

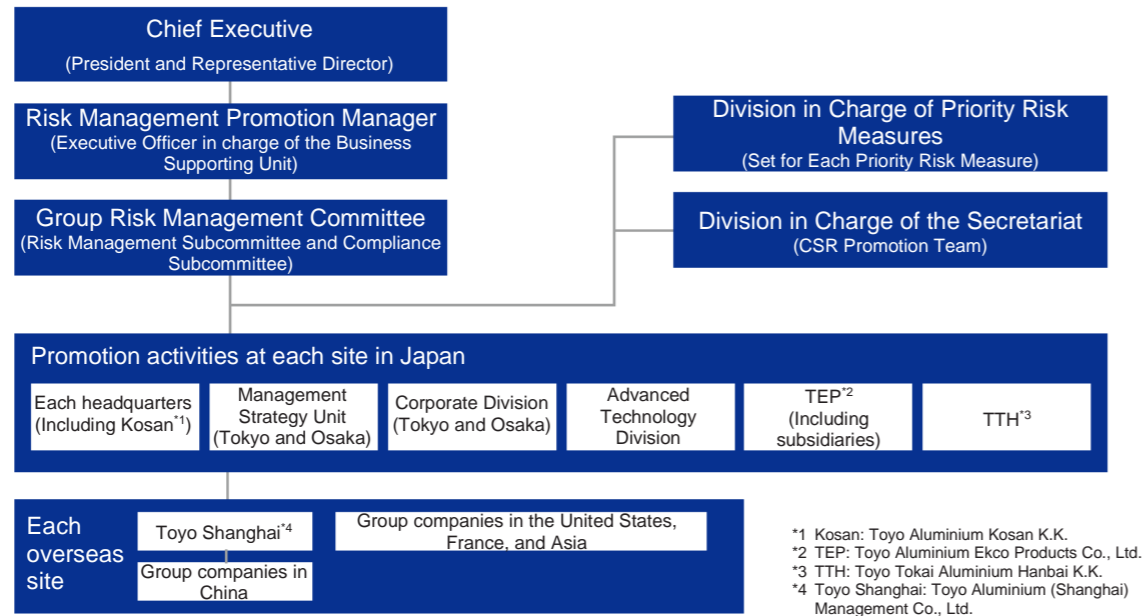
Corporate Governance

Risk Management

The Toyal Group has established an organization-wide risk management system with the President of Toyo Aluminium K.K. as the Chief Executive, and operates a Group Risk Management Committee chaired by the Risk Management Promotion Manager. To effectively promote risk management, we have established a Risk Management Subcommittee and a Compliance Subcommittee, with members from each division of the Group carrying out activities. The main division in charge is assigned to each priority risk category selected through risk assessments, and these divisions use their expertise to provide support and monitoring for each division

as the second line in the three-line model. As a response to business process risks, each business division maintains a three-point set of business processes and conducts self-inspections as part of its daily risk management. Activities related to risk management are reported to the Board of Directors and the Group Management Committee by the chairperson of the Group Risk Management Committee in accordance with the Group risk management regulations. In the future, we will periodically review our priority risk categories to ensure that we are able to respond to new risks arising from changes in both the internal and external environment.

Risk Management System



*1 Kosan: Toyo Aluminium Kosan K.K.
 *2 TEP: Toyo Aluminium Ekco Products Co., Ltd.
 *3 TTH: Toyo Tokai Aluminium Hanbai K.K.
 *4 Toyo Shanghai: Toyo Aluminium (Shanghai) Management Co., Ltd.

Commitment of the Executive Officer in Charge

It is said that modern society has entered an unprecedented "age of risk." The risk of natural disasters such as earthquakes and typhoons, as well as the risk of man-made disasters such as war, have become extremely familiar in our daily lives, and cannot be predicted or anticipated until just before they occur. For corporate activities as well, we face rising procurement costs due to the weak yen and high resource prices, as well as environmental, human rights, and geopolitical risks.

In conducting corporate activities in the face of these various risks, the Group considers risks to be anything that could affect our future strategies and the achievement of our business goals. By establishing a Risk Management Committee to accurately identify risks in each organization and prevent losses from occurring, we are working to enhance corporate value and provide peace of mind to our stakeholders through the establishment and operation of an organization-wide risk management system that is integrated with management. This organization-wide risk management enables us to make accurate management decisions and is also the foundation for realizing our growth strategy. In order to strengthen risk management going forward, we have also formulated and announced a Human Rights Policy, a CSR Procurement Policy, a partnership building declaration, a multi-stakeholder policy, and more.

By continuing to promote the MX project (management platform reform project) within the Group, we expect to raise awareness of compliance within the company by encouraging supervisors and subordinates to share information and communicate with each other through casual dialogue within the team and by creating a comfortable working environment.



Executive Officer
 In charge of the Business Supporting Unit and Human Resources Unit, Corporate Division

Tsuyoshi Ariyoshi

Compliance Promotion

The Toyal Group promotes compliance in a broad sense, including not only legal compliance but also social norms and corporate ethics. In terms of legal compliance, we consider legal risks as one of the priority risk categories to be addressed, and we are continually identifying company-wide risks and monitoring the progress of improvements. In addition, we hold regular compliance meetings at each workplace on topics such as harassment prevention, and record the opinions received from the workplace and the status of efforts, which are used as some of the basic materials for formulating compliance promotion plans. In order to understand compliance issues, we have established an internal consultation line

and use compliance meetings to disseminate information. Information on these legal risks and compliance issues is shared in the Group Risk Management Committee and each subcommittee, and reported to management in the Group Management Committee through the Executive Officer in charge of the Business Supporting Unit, who is responsible for promoting risk management. In fiscal 2024, we plan to focus on raising internal awareness of the promotion standards of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, promoted by the Ministry of Economy, Trade and Industry (METI) and the Small and Medium Enterprise Agency (SMEA).

BCP, BCM, and Resilience Certification

The Toyal Group considers the occurrence of emergencies resulting from natural disasters as one of our priority risks, and are responding accordingly. From fiscal 2021 to fiscal 2022, a total of 10 sites, including seven manufacturing sites of Toyo Aluminium K.K., the Head Office and Shiga Plant of Toyo Aluminium Ekco Products Co., Ltd., and ALP Co., Ltd., obtained resilience certification, which is promoted by the Association For Resilience Japan as a certification for organizations contributing to national resilience. In fiscal 2023, the Yao Works and Shinjo Works, which previously obtained certification, underwent their first renewal examinations. The initial certification examination focused on whether a certain level of business continuity plan (BCP) had been established, but the renewal examination asked about

specific activities for the two years since the certification. Our certification was renewed in recognition of our BCP training and business continuity management (BCM) activities based on the plan. We will continue to promote the strengthening of response capabilities at each location through improving issues identified in training.



Fraud Prevention Hearing Activities

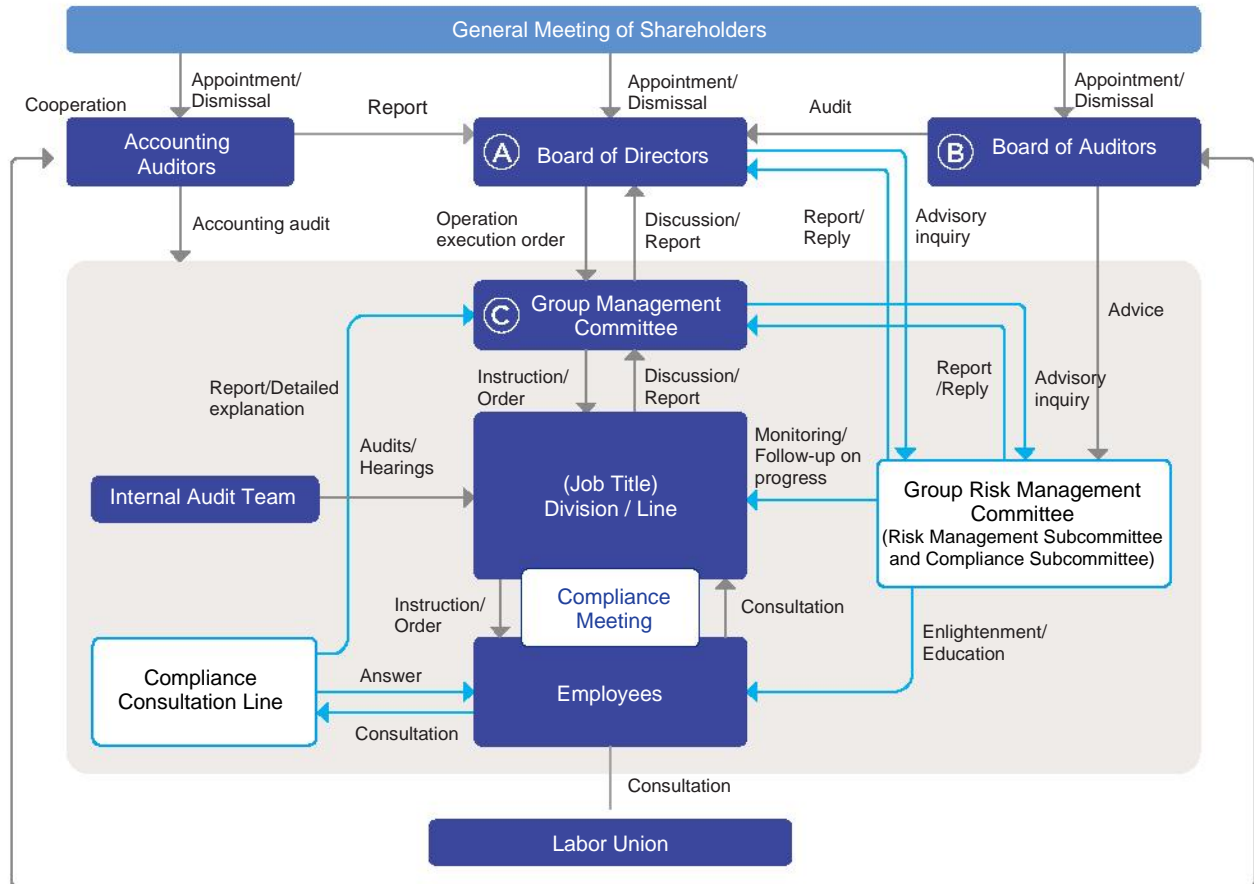
The Toyal Group strives to create a climate that does not tolerate corruption. As a concrete initiative toward this, the internal audit team held fraud prevention hearings for the second time. The first fraud prevention hearings were held from August 2021 to November 2022 for approximately 600 employees. These hearings were held from May to November 2023 for approximately 650 employees, including manager level line workers and those seconded overseas. The purpose of the hearings was not to detect fraud, but rather to deter such behavior by making people aware that even if they commit minor fraud or believe that they are capable of committing fraud, there is the potential

that they might be accused by someone. Participants were asked about the workplace atmosphere and the risks of fraud in the form of a casual chat. With regard to quality, interviewers took the stance that "it didn't matter if it was just rumors or old stories," listening to what people had to say and sharing information with the Quality Assurance Unit as appropriate. In surveys conducted after the hearing, many employees expressed opinions such as "this should continue in the future" and "the scope of people interviewed should be further expanded," helping to raise employee awareness.

Corporate Governance

We consider the enhancement of corporate governance to be one of our most important business challenges, and have established the following system to promote management that is trusted by all stakeholders, including business partners, employees, and local communities.

Corporate Governance Structure (As of June 21, 2024)



[A] Board of Directors

The Board of Directors is composed of six directors, including one outside director. They deliberate, discuss, and make decisions on management policies, strategies, measures, issues, and other items for the entire Group, including subsidiaries.



Six directors

One of them is an outside director.

[B] Board of Auditors

The Board of Auditors is composed of four auditors, including two outside auditors. They audit the execution of duties by directors, and monitor 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.



Four auditors

Two of them are outside auditors.

[C] Group Management Committee

The members of the Group Management Committee discuss and report on important matters related to the formulation of Group-wide management policies and business execution prior to Board of Directors meetings.