











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 on them with the Toyal Group Sustainability Vision in mind, which was established toward 2031, the year of the 100th anniversary of its foundation. The results for the medium-term targets are as shown in the table below. We will analyze each result and take measures especially for unachieved items. We will also review the materiality in light of current social conditions, and proceed with sustainability activities that are more integrated with management.

Key CSR Challenges	Relations with the Main SDGs	Main Activities	Activity Results of Fiscal 2021	Medium-Term Targets (Fiscal 2021)	Long-Term Targets (Fiscal 2031)
 <p>1 Innovation to Shape the Future</p>		Existing business: Increase the proceeds of products that contribute to SDG 3, 7, 9, 11 and 12	Proceeds of products that contribute to the SDGs 114% compared to the previous fiscal year	△ Target setting as management strategy (Incorporation 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)	Prospect: Commercialization of one item	△ Commercialization of one item	Commercialization of two items
 <p>2 Environmental Protection</p>		Reduce CO ₂ emissions from business activities (compared to fiscal 2013)	0.7% increase compared to the previous fiscal year	✗ 2.5% reduction (compared to the previous fiscal year)	40% reduction (compared to fiscal 2013)
		Establishment of a system to recycle solar cells	An NDA was concluded with the partner company, and both sides studied the commercial flow of the collection and processing of modules to be recycled.	○ 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	No progress was made due to food residue and logistics cost problems. Tests to recycle the process scraps of medical packaging materials were conducted.	△ Establish a system to recycle aluminium and start the recycling	Generalize aluminium recycling (with the established system)
		Establish a system to recycle paper containers	A plan to introduce crushing/separating equipment for paper containers was formulated. Recycling demonstration experiments were conducted.	△ 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	12.0% reduction compared to the previous fiscal year	○ 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)
 <p>3 Active Roles of Diverse Human Capital</p>		Increase the rate of women in hires	Rate of women in new hires: 56.3%	○ 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	Introduction of BizCAMPUS (selective training system)	○ Expand the number of employees targeted for autonomous human capital development	Constructively continue autonomous human capital development
		Promotion of healthy management	Promotion of anti-smoking programs	△ Continue to promote healthy management and gain external reputation as well	Constructively continue healthy management
 <p>4 Quality and Safety</p>		Reduce the number of serious quality complaints	Number of serious quality complaints: 1	✗ Achieve zero serious quality complaints	
		Reduce lost-time injuries, non-lost-time injuries, and fire accidents	Lost-time injuries: 1 case, non-lost-time injuries: 7 cases, fire accidents: 10 cases, minor injuries: 16 cases (same numbers as the previous year)	✗ 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 tip-over accidents	
 <p>5 Collaboration with Stakeholders</p>		Improve reliability and satisfaction through dialogues with various stakeholders (regions, customers, employees, etc.)	Dialogues were conducted with the government and employees. Efforts were focused on disseminating information through media and the Web.	○ 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

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Key CSR Challenge

Innovation to Shape the Future



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, research institutes, and other organizations, 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.

Electron microscope in the Core Technology Center

As we diversify our organization and develop open innovation, we will boldly challenge new themes to create the future of Toyo Aluminium.



Executive officer
In charge of the Advanced Technology Division

Advanced Technology Division
R & D Supporting Unit Leader

Hiroshi Matsuoka

Hidetoshi Inoue

The base of manufacturing is shifting from the conventional era of focusing on economic efficiency and specifications to an era of contributing to the SDGs and solution of social challenges. Against this backdrop, we planted seeds for various products in fiscal 2021. For powder laminated foil (winding type) used for aluminium electrolytic capacitors and other products, the characteristics were improved based on the idea of additive manufacturing, which does not generate the waste liquid caused by etching, and it has also been highly evaluated by the users. We are currently in the process of scaling it up at the manufacturing site. We are also developing biodegradable plastic packaging materials that are highly needed also for marine pollution prevention. We would like to commercialize these products by the end of fiscal 2022.

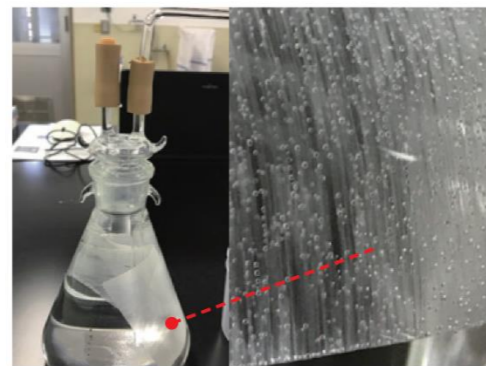
Continuing from fiscal 2021, we are also focusing on open innovation. We are advancing the development of components for next-generation EV batteries in partnership with 24M Technologies, Inc., a battery technology venture company in the US. As the EV market expands, we would like to work hard to maintain our superiority. In addition, through the joint development, we gained cutting-edge information and deepened our understanding of EV batteries, which also led to human capital development. We also established the “Toyo Aluminium Joint Research Course on Semiconductors” with Osaka University, and dispatch one specially appointed professor and one researcher.

As a new initiative, we started joint research with a university on tritium decontamination technology for the task of removing radioactively contaminated water. We believe it will lead to social contribution as national commitment if we can commercialize it. The Advanced Technology Division will continue to foster development-oriented human capital through organizational changes and open innovation including diversity and women's participation and advancement, and continue to develop products that lead to the solution of social challenges including the environment to contribute to a sustainable society.

CSR Challenges ■
Examples of Practice

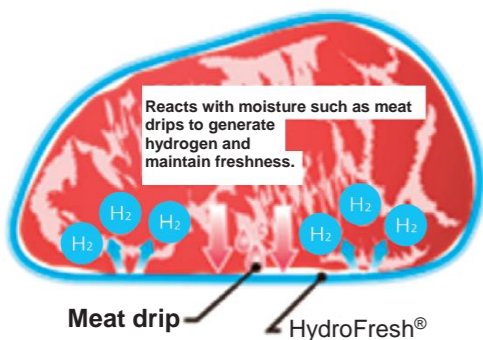
HydroFresh®, a Hydrogen Generating Film

We have developed a functional film that reacts with moisture to generate hydrogen gas. When used as a packaging material for meat or fish, it reduces the oxygen concentration and creates an environment that suppresses the food's oxidation to slow down the process of decay. This also leads to food loss reduction. Moving forward, we will examine whether it is also effective for food other than meat and fish.



Hydrogen gas is generated from the film.

Mechanism Drips generated --> Hydrogen generated --> Permeates throughout the meat --> Oxidation prevented --> Freshness maintained



Commercial film HydroFresh®
Experiment conditions: Vacuum packaging, three weeks passed at 2°C

Development of Ground Buried Sensors

In recent years, more frequent and severe torrential rains caused by climate change have caused large amounts of damage due to floods in various places. In collaboration with Kyushu University, we are currently working on a research theme that uses sensors installed in embankments to detect in advance the destruction of earth structures such as river banks. We would like to help reduce the damage by leading this to sending warnings in advance.

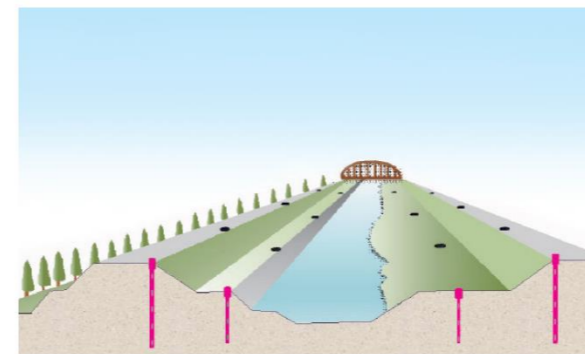


Image of the embankments

Development of Tritium Decontamination Technology

Disposal of radioactive materials at the Fukushima Nuclear Power Plant, where an accident occurred in the Great East Japan Earthquake, is one of the major social issues. We made a filter that utilizes aluminium powder sintering technology and started tritium decontamination experiments. The progress is slow since we need to proceed with the experiments carefully while ensuring safety as we handle radioactive materials, but we have finally been able to lower the concentration to a 1/1000 level as the decontamination ability. We will continue to work on development tenaciously to contribute to society.

TOPICS

Dream to Develop New Recycled Containers Using Food Scraps

At Toyo Tokai Aluminium Hanbai K.K., we proposed the manufacturing of containers that use offcuts and other materials generated during food manufacturing, to our food manufacturer clients. If we can realize this, we can reduce the amount of raw materials used for containers, and realize a new form of recycling that will lead to a significant reduction in the amount of waste from food manufacturing. We are still in the concept making stage, but our clients are also enthusiastic, and we are now looking for partner companies.

Key CSR Challenge

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Environmental Protection

We are working on environmental protection from the perspective of reducing the environmental loads of our business activities as well as contributing to the environment through our products. In our business activities, we are making efforts to reduce energy use in each process in manufacturing, and promote the 3Rs* for waste. 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 loads, and promote management activities that are sustainable and in harmony with the global environment.

*3Rs: Reduce, Reuse, and Recycle



Cleaning of the Miho/Misaki Coast

Toward our 100th anniversary of the foundation, we will strengthen initiatives to address environmental issues, achieve our CO₂ emission reduction targets, and aim to contribute to a recycling-oriented society.

The government also announced its commitment to carbon neutrality, and it is now essential to realize a carbon-free society in Japan as well. The Toyol Group had the target to achieve 30% CO₂ emission reduction compared to fiscal 2013 in fiscal 2031, the year of the 100th anniversary of its foundation, but revised the target to 40% reduction.

Each business site is working to conserve energy and reduce CO₂ emissions as part of its ISO 14001 activities, but the new target cannot be achieved by conventional activities alone. We need to formulate and proceed with a medium- to long-term environmental equipment investment plan.

In fiscal 2021, the Gumma Works made an environmental investment plan focused on reducing environmental loads and CO₂ emissions by fiscal 2030.



Executive officer
Foil Headquarters
In charge of the Yao Works Unit, Kanbara Works Unit, Chiba Works Unit, Material Foil Sales Unit, Business Strategy Team, Corporate Division, and Engineering Center Unit

Masayoshi Tsujino

Corporate Division
Engineering Center Unit Leader

Keiichi Watanabe

We will start equipment investment for fiscal 2022 and beyond based on a long-term plan that considers not only costs but also the environment. With the Gumma Works investment plan being the master plan, we will diffuse it horizontally to each manufacturing site.

Approximately 90% of the CO₂ emissions are attributable to aluminium ingots purchased. We are paying attention to the supply chains as well, and the purchasing divisions are considering green procurement.

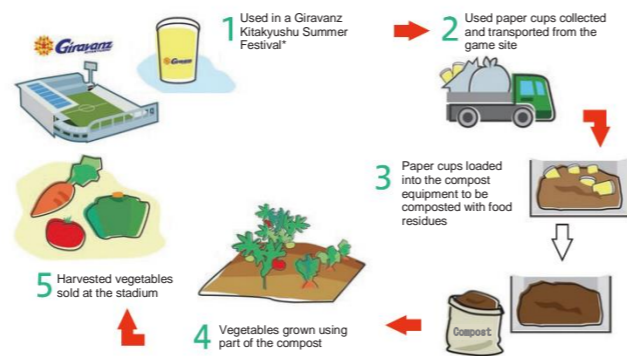
In order to achieve the reduction target, there are many issues we should tackle, such as the creation of environmentally compatible products, reduction of CO₂ emissions, and promotion of the 3Rs for waste. In this category, we will also look at overseas and other companies, constantly research new technologies, propose them to each business division, and provide support.

We will make concerted efforts to reduce environmental loads not only within the Toyol Group but also in cooperation with our suppliers.

CSR Challenges ■ Examples of Practice

Demonstration Experiments of Paper Cup Recycling

Toyo Aluminium Ekco Products Co., Ltd. tried using paper cups made of biodegradable resin for drinks sold in the site of a home game of Giravanz Kitakyushu vs. Gamba Osaka, J-League soccer clubs. We collected the used paper cups, and with the related companies and organizations, we are working on recycling demonstration experiments to compost them and use them for growing crops.



* Paper cups manufactured by Suzhou Toyo Aluminium Ekco Household Products Co., Ltd. (BioPBS™, a biodegradable resin manufactured by Mitsubishi Chemical Corporation, is used inside.)



EcoVadis Silver Certification Obtained

Toyol Europe S.A.S.U. has been evaluated by EcoVadis, an agency that rates sustainability activities. In 2022, we won a silver medal (91%) for our sincere efforts to reduce energy use, control and reduce waste, and reduce environmental loads such as VOCs, and other sustainability activities. We will continue our activities aiming to obtain a gold medal in 2023.

Participation in the Strategic Energy Management Program of ComEd*

Since April 2022, Toyol America, Inc. has been participating in the Strategic Energy Management Program hosted by ComEd, an electric power company. The purpose of this program is to reduce electricity use, and year-long workshops and coaching sessions are conducted with a focus on identifying and implementing operational and behavioral changes. It has been reported that some of our competitors that participated in this program have reduced their electric energy consumption by 5 to 8%. We finished our first meeting at the end of June and identified the top five reduction options. We are planning to put them into action over the next three months.

*ComEd (Commonwealth Edison Company): Electric provider headquartered in Chicago

TOPICS

Woodland Restoration Project

The Hino Works owns 0.9 hectares of woodland in total on its west and south sides. It was originally a forest of Japanese red pines, where matsutake mushrooms were often harvested, and we have a memory of having matsutake mushroom dishes served at autumn events in the past. More than 30 years have passed since then, and now the red pine trees are dead and on the verge of falling. The grass is also overgrown and abandoned. So, this time, we launched the "woodland restoration project" as part of the objectives management (OKR) at the unit level, and started to study how to restore the woodland to its former state where matsutake mushrooms would grow. In December 2021, we had 1/3 of the woodland area improved by the forest owners' cooperative. Going forward, we are planning to develop tree planting and maintenance activities implemented by our employees.

Mango Trees Planted on World Environment Day (Toyol MMP India Pvt. Ltd.)

In conjunction with World Environment Day on June 5, we planted mango trees within the plant premises the following day. Mangoes are evergreen trees that reach 15 to 18 meters in height, and they provide shade in summer.

They will also produce delicious fruits in three to five years. In Indian culture, mangoes are also fortunate trees from the perspective of Vastu (spiritual idea of good prosperity), being known for the positive atmosphere they give, not only for the fragrance. As a side note, almost half of the mangoes in the global market is grown in India.





Key CSR Challenge

Active Roles of Diverse Human Capital



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 including 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 making efforts such as enhancing the systems for childcare leave and shorter working hours for childcare, and considering making the workplaces barrier-free. 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 life-work balance and diverse human capital can exert their abilities to the fullest with enthusiasm.

Through the MX project, we have organized mechanism for an autonomous organization. We will proceed with creating a personnel system and environment in which diverse human capital can work with joy and verve.

Fiscal year 2021 was the year of the execution of the MX project. We reformed the seniority-based evaluation system to a performance-based evaluation system. For our training system, we created a mechanism in which employees can voluntarily choose the training they want to take and develop their skills autonomously.

Although the rate of women in management positions is still low, we focused on genderless recruitment, and out of the 16 new graduates hired this year, nine were women, exceeding 50%. We will continue to develop systems and environments that allow us to hire and promote talented human capital regardless of gender or age. In addition, in view of the declining labor force due to the declining birthrate and aging population, we are considering raising the retirement age gradually for the employment of the elderly.



Corporate Division Personnel & General Affairs Unit Leader
Tatsuyuki Ujie

Managing Executive Officer In charge of the Corporate Division's Personnel & General Affairs Unit and Group Safety Management Team
Masashi Yamamoto

For young employees, we are currently designing a system to support their career development. Furthermore, in addition to flexible childcare leave, we have introduced a system of “paternity leave after childbirth.” We aim to raise the rate of taking the leave by sending messages from the president.

At the same time, as the globalization of our business continues, the recruitment of overseas human capital is becoming more important. For the past several years, we have been hiring highly skilled engineers from overseas. We will also work to develop global human capital through various educational programs including long-term and short-term study abroad programs.

In addition to women, senior human capital, and overseas human capital, we believe that responding to LGBTQ+ will also be a challenge moving forward. By having these resources of diverse human capital play an active role, we will be able to develop the company from various aspects. Also to this end, we will create an environment in which each and every one can achieve a life-work balance.

CSR Challenges ■ TOPICS

Action from October Along with the Revision of the Child Care and Family Care Leave Act

In response to the MHLW's revision of the Child Care and Family Care Leave Act, we concluded an agreement with the labor union on a system of paternity leave after childbirth. On March 31, a message from the president was sent to encourage employees to take the leave, and we provide the IkuBoss* training for the leaders of each division.

Voice of a Father Who Took the Paternity Leave



I took the leave this June before the revision of the Child Care and Family Care Leave Act. It was a limited period of about two weeks, but it was an irreplaceable time that I was able to take care of my newborn child attending him all day, and watch him grow every day. I envy that from October after the revision, it will be able to divide it and take the leave again.

This is very basic advice, but as someone who has taken the leave, I think you should inform your workplace early and complete the handover in advance. I hope those who will be eligible take advantage of the paternity leave.

Chiba Works Equipment Team
Satoru Oami

* IkuBoss: Word combining “ikuji (childcare)” and “boss.” The “boss” here refers to a boss who maintains and enjoys the life-work balance of the members including himself.

Establishment of In-House Japanese Language Classes (Hunan NingXiang JiWeiXin Metal Powder Co., Ltd.)



Japanese language class being held

In-house Japanese language classes were started in May this year.

40 employees, which is about 1/4 of the 168 employees, have been participating. Divided into two classes, they are held every week.

I joined the company in April, but I have worked as a Japanese teacher before, so I am in charge of teaching these classes. I feel that I am entrusted with an important duty that not only improves the skills, but also creates opportunities for Chinese employees to deepen their interactions with Japanese employees.

I am pleased to see the students actively participating and more members greeting the stationed employees in Japanese.

I will continue to work to increase communication opportunities through the Japanese language classes to make our relationships even better.

Hunan NingXiang JiWeiXin Metal Powder Co., Ltd.

Secretariat **Hu Yujun**



Round - Table Talk with R&D Engineers

Chemical Laboratory Team, Core Technology Center Unit, Advanced Technology Division



Youn Hyunwoo
From South Korea
Joined the company in 2022

Process Team 1, Technical Solution Center Unit, Advanced Technology Division



Origil Gansukh
From Mongolia
Joined the company in 2021



Guan Yanyang
From China
Joined the company in 2022

Personnel Team, Personnel & General Affairs Unit, Corporate Division



Chiaki Suda
Facilitator
Joined the company in 2020



Kokoro Isomichi
Facilitator
Joined the company in 2022

Foreign engineers joined the CTC¹ Unit and TEC² Unit of the Advanced Technology Division last year and this year. From the perspective of diversity, we asked them about their reasons for joining a Japanese company and their lives in Japan.

*1 CTC: Core Technology Center *2 TEC: Technical Solution Center

Suda: What made you start considering working in Japan?
Origil: For me, it all started when I came to Japan for a trip when I was a junior high school student. I had a good impression then.
Guan: I was originally interested in Japanese drama series, and later also got interested in its advanced technologies such as chemistry and materials.

Like this, the reasons they had in common to choose Japan was the interest in Japanese culture, sense of familiarity, and geographical proximity.

Isomichi: What do you feel in your living? the city or anywhere, so I do not have any trouble living. In Mongolia, I did all my errands and shopping when I went to the city.
Youn: It is very nice that we can go anywhere with one train. Japan also has the “super solo” culture, and the other day I experienced solo karaoke for the first time. I can't imagine going into a Korean barbecue restaurant alone in South Korea. On the other hand, it took three hours to do the move-in procedure at the city hall, but in Korea it would take only 10 minutes.

Isomichi: What about the reason you chose Toyo Aluminium and where you are assigned?
Guan: I was majoring in chemistry, so I searched for various companies in the field and chose Toyo Aluminium.

Youn: One of the reasons is that I was originally longing to live in Kansai and wanted to get a job at a company in Kansai. I also liked that working flexibly is possible and a life-work balance can be achieved.
Origil: I had a hard time with technical terms when I got assigned, but the workplace basically had a frank and friendly atmosphere, so it is a good memory now.

As a gap with what they imagined, Origil-san and Kan-san mentioned the volume of desk work.

Suda: What are your future goals and ideal vision?
Origil: As a researcher, I would like to produce results that can be utilized anywhere and I can be proud of.
Guan: I would like to accumulate knowledge to a level that I can be a teacher.
Youn: In three years, I would like to develop new aluminium possibilities related to SDG 9, and new energy-saving products related to SDG 13, climate change. Then, 10 years from now, I would like to be a senior who can lead juniors like my current training leader.

It has only been a short time since they joined the company, and there seems to be a language barrier unique to people from other countries, but we could feel that their work is fulfilling and enjoyable. We imagine that their Japanese colleagues are also positively influenced by the energy and ideas of them.



Quality and Safety



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 Group Safety Management 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.

Quality

With the goal of zero serious quality accidents, we have strengthened the Group-wide quality assurance system. We aim to shift from recurrence prevention to absolute prevention.

We have been striving with the goal of zero serious quality accidents, but in fiscal 2021, one serious quality accident occurred due to poor change control.



Unforeseen events due to changes may occur at any site. Therefore, the Quality Assurance Team voluntarily conducts mutual audits with other business sites, and carries out voluntary quality audits to verify the effectiveness of recurrence prevention measures. We aim to improve our quality control level by sharing and horizontally diffusing information on findings of each other and good case examples. By continuing these activities, we will evolve our efforts from recurrence prevention to absolute prevention to deliver safer and more secure products to our customers.

As well as improving the internal quality control level, we are also collaborating with our customers to improve the quality of each other. In fiscal 2021, we produced results such as actually contributing to the waste reduction at our customers' plants. We will continue our activities with the mind of "together with our customers" from now on too.



CSR Challenges ■ Examples of Practice

Enhancement of Change Control

The serious quality accident in fiscal 2021 occurred due to poor change control, so we worked to strengthen change control based on the reflection. Specifically, we implement quality RA* to avoid unexpected problems for planned changes by gathering not only the related members from the relevant divisions, but also members from manufacturing, technology, equipment, and quality assurance divisions to identify more risks assumed. By establishing this system, we will raise the level of quality control and provide safer and more secure products.

*RA: Risk Assessment

Quality Assurance System Diagnosis of the Toyol Group

Since fiscal 2020, we have been conducting quality assurance system diagnosis at each production site of the Toyol Group. At the sites in Japan, we have mainly carried out follow-up activities for the previous fiscal year, and also at the overseas sites, which were a matter of concern, we have been able to perform the activities through the use of a Web conferencing system. We will continue to conduct the diagnosis on a regular basis to further improve our quality assurance system.

Creation of a Safety Education Video to Improve Danger Sensing Ability

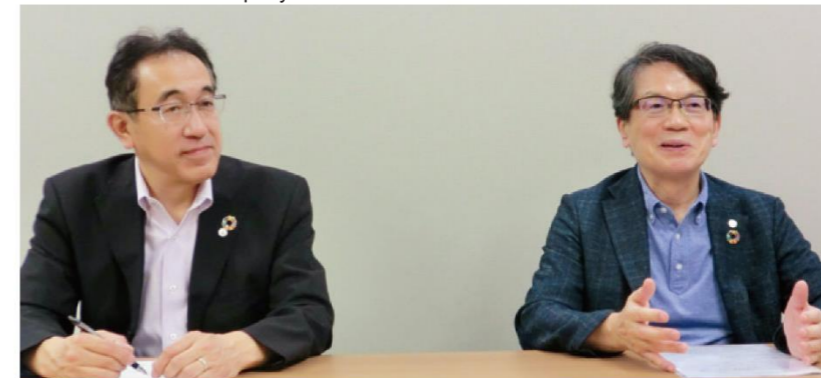
An accident is caused by a combination of various bad conditions. One of the bad conditions is that people cannot sense the danger, to be the victims of the accident. To put it the other way around, if we can improve the ability of each employee to sense danger, we can prevent accidents. It is said that the best way to raise safety awareness is to actually suffer from an accident, but in reality it is impossible. So, we have started to create an original safety education video at the Toyol Group so that many employees can easily experience accidents in a simulated way. We categorized the accidents into the types and situations of work so that they can easily view fire accident examples that feel real to them, training methods, and other contents.

Going forward, we would like to create effective teaching materials and introduce case examples by making efforts such as developing concrete examples using dashboard cameras installed in forklifts and safety cameras at the sites, and supporting the creation of videos on work procedures and other documents at each business site.

Safety

We have established the Group Safety Management Team to prevent critical accidents. We will create a safer working environment and raise employee safety awareness.

In response to the frequent occurrence of fire accidents in May 2021, the Group Safety Management Team under the direct control of the president was established in October with the mission of preventing accidents that could threaten the company's survival.



Group Safety Management Team Leader

Masataka Saruwatari

Managing Executive Officer
In charge of the Corporate Division's
Personnel & General Affairs Unit and
Group Safety Management Team

Masashi Yamamoto

Each business site has been working on safety activities, but this team gives priority to issues that may have a social impact. Especially for fire, fall, oxygen deficiency, and electric shock accidents, which may lead to critical accidents, we investigate the causes of accident cases deeply based on scientific knowledge, and horizontally diffuse the information to each business site, including equipment safety design that takes into account laws and regulations.

Accidents occur under a combination of various conditions, and we think that the risks can be reduced just by recognizing them. For that, it is necessary to reform employees' awareness, not only take measures in terms of hardware such as facilities and equipment. For each and every employee to improve their ability to sense danger, we are also making a strong effort to provide safety education materials. We are aiming to be "doctors" for safety. We need not only various technical knowledge about safety (danger), but also ability to diagnose and treat symptoms. Therefore, all members are now strengthening their ability under the guidance of safety consultants. We will continue to make tireless efforts keeping in mind that safety is the top priority for the company's continued existence.





Key CSR Challenge

Collaboration with Stakeholders

The Toyal Group has been contributing to local socioeconomic activities through production activities and employment. We are also making active efforts in collaboration with local communities, such as supporting and sponsoring cultural programs and environmental preservation activities, and giving cooperation and support for food bank activities through NPOs. We are also making a strong effort 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.



Participation in the National Arbor Day

We have widely disseminated our efforts for the SDGs and social challenges. We will enhance our corporate value with the emphasis on dialogues with our stakeholders.

In fiscal 2021, we had the impact of the COVID-19 pandemic continued from fiscal 2020, so we worked to ensure communication with stakeholders through media such as TV broadcasts and official YouTube posts.



We issued 53 press releases, and on our website, we frequently updated new information and other contents and increased the number of accesses, achieving a 15% increase compared to fiscal 2020. The popular content "Aluminium Research Project" is popular among children, and we keep brushing up the content since it is a good way to introduce aluminium and our company to children.

We also increased our appearance on TV, such as a TV program in which they introduced our product that prevents yogurt from sticking to the back of the cup's lid, and HydroFresh® that prevents meat's oxidation by generating hydrogen as a product that helps reduce food loss. This fiscal year, in diffusing our efforts on social challenges through each type of media, we will target 100 or more annual releases and a 15% increase in the number of accesses to our website.

In the company, we have established the "Sustainable Link Lab" to support employees' social contribution activities. At the same time, we continually disseminate sustainability topics and hold sustainability activity dialogues to promote dialogues with many employees.



Yoshiki Sasa

In addition, we are carrying out activities while considering social contribution and interaction with local residents, such as an industry-university collaboration project with Kyoto Institute of Technology, participation in the National Arbor Day, partnership agreement with a forest association, and cooperation for food bank activities through NPOs. We will continually work to improve the corporate value of the Toyal Group by promoting dialogues and collaboration with various stakeholders, developing activities that are conscious of the SDGs, and disseminating the information.

CSR Challenges ■ Examples of Practice

Response to Disasters in Neighborhood

The Yao Works holds meetings with the Yao City Hall agreeing that in the event of an emergency such as an earthquake, storm, or flood, the Yao Works staff will provide as much cooperation as possible for the rescue and support activities such as transportation of supplies, assistance in driving forklifts to remove debris, letting the property used (for reasons such as evacuation and temporary housing), and provision of baths and meals.

The Shinjo Works, Kanbara Works, and Gumma Works are working on similar activities, and a part of such activities or consideration is going on at other sites as well.



Indication of a site that cooperates for disaster prevention



Fire drill

Establishment of PR Through Media

On the Television Tokyo program "THE TOPPAMON—I Save the Earth" aired on TV in December 2021, the difficulties in developing products such as TOYAL LOTUS® were introduced. Together with the TV station crew, our public relations staff also went to the business site where the development staff belongs, and cooperated for the interviews and filming. Also in April 2022, we got interviewed for the Television Tokyo program "The Unknown Gulliver—Excellent Company File—" at the business site where the staff in charge belongs, and introduced our products such as CHROMASHINE®, SPHERALLOY®, and Stainshell®. We will continue to actively disseminate information on our products that solve social challenges through the media.



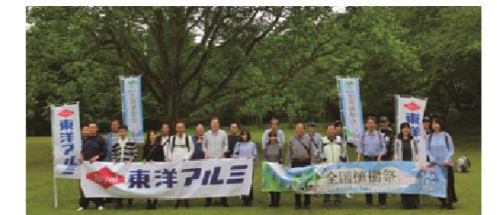
Filming in the Gumma Works



Filming in the Shinjo Works

Participation in the 2022 National Arbor Day

The Toyal Group sponsored the 2022 National Arbor Day held in Shiga Prefecture. This was made possible by the idea "we want to contribute to a carbon-free society and biodiversity conservation through tree planting activities in Shiga Prefecture, where our business site is located," from the Sustainable Link Lab, which is organized by our employees and supports social contribution activities. On the National Arbor Day on June 5, the Emperor and Empress of Japan participated in the tree planting online due to the COVID-19 pandemic, but trees were planted at several locations at the same time, and our president and 22 volunteers of our employees planted sawtooth oak saplings in the forest park Kutsukinomori. We hope these oak trees will grow big to make a lush forest.



Sawtooth oak saplings planted

TOPICS

Donation and Visit to a Local Kindergarten (Toyal Zhaoqing Co., Ltd.)

On June 1, 2022, in conjunction with the International Children's Day, the Vice Chairman, General Manager, union representative, and labor and management staff visited the Zhaoqing High-Tech Zone Central Kindergarten with donations. It is the only public kindergarten in the High-Tech Zone, and is very large with about 460 students in 18 classes. This time, we donated six ride-on toys called "Five China Dragons," and 50 sets of 48-color marker pens, 24-color crayons, 24-color chalks, and watercolor paper. On the day, we could not see the children for the prevention and control of COVID-19, but it made the kindergarten teachers very happy and we shared a friendly atmosphere throughout the visit. We will continue to consider the social responsibility of Toyal Zhaoqing and act accordingly.



Ride-on toys called "Five China Dragons"



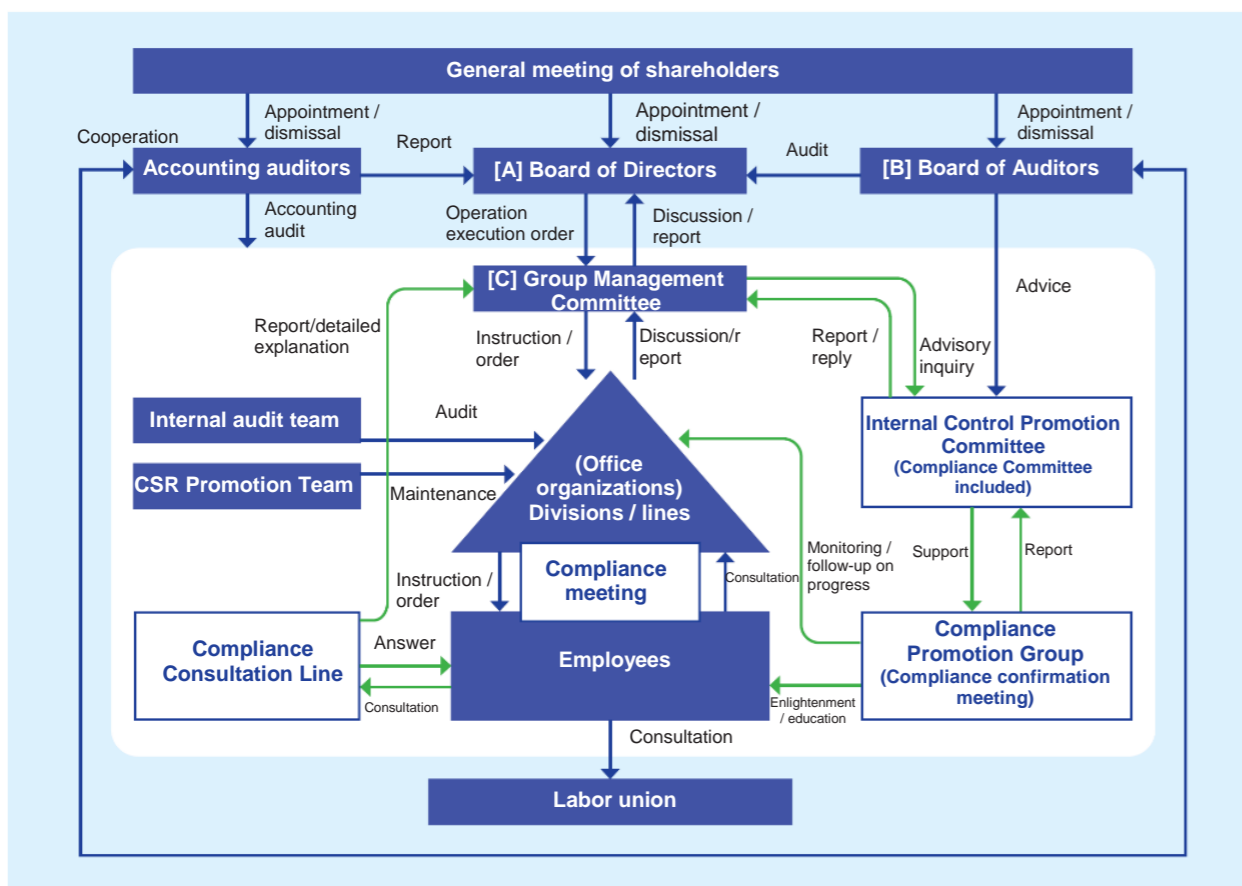
Donation ceremony

Corporate Governance

Corporate Governance Structure

We aim to improve the corporate value of the Toyol 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 clients, employees, and local communities.

Corporate Governance Structure (As of June 2022)

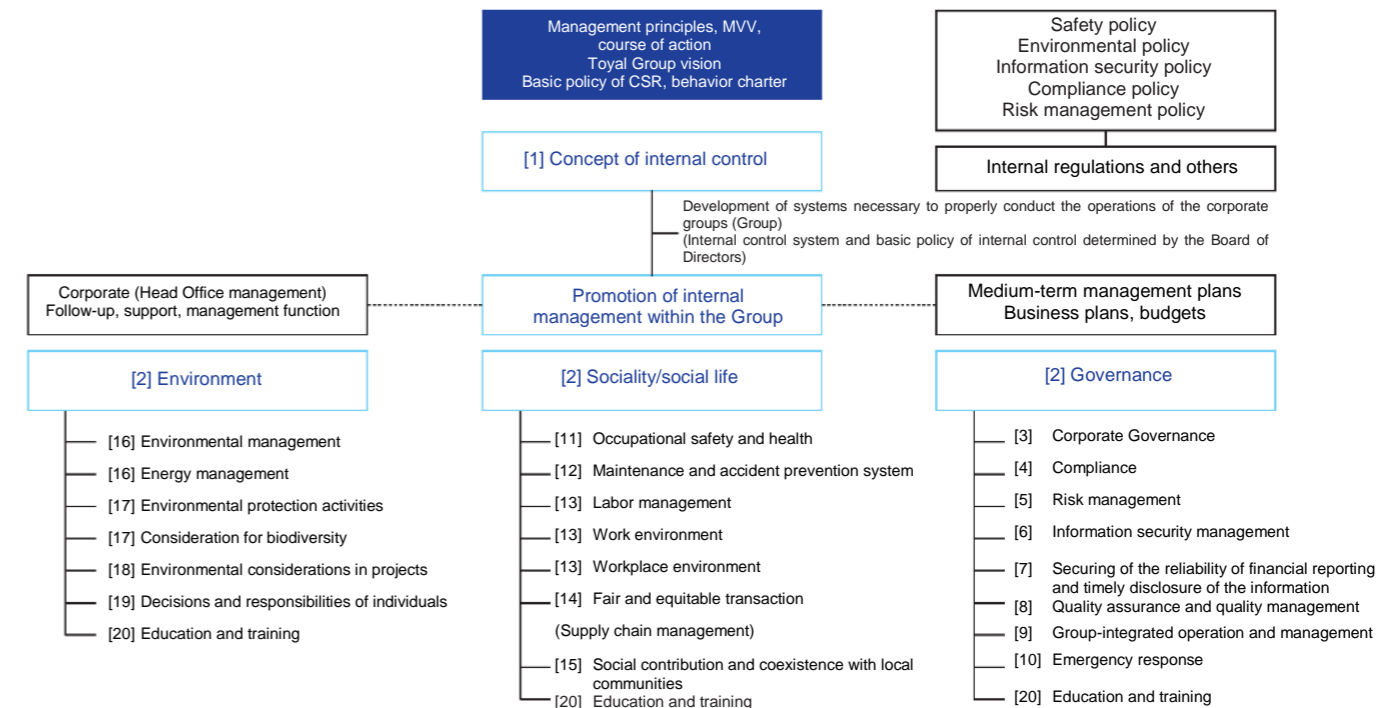


[A] Board of Directors	[B] Board of Auditors	[C] Group Management Committee
<p>The Board of Directors is composed of eight directors, including four outside directors. They deliberate, discuss, and make decisions on management policies, strategies, measures, issues, and other items for the entire Group including the subsidiaries.</p>	<p>The Board of Auditors is composed of six auditors, including three outside auditors. They audit the execution of duties by directors, and monitors the appropriateness, rationality, and other aspects of the activities and operations of each operation execution line within the Group in cooperation with the Internal Audit Team.</p>	<p>They deliberate and discuss matters such as those related to the fundamentals of the management of the entire Group, earlier than the Board of Directors does.</p>
<p>Eight directors Four of them are outside directors (two women).</p>	<p>Six auditors Three of them are outside auditors.</p>	

Internal Control System

From the perspective of autonomy, the Toyol Group has "corporate governance," "legal compliance," "risk management," "securing of the reliability of financial reporting and disclosure of the information," and other systems for control and management as "corporate standards for internal management," under the "basic policy for developing 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 "Toyol Group's Internal Management System (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.

Toyol Group's Internal Control/Management System (TIMS)



Structure of the Internal Management of the Toyol Group

