

# CSR Activity Action Plan

The Toyal Group set medium-term (fiscal 2021) and long-term (fiscal 2031) targets for the five key challenges of CSR, and has been working to achieve them with the Toyal Group Sustainability Vision in mind, which was established toward 2031, the year of the 100th anniversary of its foundation. In fiscal 2020, our activities were restricted due to the COVID-19 pandemic, but we achieved results in developing new business. On the other hand, in terms of quality, we received one serious complaint, and in terms of safety, two lost-time injuries occurred. In this fiscal year, we will proceed with each activity to achieve the medium-term targets for each challenge.

Key CSR Challenges	Relations with the Main SDGs	Main Activities	Activity Results of Fiscal 2020	Medium-Term Targets (Fiscal 2021)	Long-Term Targets (Fiscal 2031)
1 Innovation to Shape the Future		Existing business: Increase the proceeds of products that contribute to SDG 3, 7, 9, 11 and 12	<b>Proceeds of products that contribute to the SDGs: 105% compared to the previous fiscal year</b>	Set targets as a management strategy (integration into the medium-term management plan)	Triple the proceeds of products that contribute to SDG 3, 7, 9, 11 and 12 (compared to fiscal 2019)
		New business: Create the 4th pillar (business)	<b>Prospect: Commercialization of one item</b>	Commercialization of 1 item	Commercialization of 2 items
2 Environmental Protection		Reduce CO <sub>2</sub> emissions from business activities (compared to fiscal 2013)	<b>4.0% reduction compared to the previous fiscal year</b>	2.5% reduction (compared to the previous fiscal year)	30% reduction (compared to fiscal 2013)
		Establishment a system to recycle solar cells	<b>Concluded the NDA with partner what specifically we can do together</b> <b>companies and studied</b>	Study how to establish a system to recycle solar cells	Establish a system to recycle solar cells and start the recycling
		Establish a system to recycle aluminium	<b>Took a step back in the collection of food residue problems</b> <b>aluminium baking molds due to</b>	Establish a system to recycle aluminium and start the recycling	Generalize aluminium recycling (with the established system)
		Establish a system to recycle paper containers	<b>Performed recycling tests</b>	Establish a system to recycle paper containers and start the recycling	Generalize paper container recycling (with the established system)
		Reduce industrial waste from business activities	<b>14.2% reduction compared to the previous fiscal year</b>	Reduction rate of industrial waste from business activities: 2% reduction in waste intensity (compared to the previous fiscal year)	Achieve zero industrial waste to landfill (zero emissions by recycling all)
3 Active Roles of Diverse Human Capital		Increase the rate of women in hires	<b>Rate of women in new hires: 27.2%</b>	Rate of women in new hires: 25%	Rate of women in new hires: 30%
		Active roles of senior human capital	—	Complete organizing a system centered on the mandatory retirement age of 65	Complete organizing a system centered on the mandatory retirement age of 70
		Active roles of autonomous human capital	<b>“Skill development system” being introduced</b> <b>(new personnel system)</b>	Expand the number of employees targeted for autonomous human capital development	Constructively continue autonomous human capital development
		Promote healthy management	<b>Utilized the results of stress checks for to improve the workplaces</b> <b>team leaders and provided feedback</b>	Continue to promote healthy management and gain external reputation as well	Constructively continue healthy management
4 Quality and Safety		Reduce the number of serious quality complaints	<b>Number of serious quality complaints: 1</b>	Achieve zero serious quality complaints	
		Reduce lost-time injuries, non-lost-time injuries, and fire accidents	<b>Number of lost-time injuries: 2</b> <b>Number of fire accidents: 5</b> <b>(80% compared to the previous fiscal year)</b>	<b>Number of non-lost-time injuries: 10</b> <b>Number of minor injuries: 16</b>	Achieve zero lost-time injuries, zero non-lost-time injuries, zero fire accidents, and 50% reduction of minor injuries* (compared to the previous fiscal year) Priority initiatives: Strengthen measures against accidents related to rotating objects and delivery equipment, and on-site slip and fall accidents
5 Collaboration with Stakeholders		Improve reliability and satisfaction through conversations with various stakeholders (regions, customers, employees, etc.)	<b>Dialogues with the government and employees</b> <b>Focused on information dissemination via the media and Web</b>	Plan measures for the Toyal Group to address issues faced by various stakeholders	Build good relationships with various stakeholders and play a part in resolving issues

-> The details of the activities are reported in the section on key CSR challenges starting on page 21.

\* The category/name of the accidents was changed from very slight injuries to minor injuries in April 1, 2020.

Creates the future

Microscopes in the Yao Core Technology Center

# Future

## Innovation to Shape the

Relations with the Main SDGs



### OUR APPROACH

In order to respond to social challenges, potential problems, and changes in the market environment that have become apparent, the Advanced Technology Division and the New Business Creation Division have classified the target markets into the following three categories: "existing market," "new market," and "next-generation market," and are devoting resources to research & development and commercialization for each category. When it is difficult to find solutions on our own, we actively promote open innovation through alliances with venture companies, universities and research institutes, both in Japan and overseas.

We incorporate the concept of "Creating Shared Value (CSV)," deepen the communication with our stakeholders, and work on development that can realize the creation of shared value between the Toyo Group and society. We also aim to lead the world with new ideas, being based on aluminium, but not limited to it.

Unique ideas are essential for new themes.  
We move forward with open innovation and employee diversity.

In fiscal 2020, we focused on open innovation to enter the next-generation market. We have been developing battery components with an American venture company, 24M Technologies, Inc. In the "Toyo Aluminium Joint Research Course on Semiconductors" established at Osaka University, we are conducting full-scale experiments with the aim of developing semiconductor wafers.

Developing leading-edge technology on our own is becoming more difficult, so it is essential to have the sense of speed of venture companies, and free and active information exchange between universities.

Diversity of researchers is also an important factor for new perspectives and ideas. In this fiscal year, the rate of female and foreign researchers reached 20%. Going forward, we are planning to increase the rate to 30% and dispatch one course doctor or so per year.

Manufacturing is shifting from an era of focusing on economic efficiency and specifications to that of contributing to solving social issues. We will continue to put our energy into research and development of products that address social issues, especially environmental challenges.



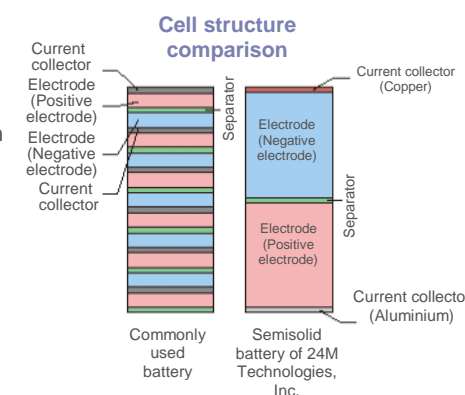
Managing Executive officer  
Supervisor of the  
Advanced Technology  
Division  
Zenya Ashitaka

## Practice case

Examples of Practice for Key CSR Challenges

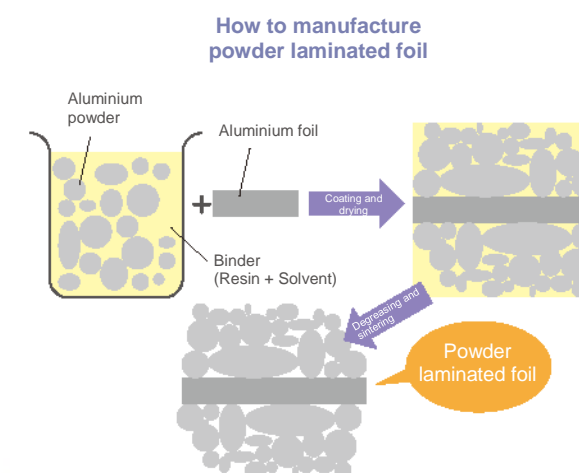
### case 01 New business: Create the 4th pillar (business) Development of Batteries for Next-Generation EVs

We are advancing the development of next-generation batteries through joint development with 24M Technologies, Inc., a battery technology venture company (Boston, USA). The impact of the COVID-19 pandemic delayed the start of the research activities, but researchers were dispatched to start the activities in October 2020. The semisolid batteries developed by 24M Technologies are characterized by high safety, and by combining them with the electrodes that have our surface treatment technology applied, we aim to develop batteries with even higher safety. These electrodes can be used in various types of batteries and can also be used in lithium-ion batteries, which are handled in the foil business. They can thus contribute to the creation of new added value for existing business as well. In addition, this is our first time to collaborate with an overseas venture company, and it is a valuable collaboration also in terms of fostering human capital for researchers.



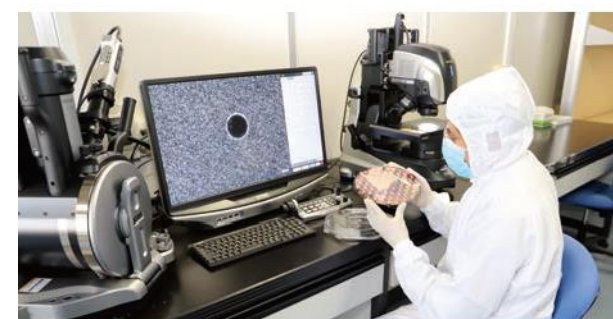
### case 02 Existing business: Increase the proceeds of products that contribute to the SDGs Development of Capacitors with Low Environmental Impact

The surface areas of conventional aluminium electrolytic capacitors are expanded by immersing the aluminium foil in hydrochloric acid solution and opening many fine holes through electricity. However, the hydrochloric acid used in this process is regarded as a problem because it imposes a burden on the environment. The powder laminated foil developed by the Toyo Group does not use hydrochloric acid in manufacturing, so it can reduce the impact on the environment. After a performance evaluation by a capacitor manufacturer, it is planned to be placed on the market in fiscal 2021.



### case 03 New business: Create the 4th pillar (business) Establishment of Joint Research Courses with Osaka University

We established the "Toyo Aluminium Joint Research Course on Semiconductors" in the School of Engineering, Suita Campus of Osaka University in September 2020, and dispatch one specially appointed professor and one researcher. We are developing new semiconductors by making use of our expertise in the research and development of solar cell electrodes, and will aim to develop semiconductor wafers ultimately. We have been making efforts in a university, which has a different system than before and a free atmosphere. We are expecting good results from this, and it is also a great advantage that we can connect with other research courses and cooperate with other universities and companies. We will actively strive to become a successful example of open innovation in our group.

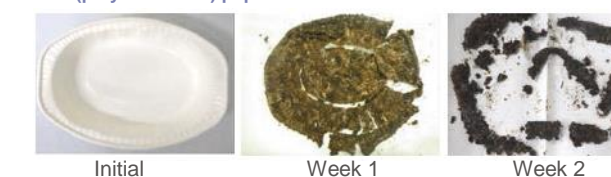


Wafer observation in the laboratory

### case 04 Existing business: Increase the proceeds of products that contribute to the SDGs Development of Biodegradable Plastic Packaging Materials

Environmental pollution has been a worldwide problem such as microplastics due to the outflow of plastic containers into the ocean. We have been working to obtain basic biodegradation data by conducting disintegration tests and biodegradation tests with various biodegradable films, biodegradable resins, etc. Using this basic data, we are developing biodegradable paper containers by combining paper and biodegradable plastic through joint development with Toyo Aluminium Ekco Products Co., Ltd. Moving forward, we are planning to include them in our lineup of containers and packaging materials as environmentally friendly containers. In this fiscal year, we are also participating in the Clean Ocean Material Alliance (CLOMA) to interact with each relevant company and explore new demands and use applications.

PLA (polylactic acid)/paper container



Initial Week 1 Week 2

Environmental protection

Water droplets on a lotus leaf

# Environmental Protection

Relations with the Main SDGs



## OUR APPROACH

We are working on environmental protection from the perspective of reducing the environmental impact of our business activities as well as contributing to the environment through our products. In our business activities, we are making efforts to reduce the use of energy in each process in manufacturing, and to reduce, reuse and recycle waste. Especially for global warming prevention, in light of the Paris Agreement and the SDGs, we have set a goal of reducing the CO<sub>2</sub> emissions by 30% (compared to fiscal 2013) by 2031, which is the year of the 100th anniversary of the Toyoda Group's foundation. We will proceed with concrete initiatives moving forward. In addition, 16 of our offices (mainly production bases) have the ISO 14001 certification. Through the effective operation of the environmental management system, we prevent environmental troubles, comply with laws and regulations of each kind, reduce environmental impact, and promote management activities that are sustainable and in harmony with the global environment.

As one team as the Toyoda Group, we will work to address environmental issues and contribute to the realization of a carbon-free and recycling-oriented society.

As part of the MX Project, the Engineering Center Division, which was working on facility installation and modification, energy conservation in production activities and environmental pollution prevention, has been reorganized into the Corporate Division as a unit to support the environmental protection activities of each business site.

The government's announcement of its commitment to carbon neutrality has made significant progress in Japan toward the realization of a carbon-free society. We will continue and expand our existing steady activities for energy conservation, but these efforts are no longer enough for the targeted energy reduction.

We will first set specific targets to move forward for the realization as one team as the Toyoda Group.

We will also promote thermal recycling, and waste water and liquid recycling in each process, and cooperate with suppliers to accelerate the recycling of packaging materials and each type of products, contributing to the reduction of environmental impact.



Executive Officer  
Foil Headquarters  
In charge of the Yao Works  
Unit, and the Engineering  
Center Unit, Corporate  
Division  
**Masayoshi  
Tsujino**

## Practice case

Examples of Practice for Key CSR Challenges

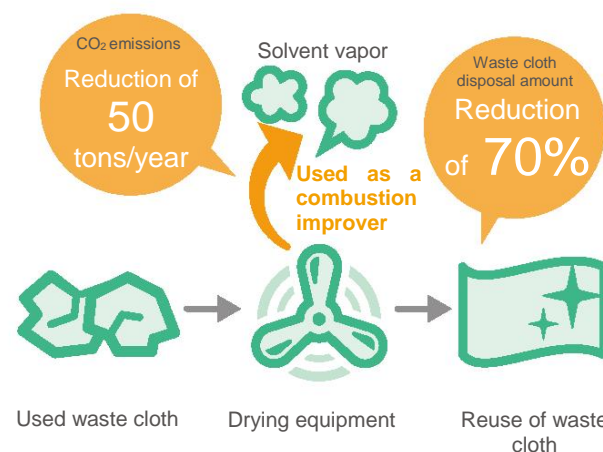
### case 01 Reduce CO<sub>2</sub> emissions from business activities Implementation of Carbon Footprint

The Powder & Paste Headquarters has begun to work on "carbon footprint" that converts greenhouse gas emissions from procurement of raw materials through production, transportation, use, recycling and waste disposal, into CO<sub>2</sub>. We will respond to the environmental needs of our customers, and expand our efforts as a model case of carbon management in the Toyoda Group.

\*Please refer to page 9 to 12 for details.

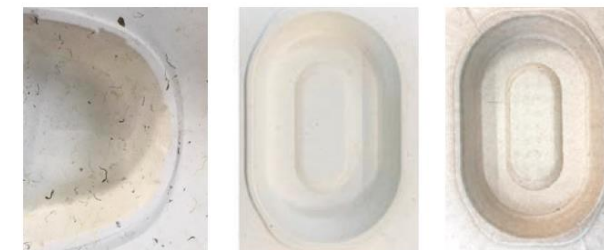
### case 02 Reduce CO<sub>2</sub> emissions and industrial waste from business activities Utilization of Used Waste Cloth

In the Gumma Works, we made efforts to utilize waste cloths containing used solvents (cloths for cleaning equipment). We used to just dispose of waste cloths after use, but now we reuse them by putting them into drying equipment after use. In addition, by using the solvent vapor generated during the drying treatment as a combustion improver for deodorization furnace equipment, the combustion efficiency has been improved and also CO<sub>2</sub> emissions have been reduced by energy conservation. This initiative has enabled us to reduce the disposal amount of waste cloths by approximately 70%, and CO<sub>2</sub> emissions by approximately 50 tons per year.



### case 03 Establish a system to recycle paper containers Promotion of Paper Container Recycling

We are promoting the activities to recycle waste paper generated in the Shiga Plant of Toyo Aluminium Ekco Products Co., Ltd. as pulp mold containers (molded containers made of pulp). We carried out study and review with prototypes in fiscal 2020, and we are planning to have demonstration tests performed by customers going forward. In addition, we will conduct recycling tests with food residues assuming the collection of used products.



Prototype 1  
Waste paper was crushed into fine pieces, and the resin and pulp were separated in the defibrating process to perform molding.

Prototype 2  
Fine resin was removed with a filter to perform molding.

Prototype 3  
For reinforcement, virgin pulp was mixed to make up for the lack of strength of recycled pulp.

### case 04 Reduce industrial waste from business activities Selection of Packaging Materials Based on Recycling

We used to dispose of wooden crates for large materials after use, but we have changed the design to make them easier to recycle, and are now testing them. In addition to the contribution to waste reduction, it also leads to the reduction of the cost for waste disposal.



### Topics Reduce industrial waste from business activities Recycling of Work Uniforms

Work uniforms are provided twice a year at the Yao Works, and we have started collecting and recycling used work uniforms. Although its impact on the environment is not large, we expect it to also improve the environmental awareness of each employee.





Human resources

# Active Roles of Diverse Human Capital

Relations with the Main SDGs



## OUR APPROACH

As a Group that values people, we respect the diversity, personality, and individuality of our employees and aim for “active roles of diverse human capital.” Amid a business environment undergoing rapid globalization, we are promoting the recruitment of overseas human capital, and developing global human capital through various educational programs such as long-term and short-term study abroad programs. In response to the decline in labor force due to the declining birthrate and aging population in Japan, we are working to create an environment where employees can exercise their abilities regardless of gender or disability, by enhancing the systems for childcare leave and shorter working hours for childcare, considering making the workplaces barrier-free, etc. We are also providing career support for women to promote their shift to professional positions. In addition, to reform the work styles, we are focusing on the introduction of a remote working system, a selective working hour system, and the reduction of the total number of working hours per year by reducing and streamlining meetings, and revitalizing communication through the use of new IT systems. We will continue to create an environment in which each and every employee can achieve a balance between life and work and diverse human capital can exert their abilities to the fullest with enthusiasm.

We will create a personnel system with high equity and transparency to develop the autonomous human capital targeted by the MX Project.

The MX Project was launched in fiscal 2020 with the aim of fostering autonomous human capital. In April 2021, we reformed our organization from a division/department system to a unit/team system in order to realize a flat organization. And in July 2022, we are going to shift from the conventional seniority system to a skill evaluation system for the evaluation of management, senior professional and professional positions to create a rewarding personnel system where employees are evaluated based on the skills they demonstrate.

For human capital employment, we will continue to promote the recruitment of overseas human capital focusing on diversification. Also, it goes without saying that genderless employment is important. We will continually recruit talented human capital regardless of gender, and also consider hiring elderly people looking ahead to the future changes in the productive population.

We will continue to promote the MX Project and strive to maintain high motivation and foster autonomous human capital who can deliver great performance.



Managing Executive officer  
Corporate Division  
In charge of the Personnel  
& General Affairs Unit  
**Masashi Yamamoto**

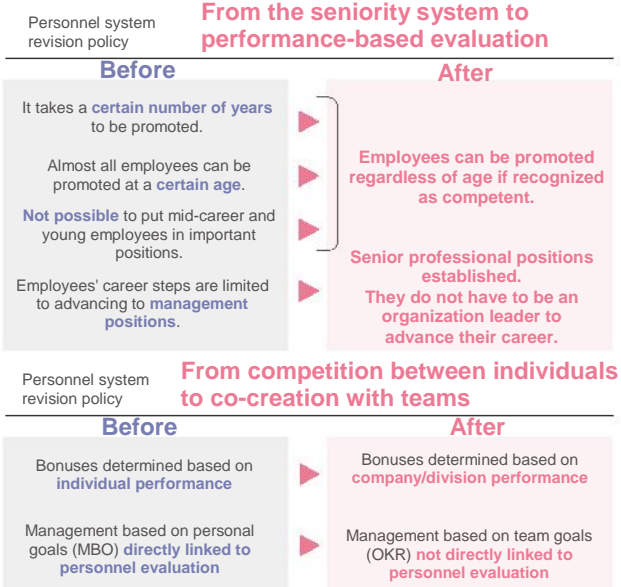
## Practice case

Examples of Practice for Key CSR Challenges

case 01

### Active roles of autonomous human capital Promotion of the MX Project to Reform Organization and Personnel System

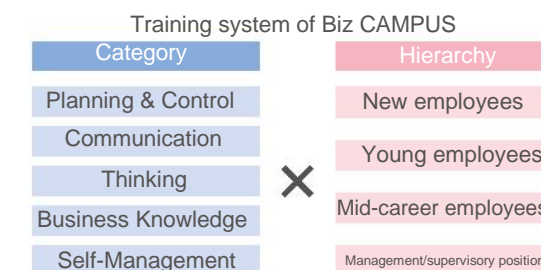
In 2020, we started the reform of our organization and personnel system in order to develop the autonomous human capital that the Toyal Group is aiming for. In April of this year, we abolished the division/department system and introduced a unit/team system. We simplified the hierarchy and restructured it into a cross-functional organization. Going forward, we will also proceed with delegation to create an organization that can further speed up decision-making, etc. We will also revise the seniority system and introduce a skill evaluation system that considers the promotion of young employees. We are also planning to change the compensation system accordingly in July 2022. Specifically, it is a system where employees set their skill definitions, and can be promoted or given a raise by self-report if they demonstrate the skills. The evaluation is conducted by a neutral assessor to ensure transparency and objectivity. We are planning to revise the personnel systems of assistant staff and line divisions as well in July 2023. We will create systems where the voices of employees are heard and their motivation can be improved.



case 02

### Active roles of autonomous human capital Training Courses Voluntarily Selected

We are creating a system that enables employees to develop their skills autonomously. We introduced Biz CAMPUS in fiscal 2020, which is a selective training program in which each employee selects the courses to take for learning, rather than the company designates the courses. Its visibility and usage rate were low in fiscal 2020, but both are gradually rising. We have made it possible to take all the courses online to respond to the remote work environment associated with the COVID-19 pandemic. We are also devising a new system to support skill development to actualize career support that meets the wishes of each and every employee. In addition, we are considering a succession plan to develop human capital that will lead the next generation of the Toyal Group. Preparations are being made to announce it around October 2022 as a system to support the realization of the careers desired by employees regardless of gender, as a new support for skill development is paired with a skill evaluation system.



Topics

### Toward the Acquisition of the “Eruboshi” Certification

Toyo Aluminium Ekco Products Co., Ltd. has begun moving forward with the acquisition of the “Eruboshi” certification, which is given to “companies excelling in the implementation status of activities to promote women’s participation and advancement” based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. We have published our corporate data and action plan on the MHLW website and applied to the Osaka Labour Bureau, and the application has been accepted. We aim to obtain the Level 3 of the Eruboshi certification in fiscal 2023. Since its business handles household products such as aluminium foil containers and paper containers, many of the company’s customers are women. Taking this as one of the motivations, we will continue to focus on the promotion of women’s participation and advancement.



Topics

### Recruitment of global human capital Recruitment of Human Capital for the Future

From the perspective of diversification, we have been focusing on the recruitment of overseas talented human capital, regardless of nationality or gender. In particular, we are focusing on human capital recruitment in the fields of electrical and electronic engineering and mechanical science, and in fiscal 2020, two graduates from Hanoi University of Science and Technology, Vietnam joined the company. We are continually promoting the international human capital recruitment in this fiscal year. Diversity in human capital is essential for the development of new ideas and technologies. We hope that our international human capital will play an active role also in the global offices of the Toyal Group. We will continue to recruit the human capital essential for the future growth of the Toyal Group including IT-related human capital, and continue the recruitment activities in accordance with the corporate strategy.

Comments from global human capital (from Vietnam)

Facilities Team, Yao Works Unit, Foil Headquarters



It is difficult to learn technical terms, but I have my senior colleagues explain them carefully and I'm taking baby steps to understand them. I would also like to learn the Osaka dialect and experience the Japanese culture.

Mr. Nguyen The Bon



I will learn the work and skills while understanding cultural differences. I would like to provide many ideas for environmental and safety improvements.

Mr. Le Van Tuan

Quality and safety

Drilling in a workshop of the Shiga Plant, Toyo Aluminium Ekco Products Co., Ltd.

# Quality and Safety

Relations with the Main SDGs



## OUR APPROACH

We have been continually working on quality improvement, and 18 domestic and overseas companies of our Group have the ISO 9001 certification. For safety, the Safety and Health Secretariat is assigned to each production site and the CSR Promotion Team serves as the center of the management, for the Head Office and the production sites to work together to implement activities for occupational safety and health.

In addition, in order to fulfill our responsibilities for the quality and safety of the contractors that support us, we actively support their quality patrols and on-site witness for the safety of leased facilities while respecting their autonomy, to prevent accidents and troubles also outside the production sites of our Group.

We will continue to comply with social norms and strive to further improve quality and safety, aiming to be a Group that is even more trusted by customers.

Verification of “whether the current state is good enough to secure the Toyo Group’s quality.” We started new initiatives to improve quality.

To respond to the demand for higher quality aluminium materials in various fields, we started a voluntary quality audit in fiscal 2020 and established a system to internally verify whether the improvement measures for past complaints were appropriate. We have also introduced a system for the mutual diagnosis of quality assurance systems between the business sites. Unfortunately, we received one serious quality complaint in fiscal 2020, but we believe that the pursuit of quality will never end, and we will continue to strive to improve quality and relationships with customers.



Executive Officer  
Corporate Division  
In charge of the IT  
Management Unit and  
Quality Assurance Unit  
**Norio Kasetani**

Achieving zero accidents is a permanent goal. We will once again establish the awareness that safety comes first.

Safety comes first above anything else. Unfortunately, two lost-time injuries occurred in fiscal 2020. We are concerned that once safety is compromised, those who are working in the environment may feel more anxious with the psychological burden caused by the incident. Achieving zero accidents is an unchanging goal. We will continue our efforts by repeatedly raising employee awareness and conducting training, while maintaining the horizontal connection. As part of the measures to strengthen our emergency response capabilities that we have been working on since 2019, all of our business sites aim to obtain the “resilience certification” in this fiscal year.



Executive Officer  
Corporate Division  
In charge of the Business  
Supporting Unit  
**Takeshi Ariyoshi**

## Practice case

Examples of Practice for Key CSR Challenges

### case 01 Reduce the number of serious quality complaints Enhancement of Quality Assurance System

The members of the Foil Converting Team of the Quality Assurance Unit voluntarily and mutually audited the status of the other manufacturing sites to horizontally diffuse the instructions and successful cases and share information quickly. In addition, the quality assurance system of each production base was diagnosed to visualize the strengths and weaknesses of the sites in the form of radar charts, compare them, and encourage each site to make improvements. We inform our overseas business sites of the focus points to strengthen the quality assurance systems of the Toyo Group through questionnaires, etc. to improve the quality assurance system of the Toyo Group as a whole.



Quality assurance system diagnosis in the Yao Works

### Topics Synergy Effect with Customers

When we received a complaint in the plain foil business, the Quality Assurance Division, Manufacturing Division and Sales Division collaborated to determine the cause, actively visited the site of the customer, developed hypotheses and repeated improvements. As a result, we were able to stabilize the quality and build a relationship of trust with the customer.

### case 02 Reduce lost-time injuries, non-lost-time injuries, and fire accidents Enhancement of Measures to Prevent Accidents of Being Caught in Machines

Among the many occupational accidents, accidents of being caught in production facilities are one of the most serious risks for our Group. Unfortunately, two of these accidents occurred in fiscal 2020 (both were lost-time injuries). In response to the occurrence of the accidents, we immediately identified the hazards (sources of the danger) in all of our business sites, and expanded the countermeasures. The sites where the accidents occurred underwent a particularly careful review. While there are various factors for accidents, we will strive to improve the level of safety by implementing thorough safety education.



Entry prevented by installing covers all around the production facility

### Topics Safety Training Using Simulation Training Equipment

While it has been difficult to carry out hands-on training due to the COVID-19 pandemic, we conducted training using simulation equipment in the Kanbara Works. The equipment was made in the Kanbara Works with reference to the simulation equipment in the Yao Works. It was also lent to the Chigasaki Works and Gumma Works for training mainly for young employees to learn about the importance of safety action.



Simulation of falling shock absorption with and without a helmet



Simulation of a rubber hose being caught in a rotating object



Cleaning the side ditch of the park next to the Shinjo Works

Collaboration with stakeholders

# Collaboration with Stakeholders

Relations with the Main SDGs



## OUR APPROACH

The Toyo Group has been contributing to local socioeconomic activities through production activities and employment. In collaboration with local communities, we also actively support and sponsor cultural programs, environmental preservation activities, etc. as well as give cooperation and support for food bank activities through NPOs. We are also making efforts to contribute to the development of the next generation through support for field trips planned by NPOs (acceptance of junior and senior high school students to visit our companies). We work on various other activities as well, including volunteer cleanup activities by employees and support activities for areas affected by natural disasters. We will continue to promote active efforts through a variety of activities and contribute to a sustainable society, and thereby aim to further improve our corporate value.

### We will also focus on information dissemination to increase the contact points with the society.

In fiscal 2020, since it was difficult to hold face-to-face workshops due to the COVID-19 pandemic, we made efforts to ensure the communication with our stakeholders through the media, such as the production and broadcast of TV programs including overseas broadcast, and sharing via our official YouTube channel. We will continue to communicate our efforts for social challenges through various media.

In addition, we will collaborate with our stakeholders to solve social challenges surrounding the Group, such as carbon neutrality, RE100, green aluminium, and TCFD.

Just like people cannot live by themselves, companies cannot last by themselves. We would like to make progress toward achieving the SDGs through conversations and collaboration with various stakeholders.



Executive Officer  
Corporate Division  
In charge of the  
Business  
Administration Unit  
**Hideo Ishiguro**

## Practice case

Examples of Practice for Key CSR Challenges

case  
01

### Dialogues with various stakeholders Enhancement of Sharing via the Media Such as TV and SNS

Since face-to-face event activities were restricted due to the COVID-19 pandemic, we focused on disseminating information through the media. Through NHK World Japan, we sent a message "aluminium technology for richer lives" to the world about our social contribution through the Toyo Group's business. This program was then produced in Japanese, and now can be viewed on the official YouTube channel of the Toyo Group.



<https://www.youtube.com/watch?v=Cz2AxkvWpMc>

case  
02

### Dialogues with various stakeholders "Sustainable Peace Plate" Contest at Tokyo Woman's Christian University

A contest for "sustainable and peaceful dishes" was held as practical training at Tokyo Woman's Christian University, where our outside director Mari Christine works as a specially appointed professor. This contest was held with the aim of thinking about peace and sustainability through food, and as a project to propose what can be done to find and solve problems in modern society through the SDGs. As a cooperative Group, we shared the Toyo Group's activities to contribute to achieving the SDGs as companies, and worked with the students in planning, preparing, and judging the contest.



Plate that won the contest  
"Clear out the vegetable drawer! Veggie  
broth soup curry made only with  
vegetable savoriness and curry powder"

case  
03

### Dialogues with various stakeholders Collaboration Project with Graduate Students of Kyoto Institute of Technology

As a collaboration project with graduate students majoring in art design at Kyoto Institute of Technology, we created museum goods using our products. Using our product CHROMASHINE®, we expressed the beautiful colors of the works and materials housed in the Museum and Archives of Kyoto Institute of Technology. The finished goods were exhibited not only in the Museum and Archives of Kyoto Institute of Technology, but also in the Osaka Office and the Shinjo Works.



case  
04

### Dialogues with various stakeholders Cooperation in Food Bank Activities

The Toyo Group donates emergency food as a cooperation in food bank activities. In fiscal 2020, the Osaka Office donated 1,620 meals (180 servings x 3 days) to the Food Bank Osaka as a support for those who were in need of daily meals due to the impact of the COVID-19 pandemic.

### Establishment of Sustainable Link Lab

"Sustainable Link Lab" has been formed, which is a working group that supports the social contribution activities of the Toyo Group employees. This activity was originally started by employees voluntarily, and officially started in April 2021.

This is a project to support the passion of employees who want to act on their own initiative, not as company operations. It is positioned as a place to create opportunities where each individual can actualize their will to do something.



A remote meeting of Sustainable Link Lab

case  
05

### Dialogues with various stakeholders Dialogues with Various Organizations and Local Governments

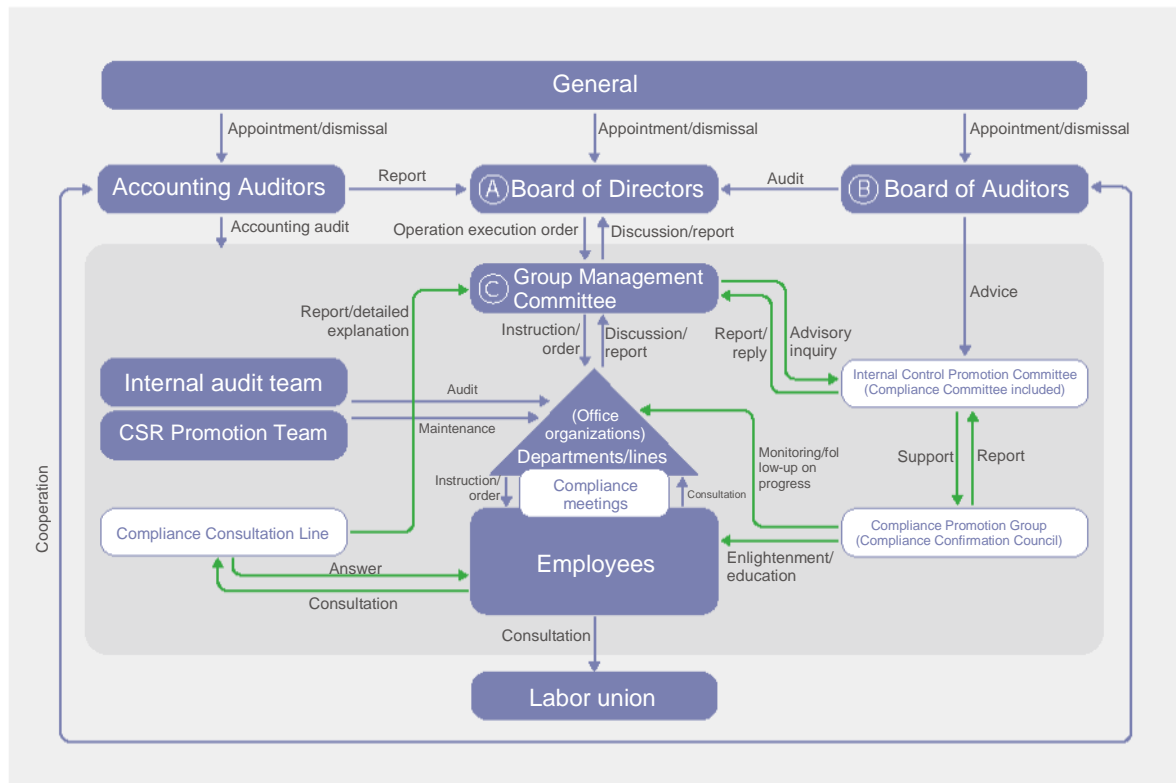
We held forums for opinion exchange with local governments of the places where the Group's business sites are located, such as Katsuragi City, Gose City, Hino Town and Yao City, as well as various organizations including the Yao Chamber of Commerce and Industry and the Consulate of France. We introduced the Toyo Group's business activities and efforts for the SDGs, and exchanged opinions on regional revitalization and other topics with them.

# Corporate Governance

## Corporate Governance Structure

We aim to improve the corporate value of the Toyal Group by achieving sustainable growth and strengthening competitiveness. To achieve this goal, we believe that enhancing corporate governance is an important business challenge in order to build management that is trusted by all stakeholders, including suppliers, employees, and local communities.

Corporate governance structure (As of June 2021)



### [A] Board of Directors

The Board of Directors is composed of nine directors, including four outside directors. They deliberate, discuss, and make decisions on management policies, strategies, measures, issues, etc. for the entire Group including the subsidiaries.



9 directors  
4 of them are outside directors (2 women)

### [B] Board of Auditors

The Board of Auditors is composed of six auditors, including three external auditors. They audit the execution of duties by directors, and monitors the appropriateness and rationality of the activities and operations of each operation execution line within the Group in cooperation with the Internal Audit Office.



6 auditors  
3 of them are external auditors

### [C] Group Management Committee

They deliberate and discuss matters related to the fundamentals of the management of the entire Group, earlier than the Board of Directors does.

## Message from Outside Director



Outside director  
**Yusuke Kawamura**

[Profile]  
After graduating from the Faculty of Law, University of Tokyo in 1977, he joined Daiwa Securities Co., Ltd. In 1981, he obtained a master's degree in law from the University of Washington. After working as a professor at Nagasaki University and as a vice president of Daiwa Institute of Research Ltd., he became a representative director of the Institute of Global Policy Research (general incorporated association) in 2020. He has also served as a member of many government bodies, including the Fiscal System Council and Business Accounting Council. He assumed the post of an outside director of our Group from June 2020.

I contribute to fostering the way of thinking that captures business from a financial perspective

I became an outside director of the Toyal Group in 2020. I have served as an outside director in several companies and have experience in all types of governance systems, including joint-stock companies with a nominating committee, etc., the ones with a board of auditors, and the ones with an audit and supervisory committee. With all of my experience, I recognize that the Toyal Group's corporate governance is excellent. Although the Toyal Group is a group of unlisted companies, the Board of Directors is composed of members with rich diversity and transparency and is always full of active opinions, which reminds me of the board of a listed company. I was in charge of investment banking operations and corporate planning operations at a major securities company for a long time, and built up my career focusing on corporate fund-raising business. Then, I have been involved in financial accounting, corporate accounting and corporate management focusing on capital markets. I believe that my role is to foster a culture of thinking from a financial perspective in every aspect of a business.

The Toyal Group is a very interesting Group that creates a variety of products by applying aluminium as a material and through technological innovation, and also contributes to the environment and the achievement of the SDGs. On the other hand, from a financial perspective, we need to respond more flexibly to the current social and economic environment that is rapidly changing. I hope that we will have the mindset to actively think about how to use money to grow a business, not only in the finance departments, but also in each business category. In addition, I believe it is important to be aware that we can boost our own growth strategy by investing in external people, technologies and companies, not only self-reliant technology development.

I expect us to have an attitude to "challenge" while maintaining solidity.

In order to organize a system to promote efforts for the SDGs, the Toyal Group established the key CSR challenges (materiality) in fiscal 2017, and the "Toyal Group Sustainability Vision" in fiscal 2018, and also set KPIs such as the determination of products to contribute to the SDGs and the increase in the proceeds of them. I consider efforts for the SDGs to be an ecosystem that emphasizes the processes, not the wealth as the result. It is an essential existence that creates good qualities in three ways: "earth," "humankind," and "companies," and will be one of the elements that constitute the characters of a company in the future. SDGs are a subject that is actively discussed by the Board of Directors as well. While there is a monitoring model and a management model for corporate governance, I recognize that the major mission of outside directors is to provide advice on the SDGs from both perspectives. What we need to have moving forward is the "spirit for new challenges." I expect us to achieve sustainable growth by taking risks for adventure sometimes, while maintaining solidity.

## Internal Control System

From the perspective of autonomy, the Toyal Group has "corporate governance," "legal compliance," "risk management," "securing of the reliability of financial reports and information disclosure," and other systems for control and management as "corporate standards for internal management," under the "basic policy of the internal control system" that was established to ensure the appropriateness of operations in accordance with laws and regulations.

In addition, taking into consideration the concepts from the perspective of heteronomy as a member of society, such as "CSR," "ESG," and "SDGs," we formulated the "Toyal Group's Internal Management Structure (commonly known as TIMS)" that plots the elements of internal control and management, and established it as a framework for the internal control and business management system of the entire Group.

