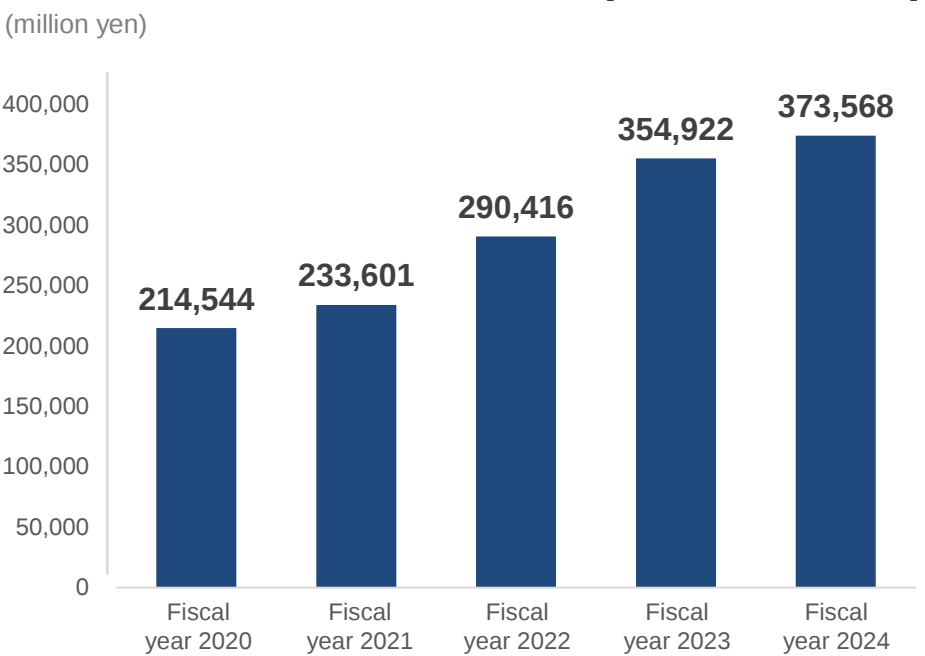
Corporate information

- Company overview
- Bases
- High-level concepts of the Topre Group

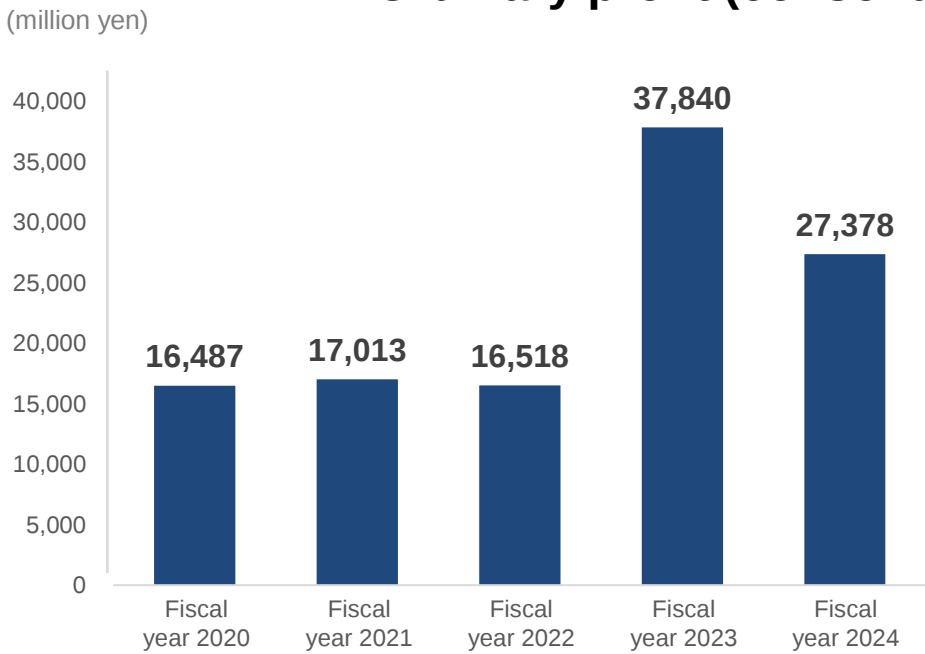
Company overview

■ Company name:	Topre Corporation
■ Established:	April 30, 1935
■ Head office location:	Asahi Building, 12 2 Nihonbashi 3 chome, Chuo ku Tokyo, Japan
■ Main businesses	1. Press-related products 2. Temperature controlled logistics-related products 3. Air conditioning equipment-related products 4. Electronic equipment-related products
■ Capital:	5.61 billion yen (as of March 31, 2025)
■ Net sales:	373,568 million yen (consolidated) (FY3/2025)
■ Number of employees:	6,938 (consolidated) (FY3/2025)
■ Consolidated subsidiaries:	13
■ Bases	Head office, Sagamihara Plant, Tochigi Plant, Hiroshima Plant, Gifu Plant, Saitama Plant
■ Stock exchange:	Tokyo Stock Exchange Prime Market (securities code: 5975)

Net sales (consolidated)



Ordinary profit (consolidated)



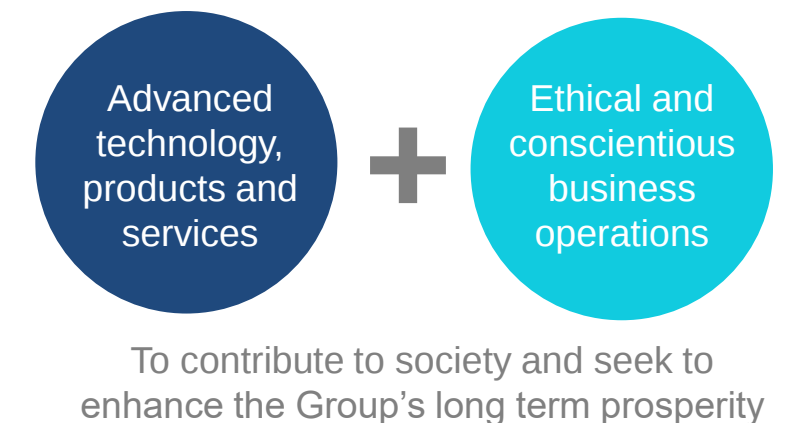
High-level concepts of the Topre Group

Basic Philosophy

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

The group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards and common sense, which will promote a Topre Group image that will be acknowledged and respected.

This philosophy will guide The Topre Group's domestic and international business actions, while also continuously seeking to enhance the group's long term prosperity and making positive contributions to the societies in which it is engaged.



Code of Conduct

1. Compliance with law, internal regulations and social morality

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

2. Contributions to society

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

3. Fair and equitable relationships

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

4. Respect for human rights and diversity

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

5. Environmental protection

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

6. Safety and health

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

7. Company assets

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

8. Information security

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

Sustainability

- Sustainability management
- Stakeholder engagement
- Materiality

Sustainability management

Basic CSR Policy

Basic way of thinking

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

1. As a company, we strive for fairness and transparency by complying thoroughly with ethical standards and laws and regulations.
2. We promote social contribution activities and initiatives for sustainability.
3. The company as a whole responds to environmental problems and implements environmental conservation initiatives positively.

In particular, we emphasize efforts to combat climate change (CO₂ reductions).

4. We enhance and develop technologies to provide products and services useful to society through customer satisfaction.
5. We provide safe and healthy work environments for all employees.
6. We promote CSR activities cooperatively through communication with stakeholders.

Established June 28, 2022

The sharing of the CSR spirit

To strengthen activities with a common awareness of CSR, we distribute these portable cards with the Topre Group's Basic Principles and Code of Conduct to all 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.



Contributions to the SDGs

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



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

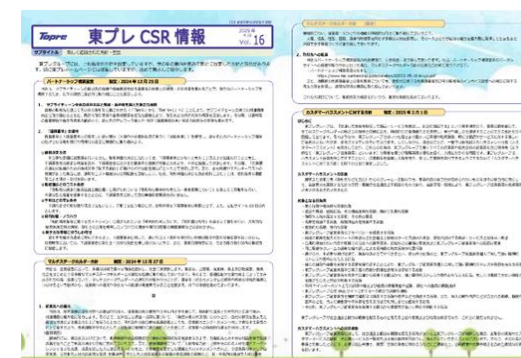
SUSTAINABLE DEVELOPMENT GOALS



CSR education

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.

We are also implementing specialized CSR education in an e-learning format for selected participants in each division. By producing educational materials internally, we are able to keep educational content up-to-date, and we will use this knowledge and information in the improvement of understanding of initiatives aimed at CSR and climate change measures and in dialogue with customers from now on. In fiscal year 2024, 296 people received this education across the group as a whole.



CSR information magazine (provision of regular information)

東ブレCSR(サステナビリティ)関連 e-learning		
1 : サステナビリティ (SDGs), ESG, CSR 基本知識と動向		
CSRの基本論となります。		
コンテンツ名	種別	学習開始日
①-1. サステナビリティ/SDGs/ESG/CSRの概要	学習	
①-2. サステナビリティ/SDGs/ESG/CSRの社会的動向	学習	
①-3. SDGs/ESG/CSRの記載とため	学習	
①-4. サステナビリティとSDGsの関係	学習	
①-5. サステナビリティ(CSR)活動領域の整理	学習	
①-6. サステナビリティ(CSR)レポートと評価	学習	
①-7. 日本のサステナビリティ活動報告の現状	学習	
②-1. SDGsについて	学習	
②-2. SDGs採択までの歴史的背景	学習	
②-3. みんなで取り組むSDGs目標	学習	

5. 東ブレのCSR取り組み

5-1. SDGsへの取り組み

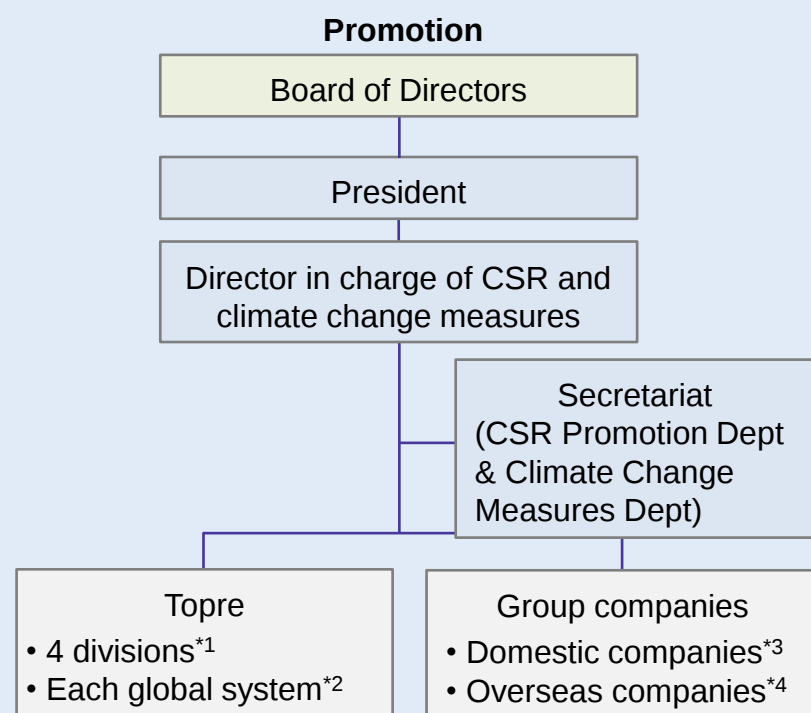
ゴール	ゴールの解説	東ブレの取り組み	2023年度達成率
ゴール1 貧困をなくそう	持続可能な開発目標(SDGs)の1つ。貧困をなくすことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、貧困削減に貢献する。	2023年度達成率 100%
ゴール2 飢餓をゼロに	持続可能な開発目標(SDGs)の2つ。飢餓をゼロにすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、飢餓削減に貢献する。	2023年度達成率 100%
ゴール3 健康と長寿を促す	持続可能な開発目標(SDGs)の3つ。健康と長寿を促すことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、健康増進に貢献する。	2023年度達成率 100%
ゴール4 質の高い教育をみんなに	持続可能な開発目標(SDGs)の4つ。質の高い教育をみんなにすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、教育支援に貢献する。	2023年度達成率 100%
ゴール5 ジェンダー平等を達成	持続可能な開発目標(SDGs)の5つ。ジェンダー平等を達成することは、持続可能な開発の基盤となる。	社会貢献活動の一環として、ジェンダー平等推進に貢献する。	2023年度達成率 100%
ゴール6 安全な水とトイレを世界中に	持続可能な開発目標(SDGs)の6つ。安全な水とトイレを世界中にすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、水とトイレの整備に貢献する。	2023年度達成率 100%
ゴール7 エネルギーをみんなにそしてクリーンに	持続可能な開発目標(SDGs)の7つ。エネルギーをみんなにそしてクリーンにすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、エネルギーの効率化に貢献する。	2023年度達成率 100%
ゴール8 働きがいも経済成長も	持続可能な開発目標(SDGs)の8つ。働きがいも経済成長もすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、働きがいと経済成長の促進に貢献する。	2023年度達成率 100%
ゴール9 産業と技術革新の基盤をつくろう	持続可能な開発目標(SDGs)の9つ。産業と技術革新の基盤をつくろうことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、産業と技術革新の促進に貢献する。	2023年度達成率 100%
ゴール10 人や国の不平等をなくそう	持続可能な開発目標(SDGs)の10つ。人や国の不平等をなくそうことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、不平等の解消に貢献する。	2023年度達成率 100%
ゴール11 住み続けられるまちづくりを	持続可能な開発目標(SDGs)の11つ。住み続けられるまちづくりをすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、まちづくりの促進に貢献する。	2023年度達成率 100%
ゴール12 つくる責任 つかう責任	持続可能な開発目標(SDGs)の12つ。つくる責任 つかう責任は、持続可能な開発の基盤となる。	社会貢献活動の一環として、資源の効率化に貢献する。	2023年度達成率 100%
ゴール13 気候変動に具体的な対策を	持続可能な開発目標(SDGs)の13つ。気候変動に具体的な対策をすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、気候変動対策の推進に貢献する。	2023年度達成率 100%
ゴール14 海の豊かさを守ろう	持続可能な開発目標(SDGs)の14つ。海の豊かさを守ろうことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、海洋資源の保護に貢献する。	2023年度達成率 100%
ゴール15 陸の豊かさも守ろう	持続可能な開発目標(SDGs)の15つ。陸の豊かさも守ろうことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、陸域資源の保護に貢献する。	2023年度達成率 100%
ゴール16 平和と公正をすべての人に	持続可能な開発目標(SDGs)の16つ。平和と公正をすべての人にすることは、持続可能な開発の基盤となる。	社会貢献活動の一環として、平和と公正の推進に貢献する。	2023年度達成率 100%
ゴール17 パートナリシップで目標を達成しよう	持続可能な開発目標(SDGs)の17つ。パートナリシップで目標を達成しようことは、持続可能な開発の基盤となる。	社会貢献活動の一環として、パートナリシップの推進に貢献する。	2023年度達成率 100%

e-learning materials

Sustainability management

The CSR promotion system and climate change measures system

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



*1:Automotive Equipment, Refrigeration Equipment, Air Conditioning Equipment, Electronic Equipment

*2:Topre global systems: Internal Control Committee; Administrative Headquarters; Purchasing Headquarters; Quality Headquarters; ISO 14001 (Environment) Secretariat; Safety and Health Committee

*3:Domestic companies: Toho Transportation, Toprec, Topre Kyushu, Topre Tokai, Mitsuike

*4:Overseas companies: USA, China (4 companies), Thailand, Mexico, India

Topre Group CSR Meetings

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



Web-based CSR Meeting in January 2025

External sustainability assessment

In July 2025, Topre was selected as a constituent of the “FTSE Blossom Japan Index” and the “FTSE Blossom Japan Sector Relative Index,” ESG investment indices created by FTSE Russell, for the first time.

We believe our inclusion in these indices indicates a high level of recognition for the fact that Topre positions measures to address climate change and environmental conservation initiatives as important management issues for the achievement of a sustainable society, as well as our sincere attitude toward our social responsibility to respect human rights, accept diversity, and create safe and comfortable workplaces. Going forward, Topre will continue contributing to society through our outstanding technologies and sincere corporate activities.



**FTSE Blossom
Japan Index**



**FTSE Blossom
Japan Sector
Relative Index**

FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) certify that, based on the results of a third-party survey, Topre satisfied the conditions for inclusion in the FTSE Blossom Japan Index and became a constituent of this index. The FTSE Blossom Japan Index was created by FTSE Russell, a global index provider, and was designed to measure the performance of Japanese companies with outstanding initiatives related to the environment, society, and governance (ESG). The FTSE Blossom Japan Index is widely used for the creation and assessment of sustainable investment funds and other financial products.

FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) certify that, based on the results of a third-party survey, Topre satisfied the conditions for inclusion in the FTSE Blossom Japan Sector Relative Index and became a constituent of this index. The FTSE Blossom Japan Sector Relative Index is widely used for the creation and assessment of sustainable investment funds and other financial products.

Stakeholder engagement

Dialogue with stakeholders

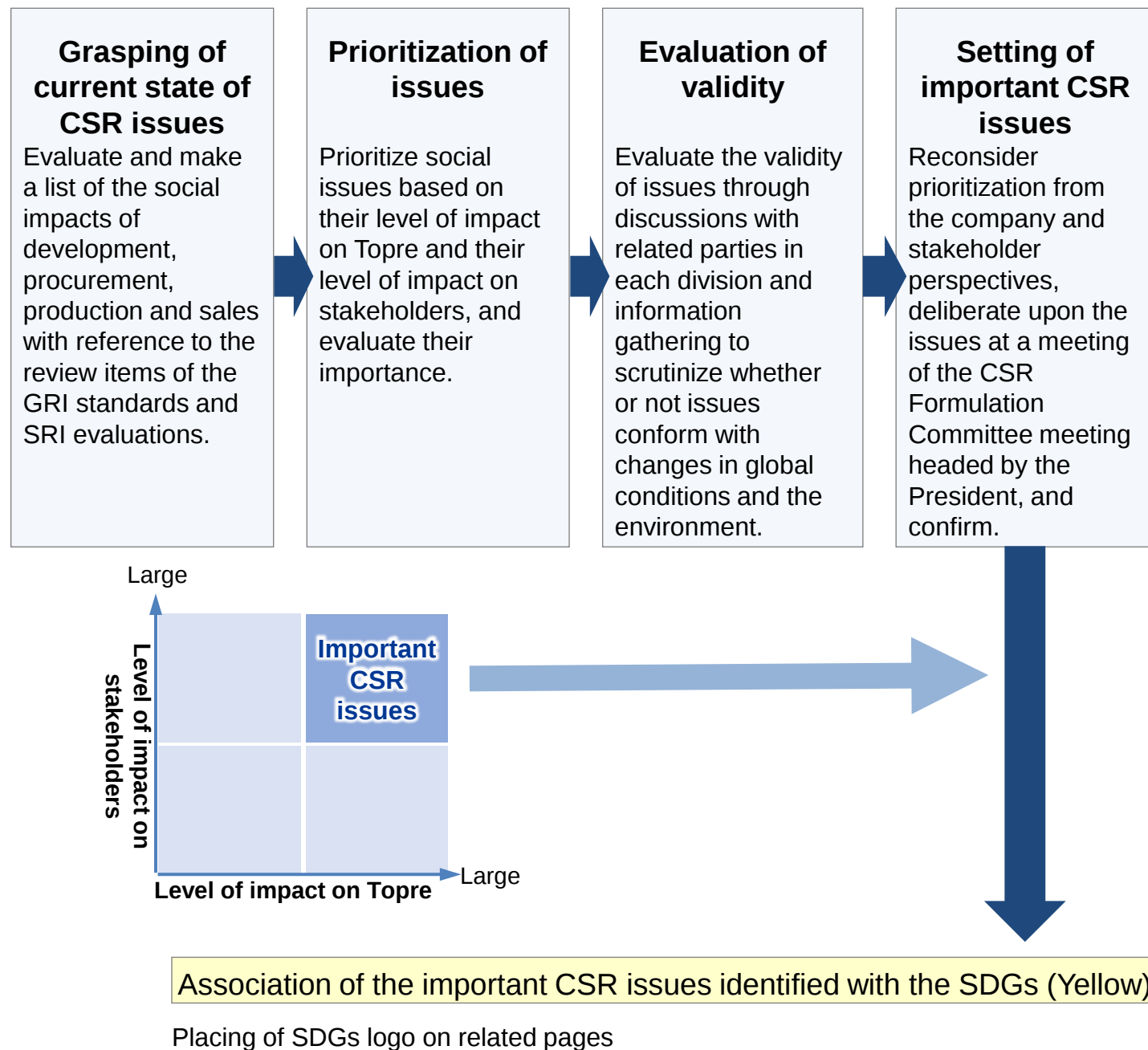
We ensure transparency by disclosing corporate information appropriately to stakeholders, and strive for mutual dialogue and cooperation.

Stakeholders	Main opportunities for dialogue	
Customers	By providing customers with superior products and services, and valuing communication with them, we strive to meet their trust and expectations.	• Daily sales activities • Maintenance • Plant tours • Topre website • Exhibitions
Business partners	Our business partners are important for us to produce high-quality products stably, and we believe the establishment of cooperative systems is important. We strive to build relationships of trust with business partners and for understanding and cooperation towards the realization of a sustainable society.	• Daily purchasing activities • Supplier conference • QC competition presentation • Topre website
Shareholders and investors	The company raises management transparency by disclosing accurate and fair information in a timely manner, and strives to build relationships of trust with shareholders and investors through constructive dialogue that leads to understanding of Topre’s business activities.	• General meetings of shareholders • Financial results briefings • IR website • Individual interviews with institutional investors
Employees	We respect human rights based on the high-level concepts of the Topre Group, and aim to create an environment in which each and every employee can demonstrate their abilities to the maximum.	• Plant tours by the president • Labor-management council • Establishment of consultation desks • Industrial physician interviews • Various training and programs • Company newsletter • Intranet
Local society	We are working positively on social contribution activities and environmental conservation in each country and region.	• Educational support for the next generation • Support for the promotion of sport • Plant tours • Cleanup activities • Regional exchanges

Materiality

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

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



CSR Materiality

	Items	Main initiatives	Related SDGs (1 to 17)	Page
Environment	Reduction of CO₂ emissions ^{*1}	• Reduction of CO ₂ emissions in production activities	13	P24-31
	Establishment and operation of environmental management	• Acquisition of ISO 14001 certification: All domestic and overseas bases • Integrated acquisition of ISO 14001 certification: Domestic bases	-	P14-15
	Thorough implementation of chemical substance management	• Establishment and operation of internal management rules	12.4	P19
	Development of environmentally-considerate products and technologies	• Proposal of technologies that connect to environmental conservation	9.4, 12.2, 13	P16-18
	Cooperation with suppliers	• Promotion of green procurement	12.4	P36-38
Society	Respect for human rights	• Education on human rights and diversity • Implementation of human rights due diligence	5, 10.2, 16	P40-42
	Establishment and operation of quality management	• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	-	P34-35
	Cooperation with suppliers	• Promotion of CSR procurement	16.b	P36-38
Governance	Strengthening of corporate governance	• Building of group governance	-	P60-62
	IR activities for investors	• Publication of integrated reports • Publication of ESG Databook • Enhancement of disclosed information	-	P70
	Strengthening of information security	• Establishment of an information management system across the group	-	P66
	Strengthening of risk management	• Review of BCP	11.b	P63-68

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

Materiality

CSR-related initiatives results and targets

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

Theme		Items to work on	SDGs	Main initiatives	Fiscal year 2024 results	Main targets and measures for fiscal year 2026 (The last fiscal year of the 16th medium-term management plan)	Main targets and measures for fiscal year 2030 (Long-term targets)
E	Environment	Reduction of CO ₂ emissions*1	13	• Reduction of CO ₂ emissions in production activities	• Refer to pages related to the environment (pages 29-31)	• Ascertain measures for achievement of fiscal year 2030 targets and determine plans	• 46% reduction compared to fiscal year 2020 (Scope 1, 2) (target revised from “30→46%” in July 2025)
		Establishment and operation of environmental management	-	• Acquisition of ISO 14001 certification: All domestic and overseas bases • Integrated acquisition of ISO 14001 certification: Domestic bases	• Acquisition of ISO 14001 certification: Head Office began operation in April 2024, Tokai: began operation when EMS was completed in April 2024, Toho Transportation: EMS currently being created (aim to begin operation in September 2025), Toprec: EMS completed, Mitsuike: EMS integration completed	• Acquisition of ISO 14001 certification: Head Office, Tokai, Toho Transportation, Toprec • Acquisition of ISO 14001 certification: Head Office, Tokai, Toho Transportation, Toprec, Mitsuike	• Acquisition of ISO 14001 certification: Head Office, Toho Transportation, Toprec, Tokai, India • Promotion of the integrated acquisition of ISO 14001 certification: Domestic
		Thorough implementation of chemical substance management	12.4	• Establishment and operation of internal management rules	• Conducted survey of actual conditions related to hazard assessment functions (assessment) at Sagami-hara Plant → SDS acquisition rate (= assessment rate): 25%	• Establishment and operation of internal management rules	• Continuous operation of management rules, and elimination of the use of PRTR specified substances (class I designated chemical substances)
		Development of environmentally-considerate products and technologies	9.4 12.2 13	• Development of renewable energy-related equipment • Proposal of technologies that connect to environmental conservation	• Development: Development of temperature controlled container GX products equipped with next-generation solar panels (selected as a project to receive a subsidy from Kanagawa Prefecture) • Automobiles: Completed development of 2.0 GPa hot stamp components • Refrigerators: Mass production of EV systems for EV and FCV power-supply vehicles, prototyping and assessment of new electric refrigerators, and prototyping and assessment of stand-alone high-performance batteries • Air conditioning: Completed safety assessment of low-flammability refrigerants for use in 4 models of low-GWP air dryer • Electronics: Use of 80%-biomass materials for packaging of keycap sets	• Development: Development of environmentally-considerate new products • Automobiles: Establishment of multi-material technology • Refrigerators: Mass production of energy-saving models of electric refrigeration equipment, and implementation of market evaluation for the introduction of low-GWP refrigerants • Air conditioning: Promotion of the switch to heat pump products with low-GWP refrigerants • Electronics: Development of products using environmentally friendly parts	• Automobiles: Proposal of body structures conscious of LCA • Refrigerators: Development of electric refrigeration equipment lineup including hot gas heating and heat pump products, and introduction of low-GWP refrigerants • Air conditioning: Expansion of products with improved energy saving through the use of inverters • Electronics: Reduction of packaging materials (use of recycled paper / abolition of outer boxes)
		Biodiversity initiatives	-	• At least one activity a year at each plant	• Planting activities at each base and participation in regional environmental events	• Implementation of activities at 80% of subject bases or more, disclosure of information in line with the TNFD	-
		Reduction of water resource consumption	-	• Use of rainwater / reclaimed water	• Reduction of water use through use of rainwater	• Concrete planning of initiatives	• Use at domestic bases (plants / daily life)
		Reduction of waste generation	-	• Suppression and reuse of waste generated	• Submission of “waste emission reduction plans” by all group companies (20 bases)	• Continuation of activities at all bases (10% reduction)	• Waste reduction: 20% reduction compared to fiscal year 2020
		Compliance with environmental laws and regulations	-	• Confirmation of legal compliance: Domestic bases subject to laws and regulations	• Confirmed legal compliance at 7 bases (Mitsuike, Tochigi, Sagami-hara, Kyushu, Hiroshima, Tokai, Gifu)	• All bases: At least once a year, compliance rate: 100%	-
		Cooperation with suppliers	12.4	• Promotion of green procurement	• Revision of Supplier Green Procurement Guidelines and confirmation of agreement • Implemented supplier CSR surveys at 19 major domestic suppliers	• Review of evaluation of green procurement and building of support rules	-
S	Safety and health	Safety in the workplace	-	• Promotion of the reduction of industrial accidents	• Accidents accompanied by lost worktime: 21 (7 in Japan, 14 overseas) • Accidents not accompanied by lost worktime: 54 (16 in Japan, 38 overseas)	• Achievement of targets for accidents not accompanied by lost worktime, accidents accompanied by lost worktime: 0, implementation of education at each base	-
		Implementation of special medical examinations	-	• Promotion of environmental improvements in hazardous workplaces	• Implemented for 100% of subjects	• Continuation of activities	-
		Implementation of stress checks	-	• Follow-up of workplace mental health measures	• Implemented for all employees	• Continuation of activities	-
		Promotion of health management	-	• Excellent Health Management Corporation certification and maintenance	• Maintained Excellent Health Management Corporation certification, comprehensive score: 54.9 (previously 50.1)	• Implementing initiatives for White 500 Certification	• Continuation of White 500 certification
	Human rights and labor	Respect for human rights	5 10.2 16	• Education on human rights and diversity • Implementation of human rights due diligence	• Consideration of human rights education programs, “how to discipline training” for managers • Identification of human rights risks (ongoing) • New establishment of “human rights hotline” on the Topre website	• Establishment and implementation of human rights and diversity education programs (non-consolidated) • Establishment of risk management system (non-consolidated) • Building of mechanism to implement human rights due diligence regularly	• Completion of Group rollout of human rights and diversity education programs • Completion of Group rollout of risk management system
		Activities of diverse human resources	-	• Creation of accepting and diverse workplaces	• Introduction of referral and alumni recruitment system (from April 1, 2024) • Expansion of job types recruiting women and non-Japanese • Recruitment of people with disabilities • Holding affiliate briefings related to the employment of people with disabilities	• Ratio of female managers of at least 3% (non-consolidated) • Ratio of female employees of at least 10% (non-consolidated) • Operation of the Job Return system	• Ratio of female managers of at least 10% (non-consolidated) • Ratio of female employees of at least 20% (non-consolidated) • Ratio of non-Japanese (without Japanese citizenship) managers of at least 1% • Operation of the alumni recruitment system • Compliance with the statutory employment rate for people with disabilities
			-	• Creation of an organization that allows flexible work styles	• Identification of current circumstances through engagement surveys • Sharing of results of engagement surveys (labor environment) among all managers • Dialogue between Human Resources Division and departments (56 departments/fiscal year)	• Expansion of divisions using variable work hours • Reduction in overtime hours of 10% (compared to fiscal year 2023) • Rate of taking of childcare leave by male employees 100%	• Operation of the work style selection system (non-consolidated) • Reduction in overtime hours of 30% (compared to fiscal year 2023) • Rate of taking of childcare leave by male employees 100% • Rate of taking of childcare leave by female employees 100%
			-	• Human resource development tailored to each individual	• Overhaul of hierarchical educational programs and company-wide implementation 1) Managers: Training on recognition of their own management capabilities 2) Selected managers: Management training 3) Section managers and chiefs: Problem-solving training 4) Employees aged 50: Career training • Voluntary career skills education (seminars to develop the next generation of human resources)	• Completion of building of talent management system (non-consolidated) • Operation of human resource development system (non-consolidated)	• Completion of domestic group rollout of talent management system • Completion of domestic group rollout of human resources development system
	Social contributions	Exchanges with and contributions to local society	-	• At least one activity a year at each plant	• Participation in regional events at each base and donations	• Implementation of activities at 100% of subject bases	-
	Quality	Establishment and operation of quality management	-	• Acquisition of IATF 16949 certification: Automotive related • Acquisition of ISO 9001 certification: Product-related	• Sagami-hara: Received second regular IATF 16949 review. Maintained certification. • Kyushu: Completed IATF 16949 creation preparations	• Acquisition/integration of IATF 16949 certification: Kyushu	• Acquisition of IATF 16949 certification: Kyushu, Tokai, Mitsuike, USA • Acquisition of ISO 9001 certification: Toho Transportation, Toprec, India
		Cooperation with suppliers	16.b	• Promotion of CSR procurement	• Revision of Supplier CSR Guidelines and confirmation of agreement • Implemented supplier CSR surveys at 19 major domestic suppliers	• Review of evaluation of CSR procurement and building of support rules	-
G	Governance	Strengthening of corporate governance	-	• Building of group governance	• Implementation of regular internal audits by Audit Department • Implementation of regular executive meetings including group companies • Implementation of compliance education, including group companies	• Continuation of regular internal audits by Audit Department • Continuation of regular executive meetings including group companies	• Zero cases of misconduct
	IR activities	IR activities for investors	-	• Publication of ESG Databook (CSR Report) • Enhancement of disclosed information	• Publication of ESG Databook 2024 • Publication of Integrated Report 2024 • Disclosure of carbon neutrality initiatives • Updates to sustainability information on the Topre website	• Enhancement of disclosure of long-term vision and medium-term management plan • Disclosure and IR including non-financial information such as sustainability • Ongoing dialogue with institutional investors, etc.	• 100% completion of response to CG code • Enhancement of dialogue with investors by expansion of meetings with institutional investors and events (financial results briefings and IR events for individual investors) • Continuous improvement of information disclosure in IR materials (financial results briefing materials, audio distribution of financial results briefings, etc.)
	Information management	Strengthening of information security	-	• Establishment of an information management system across the group	• Viewing of information security education videos by all employees (domestic group) • Implementation of targeted attack email training (domestic group) • Regular reviews of confidential information management ledgers and strengthening of PC security measures	• Viewing of information security education videos by all employees • Implementation of targeted attack email training • Regular reviews of confidential information management ledgers and continuation of technical security measures	• Zero serious information security incidents
	Risk management	Strengthening of risk management	11.b	• Review of BCP	• Implementation of facility earthquake resistance strengthening and measures to prevent falling from shelves, etc., at each base • Implementation of disaster prevention activities at each base (once per year)	• Regular identification of risks at each base and implementation of countermeasures	• Maintenance and updating of BCP

Environment



-  Environmental management
-  Development of environmentally-considerate products
-  Reduction of environmentally hazardous substances
-  Conservation of biodiversity
-  Carbon neutrality

Environmental management

Environmental policy

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

Environmental policy

< Basic way of thinking >

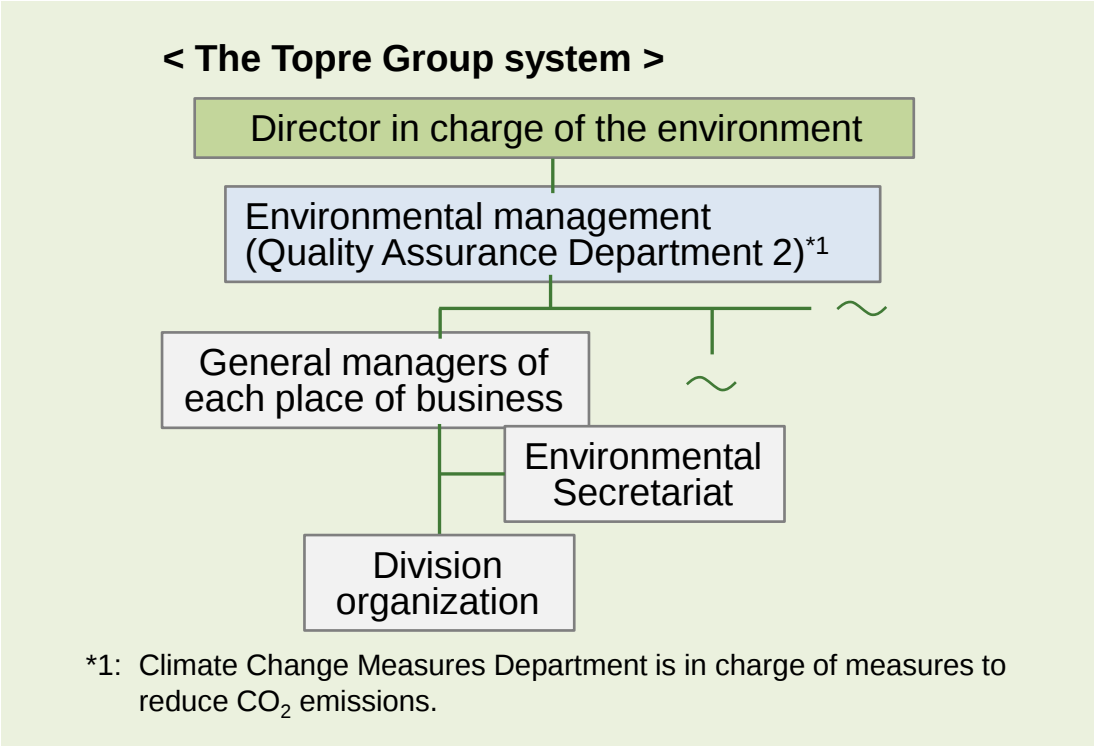
We promote our business activities while recognizing that conservation of the global environment is the most important issue for all humankind. We aim to be an environmentally friendly company, promote the 3Rs of reduce, reuse, and recycle, and work to save resources and eliminate waste, while also working positively on the reduction of greenhouse gas emissions and prevention of environmental pollution.

- 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 work to reduce greenhouse gas emissions by suppressing energy use and improving efficiency.
- 4. In order to create a circular economy, we promote the efficient use and reuse of resources, and work to save resources and eliminate waste.
- 5. We comply with laws, regulations and other requirements and manage chemical substances appropriately, while also working to prevent environmental pollution.
- 6. We work to prevent environmental pollution and protect the environment by managing and reducing the use and discharge of hazardous chemical substances.
- 7. We work to conserve biodiversity through local contribution activities.

Revised on January 16, 2025

Environmental management system

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



Compliance with environmental laws and regulations

We identify and comply thoroughly with applicable environmental laws and regulations. In implementing our environmental management systems, we obtain information on laws and regulations and other requirements related to our business activities and products, identify applicable laws and regulations, and communicate them to related divisions.

If laws and regulations are established or revised, if there is a change in the business environment such as the introduction of new equipment due to the launch of new products, or a request from a stakeholder, we review our systems each time. In addition, we also conduct internal audits on compliance with laws and regulations.

Environmental management

Environmental management system

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

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

Acquisition rate of 93% as of March 2025

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

Plan for the acquisition of certification at bases not yet certified

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

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

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

Environmental education

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

Environmental audits

We are striving to prevent environmental pollution in our business activities, products and services, and to enable the continuous implementation of environmental conservation activities.
We confirm from an objective standpoint based on internal and external audits whether or not the environmental management plans established in each division conform with the environmental management system and whether environmental management systems are functioning in the operations of each division, and we make continuous environmental improvement while implementing the PDCA cycle.

Topre Group environmental policy

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

Development of environmentally-considerate products

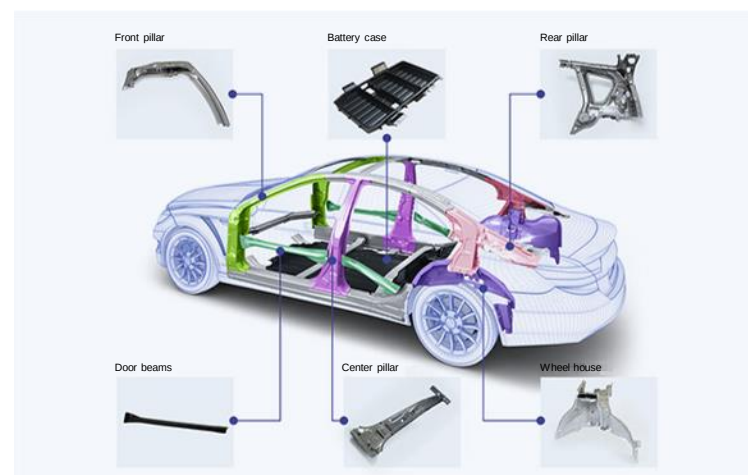


Environmentally-considerate products

● Press-related products

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

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



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

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

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

● Development and manufacture of battery cases for electric vehicles

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

● Temperature controlled logistics-related products

• GBS

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



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

● Adoption of low global warming potential refrigerants

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



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

Development of environmentally-considerate products



Environmentally-considerate products

● Air conditioning equipment-related products

• DesiTop desiccant humidity control ventilator for buildings

As part of Japan's energy-saving policies, the government aims to reduce greenhouse gas emissions in the commercial sector by 51% compared to fiscal year 2013 by 2030. 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 Topre Group used the technology it has previously accumulated in "heating and cooling," "ventilation," and "air blowing" to commercialize and sell the "DesiTop" outdoor air processing unit, which has energy-saving effects. "DesiTop" is a heat pump type that does not require a heat source (cold / hot water, outdoor unit). A total heat exchanger, heat pump and desiccant rotor are built in to control indoor humidity in three stages. It saves energy of air conditioning systems, of course, and can also realize a "comfortable" indoor environment. This is also the optimal humidity control ventilator for facilities that want to maintain a stable level of humidity.

It saves energy of air conditioning systems, of course, and also realizes a comfortable indoor preserving stable humidity. This desiccant system saves about 30% of energy annually compared to conventional systems.



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

● Electronic equipment-related products

• Non-contact electrostatic capacitive keyboards

Topre's ergonomically-considerate keyboards realize quiet typing and exceptional key touch.

In addition, because they minimize fatigue for users, even with extended use, and are highly durable, they are used by various customers as specialized input devices in a range of commercial settings such as financial institutions, data entry at data processing centers, logistics, transportation, medicine, ATMs in convenience stores and broadcasting environments.

The REALFORCE series of keyboards for general sale use the same non-contact electrostatic capacitive type system as the business keyboards, which have gained high acclaim in OEM production.

They have also been adopted as Sagamihara City hometown tax payment goods, and they are at the top of the popularity rankings as people regard their good durability highly.



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

Development of environmentally-considerate products



Environmentally-considerate products

● Strengthening core technologies that balance environmental friendliness and value creation

• Low-temperature logistics GX technology

In partnership with PXP Corporation, a start-up company that develops next-generation solar cells, we were selected for a research and development project to contribute to “achieving a decarbonized society in 2050” in fiscal year 2024 by Kanagawa Prefecture. In this project, we are working to develop “low-temperature logistics GX technology,” which combines ultra-lightweight, thin, and highly durable next-generation solar cells with low-temperature logistics systems that have strong thermal insulation and conserve energy. Even if this technology is only used in 5% of temperature controlled vehicles in Japan, it is expected that it will be able to reduce greenhouse gas emissions by dozens of kilotons per year, which is expected to have a ripple effect across the logistics industry as a whole.

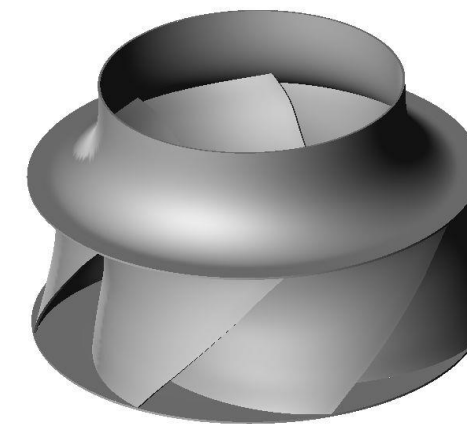


Prototype equipment

PXP is overseeing development and experimentation for next-generation solar cell systems, while Topre is overseeing development and experimentation for high-thermal insulation and energy-efficient low-temperature logistics systems.

• Joint development of environmentally friendly next-generation energy-saving fans

Topre was selected as a local company for the “Sagamihara Innovation Gate BUSINESS BUILD 2024,” an open innovation program in Sagamihara city, and we are accelerating our initiatives aimed at solving social issues. We welcomed AIZOTH Inc., which specializes in AI analysis, as a co-creation partner through a public call for submissions, and began joint development of high-performance ventilation technology aimed at achieving the energy-saving performance, light weight, and low-noise qualities that customers require. We are also tackling our own challenge of shortening design and development time, by exploring new development processes and business model creation utilizing AI and deep learning. Based on over 50 years of ventilation fan design expertise and experimental data, we aim to implement environmentally friendly next-generation energy-efficient equipment in society.



Concept image of environmentally friendly next-generation energy-saving fan

We leverage Topre’s ventilation technology and digital experimentation based on AIZOTH’s AI analysis to design high-performance and optimal models

Reduction of environmentally hazardous substances



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 Topre. We are promoting initiatives aimed mainly at the reduction of chemical substances subject to the PRTR Act and the management of chemical substances contained in products.

• Press-related products

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

(Included in the "Topre Group Green Procurement Guidelines")

• Temperature controlled logistics-related products

We are advancing initiatives to reduce the use of toluene, xylene, and methylbenzene, which are chemical substances with high emissions in manufacturing processes.

In particular, we are transitioning from conventional paints to alternative paints aimed at reducing use of the chemical substances listed in the PRTR law.

• Air conditioning equipment-related products

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

• Electronic equipment-related products

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

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

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



List of Controlled Chemical Substances

^{*1} IMDS:

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

^{*2} chemSHERPA:

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

Reduction of environmentally hazardous substances



Waste management

Waste generated from each place of business is thoroughly sorted to ensure appropriate treatment, environmental preservation and the improvement of public health. In this way, we are working to turn waste into resources and reduce its volume.

Waste management initiatives at the Topre Sagamihara Plant

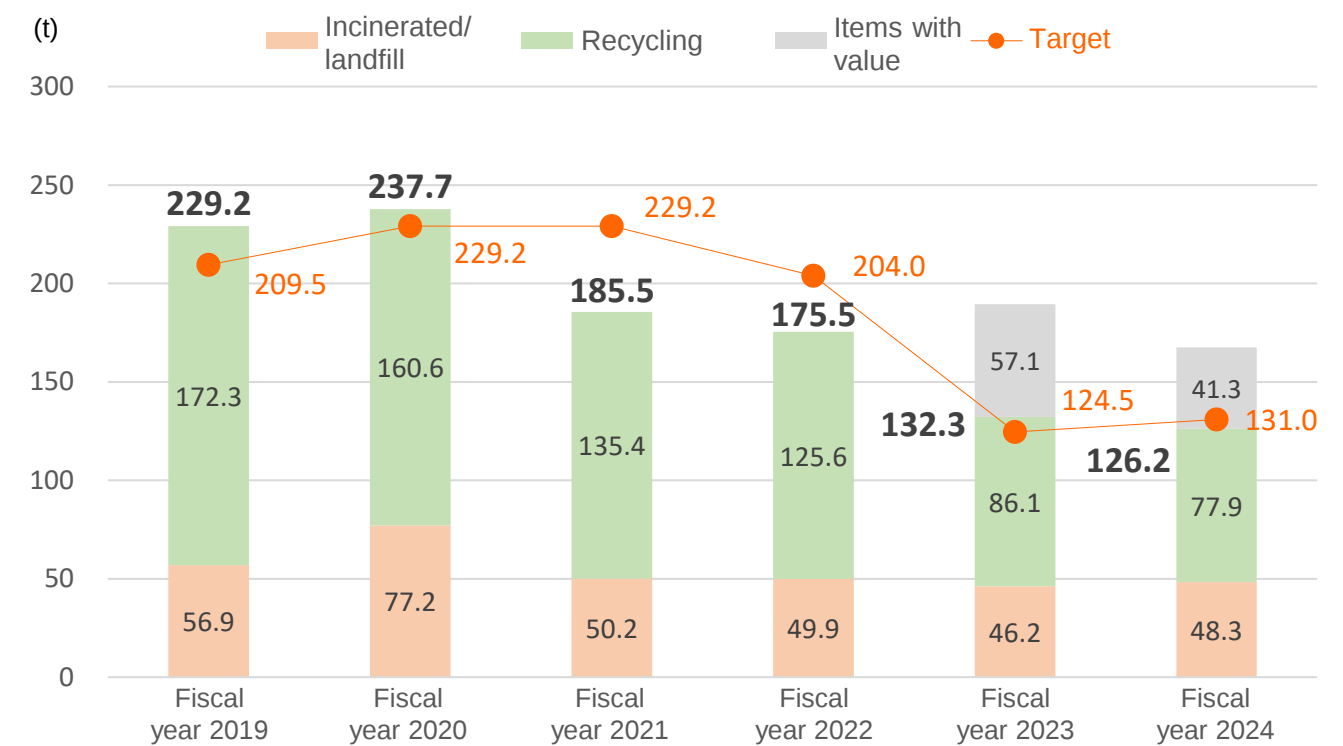
At our Sagamihara Plant, we conduct activities based on targets that we set for the reduction of waste to be generated every year, as part of our environmental management system. We are working on reducing waste by sorting refuse generated in business activities, excluding items with value such as scrap iron generated in pressing processes, into refuse to be incinerated and put into a landfill and recyclable refuse. Since fiscal year 2023, we have been working to further reduce recycling waste by further sorting items with value that contain recyclable resources as items with value.

We manage waste that includes hazardous substances in accordance with standards that are stricter than usual waste as “hazardous waste,” based on the Act on Waste Management and Public Cleaning. At the Sagamihara Plant, this includes waste PCBs, waste mercury, and other items generated when replacing transformers and lighting fixtures.

	Fiscal year 2021	Fiscal year 2022	Fiscal year 2023	Fiscal year 2024
Amount of hazardous waste generated (t)	0.5	10.0	12.1	8.9

*Hazardous waste: Designated hazardous industrial waste

*Excludes the Saitama Plant



Waste generation targets and results

Reduction of environmentally hazardous substances



Effective use of resources

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

● Initiatives at Sagamihara Plant

The amount of waste emitted from Sagamihara Plant had been tending to increase from around 2020.

Therefore, the plant separated plastic to be disposed of thoroughly and started collecting waste plastic aimed at recycling from October 2021.

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

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

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



Recycled garbage bags

● Initiatives at Tochigi Plant and Hiroshima Plant

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



Volume reducing machine



Compressed waste material

● Initiatives at Toho Transportation

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

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



Conservation of biodiversity

Initiatives at each base

As raised in the group's CSR activities, the Topre Group recognizes that the conservation of biodiversity is essential, and we will plan and implement biodiversity initiatives that are a premise of our business activities.

The following are activities picked up based on the results of implementation in fiscal year 2024.

< Japan >

● Topre Sagamihara Plant

Sagamihara Plant is a member of the Sagamihara Environmental Improvement Association run by Sagamihara City and participates in surveys of aquatic life and water quality in the rivers of Sagamihara City, doing so twice in fiscal year 2024 on May 24 and October 11.

● Topre Tokai

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

< Overseas >

● Topre Thailand

We have been carrying out mangrove planting activities for many years and have planted more than 2,000 trees.

In fiscal year 2024, we planted a total of 650 trees on November 27.

We will continue to contribute to the maintenance of diverse ecosystems in future too.

Number of mangrove trees planted

Fiscal year	2019	2020	2021	2022	2023	2024
Number of trees planted	325	350	330	500	500	650



Sagamihara Plant: Survey of aquatic life in a river



Topre Thailand: Mangrove planting

Conservation of biodiversity

Initiatives at each base

● Topre (Foshan)

We conducted tree-planting activities within the company on March 12, 2025, planting five trees.



Topre (Foshan): Tree-planting activities

● Topre (Xiangyang)

Sixteen people participated in a tree-planting activity conducted by the Environmental Bureau of the Gaoxin District of Xiangyang City during the tree planting festival on May 15, 2024, planting 30 trees.



Topre (Xiangyang): Tree-planting activities

● Topre (Wuhan)

On March 12, 2025, we planted trees using an app. When saplings grow on this app, trees will be planted in desert areas in China.

● Topre Mexico

We participated in the greening and rehabilitation of Cerro Gordo Park in July 2024.



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

● Topre India

On June 5, 2024, we held a commemorative ceremony and planted trees for World Environment Day.



Topre India: Tree planting at a commemorative ceremony for World Environment Day

Carbon neutrality



Responses to climate change

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

Responses to climate change, a global-scale issue, are now a necessity. As an initiative towards the achievement of carbon neutrality, the Topre Group has grasped CO₂ emissions in its production activities and set long-term targets for their reduction. The Topre Group as a whole, both in Japan and overseas, will advance reductions step-by-step to achieve “a 46% reduction in CO₂ emissions in fiscal year 2030*” and “carbon neutrality in fiscal year 2050,” based on improvements in energy saving, the installation of solar panels, purchasing of renewable electricity, and the trading of CO₂ emissions credits.

*In July 2025, the target for the reduction of CO₂ emissions by fiscal year 2030 was changed from a “reduction of 30%” to a “reduction of 46%.”

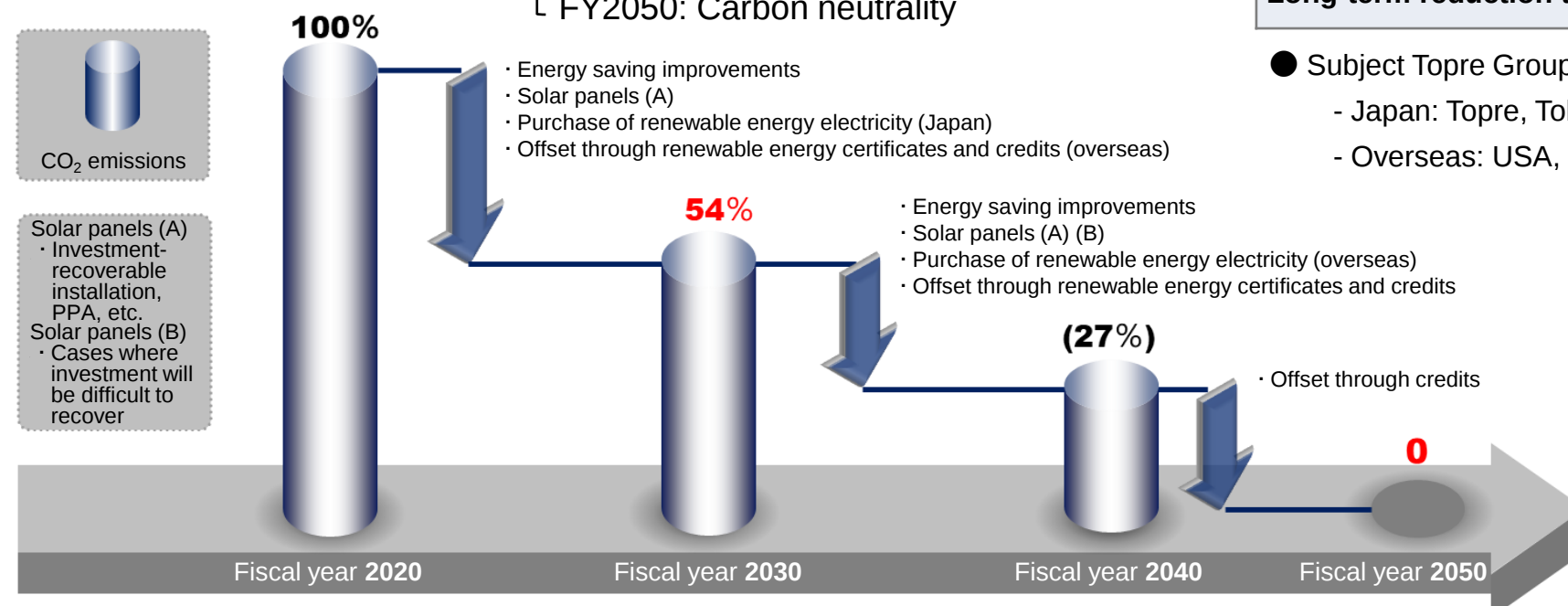
In addition, the Topre Group has confirmed that our climate change policies are aligned with those of the Japan Auto-Body Industries Association Inc. (JABIA), of which we are a member, and we have clear policies for responding appropriately in the event that any differences arise, as necessary. Specifically, original targets have been set by JABIA, based on the Paris Agreement, and subcommittees have been launched, while seminars are also frequently held for member companies. We examine whether these activities are aligned with the Topre Group’s climate change policies, and whether they deviate significantly from our approach and direction, and we will consider a response in the event of significant deviation.

At each of our bases in Japan and overseas, the Topre Group supports laws and regulations related to climate change, the reduction of energy consumption, etc. (in Japan, this includes the “Act on Promotion of Global Warming Countermeasures (Global Warming Act)” and the “Act on Rationalization of Energy Use and Shift to Non-fossil Energy (Energy Efficiency Act),” as well as related measures, etc. By responding appropriately to these laws, regulations, measures, etc., we will fulfill our social responsibility as we work to realize a sustainable society.

CO₂ emissions reduction targets

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

- CO₂ emissions in production activities
 - FY2030: 46% reduction in emissions
 - FY2050: Carbon neutrality



Base year: fiscal year 2020	Fiscal year 2030	Fiscal year 2050	
Long-term reduction target	46%	(Fiscal year 2040: 73%)	Fiscal year 2050: 100%

Subject Topre Group companies:

- Japan: Topre, Toho Transportation, Toprec, Topre Kyushu, Topre Tokai, Mitsuike
- Overseas: USA, China (4 companies), Mexico, Thailand, India

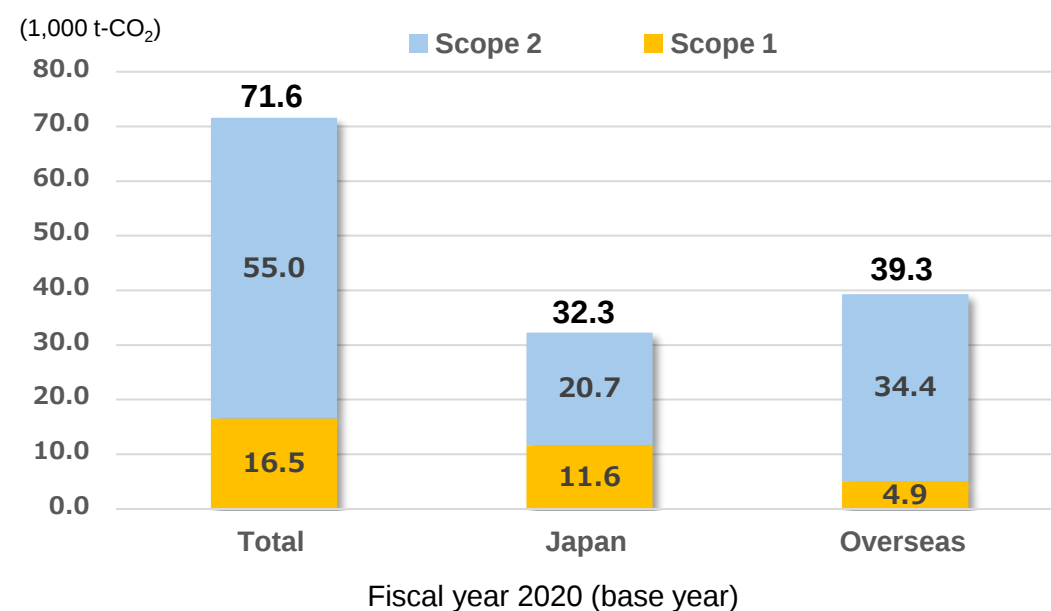
Carbon neutrality



Responses to climate change

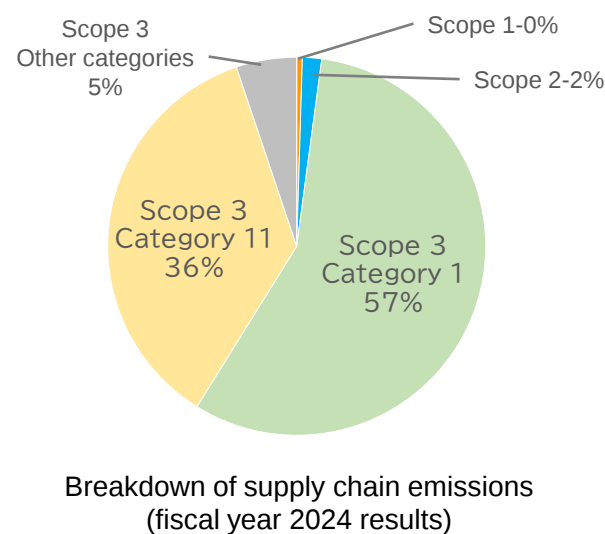
CO₂ emissions based on the Topre Group base fiscal year

The Topre Group's CO₂ emissions associated with fuel consumption and power consumption were about 71,600 tons in the base year, fiscal year 2020. We have retrospectively revised CO₂ emissions for the base year, fiscal year 2020, as a result of the addition of Guangzhou Mitsuike.



Grasping of Scope 3 emissions

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



Scope 3 reduction targets

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

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

We will consider the selection and purchase of low-CO₂ materials and parts to reduce Category 1 emissions.

With regard to Category 11 reductions, we will develop a lineup of refrigerated vehicles equipped with electric refrigeration equipment and promote replacement with low-GWP refrigerants.

We are promoting subsidies for the purchase of electric vehicles with regard to the reduction of commuting by Category 7 employees.

Release of CDP answers

The CDP (formerly the Carbon Disclosure Project) is an international non-profit organization that calls on companies, municipalities, and regional and national governments to disclose environmental information related to climate change, water resources, and forest resources. It provides a framework for companies and public bodies to disclose their impact on the environment and promote sustainable initiatives. Topre has been responding to the CDP questionnaire since 2017, and we are currently publishing the answers and evaluation results.



Carbon neutrality



Response to TCFD recommendations



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

In addition, the Topre Group has expressed its support for TCFD as an indication of its positive response to climate change.

We will analyze scenarios of the risks and opportunities presented by climate change, and promote the disclosure of climate-related information in line with the TCFD framework. Following on from the Topre Group's main business, press-related products business, we have set risks and opportunities in the Topre Group's other major business, temperature controlled logistics-related business, from fiscal year 2024.

Governance

The Topre Group has built a framework for action on climate change headed by the Board of Directors. 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.

Topre uses similar frameworks for action on climate change and CSR initiatives, and the results of Topre Group CSR Meetings, including the details of action on climate change, which are held regularly twice a year, are reported to the Board of Directors. In addition, the Board of Directors conducts reviews through the Director in charge of CSR and climate change measures when important issues related to action on climate change occur.

Strategy

The Topre Group analyzed two scenarios in regard to the impact of climate change on Topre's press-related products business and temperature controlled logistics-related business, one with a global average temperature rise of four degrees Celsius and one with a global average temperature rise of 1.5 degrees Celsius, and identified the "transition" and "physical" risks and opportunities in consideration of the size of their impacts.

The tables are disclosed separately as there is a difference in business structure between press-related products business and temperature controlled logistics-related business. The Topre Group will promote its response so that we can minimize the risks and create opportunities.

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

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

Carbon neutrality



Response to TCFD recommendations



Assumed scenarios

1.5°C scenario

This is a scenario based on the premise that the rise in temperature will be limited to 1.5°C, and assumes that energy use without CO₂ emissions will be implemented sufficiently to achieve that, and that the process will be able to circulate.

< Reference material >

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

4°C scenario

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

< Reference material >

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

Risk management

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

Indicators and targets

The Topre Group has engaged in the full-fledged rollout of CO₂ emissions reduction measures (energy-saving measures, installation of solar panels, etc.) at each base in Japan since fiscal year 2022, and overseas since fiscal year 2023. These measures have gradually had a greater impact in terms of reducing CO₂ emissions, as a result of solar panels, since fiscal year 2023. In addition, some bases achieved carbon neutrality ahead of schedule in fiscal year 2024 by “switching to renewable energy-derived electricity” and “purchasing non-fossil certificates with tracking.” The Topre Group will actively promote measures to achieve our CO₂ emissions reduction targets. The results for the Topre Group's Scope 1 and 2 and Scope 3 CO₂ emissions are as shown under “ESG data.”

Carbon neutrality



Response to TCFD recommendations



Major risks and opportunities

Financial impact: Large (10 billion yen or more), Medium (1 billion to less than 10 billion yen), Small (less than 1 billion yen)

Time horizon: Short (to 2026), Mid (to 2030), Long (to 2050)

[Press-related products business]

Major classification	Middle classification	Minor classification	Time horizon	Scenario		Risks	Opportunities	Response	Financial impact
				4°C	1.5°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 ₂ reductions	Promotion and partial acceleration of CO ₂ 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 ₂ 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	Development of processing technology, etc., for cold ultra-high tensile parts	Small
	Reputation	CO ₂ reduction target	Mid to long-term	-	○	Exclusion from scope of investment	Recognition from investors due to the achievement of CO ₂ reductions	Promotion and partial acceleration of CO ₂ emission reduction measures	Large
Physical	Chronic	Average temperature rise (Occurrence of abnormal weather)	Short, mid, long-term	○	-	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	Large

[Temperature controlled logistics-related business]

Major classification	Middle classification	Minor classification	Time horizon	Scenario		Risks	Opportunities	Response	Financial impact
				4°C	1.5°C				
Transition	Policies and regulations	Revised Energy Conservation Act	Mid to long-term	-	○	Decrease in demand for existing products in association with decrease in diesel trucks	Increase in demand due to conversion to BEVs and FCEVs	Development of BEV and FCEV compatible products and support for production facilities	Small
		Fluorocarbon Emissions Control Act	Mid to long-term	-	○	Deterioration in availability of current refrigerants, increased repair costs	Increase in orders received due to introduction of new refrigerants	Development of products compatible with new refrigerants	Large
	Market	Shift to EVs	Mid to long-term	-	○	Decrease in orders due to non-handling or delayed handling of weight reductions, electric refrigeration systems, etc.	Increase in orders due to conversion to BEVs and FCEVs	Development of BEV and FCEV compatible products and support for production facilities	Small
		Conversion from fossil fuel equipment to electrified equipment	Short, mid, long-term	-	○	Increase in equipment installation costs	Use ICP to promote capital investment	Promotion of low-carbon investment and measures	Medium
		Changes in costs associated with increased electricity prices	Short, mid, long-term	-	○	Increase in burden of renewable energy procurement costs	Expansion of use of internal power generation (clean energy)	Promotion and partial acceleration of CO ₂ emission reduction measures	Medium
Physical	Chronic	Average temperature rise (Impact on products)	Mid to long-term	○	-	Decrease in orders received due to non-handling or delay in handling of increased cold retention and cooling performance	Increase in orders received due to strengthening of container and refrigeration equipment specifications matched to the environment	Development of refrigerated vehicles matched to the environment	Large
	Acute	Handling when more intensive disasters occur	Short, mid, long-term	○	-	Suspension of production and supply chain	Build disaster-resistant factories and establish BCP	Continuous BCP review	Medium

Carbon neutrality



CO₂ emissions reduction activities

● Energy saving and CO₂ emissions reduction initiatives

In Japan, we began the installation of solar panels, the main part of our CO₂ reduction measures, in earnest from fiscal year 2022, and our CO₂ emission reductions have increased. Energy conservation measures are also advancing systematically in parallel, and the reduction results have increased.

Overseas too, like Japan, we are implementing surveys and making plans. We started energy saving measures and the installation of solar panels from fiscal year 2023, and the reduction results are increasing gradually.

● ICP settings

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

To accelerate investment in CO₂ reductions, the Topre Group set internal carbon pricing (ICP) in Japan from fiscal year 2023.

We will review ICP once a year in light of the situation in general and at Topre.

“Fiscal year 2024: 10,000 (yen / t-CO₂)”

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

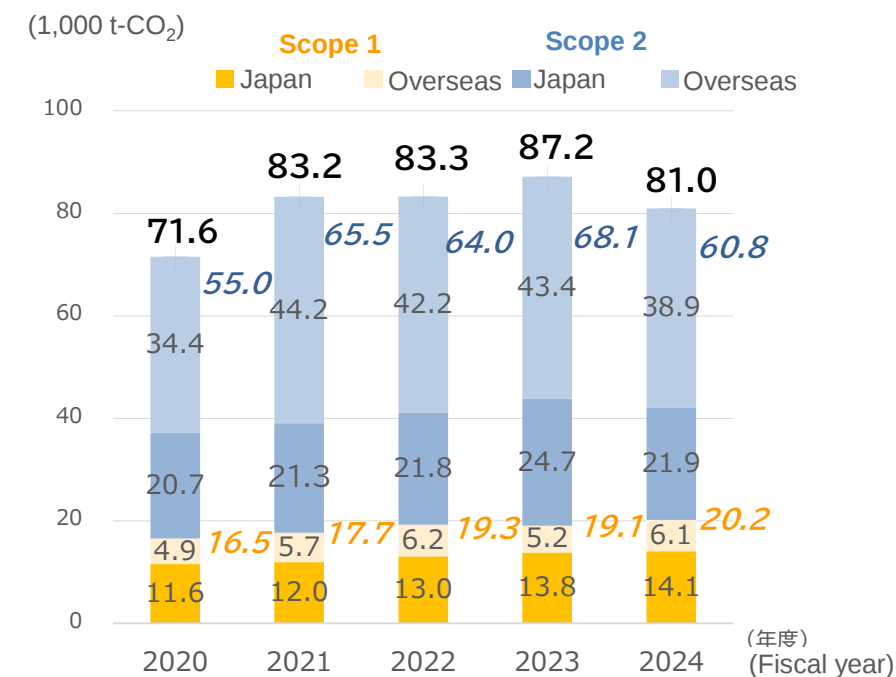
● Overview of the plan for the reduction of CO₂ emissions

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

Greenhouse gas emissions

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

Global greenhouse gas emissions have increased in line with the increase in production since the base year, fiscal year 2020, but began trending downward in fiscal year 2024, thanks partly to contributions from the installation of solar panels and energy-saving activities.



*: From fiscal year 2023, we have calculated greenhouse gas emissions other than CO₂ from energy, and recorded them in Scope 1.

Actual status of carbon neutral plants

● Initiatives at the Saitama Plant

In fiscal year 2024, we achieved carbon neutrality at our Saitama Plant through offsetting by purchasing J-Credits for Scope 1, and switching to power generated from renewable energy for purchased electric power for Scope 2.

● Initiatives at Gifu Plant

In fiscal year 2024, we achieved carbon neutrality at our Gifu Plant, through offsetting by purchasing J-Credits for Scope 1, and using renewable energy generated from local biomass power plants for Scope 2, thereby also contributing to the local community through the “local production and local consumption of electric power.”

Carbon neutrality



Results of CO₂ emissions reduction activities

[Domestic bases]

Bases		Results of initiatives in fiscal year 2024
Topre	Sagamihara Plant	Upgrading of substation transformers to high-efficiency type Reduction effect 37 t-CO₂ / year
	Saitama Plant	- Achievement of carbon neutrality through switch to electric power generated from renewable energy - Reduction of power consumption by switching from fluorescent lighting to LED lighting (325 places)
	Hiroshima Plant	- Upgrading to high-efficiency high-voltage transformers: Reduction effect 1.7 t-CO₂ / year - Reduction of air blow cleaning work: Reduction effect 3.2 t-CO₂ / year - Thorough operation management of fuel oil heaters: Reduction effect 23.6 t-CO₂ / year
	Tochigi Plant	- Conversion to high-efficiency air conditioners - Upgrading of air conditioners in welfare building (16 units): Reduction effect 5.2 t-CO₂ / year - Switch to LED lighting - Switched to LED lighting in welfare building (approximately 200 lights): Reduction effect: 8.5 t-CO₂ / year - Thorough management of kerosene usage Actual CO₂ emissions from kerosene: 830 t in 2020 ⇒ 651 t in 2024 (22% reduction)
	Gifu Plant	- Achievement of carbon neutrality through switch to electric power generated from renewable energy Reduction effect: 223 t-CO₂ / year - Press dust collector improvements: Reduction effect 1 t-CO₂ / year - Riveter improvements: Reduction effect 0.3 t-CO₂ / year
	Toho Transportation	- Replacement with low-carbon trucks (13 vehicles) - Reduction of power consumption by electrification and upgrading of forklifts Reduction effect 32.7 t-CO₂ / year (upgraded 8 vehicles) - Replaced gasoline-powered company vehicles with hybrid vehicles (upgraded 3 vehicles)
Toprec		- Replaced gasoline-powered company vehicles with hybrid vehicles (upgraded 11 vehicles) - Appropriate air-conditioner temperature setting and detailed on-off management for lighting
Topre Kyushu		- Installation of solar panels Installation of solar panels on the roof of the Technology Center: Reduction effect 156 t-CO₂ / year - Installation of solar panels on the roof of the Kanda Plant: Reduction effect 298.5 t-CO₂ / year - Upgrading of heaters Upgraded heaters at Kurume Plant (from fuel oil to electric): Reduction effect 21 t-CO₂ / year - Reduction of power consumption by switching from mercury lights to LED Upgrading of mercury lights to LED for 138 ceiling light fixtures at the Technology Center (mold plant)
Topre Tokai		- Installation of solar panels Toin Plant: Reduction effect 508.3 t-CO₂ / year - Reduction of power consumption by switching from fluorescent lighting to LED lighting Yokkaichi Plant: Reduction effect 13.4 t-CO₂ / year
Mitsuike		Replaced gasoline-powered company vehicles with hybrid vehicles

[Overseas bases]

Bases		Results of initiatives in fiscal year 2024
Topre America		Improvement of productivity due to improvement of press SPM Reduction effect 3,539 t-CO₂ / year
Topre Mexico		- Installation of solar panels Reduction effect 463.6 t-CO₂ / year - Conversion to daylight glass for plant ceiling Reduction effect 23.5 t-CO₂ / year (expected reduction from fiscal year 2025)
Topre (Foshan)		Change TRF lifters from cylinder type to spring type Reduction effect 6.8 t-CO₂ / year
Topre (Xiangyang)		Installation of solar panels Reduction effect 1,889 t-CO₂ / year
Topre (Wuhan)		Reduction in electric power used on standby through separation of electric power switches for robot controllers and workstation control Reduction effect 1.4 t-CO₂ / year
Guangzhou Mitsuike		- Introduction of intelligent automatic control systems for power facility management Reduction effect 86 t-CO₂ / year - Switching to paperless printing of related forms and electricity conservation when printing Reduction effect 0.6 t-CO₂ / year
Topre Thailand		- Installation of additional ON/OFF valves for press line automation Reduction effect 46.6 t-CO₂ / year - Additional installation of automatic air booster pump for 2,500 ton press machine Reduction effect 27.6 t-CO₂ / year - Press air leak detection Reduction effect 6.1 t-CO₂ / year
Topre India		- Suspension of compressors when not needed (ongoing) Reduction effect 728.3 t-CO₂ / year - Replacement with electricity-saving LEDs (129 lights in the plant) Reduction effect 52.7 t-CO₂ / year

Carbon neutrality



State of installation of solar panels

Fiscal year 2024 results

< Domestic >

Topre Kyushu

- Installation on roof of Technology Center
- Expected reduction: 156 t-CO₂ / year



Technology Center



- Installation on part of the roof of Kanda Plant
- Expected reduction: 298.5 t-CO₂ / year



Kanda Plant

Topre Tokai

- Installation on part of the roof of Toin Head Office Plant
- Expected reduction: 508.3 t-CO₂ / year



Toin Head Office Plant

Places of implementation in fiscal year 2023



< Overseas >

Topre (Xiangyang)

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



Topre Mexico

- Installation on part of the plant roof
- Expected reduction: 463.6 t-CO₂ / year



Fiscal year 2025 plan

< Domestic >

Topre Kyushu

- Installation on part of the roof of Kanda Plant
- Expected reduction 277 t-CO₂ / year



Topre Tokai

- Installation on part of the roof of Yokkaichi Plant
- Expected reduction: 98.1 t-CO₂ / year



< Overseas >

Guangzhou Mitsuike

- Installation on part of the plant roof
- Expected reduction: 386 t-CO₂ / year



Topre India

- Installation on part of the plant roof to be extended
- Expected reduction 922 t-CO₂ / year



Social

- Multi-Stakeholder
- Products and services
- Supply chain management
- Human capital management
- Respect for human rights
- Diversity in human resources
- Work styles and education
- Safety and health
- Social contribution activities

Multi-Stakeholder

Multi-Stakeholder Policy

“Multi-Stakeholder Policy”

In our corporate management, Topre will utilize a diverse range of technologies to offer various products and contribute to society. We will appropriately collaborate with multiple diverse stakeholders, including business partners, customers, employees, shareholders and investors, and local communities.

In doing so, we consider returns to employees and consideration for business partners to be of the utmost importance, based on the perspective that the appropriate distribution of earnings and results generated from value creation and productivity improvements between multiple stakeholders will contribute to maintaining the momentum of wage increases and sustainable economic development. Accordingly, we will promote the following initiatives.

1. Returns to employees

Topre will work to achieve sustainable growth and productivity improvements, and focus on maximizing added value, through such measures as prioritizing the allocation of management resources to growth areas and employee skill development and enhancement.

In doing so, based on the profits and results we generate, we will use appropriate methods based on circumstances at Topre to increase wages, in accordance with the “fundamental principle of wage determination,” while also actively investing in human resources, mainly through education, training, etc., to contribute to enhancing employee engagement and further productivity enhancements as another aspect of our comprehensive treatment of employees, as part of our aim to ensure sustainable returns to employees.

(Individual items)

Specifically, with regard to wage increases, while taking into consideration global economic trends, social trends, the status of the company’s management, and other factors, we will endeavor to appropriately distribute profits by improving our treatment of employees through appropriate dialogue with labor unions.

Additionally, concerning education, training, etc., in line with our Human resource development policy: “Increasing competitive human resources ~ Supporting people who take on challenges and rewarding people who achieve results ~,” we will actively invest in human resources from a medium- to long-term perspective and work to sustainably enhance the value of each and every employee, through measures such as: 1) an organization that uses diversity and the improvement of people management abilities; 2) support for career autonomy; and 3) embodying human resource development frameworks and implementation of education and training that prioritizes the systematic development of next-generation human resources.

We will hire a diverse range of people, regardless of race, creed, gender, nationality, physical characteristics, or other characteristics, and work to create an environment in which each and every one of these people can work vigorously and actively, demonstrating their own abilities to the maximum.

2. Consideration for business partners

We will continue to comply with the content of the Declaration of Partnership Building. Furthermore, in the event that the posting of the Declaration of Partnership Building on the portal website is suspended, we will voluntarily withdraw our Multi-Stakeholder Policy.

In addition, we will work to build appropriate relationships when engaging in transactional relationships with business operators exempt from consumption tax, while referring to the national government’s views on business operators exempt from consumption tax and approach to the invoice system for their business partners, and other materials.

We will steadily promote initiatives related to these items, while confirming the status of our initiatives.

December 27, 2024

Topre Corporation
Company name

Representative Director, President,
Executive Officer, Yutaka Yamamoto
Position, name
(with representative authority)

Products and services

Quality Policy

At the Topre Group, we are conscious of our quality assurance philosophy at all bases and in all processes, 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 across the company.

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.

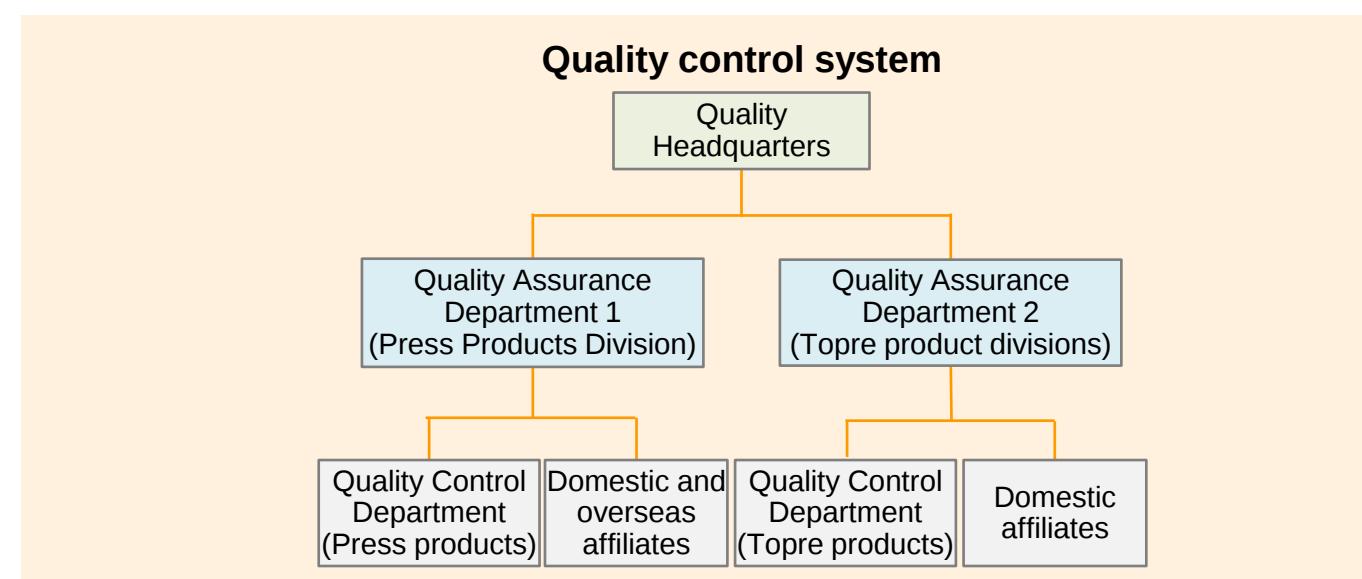
Established June 28, 2022

Quality management system

Topre’s plants, global subsidiaries and suppliers have standardized their quality assurance systems based on the standard requirements of ISO 9001 or IATF 16949,^{*1} customer requirements and legal requirements, and built quality management systems that they now operate and manage.

The Topre Group has built a global system with Quality Headquarters positioned at the top of the organization.

In addition, Quality Assurance Department 1 is responsible for maintaining and managing the quality system for press-related products produced at the 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 93%]

Japan		Overseas	
Sagamihara Plant	IATF 16949 ^{*1}	Topre America	Scheduled for acquisition in 2025 ISO 9001
Hiroshima Plant	ISO 9001	Topre Mexico	IATF 16949 ^{*1}
Tochigi Plant	“	Topre (Foshan)	“
Gifu Plant	“	Topre (Xiangyang)	“
Topre Kyushu	“	Topre (Wuhan)	“
Topre Tokai	“	Topre Thailand	“
Mitsuike	“	Topre India	ISO 9001
		Guangzhou Mitsuike	IATF 16949/ISO 9001

^{*1}: IATF 16949

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

Products and services

Quality assurance at the planning and development stages

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

Initiatives for QC activities

Continuing since 1970, Topre has held a total of 67 QC competitions as of 2024. These QC competitions are held with QC circles at domestic bases, and also with QC circles invited from overseas bases. This year was the seventh time we held a competition also including overseas bases, named the TQCC Global Competition. At the TQCC Global Competition for 2024, there were approximately 340 participants, including business partners.

A total of 18 circles participated from Japan, the US, China, Mexico, and India, giving presentations about their day-to-day initiatives. The details of all of the activities were well received, and we were able to deepen friendships with members with whom we usually have little opportunity to interact. We will continue to work on improvements through small group activities and QC circle activities.



7th TQCC Global Competition

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



Award for an improvement proposal

Consistent quality control

The Topre Group is striving to create products that can satisfy customers by strengthening product development and technologies from a customer perspective in order to respond to diversifying needs.

Further, in cooperation with affiliated companies, we are making efforts to improve customer satisfaction by feeding back information on customer needs and problems to products quickly.

Information provision and quality labeling

Topre is striving to provide appropriate information on how to use its products in order for customers to use the company's products safely for a long period of time.

We have prepared product labels and instruction manuals so that customers can operate products, carry out daily maintenance and handle errors safely.

Initiatives for the improvement of maintenance quality

We have established a dedicated department and a system for staff with product knowledge to respond quickly to customer inquiries about product explanations, repairs and replacements.

In addition, we have established a service system that can be deployed nationwide through a system of cooperation with other companies. By sharing maintenance and service information, we maintain uniform maintenance quality nationwide.

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

We provide customers with highly marketable products and easy-to-understand instruction manuals and maintenance explanations. Internally, for staff and service personnel, we will enhance product education and maintenance manuals that are easy-to-understand through the use of photos and videos.

In addition, we will also work on the further improvement of maintenance quality by establishing a system that enables us to respond quickly and correctly to newly developed products as well.

Supply chain management



Purchasing policy

Topre Group Purchasing Policy

< Basic way of thinking >

The Topre Group has shared the following policy with the Topre Group as a whole for the procurement of materials.

We build relationships of trust with business partners, promote procurement emphasizing CSR and environmental conservation, and roll-out initiatives towards the development of a sustainable society.

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

Revised on January 16, 2025

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

For the first time in several years, we invited around 120 suppliers for the supplier conference, which was held on May 30 in fiscal year 2024.

At this event, we requested that suppliers act in accordance with the “Topre Group Supplier CSR Guidelines” and the “Topre Group Green Procurement Guidelines,” and also requested their cooperation with “supplier CSR surveys” to check each supplier’s CSR initiatives, as well as “CO₂ emissions reductions.”

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, Topre’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.



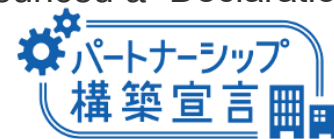
Fiscal year 2024 supplier conference

Supply chain management



Declaration of Partnership Building

In order to build new partnerships by promoting collaboration, coexistence, and co-prosperity with business partners throughout the entire supply chain and business operators working to create value, Topre has formulated and announced a “Declaration of Partnership Building.”



“Declaration of Partnership Building”

In order to build new partnerships by promoting collaboration, coexistence, and co-prosperity with business partners throughout the supply chain and business operators working to create value, Topre hereby declares that it will prioritize the following matters.

1. Coexistence and co-prosperity across the supply chain as a whole and new collaboration beyond the boundaries of scale, affiliates, etc.

Through direct business partners, we will influence their business partners (from “Tier N” to “Tier N+1”). In this way, we will work to increase added value throughout the supply chain as a whole, while at the same time collaborating beyond the scope of existing business relationships, corporate scale, etc., as part of our aim to ensure coexistence and build co-prosperity with business partners. When doing so, from the perspective of business continuity in the event of disaster, etc., and workstyle reform, we will support the introduction of teleworking at business partners, advise on the formulation of business continuity plans (BCP) etc.

2. Compliance with “promotion standards”

We will comply with desirable practices for transactions between parent business operators and subcontractors (“promotion standards,” based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises), and actively work to rectify business and commercial practices that prevent the building of partnerships with business partners.

1) Methods of price-setting

We will not make unreasonable demands for cost reductions. When setting prices for transactions, we will consult with subcontractors at least once per year, and will determine prices after sufficient consultation, to ensure that subcontractors can improve labor conditions, including appropriate profits for subcontractors. When doing so, we will determine prices after taking appropriate actions, as set forth in the “Guidelines for Price Negotiations to Appropriately Pass on Labor Costs.” Additionally, if there are rapid increases in raw materials and energy costs, we aim to pass on the full amount of any appropriate increase in costs. Furthermore, when entering into contracts, including determining transaction prices, we will clearly indicate and deliver the terms and conditions of the contracts in writing, etc.

2) Bearing of costs associated with mold management, etc.

Mold transactions will be based on the “Basic Approach and Fundamental Principles of Mold Transactions” set forth in the “Report of the Committee for the Promotion of Proper Mold Transactions.” We will also encourage the disposal of unnecessary molds, and will not request that subcontractors store molds without compensation.

3) Promissory notes and other payment conditions

We will pay subcontracting fees in cash as much as possible. When making payment by promissory note, we will not force subcontractors to bear discount fees, etc., and shall set the payment date within 60 days.

4) Intellectual property and expertise

Transactions will be based on the “basic approach” and “template contracts” in the “Guidelines for Intellectual Property Transactions,” and we will not request the conclusion of one-sided confidentiality agreements, nor the disclosure of expertise or free transfer of intellectual property rights in ways that use our transactional position, etc.

5) Impact of workstyle reform, etc.

To ensure that business partners are also able to implement workstyle reform, we will not submit orders with short deadlines to subcontractors or make sudden changes to specifications without appropriately bearing the costs. In the event of disaster, etc., we will not impose one-sided burdens on subcontractors in transactions, and when restarting businesses, etc., we will take into consideration the continuation of business relationships, etc., as much as possible.

December 25, 2024

Topre Corporation	Yutaka Yamamoto,
Company name	Representative Director, President, Executive Officer
	Position, name (person with representative authority)

Business partner sustainability initiatives

We will ensure an understanding of sustainability among our business partners through the “Topre Group CSR Guidelines” and the “Topre Group Green Procurement Guidelines.”

In fiscal year 2023, we visited several business partners to explain Topre’s initiatives to reduce greenhouse gas emissions.

In fiscal year 2024, we expanded these efforts to 37 business partners, and held information sessions on greenhouse gas reduction, including education for business partners without sufficient carbon neutrality systems.

Tour of Topre Kyushu Kanda Plant visit by Topre Cooperative Association

In response to the results of a questionnaire survey of suppliers at the supplier convention held in May 2024, we invited the Topre Cooperative Association (43 companies participated this time) to gather at Topre Kyushu's Kanda Plant for a plant tour and information sharing.

We will continue to promote procurement that places even greater emphasis on CSR and the environment together with our suppliers.



Tour of the Kanda Plant of Topre Kyushu



Reception

Supply chain management



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 “to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business” clarifies its approach to CSR as well as requirements for business partners concerning human rights, labor, health and safety, anti-corruption measures and consideration for the environment, and promotes CSR initiatives across the supply chain together with business partners.

Initiatives for the promotion of CSR procurement

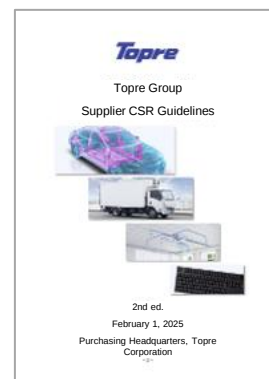
Through the “Topre Group Supplier CSR Guidelines” issued by Topre, we will have existing business partners understand CSR activities centered on quality, human rights, the environment and compliance with laws and regulations, and request the diffusion and spread of CSR initiatives.

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

Supplier CSR Guidelines

https://www.topre.co.jp/en/sustainability/social/files/csr_guideline.pdf

Supplier CSR Guidelines



Surveys on business partner CSR activities

In each division in Japan, the Topre Group conducts annual supplier CSR surveys of business partners selected in consideration of highly important components and transaction amounts.

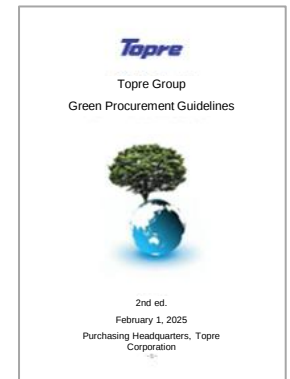
We survey matters such as “general aspects of CSR, safety and quality of products and services, human rights and labor, environment, and compliance,” then score and assess the results, enabling us to identify business partners with high potential risk in CSR activities.

We work to enhance business partners’ CSR initiatives, including requesting that business partners that we have identified as having high risk make voluntary improvements.

Promotion of green procurement

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

Green Procurement Guidelines



Business partner hotline

In order to maintain fair, impartial, and highly transparent transactions with related business partners, the Topre 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 Topre’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 Topre Group provides education to employees towards the thorough implementation of fair and transparent transactions and the promotion of CSR throughout the supply chain, and provides regular education and training for purchasing personnel. In recent years, these efforts have led to an increase in the skills and knowledge of personnel in charge of subcontracting, compliance, CSR procurement and other areas of particular importance.

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

Human capital management

Human capital management initiatives

● Basic policy on human capital management

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

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

● Key themes / ideal situation

1. Respect for human rights

- Understanding and penetration through the continuous implementation of education on human rights and diversity
- Reduction of governance risk by implementing human rights due diligence

2. Activities of diverse human resources

- Creation of accepting and diverse workplaces
- Creation of an organization that allows flexible work styles
- Training and guidance tailored to the individuality of each employee

● The creation of rewarding workplaces

• Employee engagement surveys

At Topre, since fiscal year 2023, we have conducted "engagement surveys" aimed at grasping the current situation and extracting issues for future development. In fiscal year 2024, the second time we conducted this survey, we were able to more accurately check current circumstances across all companies and divisions by including employees in direct roles in manufacturing, assembly lines, etc., as part of the survey.

At present, based on the results of the survey, we are considering new measures to target three company-wide issues that we must resolve as a matter of priority: 1) further enhancement of leadership and management capabilities among management roles; 2) reduction in work hours per person; and 3) enhancement of transparency in personnel evaluations, as well as the creation of systems that will contribute to effective development. Furthermore, we have created opportunities for dialogue between the Human Resources Division and the relevant departments based on engagement results for each division, and at the same time, we plan to analyze the true causes of circumstances at the workplace level and consider measures for improvement.

We will continue fixed point observation of the state of engagement within the Topre Group, maintain an accurate awareness of issues, points of change, and strengths, leading to the execution of measures aimed at further development and the measurement of their effectiveness.

[What we aim to achieve through the engagement survey cycle] ~ Positive impact on the company and employees ~

- Enhance employee performance and motivation
- Enhance organizational commitment (Management, target achievement)
- Enhancement of human capital procurement capabilities (human resource recruitment)
- Limit quitting and absences from work
- Increase recognition and share price



• The creation of opportunities for meetings with employees

The company provides opportunities mainly for young employees to regularly meet with Human Resources Division personnel. During these meetings, employees are asked about their physical and mental condition, and the required follow-up is provided. In addition, we grasp the state of execution of work of each individual and their current issues, consider future development plans, and encourage skill improvement by taking "hierarchical education" and "education by function" as required.

Respect for human rights



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 and diversity” in the Topre Group Code of Conduct, which is the standard for employee behavior, and are implementing initiatives related to respect for human rights having clarified in the Code of Conduct that “We respect human rights and do not tolerate discrimination or any kind of harassment, etc. based on race, creed, gender, nationality, physical characteristics or any other reason in any case.”

Through this policy, we will build a system for the respect of human rights and handle this appropriately.

This policy applies to all officers, employees, and all stakeholders including business partners of the Topre Group, and we request their understanding and commitment.

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. Notification to stakeholders

We communicate our human rights expectations to our employees and all stakeholders, including our business partners and customers.

5. Appropriate labor management

We comply with laws and regulations concerning labor that are applicable in each country and region to ensure the health and livelihood of our employees.

We provide and manage appropriate work environments for employees, strive to reduce long working hours, and pay wages that exceed the minimum wage.

6. Education and enlightenment

We implement appropriate education and enlightenment activities regarding respect for human rights for all officers and employees.

7. Information disclosure

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

Revised on January 16, 2025

Initiatives for the improvement of awareness of human rights

The Topre Group advocates “respect for human rights and diversity” in our Code of Conduct, which applies to all employees, and has declared in the Code of Conduct that “We respect human rights and do not tolerate discrimination or any kind of harassment, etc. based on race, creed, gender, nationality, physical characteristics or any other reason in any case.”

Based on this policy, we endeavor to increase awareness of human rights among employees, including the prohibition of discrimination and prevention of harassment in day-to-day activities. In particular, we implement the following measures as specific initiatives to prevent harassment.

1. Enforcement of anti-harassment regulations

We have established and are enforcing company-wide regulations and rules to prevent and eliminate workplace harassment, especially power harassment, sexual harassment, and maternity harassment.

These rules clarify prohibited behavior in the workplace and who manages and supervises it, as well as clearly stating who can be contacted in the event of harassment, protection of the personal information of those who come to the consultation, prohibition of unfavorable treatment, and disciplinary action against those who commit harassment.

2. Regular harassment education

We provide harassment education to employees, including those of domestic group companies. Specifically, we conduct management training for the presidents and managers of domestic affiliated companies, including the acquisition of basic knowledge such as “the current situation and examples of workplace harassment” and “key points for preventing harassment,” as well as “how to deal with harassment when it occurs” and “how to reprimand (not scold) subordinates.” Going forward, we plan to continue providing regular training, primarily for management-level employees.

Respect for human rights



Consultation on human rights

We have established a formal consultation and reporting system that is available to internal and external stakeholders regarding human rights issues, and we strictly guarantee the anonymity of those who make a report.

The methods for consultation are by email, telephone or letter, and matters are accepted even if anonymous.

If we discover that we have caused or contributed to a negative impact on human rights, we will endeavor to correct or remedy the situation by appropriate measures.

Consultations regarding human rights, including harassment, are handled by the Human Resources Department.

After being consulted, we investigate the actual situation promptly, and if there is evidence of a human rights violation or harassment, we consider and implement the measures that should be taken while giving full consideration to second harassment.

Responses to human rights risks

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

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

Respect for the rights of the child

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

Respect for human rights



Response to customer harassment

Topre Group has established the “Customer Harassment Policy” to ensure that harassment is not tolerated, that employees and others are respected and their human rights are protected, and that they can perform their duties with peace of mind.

Topre Group Customer Harassment Policy

■ Introduction

Under our basic philosophy “to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business”, the Topre Group aims to meet the expectations and trust of all stakeholders, realize sustainable enhancement of corporate value, and provide happiness and joy through our business activities.

The Topre Group appreciates your warm support, encouragement, and sometimes critical feedback in relation to our products and services, which we take into consideration.

Unfortunately, however, there are some cases that go beyond the bounds of normal to constitute “customer harassment” and this forms a human rights issue that affects the dignity of all Topre Group employees and related parties, including employees of partner companies (hereinafter collectively referred to as “Topre Group employees, etc.”) and causes the workplace environment to deteriorate.

Topre Group has established the following “Customer Harassment Policy” to ensure that harassment is never tolerated and that employees, etc. are respected and their human rights are protected, so that they can perform their duties without duress.

■ Definition of customer harassment

Complaints or actions by customers or third parties (including business partners, etc.), where the content of the request is not deemed reasonable, or where the means or manner of achieving the request is socially unjustifiable in light of its reasonableness, and the working environment for Topre Group employees, etc. may be harmed by the means or manner of achieving the request.

■ Examples of customer harassment

- Acts of violence or physical aggression
- Intimidation, threats, menacing behavior, or other intimidating or extremely abusive language or behavior
- Insulting, character-denigrating, or otherwise abusive language
- Words or deeds that are defamatory, or that damage economic credibility
- Discriminatory or sexual language or behavior

- Any act that violates the privacy of Topre Group employees, etc.
- Requests for support that go beyond the scope of the warranty, or other requests for services that are socially unacceptably excessive or unrelated to the products and services provided by the Topre Group
- Demanding an apology, demanding compensation in the form of money or other compensation, or demanding the punishment of Topre Group employees, etc. in a manner without reasonable cause
- Commanding the time of or reproaching a Topre Group Employee, etc. over a prolonged period in connection with the same request or complaint
- Acts that cause severe mental stress or fear to individual employees of the Topre Group, such as bullying, unnecessary harassment, persistent aggression, stalking, and ambushing, etc.
- Acts that cause severe mental stress or pressure on individual employees of the Topre Group, etc., by repeatedly saying or engaging in actions that promote suicide or self-harm
- Words or actions that induce or promote suicide or self-harm by Topre Group employees, etc. or third parties
- Any act that causes severe mental stress or fear or any act that we deem will cause an unacceptable degree of hindrance from the viewpoint of protecting Topre Group employees, etc. from harm or distress
- Posting or disseminating slander and false information on social networking services and the Internet or sending false information to the Topre Group
- Unilateral and excessive communication to the Topre Group’s official website
- Any act of photographing or recording Topre Group employees, etc. or recording audio without consent. In addition, the act of using or spreading images, videos, or sounds that include an individual’s face or voice in a manner that is uncomfortable for or offensive to the individual
- Other acts the Topre Group deems highly malicious from the viewpoint of protecting Topre Group employees, etc.

The above definitions and examples of conduct that Topre Group considers to be beyond the scope of socially accepted norms are provided as illustrative examples only, and do not constitute all forms of customer harassment.

■ Our response to customer harassment

If Topre Group determines that a customer has engaged in conduct that exceeds the scope of socially accepted norms towards a Topre Group Employee, etc., we may refuse or suspend a transaction, the provision of customer service, or part or all of other services.

Furthermore, if we determine that the behavior is malicious, we will take appropriate action, including legal action and criminal proceedings, after contacting lawyers, the police, and other parties acting together with the offender, as necessary.

Date of enactment: February 1, 2025

Topre Corporation

Representative Director, President, Executive Officer, Yutaka Yamamoto

Diversity in human resources



Promotion of diversity

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

● Recruitment of diverse human resources

While we carry out human resource recruitment activities continuously, we are working positively on the recruitment of women as well as foreign nationals and people with disabilities. As part of our recruitment of women and foreign nationals, when hiring new graduates and mid-career employees, we actively increase motivation among applicants through corporate PR and explanations of the work, resulting in yearly increases in the number of entrants in line with our fair and appropriate selection processes and standards. As a result, the opportunities for their active participation have also expanded, and a virtuous cycle is being created of hiring → development → active participation → increase in headcount through recruitment → hiring.

● Introduction of referral and alumni recruitment

In light of the intensification of competition to procure human resources due to the decline in the working population, as well as the increasingly active job change market and growing mobility of human resources, we started the introduction of “referral and alumni recruitment” in April 2024 as a measure to acquire the human resources the Topre Group is looking for stably.

In fiscal year 2024, we successfully hired more than twenty excellent human resources through this hiring method.

● Rehiring of seniors

Currently, the Topre Group has introduced a continuous employment system based on the Act on Employment Security of Elderly Persons. In addition, we also continue to employ senior workers of the age of 65 or above by providing them with appropriate jobs and work environments based on their wishes and aptitudes.

Moreover, in anticipation of the obligatory raising of the mandatory retirement age in the future, we are striving to improve the treatment of employees by raising wage levels, establishing work systems considerate of individual circumstances, such as nursing care.

● Employment of people with disabilities

We recognize that the employment of people with disabilities is a responsibility that companies should fulfill and view it as an important issue for the creation of new value based on the realization of diversity. For the maintenance and expansion of recruitment, we are conducting internal education and awareness raising activities on consideration and safety measures at the workplace level tailored to individual circumstances, and promoting the building and maintenance of an environment in which people with disabilities can work with peace of mind. At the same time, there has also been an impact from our continuous recruitment of new human resources, resulting in a proportion of disabled workers of 2.8% in Topre (as of March 31, 2025), above the statutory proportion of workers. As an ongoing initiative since January 2022, we are using a farm that is part of a social farm.

In addition, we provide the general managers of each division regular opportunities to attend briefings and tour workplaces to promote understanding of the employment of people with disabilities and expand the number of divisions that accept them. In future, we will continue to maintain and expand a work environment in which people with disabilities can play active roles, and will promote the employment of people with disabilities positively.



Working on a farm



Division general manager training at the farm

● Hiring of foreign employees

In the Topre Group’s recruitment activities for foreign national employees, we conduct fair screening of all applicants, and this also applies to foreign nationals. We hire people in accordance with their skills and experience, regardless of race, nationality, etc.

If hiring foreign nationals in particular, we assist the acquisition of work visas, provide a residence, and support various procedures. In addition, we also accept foreign technical trainees positively, which leads to the invigoration of the company through diversity.

Diversity in human resources



Promotion of diversity

Promotion of female participation

As a group of manufacturing companies, the Topre Group has many employees engaged in technical and engineering roles, but the proportion of women doing such work is small, and applicants to our recruitment efforts have been few in the past. As a result, the proportion of female employees is low. To improve this situation, we are actively recruiting women, both in regular (new graduate) recruitment and year-round (mid-career) recruitment.

There are currently three female managers, but this number is expected to increase in stages in the future. In addition to the positive recruitment of women, as mentioned, this is also due to the impact of carrying out fair personnel evaluations and human resources development regardless of gender, nationality, etc., which we have done for some time.

The take-up rate for childcare leave and return to work rate among female employees are both 100%. In recent years, we have also been promoting the taking of childcare leave by male employees, resulting in a take-up rate of 47.4% in fiscal year 2024.

In fiscal year 2025, we are planning to establish a “Working Group for Promoting the Active Participation of Women,” made up of female members, and through the activities of this working group, we intend to consider and formulate more effective concrete measures from a medium- to long-term perspective. Additionally, our policy will be to consider and implement various measures to build a workplace environment that is easier for women to work in, including the implementation of female success awareness seminars and career development education, etc.

General Employer Action Plan based on Act on Promotion of Women's Participation and Advancement in the Workplace

(April 1, 2021 to March 31, 2027)

Goal (Provide opportunities for working life to female workers)
Ensure the proportion of female managers is at least 3% by March 31, 2027

< Details of initiatives >

- From April 2024
- Internal sharing and dissemination of goals
 - Expansion of mid-career hiring of female managerial candidates
 - Implementation of management training for managerial roles
- From April 2025
- Implementation of career training for female employees
 - Promotion of awareness of various systems such as prenatal and postnatal leave, childcare leave, and childcare leave benefits
- From April 2026
- Implementation of training to strengthen leadership for female managerial candidates
 - Introduction of mentor system

[Publication of information related to the current status of the above goals]
Proportion of female managers ∙ ∙ ∙ 1.5% (as of March 31, 2024)

Work styles and education



Work-life balance

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

Support for flexible work styles

The Topre Group is promoting the establishment of an environment so that employees can work flexibly tailored to individual work characteristics, workloads, etc., including a flexible work hours system, working from home depending on the details of work, and staggered work hours. Additionally, in order to contribute to increasing operational quality and boosting speed by facilitating variation in workstyles, we recommend and promote the planned taking of annual paid leave at all workplaces, while also granting “special leave (refresh leave)” in accordance with years of service.

Furthermore, we have been enhancing welfare benefits each year, including beginning the provision of “welfare services” that employees and their families can select from a range of content numbering about 3.5 million in fiscal year 2024, and introducing a defined contribution (DC) pension plan in fiscal year 2025.

Through the use of such systems and services, we are aiming to realize an environment in which each and every employee can lead a fulfilling life and stay healthy both physically and mentally, while also enabling them to continue working vigorously with high motivation.

Balancing support systems

Balancing of work and childcare

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

Balancing of work and nursing care

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

General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next Generation Children

(April 1, 2021 to March 31, 2027)

Goals (Development of an employment environment that contributes to the balancing of working life and home life)

Reduce average monthly overtime hours per employee by at least 10% compared with actual data for fiscal year 2023

< Details of initiatives >

From April 2024

- Identification of current company-wide status of overtime hours and issues
- Strengthen human capital through mid-career hiring
- Creation of “no overtime days” and company-wide roll-out

From April 2025

- Share messages from management aimed at reducing overtime hours
- Set and manage goals for the reduction of overtime hours for each division
- Promotion of the utilization of flextime and teleworking systems

From April 2026

- Consideration and implementation of measures to increase labor efficiency through the development of information infrastructure
- Share examples of reducing overtime and roll out horizontally

[Publication of information related to the current status of the above goals]

Average monthly overtime hours per employee・・・28.8 hours/month (actual data for fiscal year 2023)

Work styles and education



Labor practices

● Initiatives for overtime work

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

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

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

• Addressing long work hours

Long work hours can cause chronic lack of sleep and fatigue, which can reduce productivity and increase the risk of unforeseen accidents. To address this issue, the Topre Group concludes “36 labor agreements” through labor-management discussions and has employees undertake interviews with industrial physicians.

Managers thoroughly manage labor, based on agreements between labor and management, such as “no more than 45 hours of overtime work per month, with a maximum of 75 hours per month or 720 hours per year.”

In addition, to encourage employees to take their annual paid leave, we have set a target for employees to take at least nine days of annual paid leave, and are striving for the realization of an environment that is easy to work in.

• Premium wage rate

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

● Leave systems

• Annual paid leave

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

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

• Refresh leave

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

● Good relations with the labor union

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

Work styles and education



Human resource development

Human resource development policy

Human resource development policy

“Increasing competitive human resources”

~ Supporting people who take on challenges and rewarding people who achieve results ~

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

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

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

Established June 28, 2022

Internal environment development policy

Internal environment development policy

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

1. Desired human resource image

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

2. Support

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

3. Compensation

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

Established June 28, 2022

Work styles and education

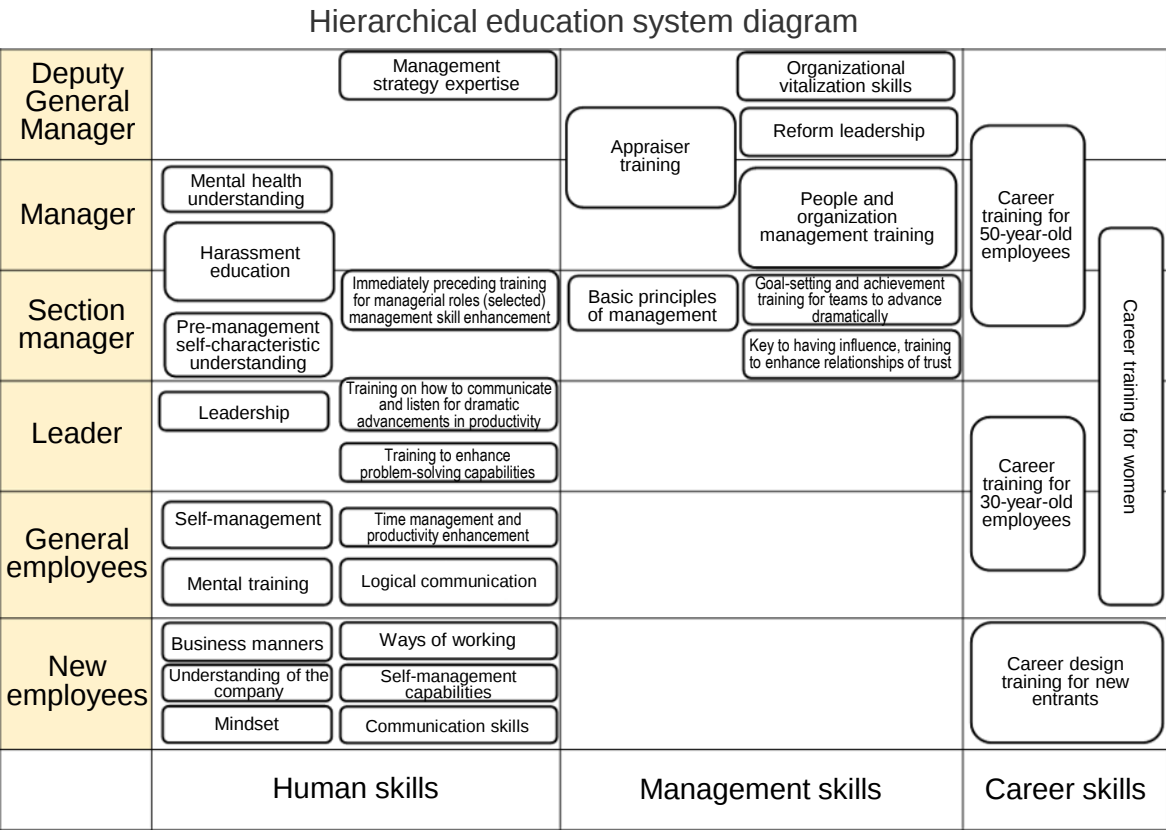


Human resource development

● Revisions to hierarchical education system

The Topre Group is currently overhauling our hierarchical education program, the root of our education and training system, based on three overarching themes: 1) an organization that uses diversity and the improvement of people management abilities; 2) support for career autonomy; and 3) the systematic development of the next-generation of core human resources. In particular, we emphasize “an organization that uses diversity and the improvement of people management abilities,” and we provide “opportunities for human resources that will lead organizations to correctly recognize the differences in values and thinking styles in a diverse group of human resources, and refine their human skills centered on communication ability.”

In addition, for “Support for employee career autonomy,” we provide training opportunities by age for new employees in their 20s, mid-career employees in their 30s, and veteran employees in their 40s and 50s, and have prepared a system for people to think about their careers in life from various perspectives, which enhances their independence and leads to the improvement of work performance.



● Development of global human resources

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

● Next generation production human resources development program

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

● Development of employees who have acquired skills

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

Safety and health

Occupational Health and Safety Policy

Occupational Health and Safety Policy

< Basic Philosophy on Health and Safety >

Committing to “prioritize safety in everything” is our philosophy for respecting people
Aiming for safe, healthy, and comfortable workplaces through the participation of all employees.

< Policy >

Prioritize the health and safety of employees above all else.
Eliminate occupational accidents to create safe and healthy work environments.
(From Code of Conduct Section 6)

1. Effectively promote health and safety activities and continuously improve health and safety standards through the appropriate implementation and operation of the Occupational Health and Safety Management System.
2. Comply with all laws and regulations involving health and safety, and establish any necessary voluntary standards in an effort to maintain and improve the management level.
3. Respect agreements with workers (employees) and their representatives, based on the understanding that health and safety are achieved through good communication.
4. Establish an organizational structure that enables the promotion of health and safety activities, and clarify where responsibilities lie.
5. Thoroughly conduct risk assessments (prior evaluation of dangers and hazards) in all aspects of business activities to prevent accidents.
6. Provide all workers with a sufficient level of education and training necessary to ensure health and safety.
7. Enhance health management to prevent health problems caused by overwork and mental health issues in an effort to maintain and promote the health of workers.

Established July 30, 2007

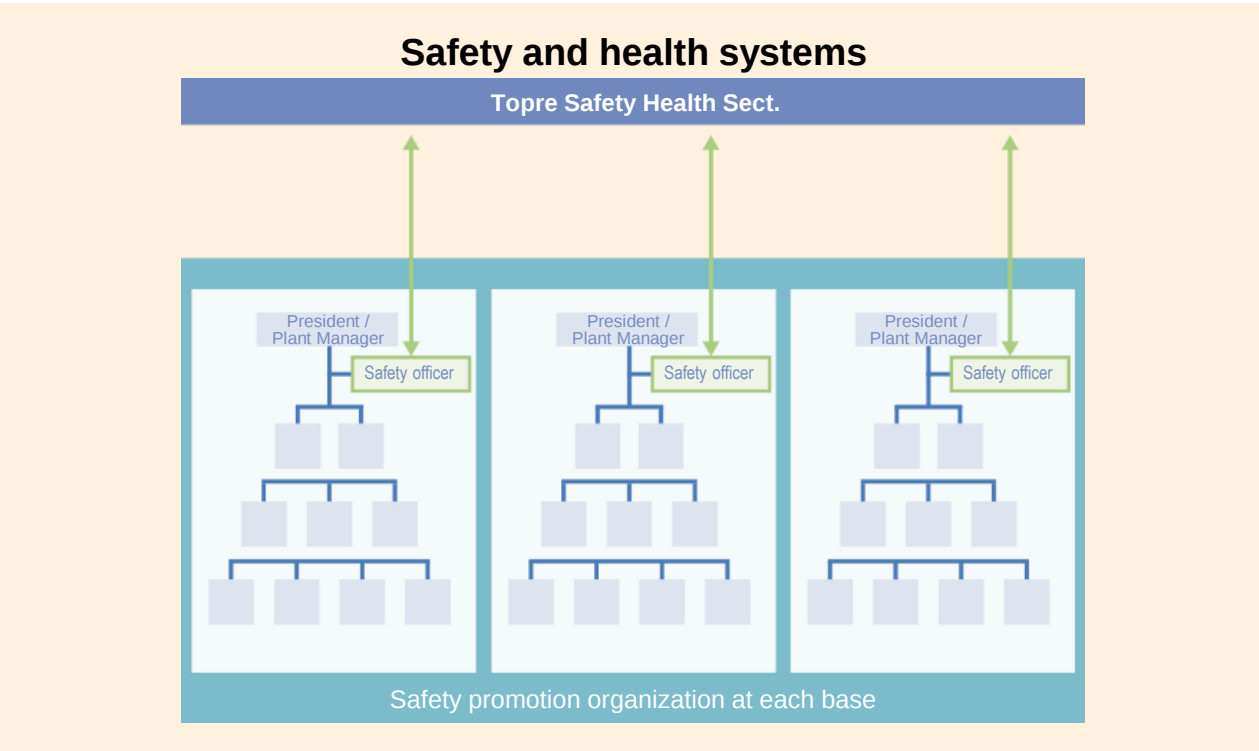
Health and safety initiatives

● Basic way of thinking on safety and health

The Topre Group has enacted Safety and Health Management Regulations, establishes the matters required for safety and health management, and carries out continuous occupational safety and health management independently to reduce the potential danger of industrial accidents, promote the health of all employees, promote comfortable work environments and improve the level of safety and health at all plants. In addition, the Topre Group's occupational safety and health management system has been established, with the General Manager of the Administrative Headquarters, who is also a Director, Senior Executive Officer, as the person in charge. The system promotes occupational safety and health activities in cooperation with all stakeholders, including employees, temporary workers, and contractors throughout the Topre Group.

• Formulation of 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

Health and safety initiatives

Initiatives for the creation of safe workplaces

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



Safety experience room

Handling when occupational accidents and incidents occur

We have established guidelines for dealing with accidents when they occur that apply to the occurrence of accidents at the Topre Group, stating clearly how to handle accident victims, including moving them, emergency treatment and methods of transportation.

In addition, the safety manager at the workplace where an accident occurs will grasp the state of the accident and prepare an accident report aimed at the prevention of similar accidents. Reports are rolled out horizontally throughout the group as safety bulletins through Safety Health Sect.

In recent years, there have been no serious accidents* resulting in permanent physical disabilities, but serious accidents are positioned as a priority issue for each business location, and many of the serious accidents in the past have been accidents resulting from fingers getting caught during production equipment malfunctions.

Measures to prevent the recurrence of all workplace accidents, including serious accidents, include making sure that "standards are reviewed, stopped, and corrected when production equipment malfunctions or undergoes maintenance!" as well as strengthening safety checks of equipment when it is installed, providing relevant workers with skill improvement education and establishing solid foundations for the skills, and preparing and using manuals, as well as providing regular education to prevent workplace accidents.

Furthermore, during the period of our 16th Medium-Term Management Plan, from fiscal year 2024 to fiscal year 2026, we aim to maintain the number of serious workplace accidents at zero.

*Serious accidents: Work-related accidents involving death, physical disabilities, three or more injuries, explosions, fires, ruptures, collapses, or large-scale leakage of hazardous materials.

Implementation of meetings of Safety and Health Committees

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

Risk assessment for newly introduced equipment and chemical substances

Topre Group conducts risk assessments in advance for new equipment and only introduces equipment that is intrinsically safe.

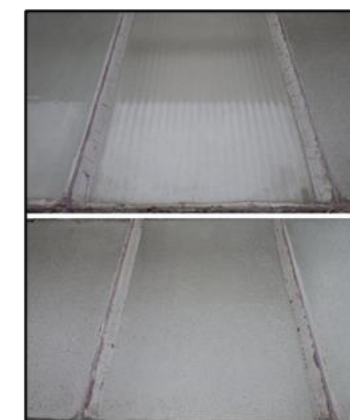
In addition, for newly introduced chemical substances, we take safety measures, including purchasing permission, after considering factors such as the usage situation. In addition, apart from the introduction of new equipment and the use of chemical substances, we aim to create a workplace where people can work with peace of mind by conducting risk assessment activities on a daily basis, as stated in our efforts to create a safe workplace.

Earthquake resistance at plants

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

Safety and health

Health and safety initiatives

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

Safety and health education

At each business site, we provide safety and health education to new employees, mid-career employees, and temporary employees when they are hired, as well as to managers such as plant leaders and other supervisors, older workers, and those who require specialized skills and knowledge, in order to improve employee safety awareness.

Initiatives at Topre Sagamihara Plant

	2020	2021	2022	2023	2024
Internal education (people)	255	200	274	358	513
External education (people)	5	52	53	35	59

*The value for each year is the number of people taking education courses from January 1 to December 31.

*In 2021, due to the impact of the COVID-19 pandemic, face-to-face educational opportunities have decreased and the number of participants has also decreased

In addition to the above, we also provide all employees with KYT in each department, safety training for each task, and road safety training using videos.

Measures to prevent repetitive strain injury (RSI)

At our Gifu Plant, we produce approximately 230,000 ventilation fan hubs per year. Cleaning and inspection processes were previously done by hand, but we have automated them by introducing double-arm robots, 3D cameras, laser sensors, etc. These measures have contributed to improving the labor environment for workers, as well as product quality enhancements.



Double-arm robot that was introduced



Hub cleaning process work

Safety and health

Health management and promotion initiatives

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

● Implementation of medical examinations

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

● Responding to global health issues

As a company with overseas bases, Topre Group recognizes the importance of responding to global health issues such as the world's three major infectious diseases (HIV, tuberculosis, and malaria), and is actively working to address them. To prevent all infectious diseases, including the world's three major infectious diseases (HIV, tuberculosis, and malaria), we provide health checkups for employees assigned overseas and their accompanying families, support through interviews before assignment, thorough vaccinations, and comprehensive medical support at the local site.

● No smoking awareness activities

The World Health Organization (WHO) has pointed out that smoking causes disease and health problems. The Topre Group works on the prevention of passive smoking, and has limited and reduced the number of smoking areas internally.

Moreover, we have established the week including World No Tobacco Day as “No Smoking Week,” during which we refrain from selling cigarettes and call on all employees to stop smoking. Furthermore, in association with the “No Smoking Day” established by the Tobacco Control Medical-Dental Research Network, we promote no smoking internally on the 22nd of each month (or the day before if it falls on a holiday) as a no smoking day.

● Improvements to the workplace environment based on the results of stress checks

Based on the results of organizational stress check analyses, we hold interviews in divisions with high stress levels, as part of efforts to improve the workplace environment, with the aim of building a better workplace environment.

● Implementation of health consultation services for the “mind” and “body” (health/medical telephone consultation service)

1. 24-hour telephone health and medical consultation *Employees and their families Consultation staff such as experienced doctors, public health nurses, and nurses will provide advice on matters such as health, medical care, nursing care, childcare, and mental health.
2. Mental health counseling service (free) *For employees only Psychological counselors such as clinical psychologists provide telephone and face-to-face counseling.

● Certified by the Ministry of Health, Labour and Welfare as an “Excellent Health Management Corporation 2025” (large corporations section)

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

As specific measures, we are promoting

- The strengthening of smoking rules aimed at the reduction of smoking rates (expansion of restrictions on smoking hours and locations, establishment of no smoking days, etc.)
- Regular implementation of internal education on “employee health and mental health” and “the balancing of work and childcare,” etc.
- Promotion of the shortening of work hours (effective use of flex-time and working from home, planned taking of annual paid leave, etc.), etc., and have been able to obtain a certain level of effects.

As a result of these initiatives, we were certified as an “Excellent Health Management Corporation 2025 (large corporations section)” in March 2025, as we were in the previous fiscal year.



Social contribution activities

Social contribution activities

● Social contribution areas

Topre Group has set the following areas, which are highly compatible with its management strategy, as its focus areas for social contribution through community investment.

• The spread of keyboard typing

In the Electronic Equipment Department, we are working to promote the spread of keyboard typing through our product "REALFORCE", a computer keyboard, thereby improving ICT skills and promoting postures that reduce fatigue when working on a computer.

• Contributions to local society

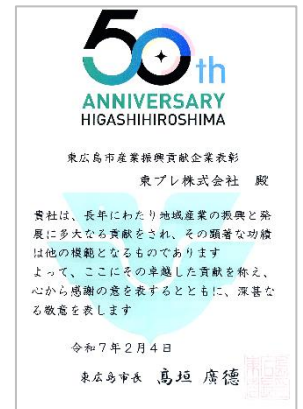
The Topre Group has established “We respect the culture and customs of surrounding communities, engage in activities and contribute to their development.” in its Code of Conduct, and aims long-term coexistence and mutual development by implementing social contribution activities that contribute to local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

Hiroshima Plant awarded by Higashihiroshima City

● Won an award for contributing to the promotion of industry from Higashihiroshima City

In commemoration of the 50th anniversary of Higashihiroshima City's founding as a municipality, the city selected 33 companies, including Topre, that have contributed to local economic development, created employment, and contributed to the promotion of industry over many years.

The award ceremony was held on February 4, 2025.



Testimonial

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 (CEMEFI), and companies can acquire ESR certification if they meet or exceed the specified standards.

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



The fifth award received

Topre Mexico has been ESR certified continuously since fiscal year 2020 and received the award for the fifth time in fiscal year 2024. The Topre Group also implements positive CSR activities overseas.

Social contribution activities

The spread of keyboard typing

● Keyboard typing competition

Holding of the "REALFORCE TYPING CHAMPIONSHIP 2025"

The "REALFORCE TYPING CHAMPIONSHIP," a typing event sponsored by Topre, has been held since 2017, with this year's event being the sixth competition in total.

Between March 25 and April 7, 2025, we held preliminaries online, before the final stage for the top eight competitors from the preliminaries on April 26.



Like last year, this competition was held jointly with Nippon Television Network Corporation, and many viewers became aware of the event due to announcements on TV. A total of 9,668 competitors participated in four online preliminaries, with eight competitors that were victorious in the preliminaries proceeding to the final stage. In previous years, the final event has been held offline with an audience, but it was held without an audience this year, to ensure an environment that enabled the competitors to better concentrate on typing. The high level final stage, which required not only typing speed, but also accuracy, was very exciting, with running commentary and explanation of the heated battle. We would like to continue holding competitions to convey the fun of typing and help to spread typing as an e-sport.



Courtesy Nippon Television © NTV



Courtesy Nippon Television © NTV

The REALFORCE TYPING CHAMPIONSHIP 2025

● Sponsorship of typing study

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

● Provision of hometown tax payment goods to Sagamihara City

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

● Held festival on the theme of "keyboards" in Sagamihara City

In commemoration of the 70th anniversary of Sagamihara City's founding as a municipality, on December 15, 2024, we held the "Sagamihara Keyboard Festival 2024" ~ Typing Competition & e-Sports Event & Programming Class ~. At this event, people of all ages, from elementary school students to adults, enjoyed themselves with Topre "REALFORCE" keyboards.



Sagamihara Keyboard Festival 2024
~ Typing Competition & e-Sports Event & Programming Class ~

Social contribution activities

Contributions to local society

● Acceptance of internships (work experience)

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

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

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

● 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.

• Sagamihara Plant

About 30 employees participate in cleanup activities from Minami-Hashimoto Station to the area around the plant twice a year, in May and December.



• Hiroshima Plant

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



• Gifu Plant

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



• Toho Transportation

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



● Plant tours

We are implementing plant tours for local residents and students at some of the production bases of the Topre Group. Through plant tours, we are deepening the understanding by local residents of the Topre 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 Topre's manufacturing and plant tours will contribute to the building of relationships of trust.

● Blood donation activities

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

● Support for sport

Sagamihara Plant and Toprec sponsor the J.League's SC Sagamihara, which is based in Sagamihara 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." Toho Transportation also received a letter of thanks from Kyoto Prefecture Traffic Safety Association for many years of donations.



Toho Transportation: Receipt of letter of thanks from Kyoto Prefecture Traffic Safety Association

Social contribution activities

Initiatives at each base

Basic principles of local hiring and procurement

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

Initiatives at Topre Kyushu

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



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

Initiatives at Topre (Foshan)

We donated daily necessities to elderly people and people with disabilities in economically disadvantaged regions.



Donation of daily necessities

Initiatives at Topre (Xiangyang)

We participated in a cleanup activity with people from the Gaoxin District housing estate in Xiangyang City.

Additionally, we also received awards for being among the top 100 industrial companies in Xiangyang City and the top 100 industrial companies in terms of tax payments in 2024.



Cleanup activities



Awards for being in the top 100
companies in Xiangyang City

Initiatives at Topre Mexico

Topre Mexico provides positive support for orphanages, the homeless, and hospitals, while also conducting plant tours and other activities. These activities are the result of our employees' dedicated and voluntary participation, giving up their own time and effort to contribute to the welfare of the local community.



Distribution of cleaning kits to
orphanages

Distribution of
blankets and food to
homeless people

Provision of snacks
at hospitals

Plant tour for students in
collaboration with the Unit of
Services for Basic Education
in the State of Querétaro

Social contribution activities

List of social contribution activities

List of social contribution activities

Bases		Results of initiatives in fiscal year 2024
Topre	Sagamihara Plant	• Local cleanup activities: At Sagamihara Plant, we carried out cleanup activities around the plant on May 24, 2024, and December 9, 2024. We are planning to continue doing these cleanups twice a year (May and December). In addition, at Saitama Plant, we carry out cleanups around the plant once a month in the name of beautification activities. • Opening of the grounds to the local general public: We partially opened part of our new grounds to the local general public (youth baseball, etc.), and they were used 34 times in fiscal year 2024 (8 times in fiscal year 2023). We are seeing a gradual expansion in the users of these facilities, with their use increasing significantly. • Participation in summer festival: In the summer festival for fiscal year 2024, we sent information to local residents to encourage them to participate. • Sagamihara City hometown tax payment goods: REALFORCE keyboards have been adopted as Sagamihara City hometown tax payment goods since February 2020. • Support for sport: We support SC Sagamihara as a club sponsor aimed at the regional activation of Sagamihara, the plant's hometown. We sponsor the Tour of Japan (Sagamihara Stage).
	Hiroshima Plant	• Plant tours: We hold plant tours for technical high school students. (around March/irregular) We hold plant tours as training for the new employees of business partners. (around April/irregular) • Local cleanup activities: About 50 employees participate in cleanup activities in the area around the plant once a month. • Donation activities: As a long-term solution in response to the flooding disaster in July 2018, we donated land from around the border generated from embankment work to Higashihiroshima City.

Bases		Results of initiatives in fiscal year 2024
	Tochigi Plant	• Plant tours: Plant tours were held in November 2024 for nearby elementary school students. • Blood donation activities In response to requests for blood donation from the Tochigi Prefecture Red Cross Blood Donation Center, plant employees actively cooperate with blood donation at a blood donation bus that they send to the plant at our request. (Held three times a year, with 60-70 participants donating blood each time.)
	Gifu Plant	• Local cleanup activities: As part of our 6S activities, we clean the neighborhood three times each month (on the 6th, 16th and 26th). • Fund-raising activities: We sponsor the Kawabe-cho Fireworks Festival. We donate to the Gifu Prefecture Greening Promotion Committee through the Kawabe-cho Industrial Environment Section. (Green fund-raising)

Social contribution activities

List of social contribution activities

List of social contribution activities (domestic group companies)

* Content introduced in “Conservation of biodiversity” also listed.

Bases	Results of initiatives in fiscal year 2024
Toho Transportation	• Local cleanup activities: Every Monday and Friday, we clean the sidewalks on the south and west sides facing Toho Transportation’s Head Office for about 200 meters. • Fund-raising activities: Donations to the Japan Traffic Safety Association: Support for the realization of a safe and secure community with no traffic accidents
Toprec	• Support for sport: Aimed at the local invigoration of Sagamihara, a place familiar to the Topre Group, we have agreed a contract with the J.League’s SC Sagamihara as a pitch signboard sponsor. • Local cooperation activities: We participate in mass cleanups and summer festivals sponsored by the Regional Promotion Association around Atsugi Service Center (Isehara City). • Local cleanup activities: We conduct cleanup activities around each service center.
Topre Kyushu	• Plant tours: We hold plant tours whenever necessary, to build relationships of trust with the general public (local residents, high school students, parents and guardians, teachers, etc.). • Plant inspections: We deepened engagement with employees of the Fukuoka Prefecture Government, employees of Kurume City and members of Kanda Town Council with overview explanations of our business and inspections of our production plant and mold plant. • Local cleanup activities: Nine specified skill employees participated in activities and were able to build trust by interacting with local residents. • Support for sport: We employ six members of the local adult rugby team as our employees.
Topre Tokai	• Fund-raising activities: We donate to Toin Town. (Enhancement of educational facilities and schools) We donate to fund-raising for the Mie Prefecture Greening Promotion Association. (Green fund-raising)

List of social contribution activities (overseas group companies)

* Content introduced in “Conservation of biodiversity” also listed.

Bases	Results of initiatives in fiscal year 2024
Topre America	• Social contributions: We provided Community Support (donations) and Scholarships.
Topre Mexico	• Fund-raising activities: We donated to orphanages, facilities for the elderly, cancer treatment facilities, and other charity groups • Tree-planting activity: We conducted tree planting and regeneration activities in neighborhood parks. • Plant tours: We held plant tours for students.
Topre (Foshan)	• Tree-planting activity: We planted five trees in the grounds of our facilities. • Fund-raising activities: We donated daily necessities to elderly people and people with disabilities in economically disadvantaged regions.
Topre (Xiangyang)	• Tree-planting activity: We participated in tree-planting activities of the Environmental Bureau of Gaoxin District in Xiangyang City during the Tree-Planting Festival, with 16 people planting 30 trees. • Local cleanup activities: We participated in a trash pickup activity with people from the Gaoxin District housing estate in Xiangyang City.
Topre Thailand	• Tree-planting activity: We planted mangrove trees. 650 trees (cumulative total: over 2,000 trees) • Training support for the next generation: We donated supplies to schools. • Fund-raising activities: We donated to a temple. We participated in a running charity.
Topre India	• Tree-planting activity: On June 5, 2024, we held a commemorative ceremony and planted trees for World Environment Day. • Education at schools near plant: We provided education related to health, hygiene, and safety in schools near our plant. • Local cleanup activities: We held local cleanup activities in the area around our plant. • Blood donation activities 40 people participated in blood donation activities, with each person donating 350 ml of blood to the Indian Red Cross Society.

Governance

- Corporate governance
- Internal control activities
- Intellectual property activities
- Responsibility to shareholders and investors

Corporate governance

Policy on corporate governance

Basic way of thinking

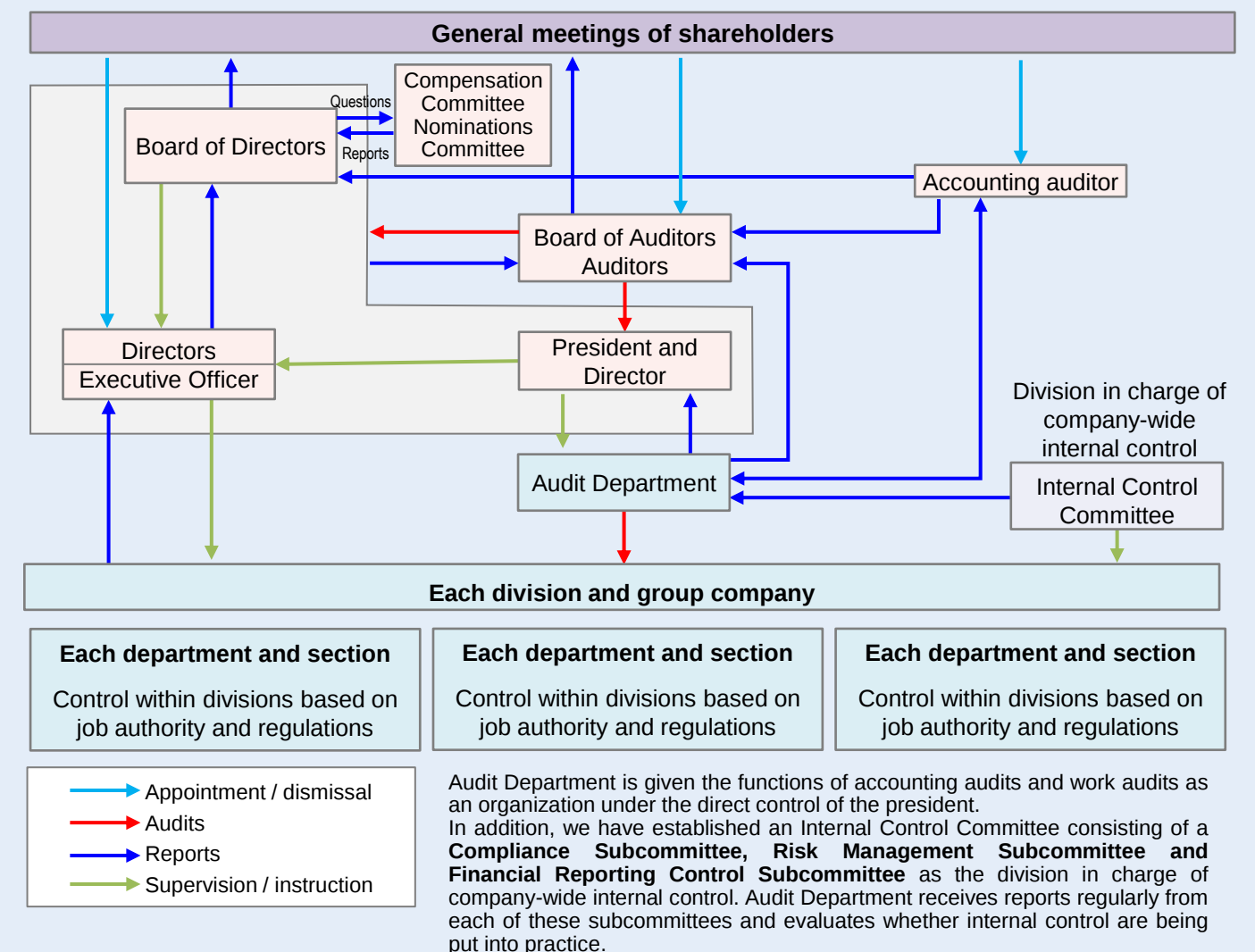
The Topre Group's mission is to create products and services by maximizing its technical expertise in order to contribute positively to the societies in which it conducts business. The Group will not only pursue excellence in its economic performance, but also carry out business activities as a group of international companies with the highest ethical standards and common sense, which will promote a Topre Group image that will be acknowledged and respected.

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

Basic policy on corporate governance

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

Corporate governance system



Corporate governance report

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

Corporate governance

Corporate governance system

Corporate governance system

Board of Directors

The system at Topre 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. 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.

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.

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.

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 fifteen people including three certified public accountants.

Nominations Committee

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

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

Executive officers (delegate-type)

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

External Directors and External Auditors

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

Corporate governance

Executive compensation

● Executive compensation

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

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

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

Compensation Committee

The Compensation Committee is an optional decision-making body comprised of the President and Director and Directors appointed by the President and Director, with External Directors occupying a majority of positions.

The Compensation Committee establishes the amount of monthly compensation and bonuses for each Director based on the regulations within the total amount of compensation approved by the General Meeting of Shareholders, excluding stock compensation.

Compensation system

- Basic compensation
Monthly compensation is determined for each Director based on the discussions of the Compensation Committee.
- Short-term results-linked compensation
Bonuses linked to results for a single fiscal year are determined based on the discussions of the Compensation Committee taking into consideration each Director's contribution to results.
- Medium to long-term results-linked compensation
The company provides its own shares, etc., based on the cumulative number of points granted in accordance with the degree of achievement of management indicators for each fiscal year.

The compensation system for Auditors includes only basic compensation.

Evaluation of the effectiveness of the Board of Directors

Topre implements annual questionnaires on evaluations of the effectiveness of the Board of Directors to improve the functions of the Board of Directors and enhance the corporate governance system further. The results are compiled and analyzed, and an overview of the results and directions for improvement are reported to the directors. Based on the results of the most recent questionnaire on evaluations of the effectiveness of the Board of Directors, we have evaluated that there are no problems with the effectiveness of the Board of Directors overall.

Internal control activities



Internal Control Committee

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

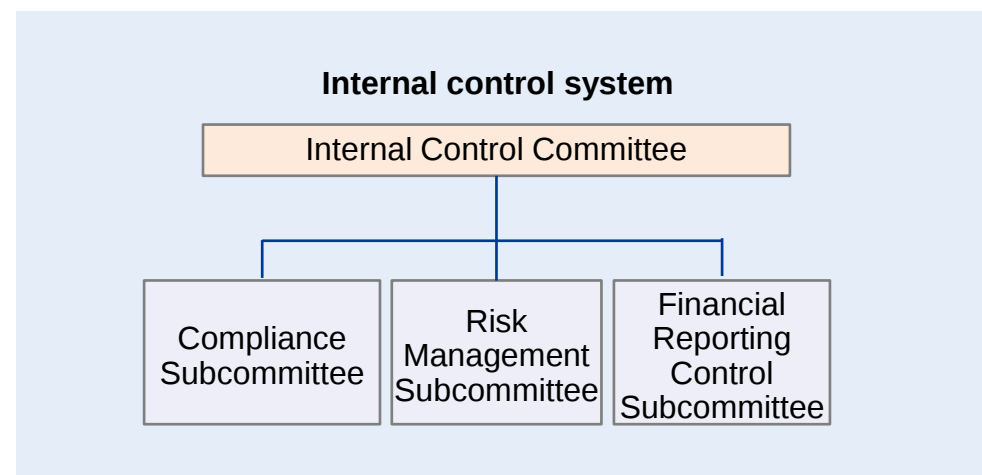
Internal control system

The internal control system ensures

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

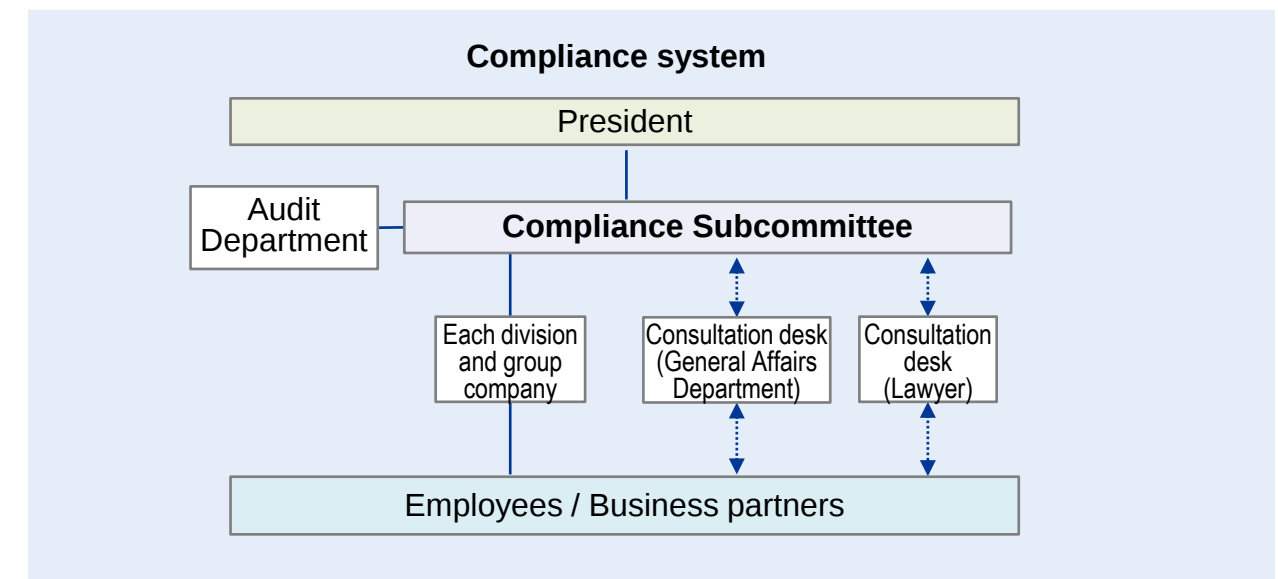
The processes that are incorporated into work and executed by all employees in order to ensure the above constitute the internal control system. In order to promote work efficiently and comply with laws and regulations, the activities involve establishing a “corporate culture that does not violate laws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

Topre established an Internal Control Committee and the following three subcommittees in order to develop and promote this 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 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 Topre Group company. We have set rules for internal reporting and if we receive a report about a violation of the law, regulations or rules, such as bribery or bid rigging, an investigation is carried out and we take corrective action and measures to prevent reoccurrence. The anonymity of the reporter is maintained and they are protected in accordance with the rules. In addition, we are making efforts to familiarize employees with the internal reporting system and to establish the environment for its use.

Internal control activities



Compliance Subcommittee

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 Topre Group.

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

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

1. Compliance with laws and regulations

In the handling of personal information, we comply with the Act on the Protection of Personal Information and related laws, regulations, guidelines, etc.

2. Collection and use of personal information

The company collects personal information after obtaining consent from the person it concerns and uses personal information within the scope of the purposes of use* described below.

3. Provision of personal information to third parties

We do not provide personal information to third parties unless we obtain consent in advance, outsource work or otherwise have a legitimate reason.

4. Joint use of personal information

When sharing personal information with a group company, we disclose the details of sharing in advance and collect personal information after obtaining consent.

5. Safety management measures

We take appropriate information security measures to maintain the accuracy of personal information and to prevent the loss, falsification or leakage of, or unauthorized access, etc., to personal information.

6. Continuous improvement of personal information protection systems

In order to protect personal information, we develop the necessary systems, provide education to employees on the appropriate handling of personal information and make improvements continuously.

7. Procedures for disclosure, etc., of personal information

The company’s Personal Information Protection Consultation Office is in charge of inquiries, disclosures, corrections, etc., relating to personal information.

* Purposes of use

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

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

Established June 28, 2022

Internal control activities



Compliance Subcommittee

Corruption prevention initiatives

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

Basic policy of the Topre Group on the prevention of corruption

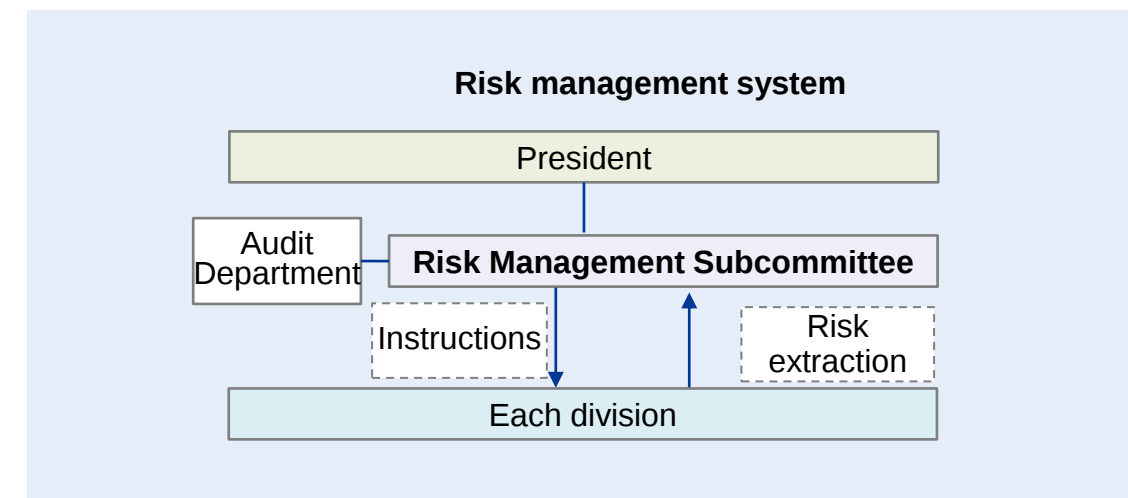
1. Aimed at preserving fair and sound relationships with all stakeholders in the conduct of business activities, we strive for the prevention of any act of corruption, including bribery through political donations as well as entertainment and gifts with business partners, conflicts of interest, insider trading, money laundering, obstruction of justice, and contact with anti-social forces, and establish action guidelines and internal regulations as actions that will prevent corruption.
2. All employees are aware of the prevention of corruption in the execution of their duties and strive to promote it. At the same time, all employees comply with related laws and regulations and act in accordance with company rules.
3. In the event of a violation by an employee, the company will handle it promptly, correct the violation, revise the Code of Conduct and internal regulations as required, and strive to prevent reoccurrence.

Revised on January 16, 2025

Risk Management Subcommittee

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

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



Risk identification process

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

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

Internal control activities



Risk Management Subcommittee

Topre Group information security policy

< Basic way of thinking >

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

1. Information security measures

We understand the risks associated with information security, take appropriate technical, physical and human measures, and manage and store information assets so that no issues such as unauthorized intrusions, leakages, alterations or losses occur.

2. Legal compliance and the establishment of internal rules

We establish internal rules on information security and comply with legal and contractual security obligations.

We take preventive and corrective measures against violations of these rules and acts of information leakage.

3. Implementation of information security education

The company implements regular education on information security to employees working at the Topre Group to make them aware of the importance of information security and to ensure that they use information assets appropriately.

4. Handling of information security incidents and accidents

If a problem occurs in information security, we investigate the cause, minimize the damage and strive for the prevention of reoccurrence. In addition, we share risk information such as cases of information leakage within the group and reflect them in the security rules.

Established June 28, 2022

● Information security drills

As part of the strengthening of information security, the Topre Group conducts annual “targeted attack email drills” assuming cyber attacks. In fiscal year 2024, we ran the drills from October 2024 to February 2025 with 1,918 randomly sampled employees from across the entire Topre Group. Moreover, we implemented the drills again in March 2025 for anybody who opened a URL in a drill email during this period, to ensure that everyone is aware of the risks.

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

● Information security management system

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

• Organizational safety management measures

The Topre Group complies with laws, regulations and guidelines on the protection of personal information, and strives to protect specific personal information through all of its business activities. Departments that handle personal information appoint a responsible person who manages and supervises that information and provides education and training on its handling. In fiscal year 2024, 1,886 employees at domestic group companies received education on information security.

• Technical safety management measures

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

• Physical safety management measures

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

• Human safety management measures

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

• Management of information security incidents

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

Internal control activities



/ Risk Management Subcommittee

● Handling of BCP

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

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

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

Topre Group basic policy on BCP

< Basic way of thinking >

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

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

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

Established June 28, 2022

Internal control activities



Financial Reporting Control Subcommittee

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

The Topre 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.

● Efforts to pay appropriate taxes

Topre Group Tax Policy

< Approach to Tax Payments >

The Topre Group complies with the laws and regulations that apply to our domestic and overseas business activities in accordance with the Topre Group Code of Conduct.

With respect to taxation, the Topre Group follows the tax laws, rules and regulations, and underlying spirit behind them in each country and region where Group companies engage in business activities, and pays taxes accordingly. Under this tax policy, the Topre Group promotes the proper fulfillment of tax obligations throughout the Group, maximizes shareholder value, and ensures full compliance.

< Basic Tax Policy >

Tax Compliance

The Topre Group complies with the laws and regulations related to taxation in all countries and regions in which we operate, and contributes to society through appropriate tax payments in accordance with the OECD Guidelines, the BEPS Project, and other relevant international standards.

In addition, the Group does not engage in intentional acts of tax evasion, including the use of tax havens and the like.

Tax Governance

When faced with tax issues, the Topre Group works with our domestic and overseas subsidiaries to address them.

Issues deemed to be of high importance are brought to the Board of Directors for a decision, and are reported to the corporate auditors on a regular basis.

Transfer Pricing Taxation System

The Topre Group conducts international transactions using the Arm's Length Price in accordance with the OECD Transfer Pricing Guidelines.

We also prepare appropriate transfer pricing documentation in accordance with the transfer pricing taxation systems of each country and, if necessary, utilize Advance Pricing Arrangements with tax authorities to ensure appropriate tax payments.

Relationship with Tax Authorities

The Topre Group strives to establish and maintain sound and normal relationships with the tax authorities of each country and region in which we operate by appropriately providing information and offering sincere, fact-based explanations in response to their requests, and by engaging with them in good faith.

Elimination and Prevention of Double Taxation

The Group strives to realize appropriate profit sharing based on the Arm's Length Price in an effort to eliminate double taxation.

In the event of double taxation, the Group strives to prevent such through mutual agreement under tax treaties and by utilizing the relief systems of each country.

Established October 29, 2024

Intellectual property activities

Intellectual property activities

● Basic way of thinking

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

● Activities that contribute to business

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

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

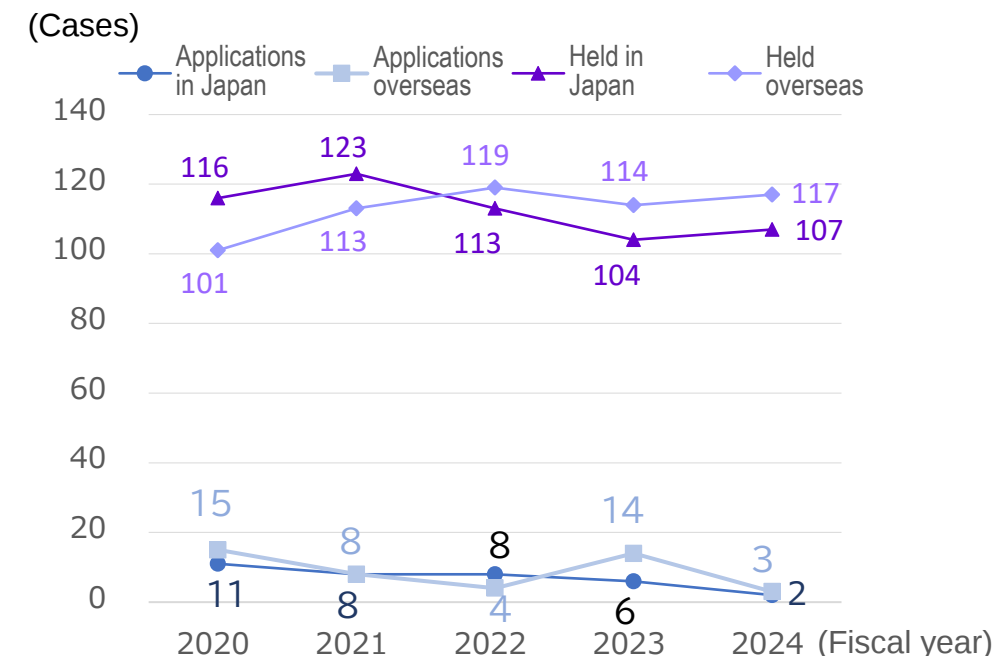
● Development of human resources for intellectual property

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

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

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

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



Responsibility to shareholders and investors

Thinking on information disclosure and dialogue

Topre'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 Topre 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 Topre is also involved positively in information collection.

General meetings of shareholders

Topre 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 Topre known among individual investors.

Twice a year, we issue shareholder newsletters so that shareholders can deepen their understanding of Topre. Shareholder newsletters can be viewed on Topre'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 Topre among institutional investors.



Financial results briefings

Information disclosure on the website

We have set up dedicated pages on Topre's 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 Topre.

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.

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

We have set the dividend payout ratio as a medium- to long-term management indicator, and while maintaining a benchmark dividend payout ratio of 30%, we will consider share buybacks on an ongoing basis, as we work to enhance shareholder returns.

ESG Data

- Environmental data
- Social data
- Governance data

Environmental data

Environment

CO ₂ emissions [Scope 1, Scope 2] (global)		(1,000 t-CO ₂)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1 + 2	Total	71.6	83.2	83.3	87.2	81.0
Breakdown	Scope 1	Total	16.5	17.7	19.3	19.1
		Japan	11.6	12.0	13.0	13.8
		Overseas	4.9	5.7	6.2	5.2
	Scope 2	Total	55.0	65.5	64.0	68.1
		Japan	20.7	21.3	21.8	24.7
		Overseas	34.4	44.2	42.2	43.4

* From fiscal year 2023, we have calculated greenhouse gas emissions other than CO₂ from energy, and recorded them in Scope 1.
* Values from fiscal year 2020 onward have been retrospectively revised in line with the addition of consolidated subsidiary Guangzhou Mitsuike.

CO ₂ emissions per unit of sales [Scope 1 + Scope 2] (global)		(t-CO ₂ / million yen)				
		FY2020	FY2021	FY2022	FY2023	FY2024
CO ₂ emissions per unit of sales		0.33	0.36	0.29	0.25	0.22

CO ₂ emissions [Scope 3] (global)		(1,000 t-CO ₂)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Scope 3		3307.4	3,394.3	3,382.6	3,895.1	3,928.3
Breakdown	Category 1 Purchased goods and services	1585.3	1,779.6	1,885.0	2,258.2	2,064.3
	Category 2 Capital goods	116.2	68.0	59.0	70.8	82.0
	Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	10.5	12.0	12.2	13.2	13.7
	Category 4 Upstream transportation and distribution	109.9	82.6	90.2	77.9	91.5
	Category 5 Waste generated in operations	1.9	2.3	1.8	2.1	1.9
	Category 6 Business travel	0.8	0.8	0.8	0.9	0.9
	Category 7 Employee commuting	5.5	5.8	5.7	5.8	5.9
	Category 8 Upstream leased assets	Excluded from calculation (Recorded under Scope 1 and 2)				
	Category 9 Downstream transportation and distribution	Excluded from calculation (Reasonable calculation is not possible)				
	Category 10 Processing of sold products	Excluded from calculation (Reasonable calculation is not possible)				
	Category 11 Use of sold products	1425.4*	1,412.9*	1,295.4*	1,431.8*	1,633.1*
	Category 12 End-of-life treatment of sold products	14.2	14.0	14.0	16.1	18.9
	Category 13 Downstream leased assets	Excluded from calculation (There is no external leasing of assets)				
	Category 14 Franchises	Excluded from calculation (There is no franchising)				
	Category 15 Investment	37.7	16.4	18.5	18.2	16.0

* Values for fiscal year 2021 have been revised in line with the addition of overseas bases.
* Calculation only of internal products (products designed internally).

Supply chain emissions (global)		(1,000 t-CO ₂)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Supply chain emissions (Scope 1 + Scope 2 + Scope 3)		3378.9	3,477.6	3,465.9	3,982.3	4,009.3
Breakdown	Scope 1	16.5	17.7	19.3	19.1	20.2
	Scope 2	55.0	65.5	64.0	68.1	60.8
	Scope 3	3,307.4	3,394.3	3,382.6	3,895.1	3,928.3

<< Reference CO₂ emissions intensity >>
Scope 1: Ministry of the Environment, “List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems”
Scope 2: Domestic: Ministry of the Environment, “Emission Factor by Electric Utility Operator”
Overseas: Factors published by local governments, IGES List, etc.
Scope 3: IDEA v2.3 and Ministry of the Environment “Emissions Intensity Database”

Energy consumption (global)		(TJ)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Energy consumption	Total	686	773	803	840	870
	Japan	356	358	387	426	427
	Overseas	329	415	416	414	443

Electricity consumption (global)		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Electricity consumption	Total	MWh	-	132,459	133,485	147,511	150,817
	Renewable energy ratio	%	-	0.0	0.2	2.8	9.2
	Non-renewable energy	MWh	-	132,459	133,226	143,329	136,904
	Renewable energy (Private power generation)	MWh	-	0	113	2,468	5,523
	Renewable energy (PPA)	MWh	-	0	146	1,547	4,337
	Renewable energy electricity switchover	MWh	-	0	0	97	3,805
	Non-fossil certificates	MWh	-	0	0	70	249

Raw materials consumption (global)		(ton)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Raw materials consumption	Total	-	524,068	671,688	732,131	760,937
	Steel	-	515,053	665,408	715,921	750,107
	Aluminum	-	9,015	6,280	16,210	10,831

Amount of waste discharged (global)		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of waste discharged (non-hazardous waste)	Total	ton	2,938	3,355	2,644	3,264	3,119
	Recycled*1	ton	1,303	1,086	971	1,336	1,109
	Non-recycled	ton	1,635	2,269	1,673	1,928	2,010
	Recycling ratio	%	44.3	32.4	36.7	40.9	35.5
	Japan	ton	1,457	1,357	1,258	1,540	1,377
	Overseas	ton	1,480	1,998	1,386	1,724	1,741

*1 Includes thermal recycling

Other environmental impact from production activities (global)		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal	Total	m ³	185,803	173,780	185,085	189,266	192,886
	Japan	m ³	58,741	51,484	62,878	70,533	70,454
	Overseas	m ³	127,062	122,296	122,207	118,733	122,432
BOD discharge in water areas*1	Total	ton	-	-	-	0.2	0.9
COD discharge in water areas*1	Total	ton	-	-	-	3.6	4.4
NOx (nitrogen oxide) emissions*2	Total	ton	-	2.6	2.9	3.0	3.1
SOx (sulfur oxide) emissions*2	Total	ton	-	1.6	1.8	1.8	1.9
VOC atmospheric emissions	Total	ton	-	-	-	4.5	4.5
Quantity of substances subject to PRTR Act handled	Japan	ton	29	27	26	24	28

*1 Total of bases that require measurement (from fiscal year 2023)
*2 Subject: Fixed facilities << Reference CO₂ emissions intensity >> National Institute for Environmental Studies
“Fixed Source NOx, SOx, PM Emissions Factor Database”

Environmental fines (global)		(1,000 yen)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Environmental fines and penalties	Total	-	-	-	0	1,354
	Japan	-	-	-	0	0
	Overseas	-	-	-	0	1,354

Social data

Human resources

Employee data (global)

			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated employees	Total	People		6,098	5,959	6,402	6,834	6,938
	Female	People		-	-	-	676*	740*
	Female ratio	%		-	-	-	9.9*	10.7*
Breakdown	Employees in Japan	Total	People	2,763	2,691	2,795	2,714	2,780
		Male	People	-	-	-	2,497	2,544
		Female	People	-	-	-	217	236
	Employees overseas	Female ratio	%	-	-	-	8.0	8.5
		Total	People	3,335	3,268	3,607	4,120	4,158
		Female	People	-	-	-	459*	504*
Management positions	Number of management positions	Female ratio	%	-	-	-	25.0*	26.4*
		Total	People	-	-	-	489	473
		Male	People	-	-	-	452	435
	Ratio of female mangers	%		-	-	-	9.0*	9.9*

* Added the breakdown between men and women and the proportion of women from fiscal year 2023.
(Excludes U.S. bases because gender is not grasped from the perspective of gender equality)

Employee data (domestic group)

			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Full-time employees	Number of people	Total	People	2,763	2,691	2,795	2,714	2,780
		Male	People	-	-	-	2,497	2,544
		Female	People	-	-	-	217	236
Quasi employees, contract employees	Number of people		People	-	-	-	471	419
Employees who resigned for personal reasons	Number of employees who resigned		People	-	-	-	210	174
New graduate hires	Number of hires		People	-	-	-	68	82
Management positions	Number of management positions	Total	People	-	-	-	344	318
		Male	People	-	-	-	341	315
		Female	People	-	-	-	3	3
	Ratio of female mangers		%	-	-	-	0.9	0.9
Employment of people with disabilities	Number of people hired		People	-	-	-	51	60
Use of the rehiring system	Retirees		People	-	-	-	43	67
	Number of users of the system		People	-	-	-	39	67
Childcare leave	Number of people taking leave		People	-	-	-	29	35

Male-female wage differences

(%)

		FY2020	FY2021	FY2022	FY2023	FY2024
Topre	All workers	-	-	64.3	65.0	66.7
	Full-time employees	-	-	76.8	77.9	77.2
	Contract employees, etc.	-	-	46.5	40.0	45.7
Topre Kyushu	All workers	-	-	69.6	52.5	55.7
	Full-time employees	-	-	76.6	79.7	85.3
	Contract employees, etc.	-	-	74.7	11.4	2.4
Topre Tokai	All workers	-	-	73.5	77.8	65.4
	Full-time employees	-	-	74.7	77.9	61.6
	Contract employees, etc.	-	-	62.8	43.5	67.1

Employee data (non-consolidated)

			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Full-time employees	Number of people	Total	People	1,597	1,563	1,508	1,504	1,544
		Male	People	1,497	1,461	1,406	1,399	1,429
		Female	People	100	102	102	105	115
	Years of service	Overall	Year	14.5	14.9	15.5	15.6	15.1
		Male	Year	14.9	15.3	15.9	15.9	15.4
		Female	Year	9.1	9.6	10.5	11	10.7
	Average age	Overall	Age	38	38.6	39.1	39.5	39.3
		Male	Age	38.3	39	39.3	39.6	39.5
		Female	Age	34.3	35.2	36.5	37.4	36.9
Quasi employees, contract employees	Number of people	Total	People	166	175	188	245	280
Employees who resigned for personal reasons	Number of employees who resigned for personal reasons		People	93	114	106	62	52
	Turnover rate for personal reasons		%	5.8	7.3	7	4.1	3.4
New graduate hires	Number of hires	Total	People	79	41	37	32	57
		Male	People	72	35	31	28	47
		Female	People	7	6	6	4	10
	Female ratio		%	8.9	14.6	16.2	12.5	17.5
Mid-career hires	Mid-career ratio		%	20.2	35.9	40.3	66.3	55.5
Management positions	Number of management positions	Total	People	180	194	183	196	188
		Male	People	178	192	181	193	185
		Female	People	2	2	2	3	3
	Ratio of female mangers		%	1.1	1	1.1	1.5	1.6
	Number of mid-career hires		People	42	56	54	63	63
Employment of people with disabilities	Number of non-Japanese		People	2	1	1	1	1
	Number of people hired		People	39	38	38	44	53
	Employment ratio		%	2.1	2	2.1	2.4	2.8
Use of the rehiring system	Retirees		People	11	29	27	26	38
	Number of users of the system		People	10	23	25	22	26
	Rate of use of the system		%	90.9	79.3	92.6	84.6	68.4
Rate of taking paid leave			%	53.6	61.3	61.7	64.5	59.8
Childcare leave	Number of people taking leave	Total	People	10	15	13	20	22
		Male	People	3	8	9	18	18
		Female	People	7	7	4	2	4
	Rate of taking leave	Male	%	-	-	20	41.9	47.4
		Female	%	100	100	80	100	100
	Rate of return		%	100	100	100	100	100
Annual hours worked per regular employee			Hours /year	2,098	2,098	2,099	2,176	2,184
Training	Training expenses		1 million yen	15.7	17.7	17	18.4	21.9
	Training expenses per employee		yen /person	9,831	11,324	11,273	12,231	14,184
	Training time		Hours /year	-	-	-	9,663	27,321
	Training time per employee		Hours /person	-	-	-	6	18
Labor union membership as a percentage of all employees			%	90.4	89.8	88.8	91.5	91.0
Total number of discriminatory incidents during the reporting period			Cases	-	-	0	0	0

Social data

Safety and health

Occupational accidents (domestic group)							
		Unit	CY2020	CY2021	CY2022	CY2023	CY2024
Number of accidents resulting in death		Cases	0	0	0	0	0
Occupational accidents	Number of incidents	Cases	24	27	22	22	22
	Accidents accompanied by lost worktime	Cases	1	8	9	6	7
	Accidents not accompanied by lost worktime	Cases	8	19	13	16	15
	Lost worktime accident rate	-	0.14	1.14	1.35	0.82	0.90
	Occupational accident rate	-	3.43	3.84	3.31	3.02	2.83
	Accident severity rate	-	0.02	0.05	0.06	0.02	0.05
Number of commuting accidents		Cases	20	17	20	17	27

* 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)

Accidents accompanied by lost worktime (non-consolidated)							
		Unit	CY2020	CY2021	CY2022	CY2023	CY2024
Number of accidents accompanied by lost worktime*3	Severe accidents*2	Cases	0	0	0	0	0
	Accidents accompanied by lost worktime	Cases	1	5	4	4	2
Lost worktime accident rate*3 *4	Topre (target)*5	-	0.0	0.0	0.0	0.0	0.0
	Topre (actual)	-	0.24	1.24	1.11	1.04	0.48
	All industries*6	-	1.95	2.09	2.06	2.14	2.10
	Manufacturing industry*6	-	1.21	1.31	1.25	1.29	1.30
	Metal products manufacturing industry*6	-	1.28	1.20	1.32	1.38	1.23

* The value for each year is the number of occurrences from January 1 to December 31
*2: Serious accidents: Work-related accidents involving death, physical disabilities, three or more injuries, explosions, fires, ruptures, collapses, or large-scale leakage of hazardous materials.
*3: Includes temporary and dispatch employees
*4: Accidents accompanied by lost worktime frequency rate = Number of persons affected by accidents accompanied by lost worktime owing to work-related accidents ÷ total actual work hours × 1 million hours
*5: The target for the accidents accompanied by lost worktime frequency rate has been 0.00 since fiscal year 2024
*6: Source: Cited from the Ministry of Health, Labour and Welfare’s “Survey on Industrial Accidents (calendar year)”

Safety and health education (domestic group)							
		Unit	CY2020	CY2021	CY2022	CY2023	CY2024
Number of people taking safety and health education	Internal education	People	255	200	274	358	1,671
	External education	People	5	52	53	35	137

Social contribution activities (global)

Social contribution activities (global)						(1,000 yen)
		FY2020	FY2021	FY2022	FY2023	FY2024
Social contribution activity expenses	Total	12,109	14,166	10,817*	14,021	19,562
	Japan	2,555	4,865	3,500*	6,960	4,930
	Overseas	9,554	9,301	7,317	7,061	14,632

* Domestic expenses for fiscal year 2022 have been revised.

Governance data

Compliance (domestic group)

Compliance (domestic group)						
	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of cases of disciplinary treatment or firing related to corruption	Cases	0	0	0	0	0
Number of people subject to disciplinary treatment or firing related to corruption	People	0	0	0	0	0
Fine and settlement expenses related to corruption	1 million yen	0	0	0	0	0
Political donations	1 million yen	0	0	0	0	0

Intellectual property activities (global)

Intellectual property activities (global)							(Cases)
			FY2020	FY2021	FY2022	FY2023	FY2024
Numbers of patent, utility model and design applications, and rights held	Number of applications	Japan	11	8	8	6	2
		Overseas	15	8	4	14	3
	Number held	Japan	116	123	113	104	107
		Overseas	101	113	119	114	117