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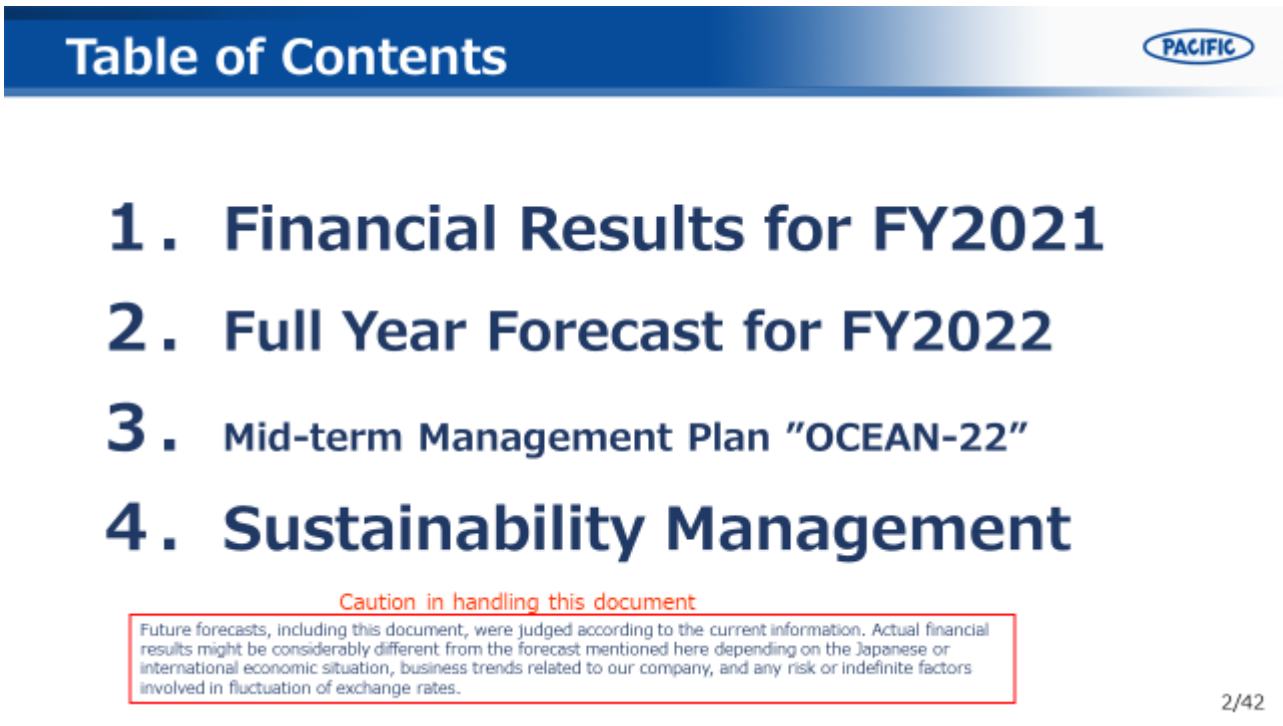

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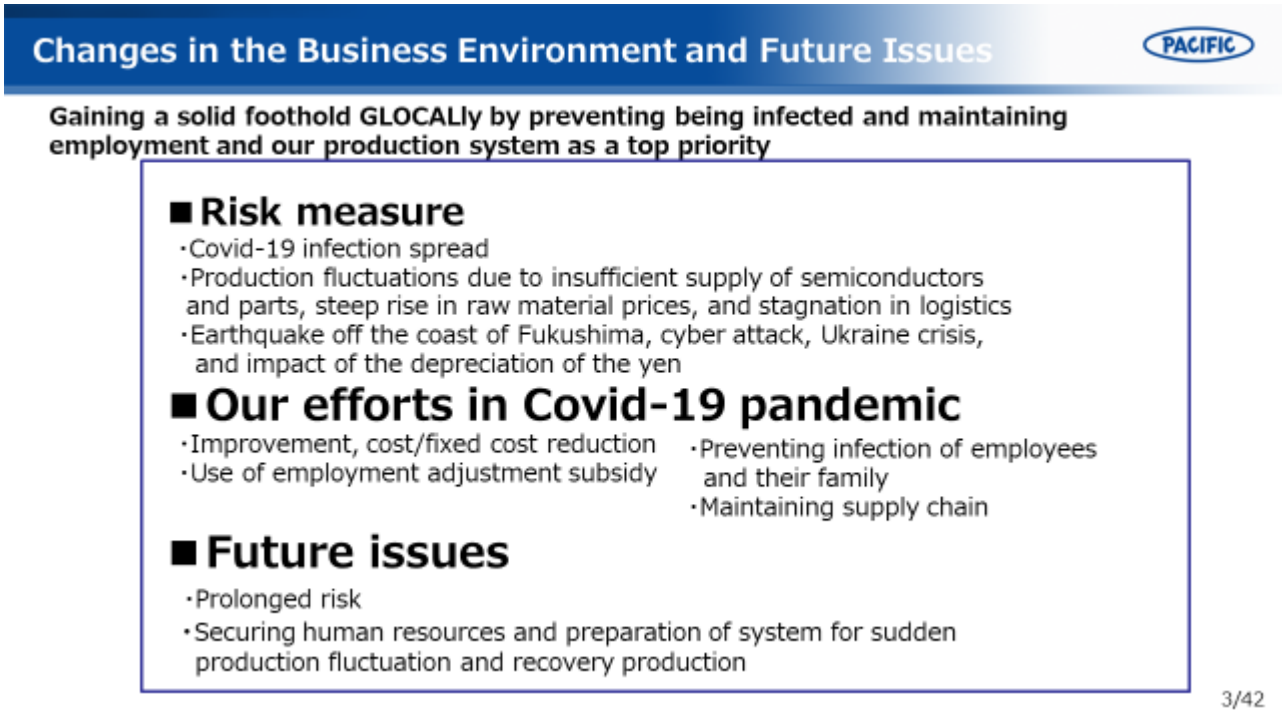

Since the emergence of COVID-19 in 2020, we have been working on various activities under the policy of keeping our feet on the ground in GLOCAL, with the primary focus on preventing infection and maintaining employment and production. In the first quarter of FY2021, performance was favorable due to the cost reductions we have been pursuing as well as strong customer production.

From the latter half of the second quarter to the first half of the third quarter, we thoroughly implemented measures to improve profitability, including measures to close offices, cost reductions, and fixed cost reductions, in the face of changes in the environment, including a significant reduction in customer production due to the impact of the spread of COVID-19 infection on parts supply in Asia. In November, the COVID-19 impact diminished and by December it had recovered to normal levels.

In the fourth quarter, customers continued to make production adjustments due to the prolonged shortage of semiconductors, while earthquake and cyber-attacks also had a negative impact, resulting in slightly lower-than-expected automobile production by customers.

Although it is difficult to predict the future, we will continue to respond to customers' production fluctuations and establish a supply chain structure in GLOCAL.

1-1 FY2021 Consolidated Results

Despite the impact of production fluctuations, record highest profits were achieved for the full year due to an improved earnings structure and sales volume increase.

(100 million yen,%)

	FY2020		FY2021		YoY rate			
	Q4 Result	Full year Result	Q4 Result	Full year Result	Q4 Result		Full year Result	
					Gain&Loss	%Change	Gain&Loss	%Change
Sales	423	1,504	444	1,644	+20	+4.8	+140	+9.4
Operating Income	40	89	29	Record High 107	△10	△25.9	+17	+19.9
Operating Income Ratio	9.5%	6.0%	6.7%	6.5%	△2.8P	–	+0.5P	–
Ordinary Income	53	112	45	Record High 146	△7	△14.4	+33	+30.3
Ordinary Income Ratio	12.6%	7.5%	10.3%	8.9%	△2.3P	–	+1.4P	–
Net income for the year attributable to owners of the parent	37	79	24	Record High 98	△13	△35.4	+18	+22.8
Ratio of net income to sales(%)	8.8%	5.3%	5.4%	6.0%	△3.4P	–	+0.7P	–
Average exchange rate (US dollars)	104.7円	105.4円	115.4円	112.1円	+10.7円	–	+6.7円	–

※Revenue recognition accounting standards have been applied since FY2021. The amount of impact on sales (included figures) is as follows. The impact on profits is minor.
Sales will be decreased by 4.5 billion yen due to the offset display of sales of customer-received products and cost of sales, and increased by 1 billion yen due to the collective recognition of mold cost collection.

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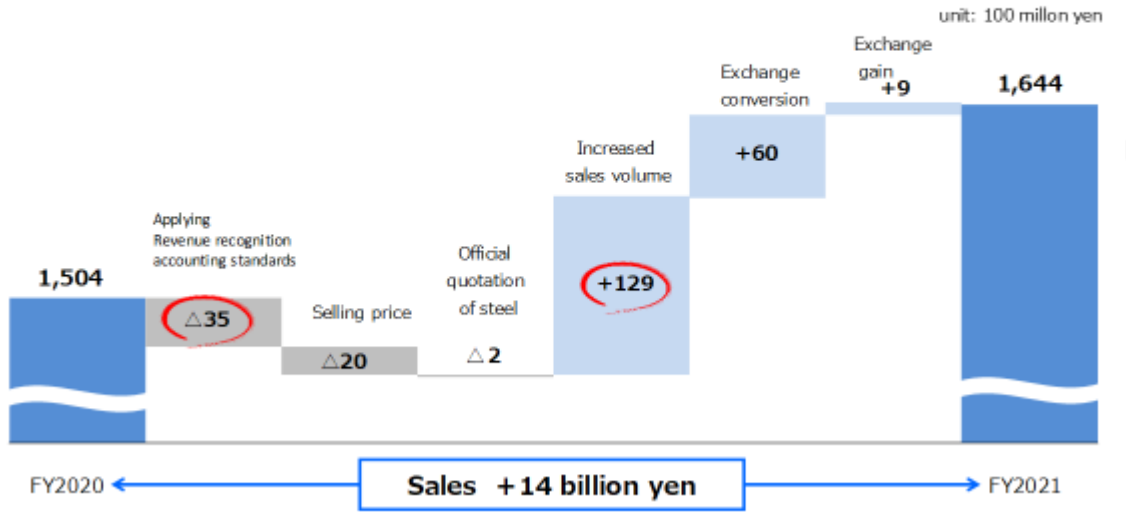
In the fourth quarter, net sales increased 4% from the previous quarter to JPY44.4 billion, but operating income fell 25% from the previous quarter to JPY2.9 billion due to higher costs resulting from higher material prices and production fluctuations.

For the full year, sales increased 9% from the previous year to JPY164.4 billion. Operating income increased 19% YoY to JPY10.7 billion, with a profit margin of 6%. Ordinary income increased 30% to 14.6 billion, with a profit margin of 8%. Net income increased 22% to JPY9.8 billion with a profit margin of 6%. Profitability improvement activities that have been continuously promoted during the COVID-19 pandemic have resulted in the highest profits for each business.

1-2 Causes of Fluctuation in Consolidated Net Sales

Increased sales volume by following customer production fluctuations



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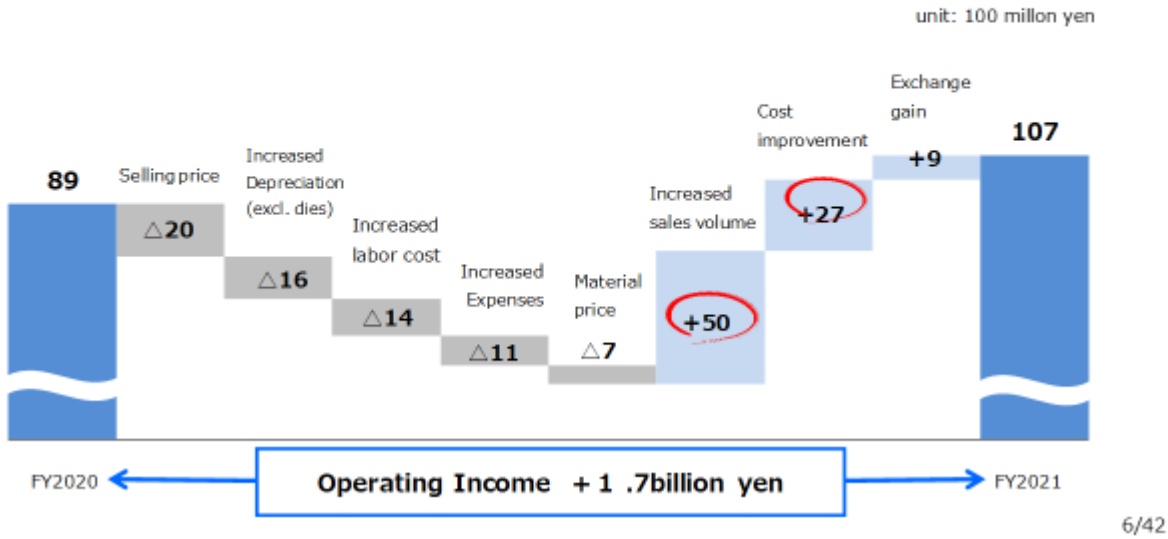
The main reason for the increase/decrease in net sales was a JPY3.5 billion decrease in the press business due to the application of the revenue recognition standard in Japan. Although there were production adjustments due to shortages in the supply of parts for semiconductors and other products, net sales for the full year increased JPY14 billion to JPY164.4 billion due to an increase in sales volume and the effect of foreign currency translation due to the yen's depreciation.

1-3 Causes of Fluctuation in Consolidated Operating Income

Record profits were achieved by sales recovery and cost improvement



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Operating income increased JPY1.7 billion from JPY8.9 billion in the previous year to JPY10.7 billion, mainly due to a recovery in sales volume and cost improvement, despite an increase in labor costs and expenses from increased production.

1-4 Consolidated Business Segments

Sales and profits increased for stamping & molding and valves

(100 million yen,%)

	Sales				Operating Income			
	FY2020 Result	FY2021 Forecast	YoY rate Gain&Loss	YoY rate %Change	FY2020 Result	FY2021 Forecast	YoY rate Gain&Loss	YoY rate %Change
Stamping & Molding	1,045	1,142	+97	+9.4	39	49	+10	+25.8
(The impact of application of revenue recognition)		※1 (△35)						
Operating Income Ratio					3.7%	4.3%	+0.6P	
Valves	457	499	+42	+9.3	49	58	+8	+16.6
(The impact of application of revenue recognition)		※2 (0)						
Operating Income Ratio					10.9%	11.7%	+0.8P	

*1 Revenue recognition accounting standards have been applied since FY2021. The amount of impact on sales (included figures) is as above. Sales decreased by 4.5 billion yen due to the offset display of sales of customer-received products and cost of sales, and increased by 1 billion ye due to the collective recognition of mold cost collection. The impact on profits is minor.

*2 The amount of impact on sales (included figures) is as above. The impact on profits is minor.

Sales in the press and resin business increased 9% YoY to JPY114.2 billion. Operating income increased 25% to JPY4.9 billion.

Sales in the valve business increased 9% to JPY49.9 billion. Operating income increased 16% to JPY5.8 billion.

1-5 Consolidated Regional Segment

Japan : Sales decreased and profits increased
(sales actually up excl. the effect of revenue recognition)
Europe/America : Sales increased and profits decreased,
Asia : Sales and profits increased

(100 million yen,%)

	Sales				Operating Income			
	FY2020 Result	FY2021 Forecast	YoY rate Gain&Loss	YoY rate %Change	FY2020 Result	FY2021 Forecast	YoY rate Gain&Loss	YoY rate %Change
Japan	702	687	△15	△2.2	51	61	+9	+18.8
(The impact of application of revenue recognition)		※1 (△35)						
Operating Income Ratio					7.4%	8.9%	+1.5P	
Europe & America	523	612	+89	+17.0	15	13	△1	△12.2
Operating Income Ratio					3.0%	2.2%	△0.8P	
Asia	277	344	+66	+24.0	18	31	+12	+66.7
Operating Income Ratio					6.8%	9.2%	+2.4P	

*1 Revenue recognition accounting standards have been applied since FY2021. The amount of impact on sales (included figures) is as above. The impact on profits is minor.

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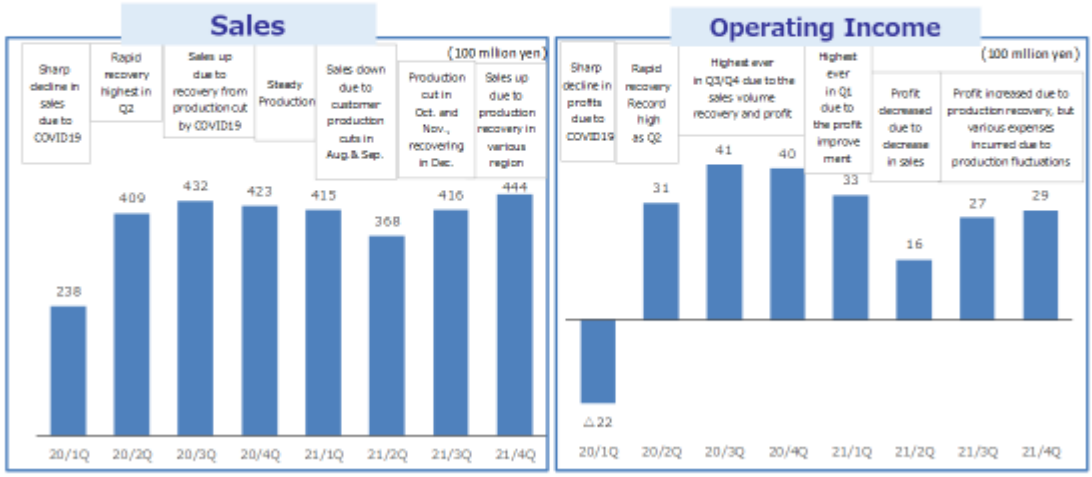
Sales in Japan decreased 2% YoY to JPY68.7 billion. This represents an increase of JPY2 billion before the application of the revenue recognition standard. Operating income increased JPY1.8 billion to JPY6.1 billion.

Sales in Europe and North America increased 17% to JPY61.2 billion. Operating income declined 12% to JPY1.3 billion.

Sales in Asia increased 24% to JPY34.4 billion. Operating income increased 66% to JPY3.1 billion.

1-6 Quarterly Consolidated Financial Results

Sales and profits declined in the second quarter of 2021 due to the impact of reduction in production, recovering in the second half



In the second quarter of FY2021, sales and profits declined due to a significant decrease in production caused by customers' parts shortages. Although production has gradually recovered since the third quarter, earnings were lower than the previous year due to labor costs and expenses incurred as a result of production fluctuations. We will continue to work on improving profitability by establishing a system that can flexibly respond to production fluctuations so that we can generate profits when production increases.

2-1 FY2022 Consolidated Financial Forecast

Gradual recovery in production will be expected from the first to the second half, although there are many uncertainties.

(100 million yen,%)

	FY 2021		FY 2022		YoY rate			
	2Q Total Result	Full Year Result	2Q Total Forecast	Full Year Forecast	2Q Total Gain&Loss	Full Year %Change	Full Year Gain&Loss	Full Year %Change
Sales	784	1,644	905	※1 1,780	+120	15.4%	+135	8.2%
Operating Income	50	107	45	125	△5	△10.4%	+17	16.2%
Operating Income Ratio	6.4%	6.5%	5.0%	7.0%	△1.4P	–	+0.5P	–
Ordinary Income	57	146	50	140	△7	△13.8%	△6	△4.2%
Ordinary Income Ratio	7.4%	8.9%	5.5%	7.9%	△1.9P	–	△1.0P	–
※2 Current Net Income	43	98	35	100	△8	△20.1%	+1	2.0%
ROE	–	8.1%	–	7.5%	–	–	△0.6P	–
ROA (Operating income basis)	–	4.6%	–	5.0%	–	–	+0.4P	–
Net Assts per Share	–	2,138円	–	2,254円	–	–	+116円	5.4%
Average exchange rate (US dollars)	109.9円	112.1円	120.0円	120.0円	10.1円	–	7.9円	–

※1 Compared to FY2021, sales will be expected decrease 9.6 billion since FY2022 3Q due to increasing of customer-received products for stamping materials.
※2 Current Net income is Profit attributable to owners of parent

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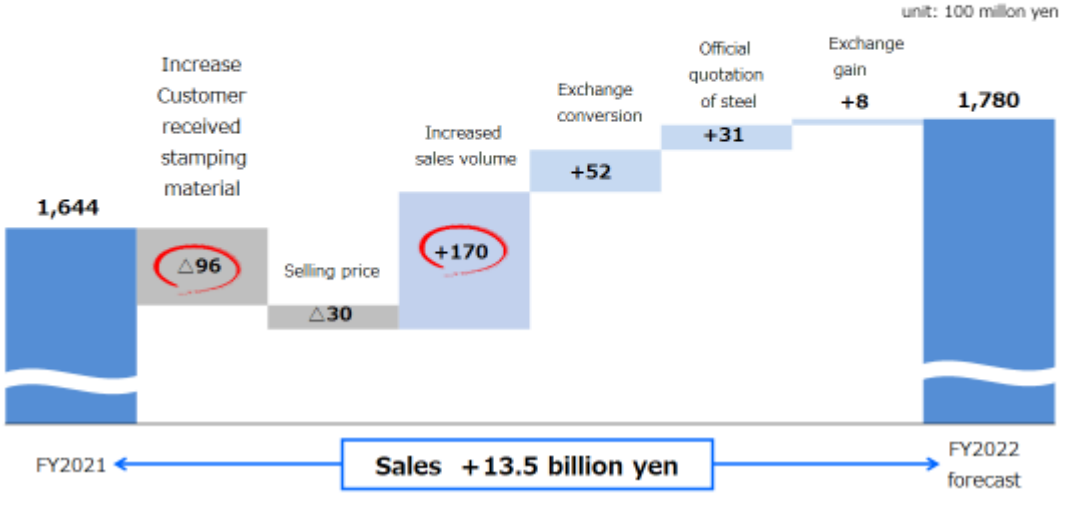
Sales are expected to increase 8% from the previous year to JPY178 billion. Although JPY9.6 billion in press parts will be received for a fee in the second half of the year, which will reduce sales, we expect a gradual recovery in sales volume from the first half of the year.

Operating income is projected to increase 16% over the previous year to JPY12.5 billion, with a profit margin of 7%. The assumed exchange rate is JPY120. The exchange rate sensitivity is JPY100 million per yen per year.

2-2 Causes of Fluctuation in Full Year Consolidated Sales

Sales up due to sales volume increase, although apparent decrease by increasing of customer-received stamping material



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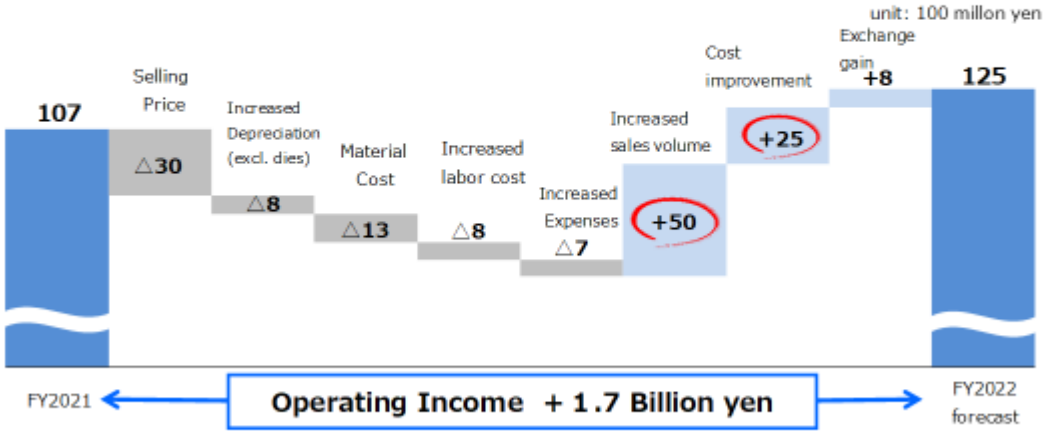
Net sales for the full year are projected to be JPY178 billion, up JPY13.5 billion from JPY164.4 billion in the previous fiscal year, due to an increase in sales volume, despite the impact of lower sales due to the shift to receiving press parts for a fee.

2-3 Causes of Fluctuation in Full Year Consolidated Operating Income

Profits are expected to increase due to sales recovery and continuous cost improvement.



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Operating income for the full year is expected to be JPY12.5 billion, up JPY1.7 billion from the previous year. As production recovery is underway, we expect production fluctuations, so we will strive to minimize losses by making improvements, maintaining the supply chain, and flexibly changing the production system.

2-4 Full Year Consolidated Business Segments

Sales and profits are expected to increase for stamping & molding and valves

(100 million yen,%)

	Sales				Operating Income			
	FY2021 Result	FY2022 Forecast	YoY Rate Gain&Loss	YoY Rate %Change	FY2021 Result	FY2022 Forecast	YoY Rate Gain&Loss	YoY Rate %Change
Stamping & Molding	1,142	1,227	+84	+7.4	49	66	+16	+34.1
(The impact of application of revenue recognition)	※1 (△35)	(△131)	(△96)					
Operating Income Ratio					4.3%	5.4%	+1.1P	
Valves	499	550	+50	+10.0	58	59	+0	+1.2
(The impact of application of revenue recognition)	※2 (0)	(0)	(0)					
Operating Income Ratio					11.7%	10.7%	△1.0P	

*1 Revenue recognition accounting standards have been applied since FY2021. The amount of impact on sales (included figures) is as above.
FY2021 : Sales is expected to increase by 1 billion yen due to the collective recognition of mold cost collection, and decrease by 4.5 billion yen due to the offset display of sales and its cost for customer-received material. The impact on profits is minor.
FY2022 : Sales is expected to decrease by 13.1 billion yen due to the offset display of sales and its cost for customer-received material. The impact on profits is minor.

*2 The impact on sales and profits is minor.

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Sales of the press and resin business increased 7% YoY to JPY122.7 billion, including a decrease of JPY9.6 billion due to the impact of the change to receiving press parts for a fee. Operating income is projected to increase 34% to JPY6.6 billion.

Sales in the valve business increased 10% YoY to JPY55 billion. Operating income is projected to be JPY5.9 billion, unchanged from the previous year.

2-5 Full Year in Consolidated Regional Segment

Sales and profits are expected to increase in Japan, Europe and Asia.

(100 million yen,%)

	Sales				Operating Income			
	FY2021 Result	FY2022 Forecast	YoY Rate Gain&Loss	YoY Rate %Change	FY2021 Result	FY2022 Forecast	YoY Rate Gain&Loss	YoY Rate %Change
Japan	687	698	+10	+1.5	61	64	+2	+4.1
(The impact of application of revenue recognition)	※1 (△35)	(△131)	(△96)					
Operating Income Ratio					8.9%	9.2%	+0.3P	
Europe & America	612	652	+39	+6.4	13	19	+5	+38.1
Operating Income Ratio					2.2%	2.9%	+0.7P	
Asia	344	430	+85	+24.8	31	37	+5	+16.8
Operating Income Ratio					9.2%	8.6%	△0.6P	

*1 Revenue recognition accounting standards have been applied since FY2021. The amount of impact on sales (included figures) is as above.
FY2021 : Sales is expected to increase by 1 billion yen due to the collective recognition of mold cost collection, and decrease by 4.5 billion yen due to the offset display of sales and its cost for customer-received material. The impact on profits is minor.
FY2022 : Sales is expected to decrease by 13.1 billion yen due to the offset display of sales and its cost for customer-received material. The impact on profits is minor.

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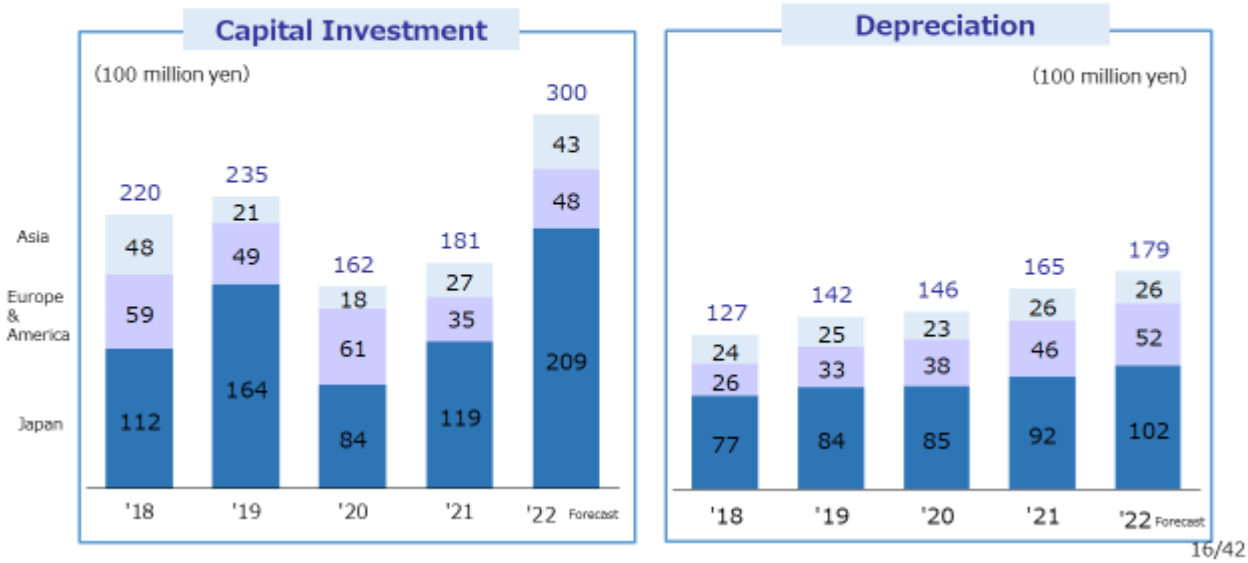
Sales in Japan were JPY69.8 billion, unchanged from the previous year, and operating income increased 4% to JPY6.4 billion. Sales in Europe and North America increased 6% to JPY65.2 billion, and operating income rose 38% to JPY1.9 billion. Sales in Asia increased 24% to JPY43 billion. Operating income is projected to increase 16% to JPY3.7 billion.

2-6 Consolidated Capital Investment and Depreciation

Investments for future growth in FY2022



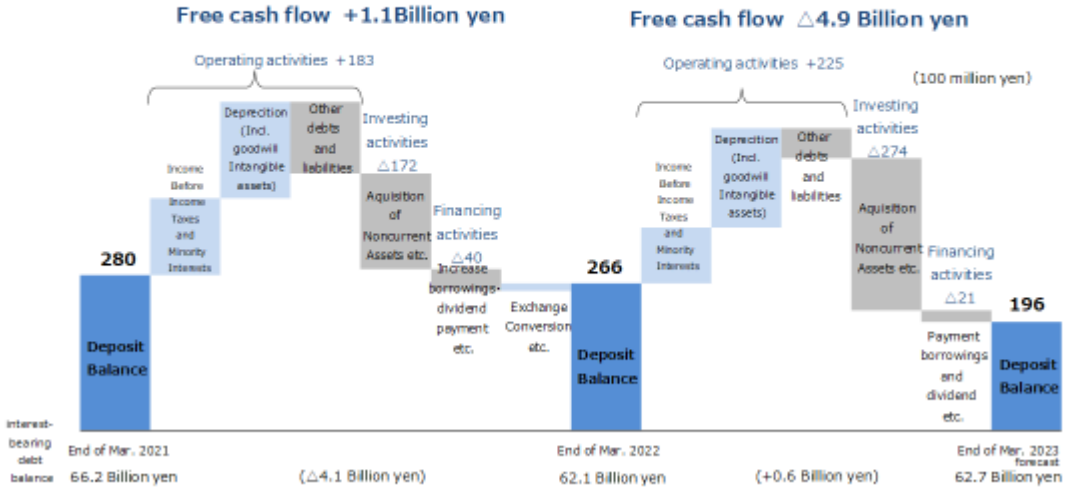
While we had been strategically investing in facilities until FY2019, we have been making capital investments during the COVID-19 pandemic by identifying necessary investments that are effective.

In FY2021, we invested in building expansions, large presses, and new TPMS lines at our three major bases in Japan, North America, and China.

In FY2022, we expect to invest JPY30 billion. In addition to the usual investment in production preparation for the launch of new products, the construction of a new carbon-neutral plant in Ogaki, amounting to JPY13 billion, and for the introduction of press equipment to increase production. In addition to increasing production capacity, we will build a more efficient production system, which will include reallocation of production equipment lines, to meet customer needs.

2-7 Consolidated Cash Flows

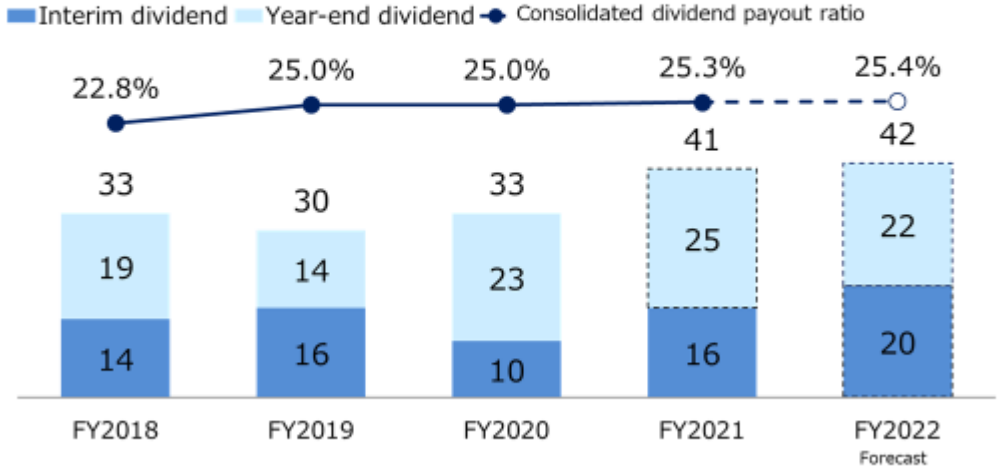
Implement efficient fund management by strengthening cash management within the Pacific group



In the COVID-19 pandemic, we reduced interest-bearing debt by JPY4.1 billion last fiscal year by curbing investment expenses and strengthening cash management within the Group. With some major investments in the current fiscal year, we will strive to manage funds efficiently.

2-8 Return to Stockholders : Dividend

Dividends increased in FY 2021 with increased profits, and stable dividends will continue in FY 2022.



Given the significant recovery in earnings from the previous year's forecast, we have revised our annual dividend forecast to JPY41 per share, up JPY8 from the previous year, maintaining a dividend payout ratio of 25%. The year-end dividend will be JPY25 per share. For the next fiscal year, we plan to increase the annual dividend by JPY1 to JPY42 per share, with a payout ratio of 25%.

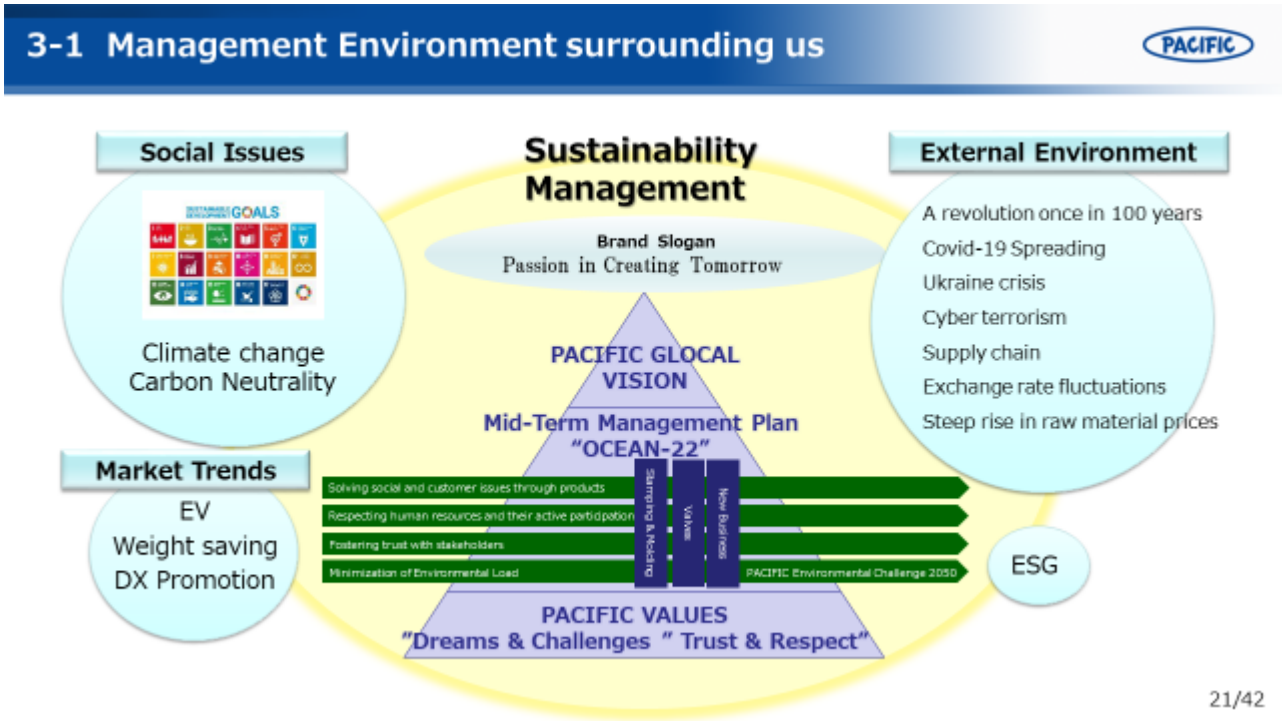
2-9 Shareholder returns : Share Repurchases

Established a 1 billion yen stock repurchase limit and continued to emphasize capital efficiency in management.

Total amount	**: 1 billion yen (max)**
Number of shares	**: 1.3 million shares (max)**
Method	**: Buying on the open market**
Period	**: May 2nd - August 31st, 2022**

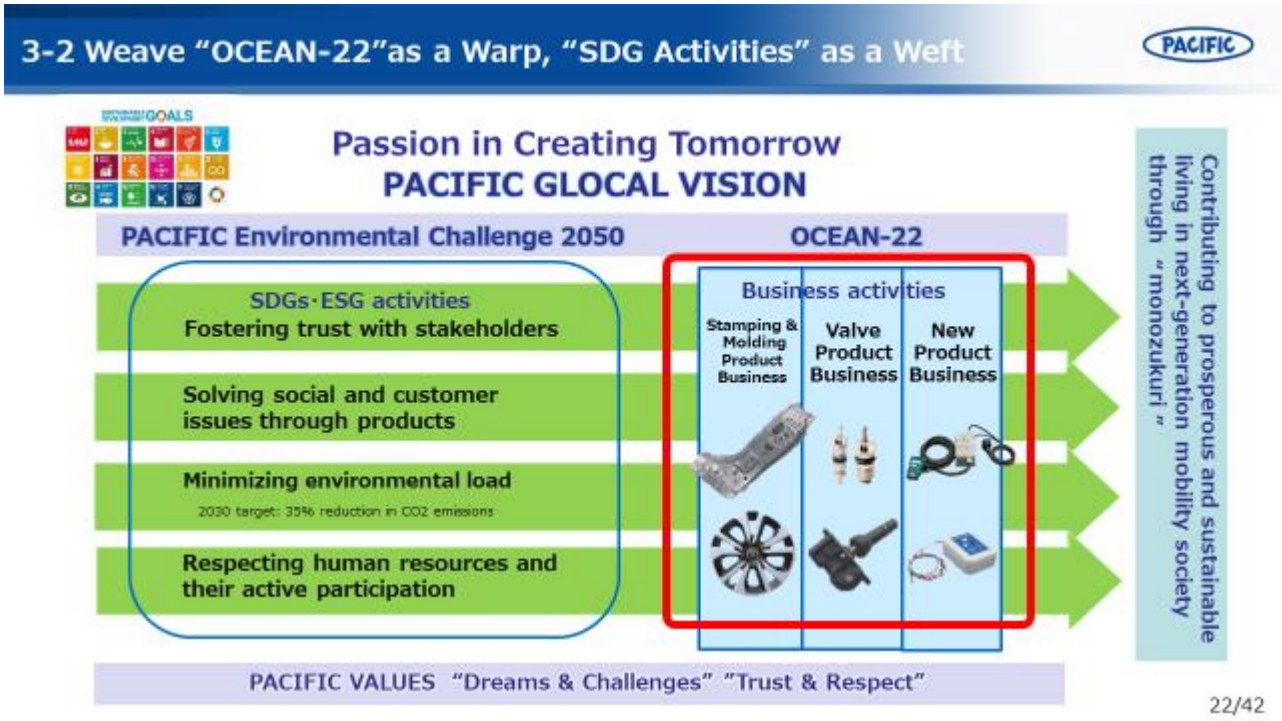
At a meeting of the Board of Directors held on April 27, the Company passed a resolution regarding the acquisition of treasury stock. The Company will repurchase up to 1.3 million shares of its common stock at a total repurchase price of up to JPY1 billion. The acquisition period will be from May 2, 2022, to August 31, 2022.

I would like to proceed with the objectives of improving capital efficiency, including shareholder returns, ROE, ROA, etc., and implementing flexible capital policies.



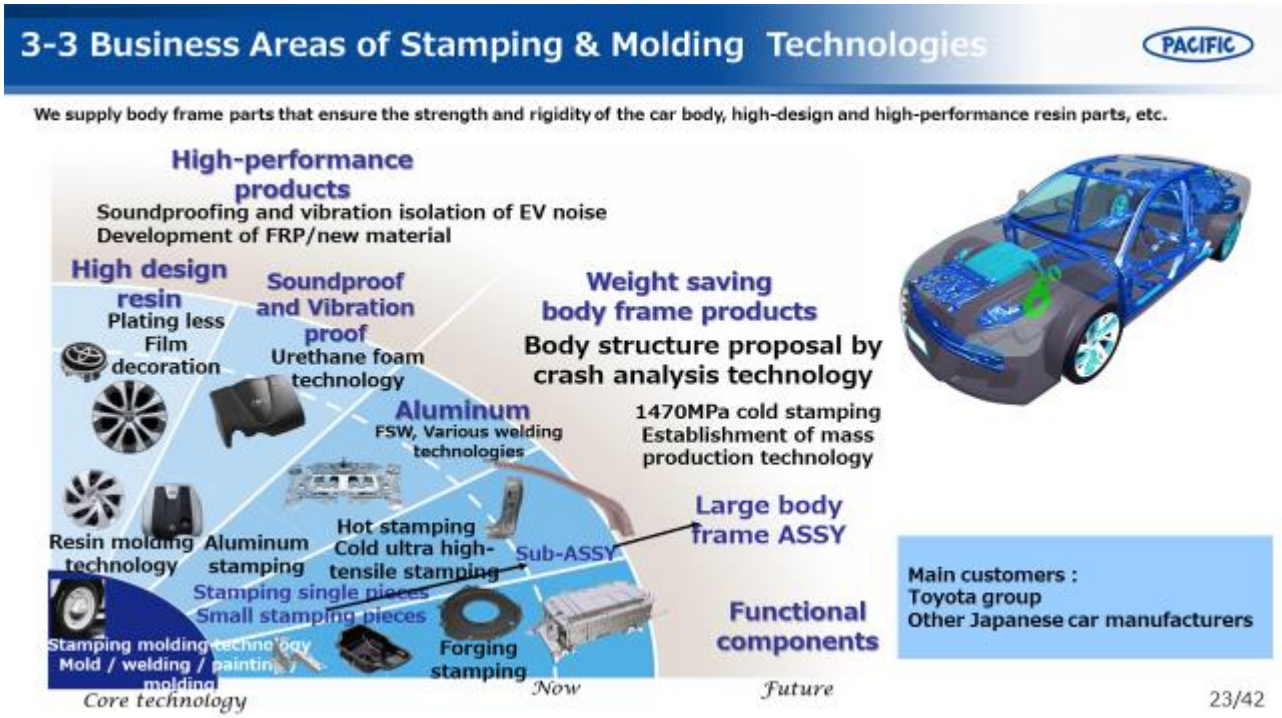
The business environment surrounding our company is characterized by social issues such as carbon neutrality and the SDGs, a once-in-a-century period of major change in the automotive industry, medium-term structural changes, still continuing the impact of COVID-19 related issues, as well as other unexpected changes as of the situation in Ukraine and cyberattacks.

As industry trends such as electrification, weight reduction, and digital transformation continue to advance, we are also promoting sustainability management from an ESG perspective in order to assess business risks and opportunities and sustainably enhance corporate value. Under the brand slogan, "create tomorrow with all our hearts," we are promoting specific action plans as a unified group.



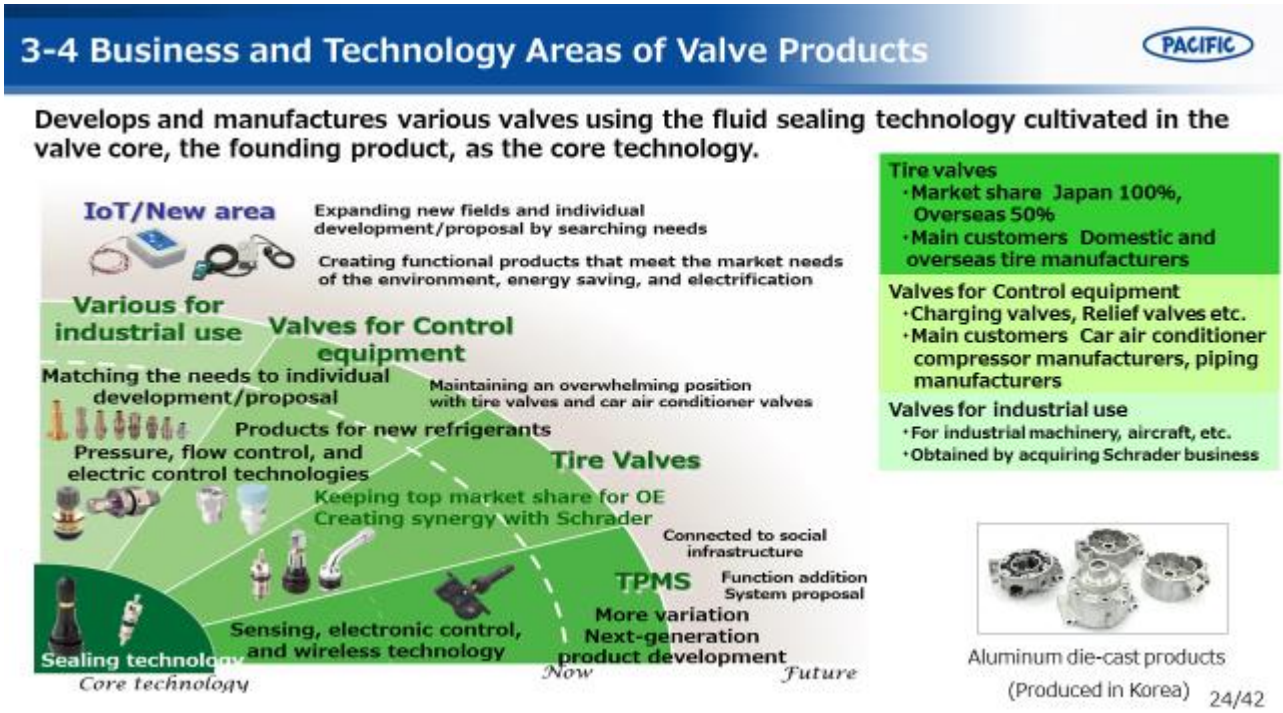
Under our long-term vision, PACIFIC GLOCAL VISION, we formulated our medium-term management plan OCEAN-22 in 2019 and are working to become a company that contributes to the next generation by weaving the four themes of sustainability based on the SDG concept into a weft thread, with the press/resin, valve TPMS, and new businesses of OCEAN-22 as the warp threads. We are striving to become a company that contributes to affluent and sustainable life the next generation mobility society through manufacturing.

As I mentioned earlier, our forecast for this year, the final year of OCEAN-22, is expected to achieve almost all of our targets, and we will manage our business flexibly in light of changes in the environment.



The press and resin business accounts for 70% of our sales. In the area of pressed products, we are working on body frame parts that contribute to weight reduction and collision safety, battery cases for hybrid vehicles, and functional parts such as trunk hinges, in preparation for EV shift, and we supply them to the Toyota Group as our main customers.

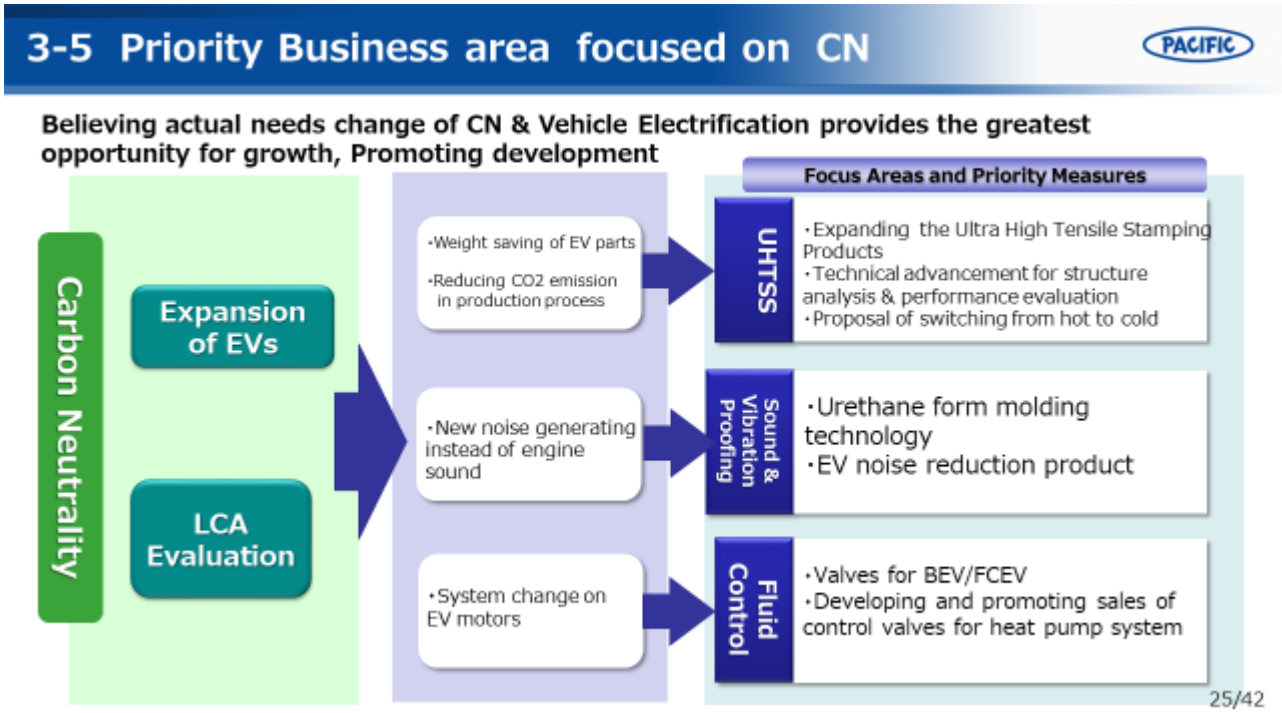
Our resin products include engine covers with sound and vibration isolation functions, wheel caps, center ornaments, gas pedals, and other interior and exterior products that contribute to design, etc. Our products are used globally by the Toyota Group, Honda, Suzuki, Daihatsu, Subaru, and others, and we have secured a high market share.



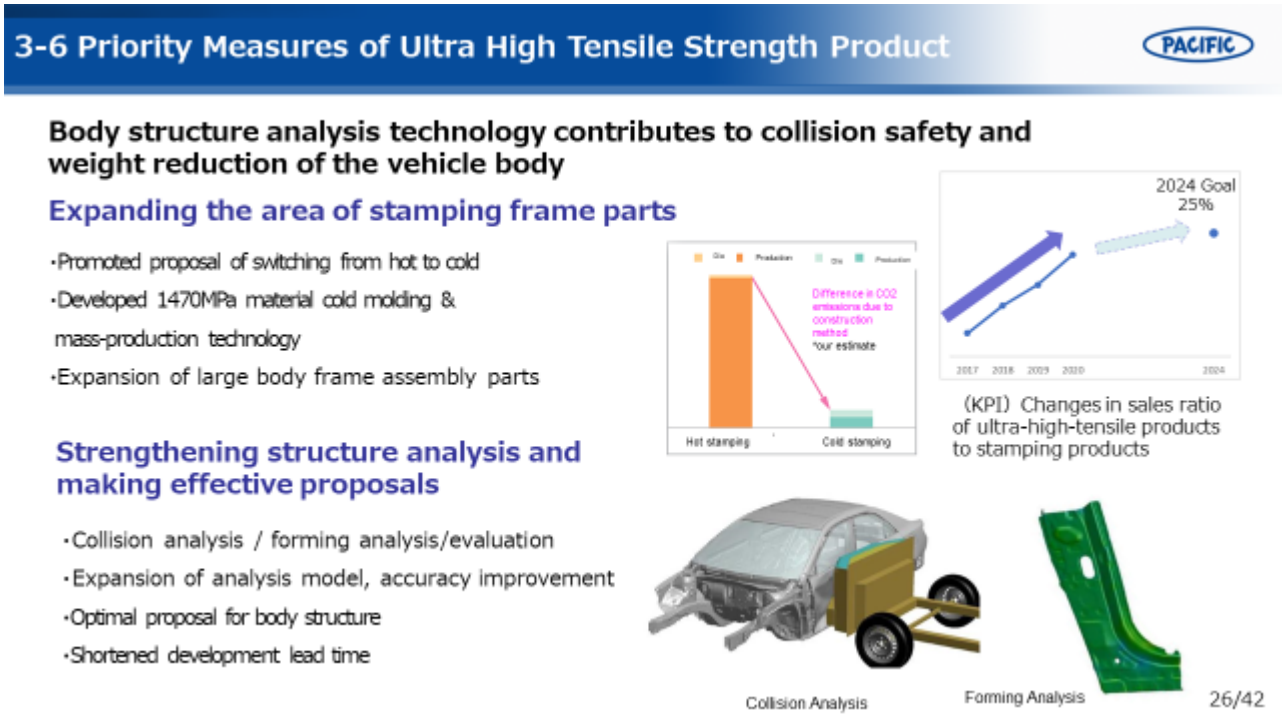
In the valve products business, we provide products that take advantage of fluid sealing technology, including valve cores and tire valves, which are our founding products, as well as TPMS, valves for car air conditioners, and valves for industrial machinery. We have a 100% share of the tire valve market in Japan and approximately 50% overseas.

Our global market share for car air conditioner charge valves is 50% and 80% for relief valves, and our products are highly regarded for their safety and functionality.

With the acquisition of the valve business of Schrader Business in 2018, we have also added valves for industrial and aircraft applications to our product lineup, thereby expanding the scope of our business. We have built a system that enables us to have customers, develop, produce, and sell our products in four regions around the world by adding the Schrader brand, which is strong in the US and European markets, to the PACIFIC brand, which is strong in the Japanese and Asian markets.



As the automotive industry becomes increasingly electrified, existing businesses are accelerating the development of technologies to reduce CO2. We are improving our ability to analyze vehicle body structures, increasing the efficiency of ultra-high-tensile strength, promoting weight reduction for body shell parts, utilizing anti-vibration and soundproofing technologies for vehicle power plant, developing urethane parts and other components to counteract noise in BEV vehicles, and developing control valves that can be applied to heat pump systems for car air conditioners in EV vehicles, which have no heat source.



In light of electrification, vehicle weight reduction and improvement of collision safety and fuel economy is one of the major issues in vehicle frame design, and there are increasing demands to reduce vehicle body weight while reducing CO2 emissions during component production.

From the viewpoint of life cycle assessment, LCA, and carbon neutrality, we have been strategically developing technologies for cold super high-tensile processing mainly, which uses less energy during parts production than hot stamping. We have advanced our press production technology and developed a process to replace hot stamping with cold stamping, and have established a production system in Japan, the US, China, and Asia for3,000-tons transfers that can perform cold super-high-tensile processing.

Furthermore, we are deepening our analysis systems, including structural analysis, collision safety, and CAE, and incorporating manufacturing requirements unique to component manufacturers at the design stage to reduce costs, reduce weight, enhance competitiveness, and strengthen our ability to make proposals. In the future, we intend to further strengthen our structural analysis and proposal capabilities and promote the development and sales expansion of products for electric vehicles.

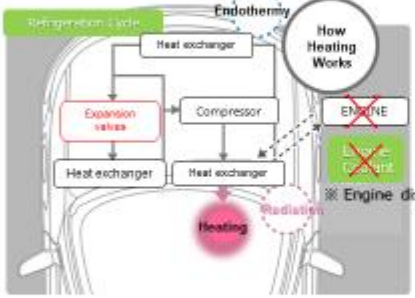
As a result of the efforts I mentioned earlier, cold-pressed parts made of ultra-high tensile strength and 1470 MPa material have been adopted for the roof center reinforcement of the new Lexus NX, and mass production has begun.

As for sound and vibration isolation technology for resin products, there is a new noise reduction technology for electric vehicles, and we have developed a soundproofing cover for electric compressors of air conditioners, which has been decided in future electric vehicles, we will continue to meet customer needs by developing appropriate materials and shapes for appropriate parts.

3-8 Development and Sales Expansion of Control Valves for Electrification

Accelerate the development of control valves for heat pump car air conditioners for the progress of electrification

Changes in market needs



・Increased needs for control valves such as electric expansion valves due to the shift to heat pump car air conditioners
・Integrated multiple valves for higher functionality

Electric expansion valves for BEV

Development/Sales system

・Development integrated with SCHRADER business

・Creating synergies and promoting global sales by understanding customer needs in Japan, the U.S., and Europe

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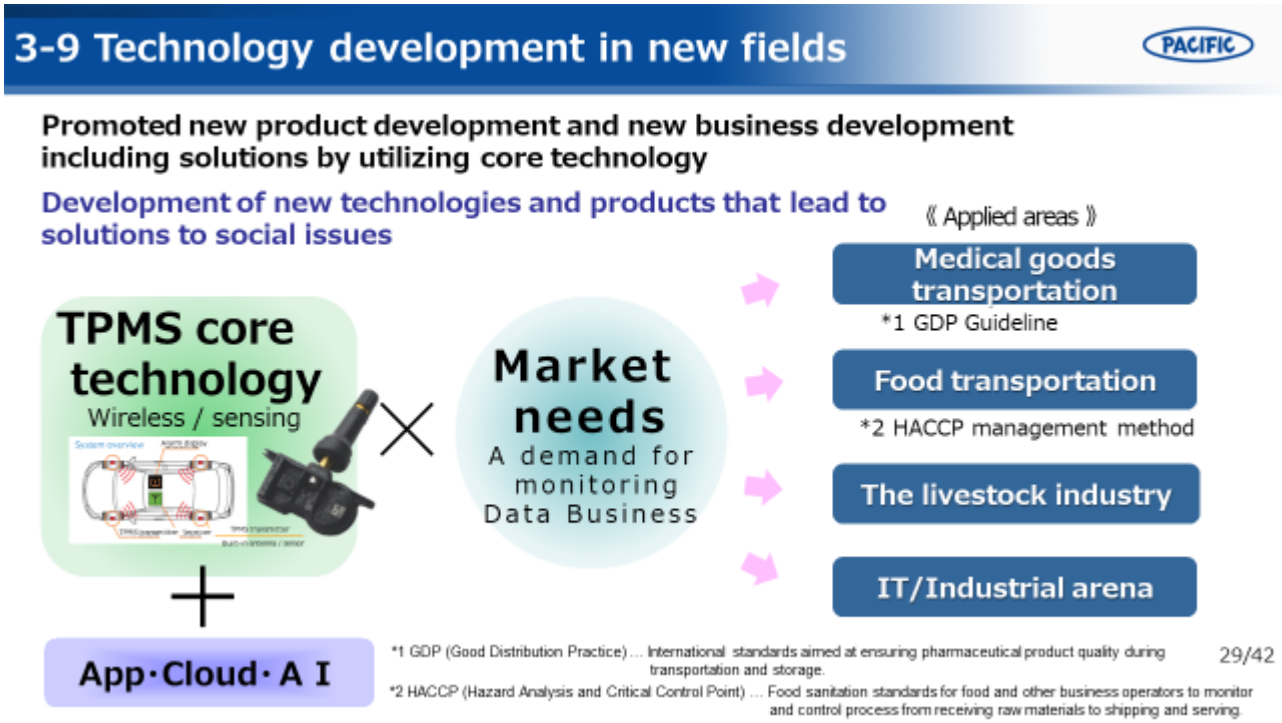
In the area of valve business, we are also developing new products, seeing carbon neutral and electrification as growth opportunities.

Air conditioners that can no longer use engine waste heat due to electrification are being converted to heat pump systems. We are developing multi-functional electric expansion valves and new control valves by utilizing the technology of heat pump systems that cultivated in home appliances.

Currently, we are working with Schrader to speed up and improve the efficiency of technological development in Japan, the US, and France, and are working closely with our customers in each region to develop and expand sales.

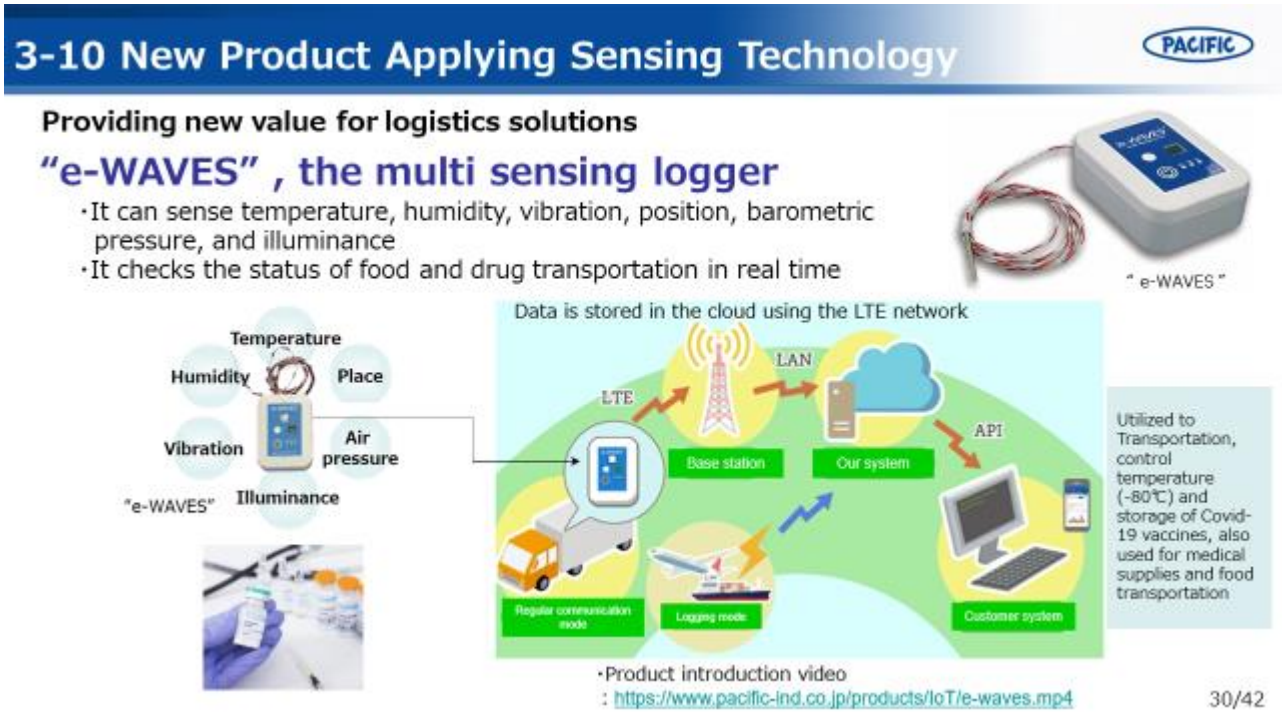


With OCEAN-22, we have also taken on the challenge of the non-automotive sector by leveraging the core technology of our existing business. TPMS monitors tire pressure, temperature, and acceleration while the vehicle is in motion and informs the decrease of air pressure to driver by wireless transmission, thus protecting safety while driving and preventing fuel consumption deterioration. In recent years, demand for condition monitoring has been increasing, and we are developing IoT-related products based on the core technologies of TPMS sensing functions and wireless technology, with AI implemented according to the product.

In the pharmaceutical industry, GDP guidelines have been introduced for quality assurance in the distribution process, and in the food industry, HACCP regulations have been tightened for product control in the supply chain and transportation process.

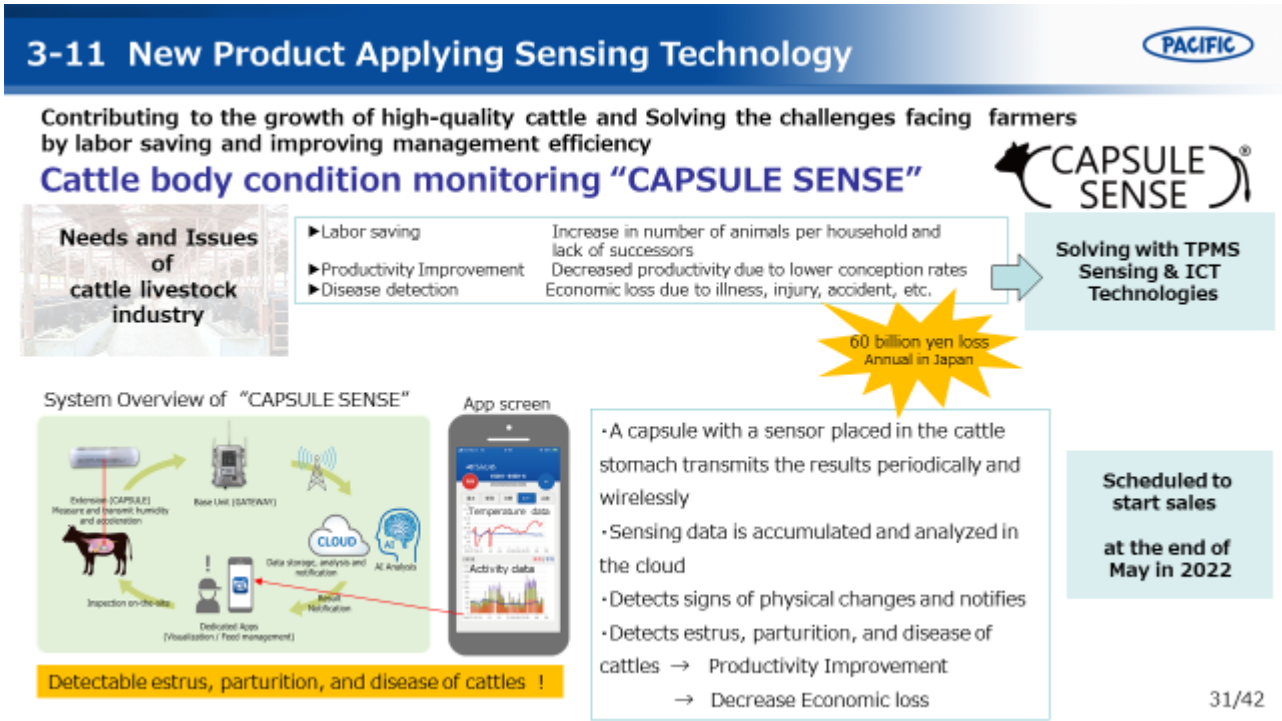
In addition, demand for monitoring is increasing in various industries, such as individual management needs to improve productivity in the livestock industry. We will continue to develop not only hardware but also solutions utilizing AI, IoT, and ICT.

I would like to describe an example of one of those products.



e-WAVES, a multi-sensing logger capable of monitoring conditions during the transportation process, was launched last April. This product was developed for pharmaceuticals and food products. Thanks to sensing technology, the real-time status during transportation can be grasped, and the status can be understood on a PC or smartphone through the Crowd. The type of product capable of temperature measurement from minus 80 to plus 40 degrees Celsius is being used for control transportation and storage of vaccines.

In addition, there have been strong inquiries for the transportation of food products and pharmaceuticals. We are expanding our product lineup with further functional enhancements. We will continue to develop and expand sales of this product that provides new value for logistics solutions.



The needs and challenges of the cattle industry include increased number of cattle per household, decreased productivity due to lower conception rates, and economic losses due to disease, illness, and accidents. To solve these issues, we have developed our new product of CAPSULE SENSE, a cow body condition monitoring system that combines our sensing and AI analysis technologies.

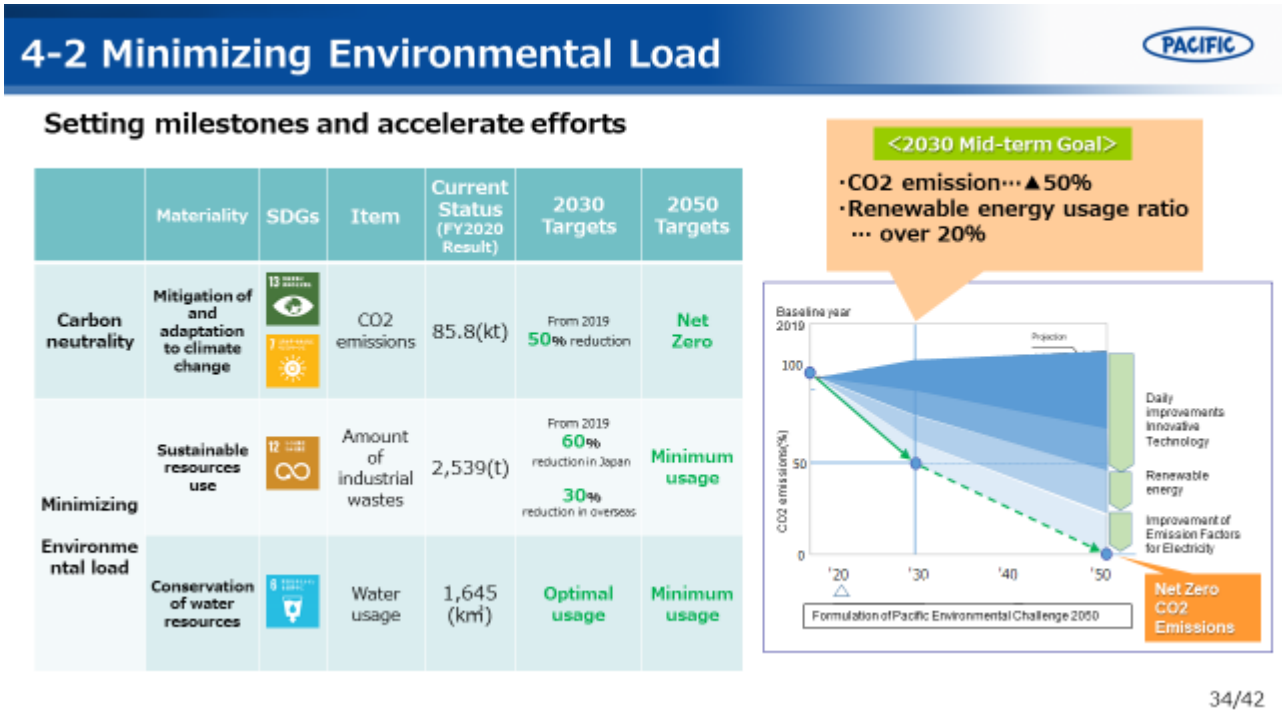
Using our TPMS technology, the capsule is placed in the stomach of a cow to collect and analyze sensing data and detect signs of changes in body condition.

This single unit can detect estrus, parturition, disease, etc. With this superiority, we have completed monitoring tests with farmers and plan to start sales at the end of May.

We will continue to develop and deploy various products that contribute to solving social issues.

We have identified four themes and 15 materiality's as key sustainability issues.

Regarding the resolution of social and customer issues through our products, we have just explained the technology development trends. In terms of minimizing environmental impact, we have formulated the PACIFIC Environmental Challenge 2050 and are currently addressing this issue. I would also like to explain in turn about respect for human resources and their success, as well as trust with stakeholders.



We have formulated the PACIFIC Environmental Challenge 2050 for 2020. Our 2050 target, based on 2019, is to achieve net zero CO2 emissions, minimize waste and emissions, and minimize water emissions. We are committed to achieving our mid-term goals for 2030, which are a 50% reduction in CO2 emissions and a 20% renewable energy utilization rate.

In addition to daily management and innovative technologies, we are also developing the use of renewable energy. I would like to provide the following explanation.

4-3 Efforts Toward Carbon Neutrality

Identify energy reduction measures from three perspectives and aim to achieve CO2 emission reduction targets

1. Energy saving through daily improvement activities

Replacing once-through high-efficiency boiler, making it possible to switch the fuel from heavy oil to city gas

Reduction of CO2 Emissions About 680t/annual

2. Energy saving by introducing high-efficiency equipment

The introduction of special high-voltage power feeding system

Reduction of CO2 Emissions About 1,000t/annual

Downsizing cationic electrodeposition coating (E-Coat) equipment, it makes improving of energy Conservation and Productivity

Reduction of CO2 Emissions About 320t/annual

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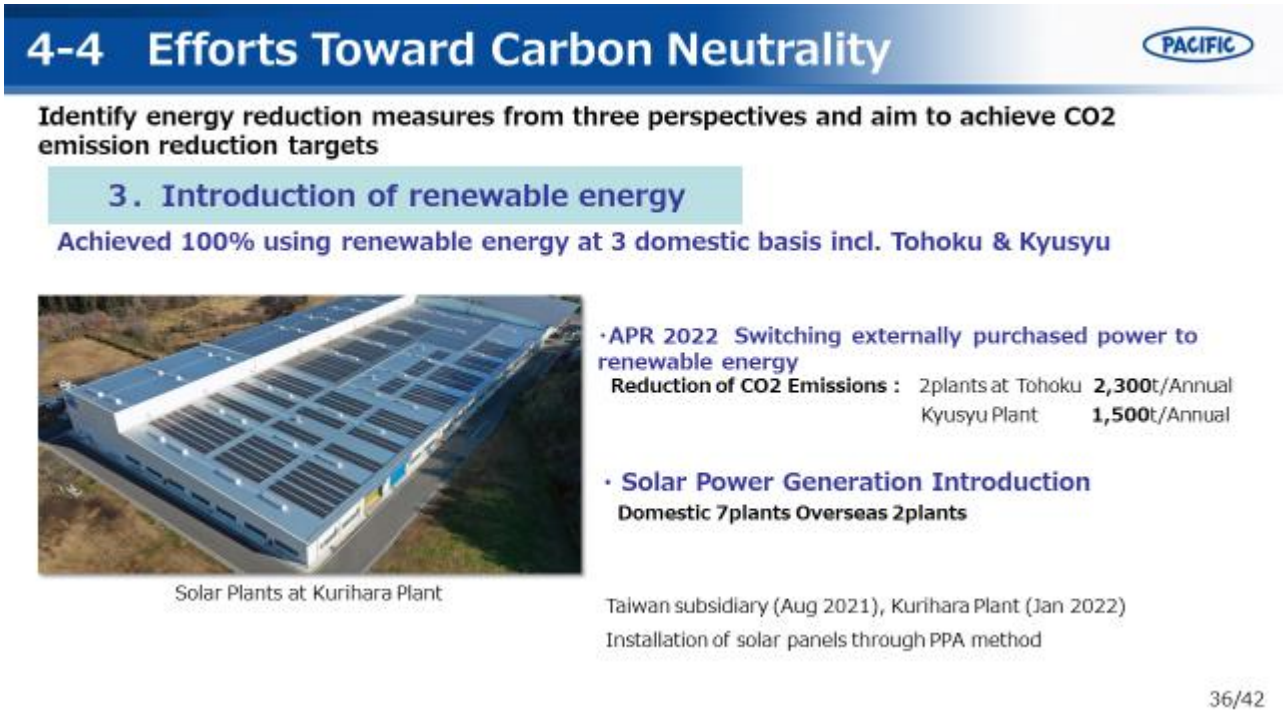
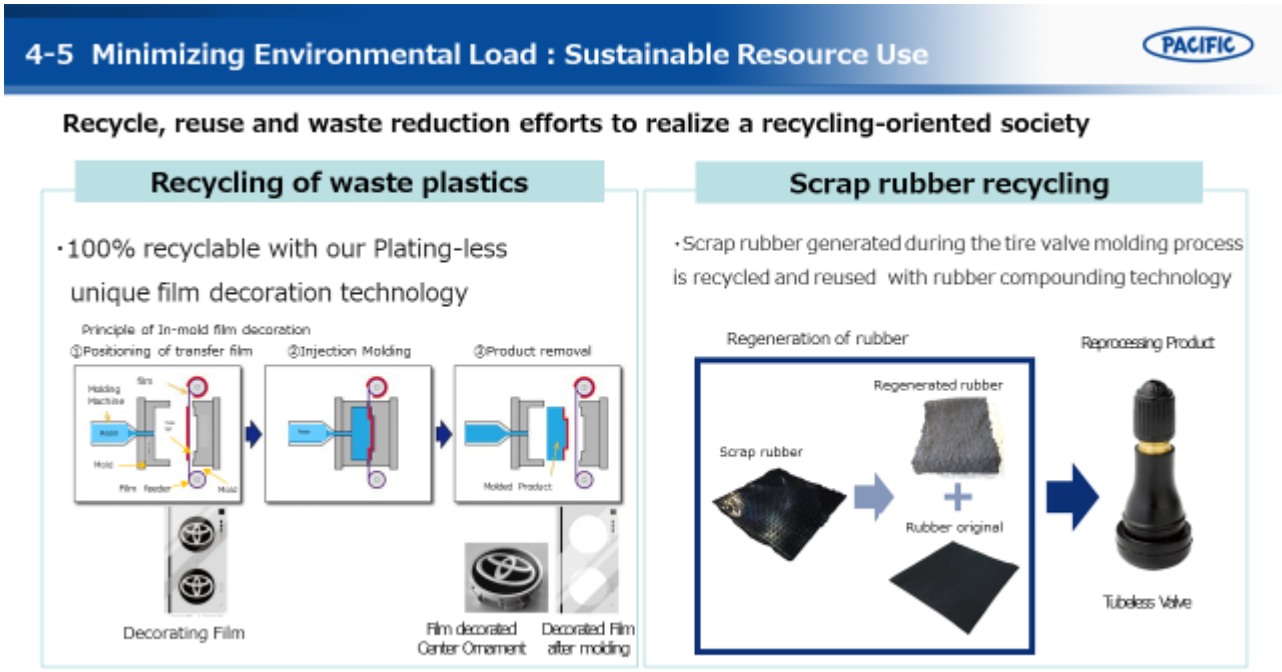
As for daily improvements and initiatives for equipment installation, the energy conversion changed boiler fuel from heavy oil to city gas. Power reception is replaced with special high voltage. We are also working to reduce CO2 emissions by downsizing our cationic coating electrodeposition equipment to save energy.



Regarding efforts to utilize renewable electricity, we would like to purchase renewable electricity derived from hydroelectric and wind power generation, introduce in-house power generation using solar panels, and purchase renewable energy certificates, etc., as appropriate at each location.

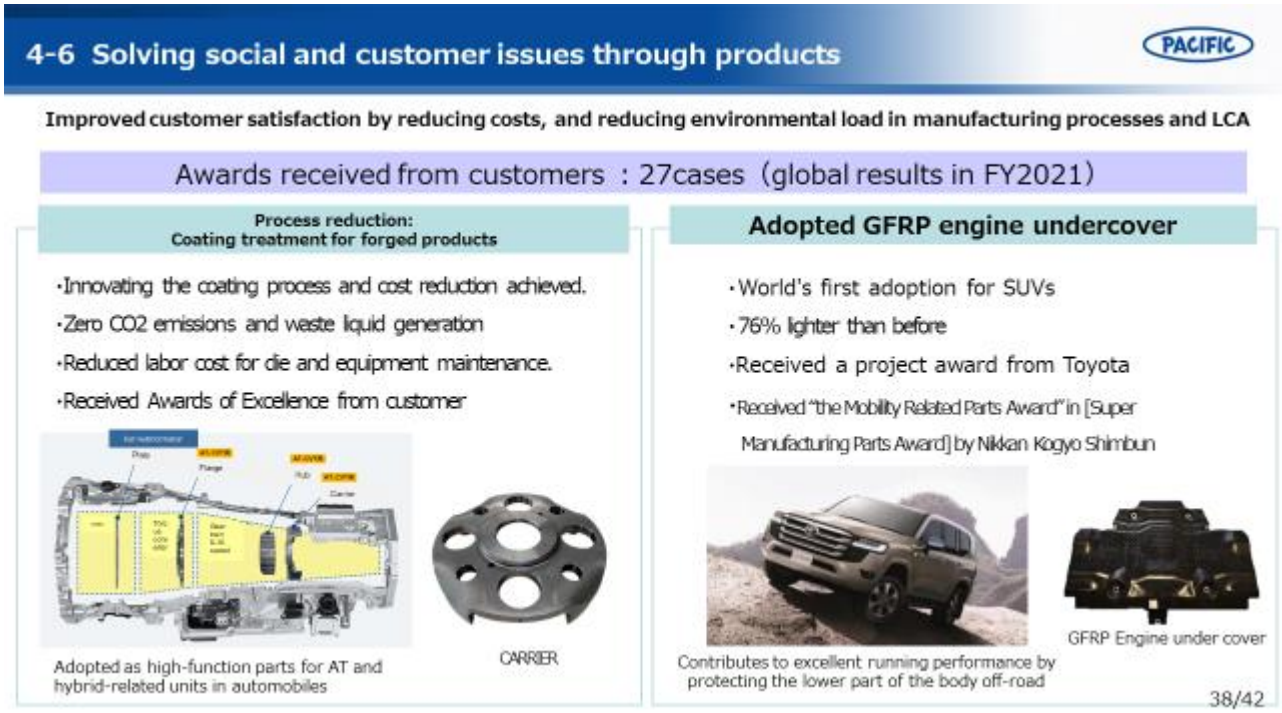
Regarding the switch to renewable energy electricity, we have switched 100% of all externally purchased electricity at Tohoku and Kyushu Plant to electricity derived from renewable energy since this April. We will continue to switch to renewable electricity at our plants in the Chubu region, aiming to achieve our target of a 20% renewable energy utilization rate.

Solar power generation will be installed at seven plants in Japan and two plants overseas. In the current fiscal year, the PPA system was utilized and installed at the Taiwan subsidiary in August 2021 and at the Tohoku and Kurihara plants in January 2022. We intend to gradually introduce solar power generation in the future.



With regard to industrial waste emissions, our goal is to minimize emissions by 2050. For FY2030, we aim to reduce waste emissions by 60% in Japan and by 30% overseas.

Specifically, our in-mold film decoration technology has made it possible for resin products to be 100% recyclable by eliminating the need for plating. In the area of valve products, we are also working on and promoting technology to recycle scrap rubber generated in the tire valve manufacturing process and recycle it as a material. We will continue our efforts to reduce waste emissions in order to utilize these sustainable resources.

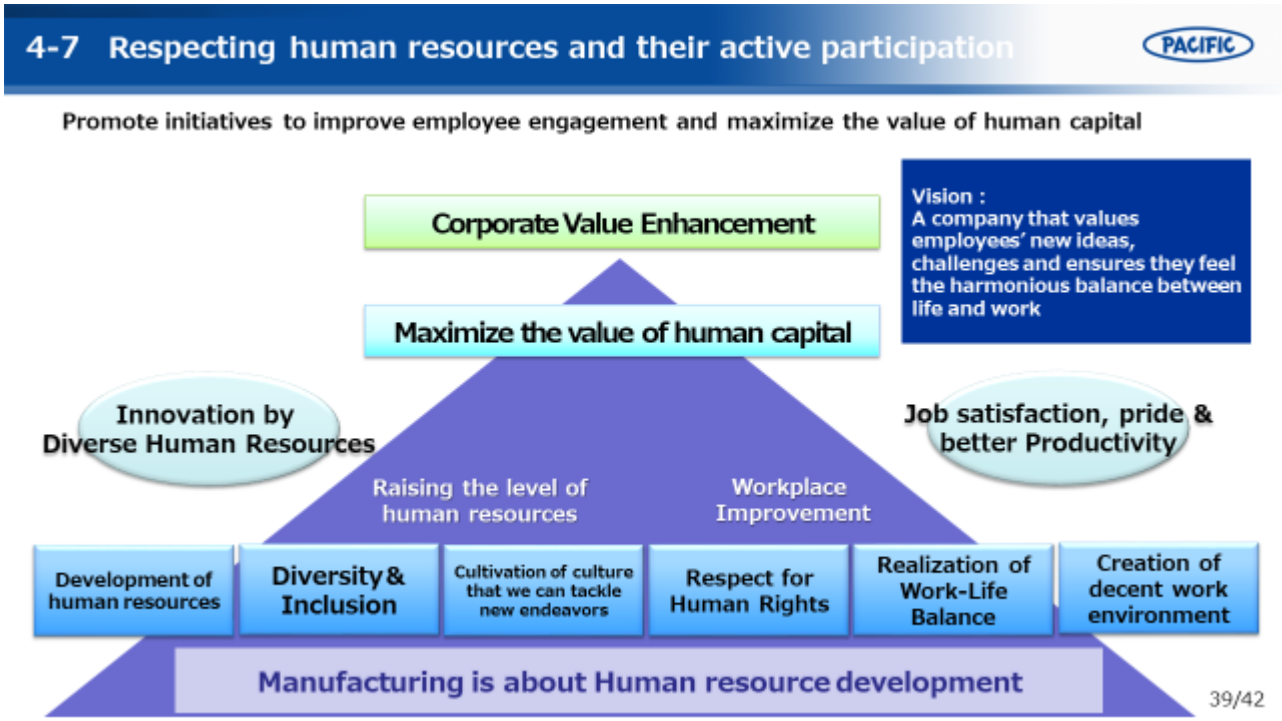


As a solution to social and customer issues through our products, we would like to contribute to cost reduction, weight reduction, and reduction of environmental impact through LCA by utilizing our technologies.

In recognition of these efforts, we received 27 commendations from customers globally in FY2021.

For example, we received an award of excellence from Aisin Seiki for our innovation of the forging process and elimination of coating treatment in the manufacturing process, thereby reducing CO2 emissions, waste fluid generation, and costs.

In the area of resin products, we have developed engine undercover made of GFRP (Glass Fiber Reinforced Plastic), which is strong and lightweight, and it has been adopted for the new Land Cruiser. We achieved a significant weight reduction of 76% compared to conventional products and received a project commendation from Toyota Motor Corporation.



As a manufacturing company, we have been working on the basics of manufacturing and human resource development. We promote the creation of a workplace in which all employees can work with peace of mind and security in good physical and mental health, and a system in which diverse human resources can exercise their imagination and spirit of challenge.

In order to promote diversity, we have formulated a human rights policy, promoted work-life balance by improving productivity, and made clear our health declaration, and have been certified as an excellent health management corporation. We will continue our efforts to improve employee engagement and expand and maximize human capital.

With regard to the above-mentioned sustainability management, ESG initiatives, and various KPIs, we are actively promoting information disclosure on our website and in our Sustainability Report.

In May last year, we endorsed the TCFD, an international framework for climate change-related information disclosure. In line with the framework of the proposal, we will continue to disclose information based on the risks and opportunities that climate change poses to our business.

We have decided to promote these activities in cooperation with our supplier and endorse the Declaration of Partnership Building.

In recognition of our efforts to date, we have received recognition from external organizations, including a Leadership Level A Minor in the CDP Climate Change Assessment for two consecutive years and selection to the Leader Board in the Supplier Engagement Assessment for two consecutive years.

We will continue to strive for timely and appropriate information disclosure along with sustainability and ESG initiatives.

4-9 New Plant

Constructing a global mother plant with an eye on business expansion and carbon neutrality, strengthening cost competitiveness in the medium to long term

《 Global Mother Plant 》

- A plant that pursues manufacturing efficiency
- A plant where employees can work lively

New plant exterior image

Place : Ogaki-city, Gifu-ken
Production item : Stamping products for automobiles
Land Space : 80,000㎡
Floor Space : 43,000㎡ (Stamping-Welding Plant)
Start of operation : mid-2023

《 CO2 reduction measures 》

- **Plant building specifications**
- **Plant driving force**
- **High efficiency equipment**
- **Logistics system**
- **Renewable energy**

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As a global mother factory, we are building a factory that pursues efficiency in manufacturing, incorporates innovations to achieve carbon neutrality, and serves as a workplace environment where employees can work with vitality.

From the factory design stage, energy-saving structures, selection of building materials, optimization of driving force, selection of high-efficiency equipment. We are building a mother factory that will be an efficient production line including logistics, solar power generation, renewable energy introduction and energy saving ventilation, placement of air conditioning system, etc., promoting the creation of a comfortable environment.

We plan to invest an initial JPY13 billion in the new plant, and in addition, we plan to introduce large presses, including a 3,500-ton ultra-high-tensile presses, to meet future needs for vehicle configuration and weight reduction due to the shift to electrification.

In the future, we would like to relocate the die building plant and construct an R&D center and other facilities in order to consolidate production technology, production development, and new product development divisions to speed up development and improve production efficiency.

Lastly, as for the next mid-term plan, we have set 2026 as the target year, which is the halfway point toward 2030, the 100th anniversary of our founding, taking 2 steps for reaching 2030, we formulated mid-term management plan OCEAN-26 based on a thorough understanding of social conditions, market and customer trends.

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Passion in Creating Tomorrow

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