

# Material Issue 4

## Quality and Safety - Quality -

We have been continually working on quality improvement, and 17 domestic and overseas companies of our Group have the ISO 9001 certification. In addition, in order to fulfill our responsibilities for the quality of the contractors that support us, we actively support their quality patrols, while still respecting their autonomy, working to prevent quality accidents outside the Toyol production sites. We will continue to comply with social norms and strive to further improve quality, aiming to be a Group that is even more trusted by customers.

**Hideo Ishiguro**  
Executive Officer  
In charge of the General Affairs Unit and Quality Assurance Unit,  
Corporate Division

"Quality assurance departments and manufacturing departments are the wheels of the car (company)"

A car cannot drive in a straight line if one of its wheels is stronger, resulting in poor balance and wheels that move at different speeds. I believe manufacturing is similar, in that it is important to respect and complement each other's positions, which results in an organization with functioning mutual checks that can fully exercise its strengths. To give shape to this approach, Toyol's quality assurance system consists of three lines of defense.

First, frontline operations, then quality assurance departments, and then audit departments are each working to maintain and enhance quality from differing perspectives. The basic principle of quality assurance is "do the predetermined things in the predetermined way," and although it is to be expected, all people involved in each process, from taking orders to shipping, must focus on their work with responsibility and sincerity. We will remain fully committed to protecting the "life of the Company."



### Evolution of quality assurance and taking on the challenge of the next generation

"Safety and Quality are the Life of the Company"

At manufacturing companies like Toyol, "safety" and "quality" are the life of the company, and business continuity is impossible without both these elements. Preventing inappropriate acts is also essential to protect our credibility as a company. Quality assurance is an important pillar for protecting trust from customers and supporting sustainable corporate growth, and sincerity and transparency provide the foundations for assuring quality. Conventional quality assurance is mainly reactive, focusing on "responding to problems" after they have occurred, particularly quality defects and complaints. This approach had limited potential for pursuing underlying causes and preventing recurrence. Today, quality assurance must involve "preventing problems in advance" and "sharing a company-wide awareness of quality." We must build in quality from the design stage, monitor quality throughout processes, analyze accumulated data, and make improvements accordingly. It is also important to strengthen internal controls and provide ethics education to prevent fraud, tampering, concealment, and other such acts. In particular, in order to prevent inappropriate acts, the president himself visits all business sites and holds dialogue sessions. Through these efforts, we are working to enhance all employees' awareness of quality and foster our corporate culture.

To create a structure for preventing problems before they occur, we must transform the safety awareness of all employees. Quality is an issue not just for quality assurance departments, but for all departments, including engineering, manufacturing, and purchasing, to work on together.

We must transform past examples into explicit knowledge and thoroughly enforce measures to prevent recurrence, while also creating a system to quickly discover and stop any signs of inappropriate acts.

Next-generation quality assurance requires us to go beyond zero defects and evolve into "value creation-type" operations, including sustainability and social responsibility. In addition to reducing our environmental impact, complying with laws and regulations, and adapting to global standards, it is also essential that we thoroughly enforce ethical corporate conduct. Another important challenge is the creation of a system for passing on the expertise of veteran employees to young employees, to prepare for the declining population and aging society.

Going forward, our strategy for quality assurance will not be "defensive," but instead will be "offensive," in order to enhance corporate value. As we look toward 2031 and the 100th anniversary of our founding, the Toyol Group will come together to build a healthy and sincere quality culture.



Business site dialogue session at Gumma Works

### Deepening quality assurance initiatives by moving from rectification to prevention, and acquiring even greater trust

**Nitta** We will continue efforts to prevent inappropriate acts related to quality, based on the keywords of "together with customers" and "gaining trust." In fiscal 2025, we set forth our new aims to "achieve next-generation quality management" and "ensure fulfillment." Under these aims, we have been focusing on increasing the efficiency of quality management processes through the introduction of AI, the IoT, and other cutting-edge technology; encouraging the growth of team members through quality education; and stronger cooperation, mainly through horizontal activities between business sites. We will create a system that enables us to promptly disclose information and clearly indicate the causes and measures to prevent recurrence in the event of quality issues.

**Jun Matsumoto**  
Quality Assurance Team Leader  
Corporate Management Unit  
Toyo Aluminium Ekco Products Co., Ltd.

Furthermore, we aim to achieve trusted quality by evolving into an "offensive" Quality Assurance Unit, including the prevention of quality accidents, not just measures to rectify issues.

**Matsumoto** Under the policy of "satisfying customers and acquiring the trust of society by ensuring product safety and peace of mind," we have developed an audit system, not only for our own plants but also those of partner companies, and we are focusing on quality assurance. We are also strengthening change management, etc., and we have seen some success from these efforts, including a year-on-year decrease in the number of complaints in fiscal 2024. There was, however, an incident where some "Sunfoil®" products were shipped in a damaged state.

We immediately made a public announcement and recalled the affected products. At the same time, we worked with the Quality Assurance Team at the Chiba Works of Toyo Aluminium K.K. to identify the underlying causes, and rectify and improve the situation. Going forward, we will not only implement rectification measures, but will also work to prevent quality accidents by shifting our work toward preventive measures. We will further promote quality activities that enhance customer satisfaction, and use statistical methods for quality management, as we aim to enhance Toyol's brand strength.



**Toshihiko Nitta**  
Quality Assurance Unit Leader  
Corporate Division

### Acquisition of JIS Q 9100 certification and future outlook

On May 31, 2025, the Hino Works obtained "JIS Q 9100" certification, a quality management standard for the aerospace and defense sector. This shows that we have created a system for high-quality and highly reliable manufacturing, contributing to ensuring the quality of products with a higher level of safety. Going forward, we will further refine our technical and quality capabilities, and promote manufacturing that contributes to society, as we target a full-fledged entry into the aerospace industry, using this certification as a foothold. In particular, we will contribute to next-generation manufacturing through the development and supply of aluminium alloy powder for 3D printers.

We aim to support the industries of the future as a trusted partner.



JIS Q 9100 Management System registration certificate



Hino Works





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Quality and Safety

- Safety -

- Toyol safety targets for fiscal 2025**
- (1) Enhance awareness of safety and establish a culture of “firm decisions and strict adherence”
  - (2) Enhance sensitivity and prevent accidents by “noticing things”
  - (3) Globally deploy activities to prevent serious accidents
  - (4) Systematize education and training and foster a safety culture
  - (5) Creating a safe and secure workplace environment with active capital investment

Under our slogan that “safety and quality are the life of the Company,” we will endeavor to ensure safety as one of our top priority values. The Group Safety Management Team and 19 sites in Japan and overseas work together to focus on preventing serious accidents and preventing recurrence. We have shared lessons from past disasters with all employees, and instilled a safety culture based on the vow that we “will not allow such events to be repeated.” We are also enhancing the safety awareness of every employee by actively providing education where employees can experience danger firsthand, through practical drills, etc. Going forward, all sites will continue working together to prevent serious accidents, with safety as our top priority.

**Masayoshi Tsujino**  
Executive Officer  
In charge of Internal Audit Team; Group Safety Management Team;  
and Business Supporting Unit, Corporate Division

Last year, there were no serious accidents at Toyol business sites, but there were a few incidents that “could have become serious accidents through a single misstep.” This indicates that the potential risk of danger in frontline operations still exists somewhere today. For this reason, it is important that we all take the initiative to engage in danger risk mitigation activities on a daily basis, and quickly discover and address such risks. Accordingly in the Group Safety Management Team, we are strengthening the 5 Gen Shugi (three actuals + principles and rules) and promoting risk mitigation activities that utilize a three-step method, with a focus on “preventing serious accidents.” To continue being “a company where people come to work with a smile and go home with a smile,” we must enhance safety awareness and foster a safety culture of “firmly deciding and strictly adhering to rules.” I believe that is one of our important roles.



Creating a workplace where we can freely talk about safety

**Kurisu** Toyol Aluminium Ekco Products Co., Ltd. is working closely with the Group Safety Management Team of Toyol Aluminium K.K. on safety activities, resulting in new records for the number of days without a lost-time injury at three plants in Japan. In fiscal 2025, we are engaging in activities focused on “adherence to rules.”

This does not simply mean telling people to “follow the rules.” Instead, it means we will give employees opportunities to speak out about things they notice and make improvements, and “create a culture where we can adhere to rules.” It is a given that employees will go home safely after work, but as “a company where people come to work with a smile and go home with a smile,” we aim to create a workplace where people can talk freely. **Kadoya** Previously, I worked on creating products that make consumers happy in the Marketing Team.

It does not serve anyone’s happiness if accidents happen at the plants where we make those products. Since I started working on safety, I have been reminded of the importance of safety in manufacturing. Injuries and accidents are not only limited to plants; they also happen in office departments. Small lapses in care and complacency can cause accidents, so I intend to create plants and offices where all employees are aware of safety as something that affects them directly, and are able to mutually exchange views on things that call for attention and realizations.



Vow to prevent the recurrence of serious accidents

In 2024, we renewed our strong resolution never to repeat the serious accidents of the past. Five fatal accidents have occurred at Toyol in the past. At the Yao Works, the site of an accident caused by insufficient oxygen in July 7, 2007, President Kusumoto expressed condolence for the victims and vowed “never to let a tragic accident happen again.” Employees took this sentiment to heart, and are endeavoring to prevent serious accidents. At the Chigasaki Works (Hagizono), President Kusumoto expressed a vow to prevent the recurrence of accidents, never forgetting the lessons from a fire that occurred on November 8, 1968, at this works’ predecessor, the former TOKAIKINZOKU Co., Ltd. Kikuna Plant. Employees renewed their resolve to create a safe workplace and protect the joy that should be a given, where “everyone goes to work healthy, and returns home to their families safely.” At ALP Co. Ltd., learning from a serious accident that occurred during work on aluminium scrap press machinery on October 19, 1993, President Yamaguchi (at the time) of Toyol Aluminium Ekco Products Co., Ltd. and employees mutually confirmed their resolve to prevent the recurrence of such accidents in frontline operations. We worked to further enhance safety awareness by sharing our strong desire “never to let a tragic accident happen again” among all employees. We will continue ensuring that we do not forget the lessons of these accidents, while creating workplaces where people can work with peace of mind and preventing serious accidents at all sites, based on our recognition that “safety and quality are the life of the Company.”



Vow to prevent serious accidents at Chigasaki Works



Declaration of vow to prevent recurrence at ALP Co. Ltd.

Increasing safety awareness with practical drills

One issue we face in frontline manufacturing operations is how to convey danger and related teachings without experiencing an actual accident. As one measure to solve this issue, we have been conducting “practical drills,” in which employees can experience danger firsthand in a simulated experience. By experiencing danger firsthand, employees can deepen their understanding of the importance of being aware of hazards and protective equipment. Based on this approach, we have established a practical drill center at our Kambara Works and Yao Works.

We also hold drills simulating laceration from a box cutter, enabling many employees to participate without relying on special facilities. In May 2024, we held practical laceration drills at the Gumma Works and Shinjo Works. Employees could realistically experience the danger of a laceration accident by using a box cutter to cut sausages made to look like fingers by being inserted into gloves. Employees also experienced the difference depending on whether or not anti-cut gloves are worn, reminding them of the importance of wearing protective equipment. We feel that these practical drills have had an effect, as we have received lots of feedback from participants, such as “It was realistic, and I really felt the fear of an accident” and “I was reminded of the necessity of protective equipment.” Going forward, we will continue contributing to the safety awareness and actions of all employees through the introduction of practical drills concerning various types of accident risk. We are working to ensure that all employees can experience firsthand the importance of safety through “practical drills.” In the future, we will continue endeavoring to create safer workplace environments.



Model of hand for box cutter laceration drills



Box cutter laceration drill

