

Financial Results Briefing for FY2020

The 97th period : (Apr. 1st, 2020-Mar. 31st, 2021)

April 30, 2021



(No explains)

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Caution in handling this document

Future forecasts, including this document, were judged according to the current information. Actual financial results might be considerably different from the forecast mentioned here depending on the Japanese or international economic situation, business trends related to our company, and any risk or indefinite factors involved in fluctuation of exchange rates.

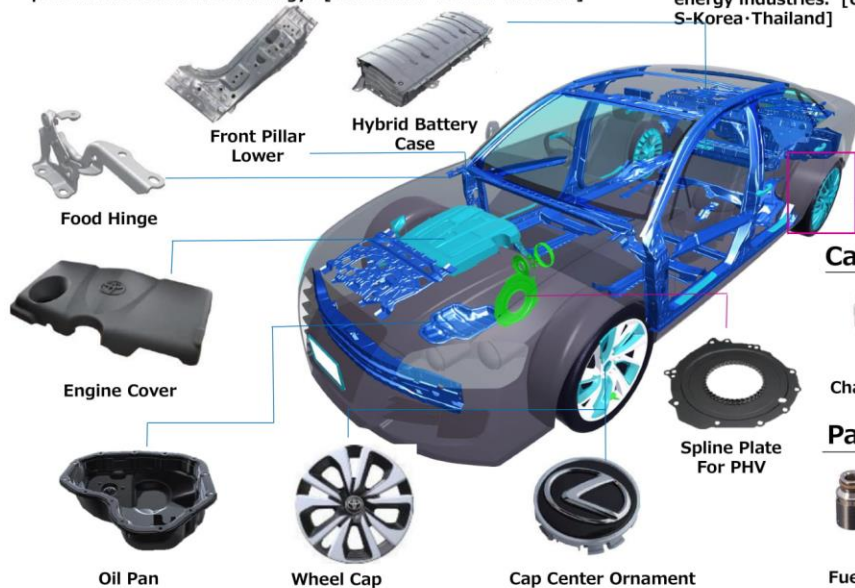
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An Outline of Our Business and Main Products

Founded in 1930, Ranked as "A-Stable",
8 Plants in Japan, 17 Companies in 8 Countries

Stamping & Molding Products Business

We manufacture stamping products, which have the molding technology of ultra-high-tensile material that achieves both weight reduction and high rigidity, and resin products, which provide a variety of products with film decoration technology and NV performance control technology. [USA·China·Taiwan·Thailand]



Valve Products Business

It consists of valve products that have multiple top share products in the world, TPMS products for tire pressure monitoring systems that are in increasing demand worldwide, and forging products. We also manufacture valves for the aircraft, industrial machinery and energy industries. [USA·France·Belgium·UK·China·Taiwan·S-Korea·Thailand]

Tire Valve Related



Car Air Conditioner Related



Parts for other than Automobiles



Our company was founded in 1930 with the domestic production of valve cores and celebrated its 90th anniversary last year. The JCR rating is A minus stable.

In Japan, we operate 8 plants in the Chubu, Kyushu, and Tohoku areas. Overseas, we are developing our business at 8 countries and have 17 consolidated subsidiaries.

Our business is divided into two segments: the stamping and molding products business, which produces stamped products and molded products; and the valve products business, which produces valve products and TPMS products. We produce and sell the products you see here.

Looking Back on FY2020

Gaining a Solid Foothold GLOCALLY by Preventing Being Infected and Maintaining Employment and Our Production System as a Top Priority

In Covid-19 pandemic: Shut down

- Infection prevention: Employee/family/regional cooperation
- Supply chain: Secure employment and maintain production system
- Cost reduction/Fixed cost reduction/Web utilization
→Q1 deficit turned into surplus in the first half, full-year recovery

New problems :

- Production fluctuations due to concerns about material and semiconductor supply
- Prolonged impact on COVID-19, the fourth wave

In fiscal 2020, due to the outbreak of COVID-19, we faced a major production cutback, starting with the suspension of operations in China.

Against this backdrop, we thoroughly implemented profit improvement activities, including measures to pause production, cost reduction, and fixed cost reduction, based on our policy of “Gaining a solid foothold GLOCALLY by preventing being infected and maintaining employment and our production system as a top priority”.

In the first quarter, we had to post a large deficit due to the suspension of operations and closures, but in the second quarter, thanks to thorough cost improvement activities and a recovery in production, we achieved profitability in the first half, and in the second half, supported by strong production, we were able to increase profits and achieve positive full-year results.

In addition to the mutant strains and the fourth wave of infections arriving in Japan, there is also the risk of shortage in the supply of semiconductors and resin materials. We will continue to take all possible measures to prevent infections globally, maintain our production system, and secure our supply chain.

1-1 Consolidated Results

Profit is recorded even in the COVID-19 pandemic due to profit improvement and fixed cost reduction activities

(million yen, %)

	2019		2020		Year-on-year rate			
	Q4 Result	Full year Result	Q4 Result	Full year Result	Q4 Result		Full year Result	
					Gain&Loss	%change	Gain&Loss	%change
Sales	42,893	Record High 165,969	42,369	Record High 150,408	△524	△1.2	△15,561	△9.4
Operating Income	3,712 8.7%	Record High 10,511 6.3%	Record High 4,011 9.5%	Record High 8,974 6.0%	298	+8.0	△1,536	△14.6
Ordinary Income	3,339 7.8%	11,130 6.7%	Record High 5,345 12.6%	Record High 11,218 7.5%	2,006	+60.1	88	+0.8
Current Net Income	1,687 3.9%	7,256 4.4%	Record High 3,715 8.8%	Record High 7,982 5.3%	2,027	+120.2	726	+10.0

※Current Net income is a current net income attributable to owners of the parent company.

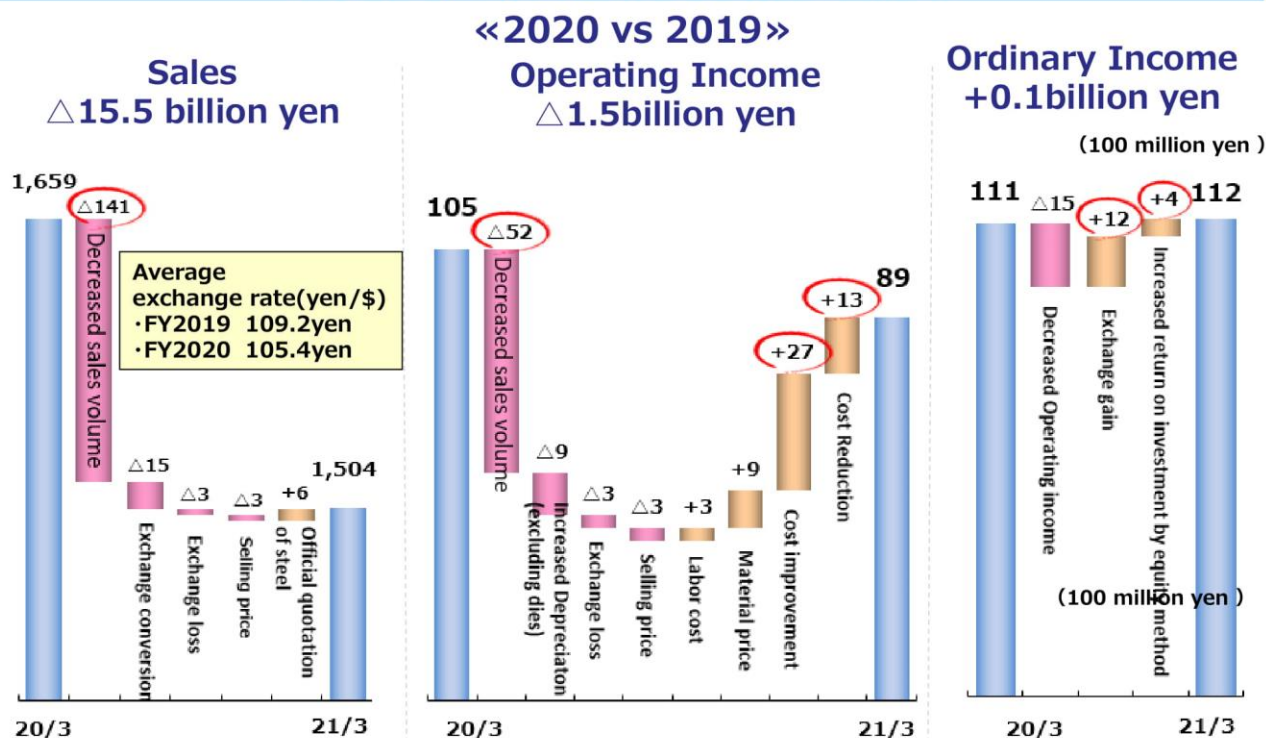
- ✓Sales Sales recovery after Q2 continued in Q4, almost the same as the same period of the previous year.
For a full year, it was little less than 10 percent due to a large effect of reduced production in Q1.
- ✓Operating Income Through improvement efforts, we have transformed into a business structure that makes profits even when production is reduced.
Record high profit for 4Q. Profit margin also improved.(Same level as Q3)

The Group's profit improvement and fixed cost reduction activities, which have been underway since the first quarter, have lowered the break-even point and sales have recovered, resulting in a record high profit for the fourth quarter.

For the full year, net sales decreased by 9% from the previous year to JPY150.4 billion, and operating income margin was 6% and operating income decreased by 14% from the previous year to JPY8.9 billion. Ordinary income margin was 7.5% and ordinary income increased to JPY11.2 billion, and net income margin was 5.3% and net income increased to JPY7.9 billion, an increase of JPY0.7 billion over the previous year.

1-2 Consolidated Sales & Profit Increase/Decrease Factors

Sales declined significantly due to the impact of COVID-19, but profit decline was reduced by improvement and cost reduction



Consolidated net sales decreased significantly in terms of sales volume due to the impact of COVID-19.

In the first quarter, we took measures to suspend operations and close the business, which resulted in a 45% decrease in sales compared to the previous year, and applied for an employment adjustment subsidy, while making Company-wide efforts to improve costs and reduce fixed costs. However, we ended up posting an operating loss of JPY2.2 billion.

In the second quarter, we achieved sales of JPY40.9 billion and operating income of JPY3.1 billion, due to the recovery of production amid the results of cost reduction, and we achieved a profit of JPY0.8 billion for the first half of the year.

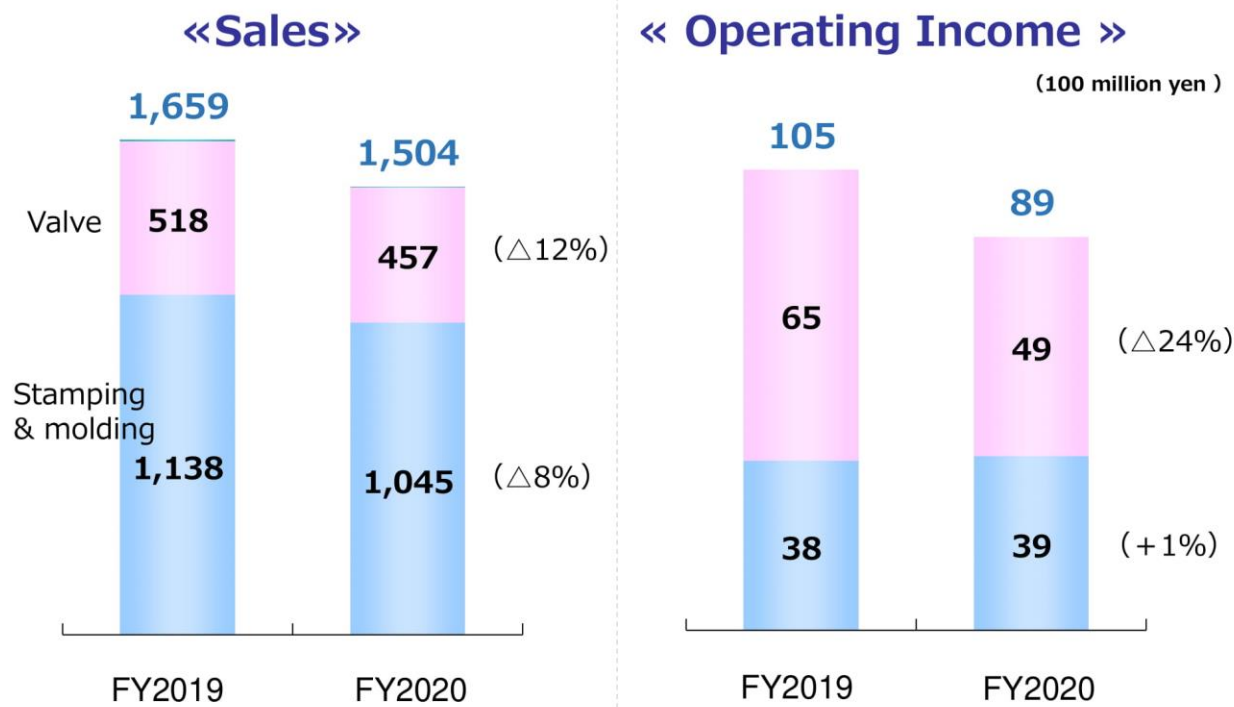
With the recovery of production in the third and fourth quarters, operating income was JPY4.1 billion in the third quarter and JPY4 billion in the fourth quarter.

As a result, although operating income turned out to be negative JPY5.2 billion due to the decrease of sales volume, we have suppressed profit decrease to JPY1.5 billion, as a result of JPY4 billion in cost improvement and cost reduction efforts. The break-even point for FY2020 has been lowered by less than 10% from FY2019. Operating income at the time of the Lehman Shock was JPY3.2 billion.

Ordinary income increased by JPY0.1 billion over the previous year due to foreign exchange gains of JPY1.2 billion and equity in earnings of affiliates of JPY0.4 billion.

1-3 Consolidated Business Segments

Sales of stamping & molding decreased, but profits increased.
Sales & profits of valves decreased.

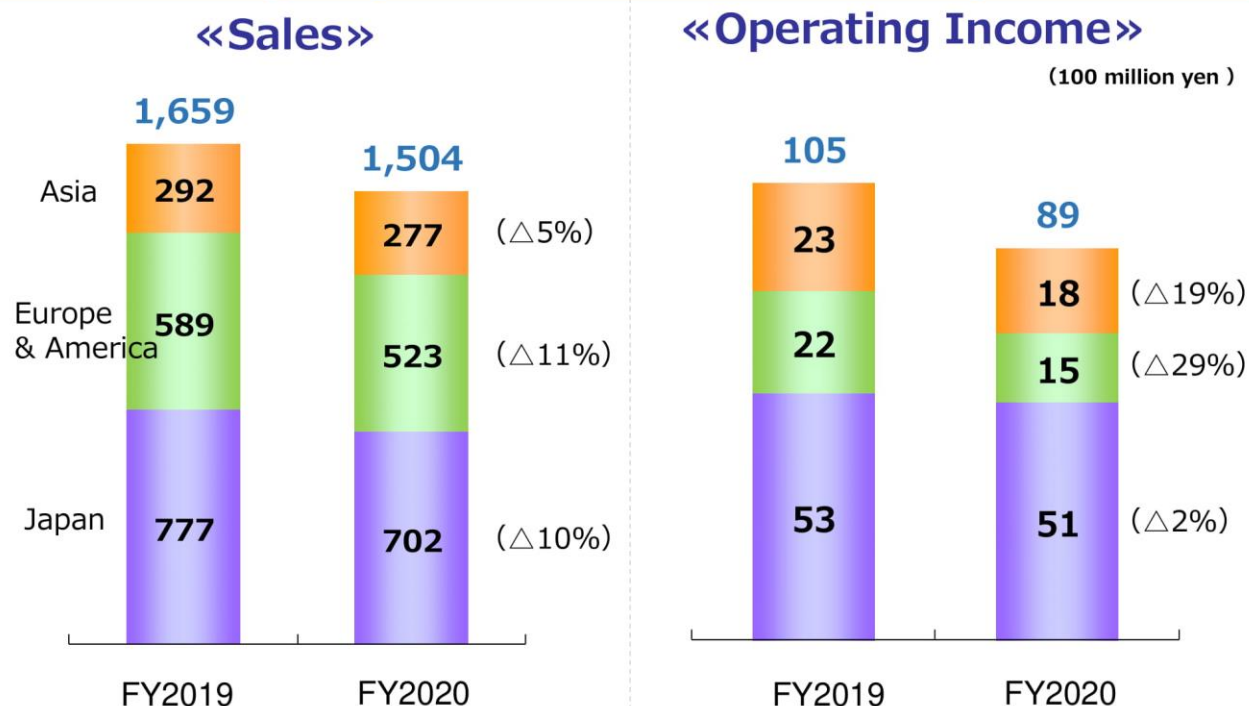


In the stamping and molding business, full-year net sales declined 8% YoY to JPY104.5 billion, despite increased sales of ultra-high-tensile material products, but operating income rose 1% to JPY3.9 billion, thanks to improved profitability and activities to reduce fixed costs.

In the valve business, full-year net sales fell 12% YoY to JPY45.7 billion, while operating income declined 24% to JPY4.9 billion, despite improved profitability, the results of fixed cost reduction activities and synergies with Schrader.

1-4 Consolidated Regional Segment

It returned to profitability in the first half and increased profits in the second half. Japan's profits are almost the same as the previous term



Sales in Japan, Europe, and Asia were all down due to the impact of COVID-19, but profits remained in the black.

In Japan, we secured the same level of profit as the previous year due to the significant effects of improvements and fixed cost reductions. In Europe and the US, the impact of the delayed recovery of the European automobile market has resulted in a larger decline in profits. In Asia, profit decreased due to the one-time revenue from molds in FY2019.

2-1 Next Term Consolidated Financial Forecast

10/34

Assuming that in the midst of the risk of COVID-19 and parts procurement, business performance will gradually increase toward the end of the fiscal year

(million yen, %)

	2020		2021		Year-on-year rate			
	Q2 Year to Date Result	Full year Result	Q2 Year to Date Forecast	Full year Forecast	Q2 Year to Date Result		Full year	
					Gain&Loss	%change	Gain&Loss	%change
Sales	64,827	150,408	77,500	156,000	12,673	19.5%	5,592	3.7%
Operating Income	862	8,974	4,000	9,500	3,138	364.0%	526	5.9%
Ordinary Income	1,313	11,218	4,800	11,500	3,487	265.6%	282	2.5%
Current Net Income	942	7,982	3,300	8,000	2,358	250.3%	18	0.2%
Operating Profit Margin	1.3%	6.0%	5.2%	6.1%	3.9%		0.1%	
R O E	—	7.6%	—	7.0%	—		△0.6%	
R O A (Operating Income Base)	—	4.2%	—	4.1%	—		△0.1%	
Net Assts per Share	—	(yen) 1,846	—	1,938	—		92	5.0%

※Current Net Income is a current (quarter) net income attributable to owners of the parent company.

※By applying Accounting Standard for Revenue Recognition, affects Sales and Cost of sales

(Impact in 2021: Sales decreased by 53 million yen)

- ✓Sales Calculated based on available information such as customer production plans, etc.
- ✓Operating Income Expected to increase profits by continuing improvement and recovering sales

We expect a gradual upturn toward the end of the fiscal year, as the recovery of semiconductor supply is expected to be delayed to the latter half of the year, in addition to the slow economic recovery due to the mutated strain of COVID-19 and the situation we see right now of the fourth wave of infections.

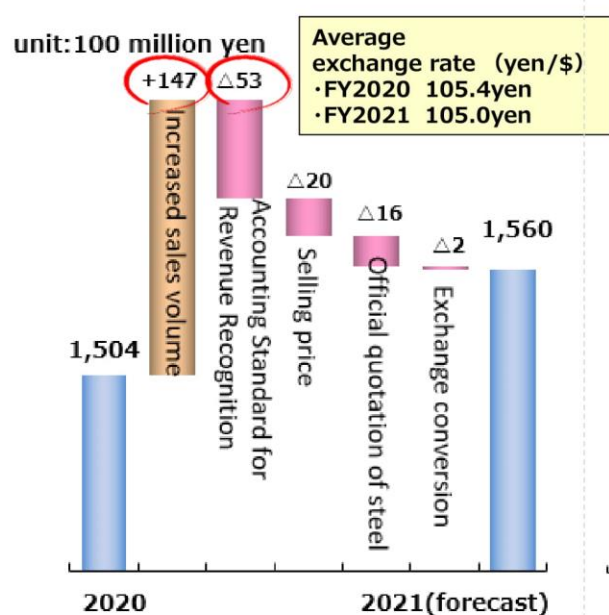
As a result, for the full fiscal year ending March 31, 2022, we forecast net sales to increase by JPY5.5 billion to JPY156 billion and operating income to increase by JPY0.5 billion to JPY9.5 billion.

In terms of sales recognition, due to the enactment of Japan's revenue recognition accounting standards, the accounting treatment of materials and parts supplied by customers for a fee will be changed from gross to net, resulting in an apparent decrease in sales of approximately JPY5 billion. There will be no impact on profit.

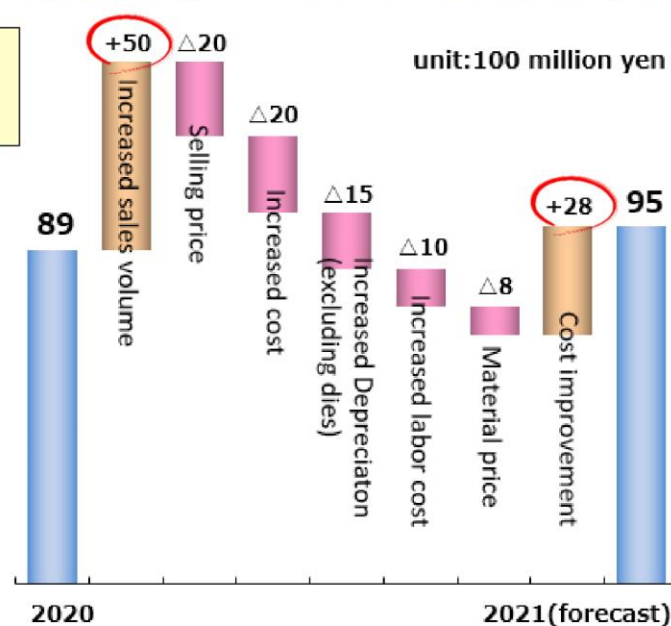
2-2 Next Term Causes of Fluctuation in Consolidated Sales & Income

Sales are expected to recover.
Apparent sales decrease due to application of accounting standards

«2021 Forecast vs 2020»
Sales +5.5 billion yen



«2021 Forecast vs 2020»
Operating Income +0.5 billion yen



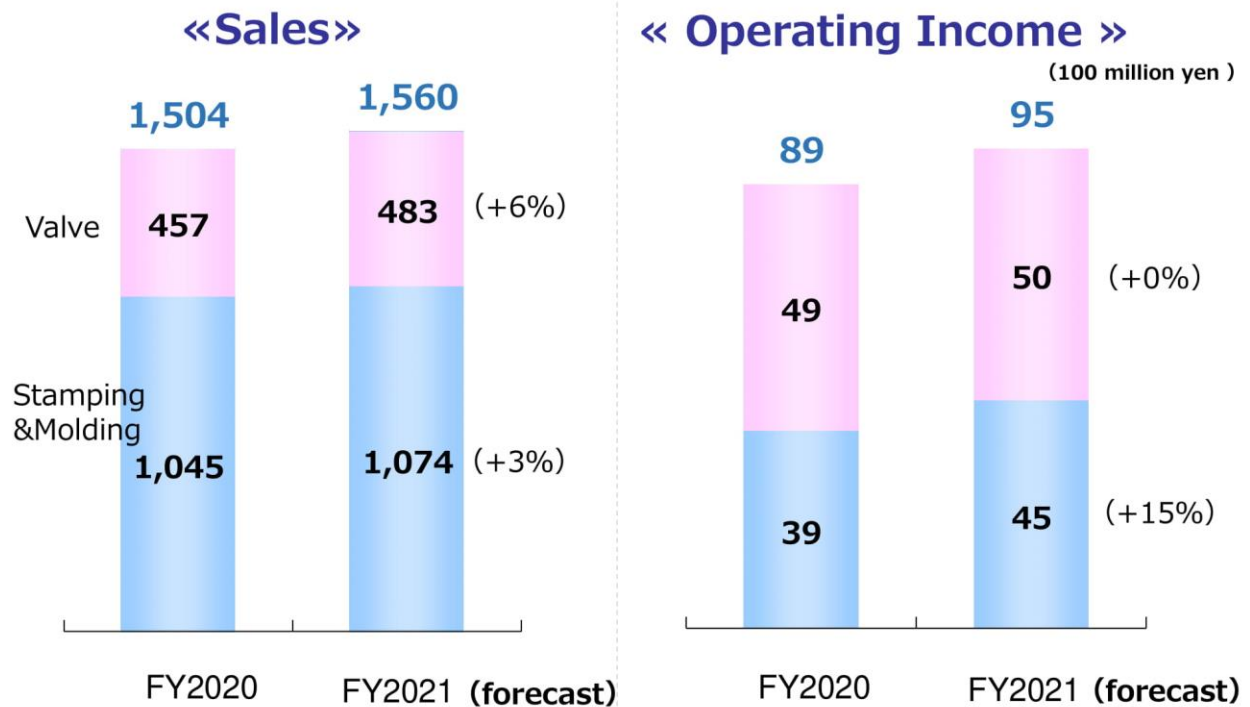
Last year's sales volume fell sharply by JPY14.1 billion due to the impact of COVID-19, but this year's sales volume is expected to increase by JPY14.7 billion due to a recovery in production.

Operating income is expected to increase by JPY0.5 billion, despite an expected cost improvement of JPY2.8 billion, due in part to an increase in expenses associated with increased production.

The exchange rate is assumed to be JPY105 to USD1, and the exchange rate sensitivity is approximately JPY100 million per JPY1 per year.

2-3 Next Term Consolidated Business Segments 12/34

Both businesses are expected to be profitable



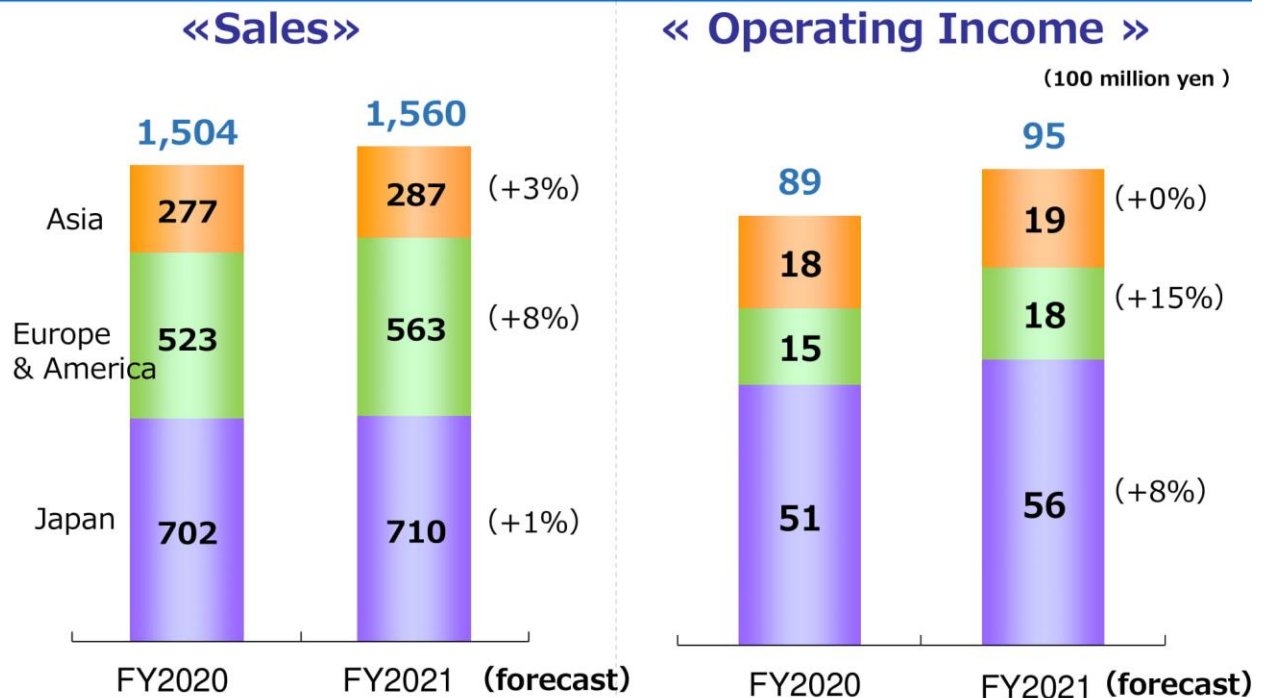
In the stamping and molding segment, sales are expected to increase 3% to JPY107.4 billion, and operating income is expected to rise 15% to JPY4.5 billion.

In the valve business, sales are expected to increase 6% to JPY48.3 billion and operating income to JPY5 billion.

Both businesses are expected to increase in sales and profits.

2-4 Next Term Consolidated Regional Segment

Japan, Europe & America and Asia
are expected to be profitable



In Japan, we forecast net sales of JPY71 billion and operating income of JPY5.6 billion, up for 8%.

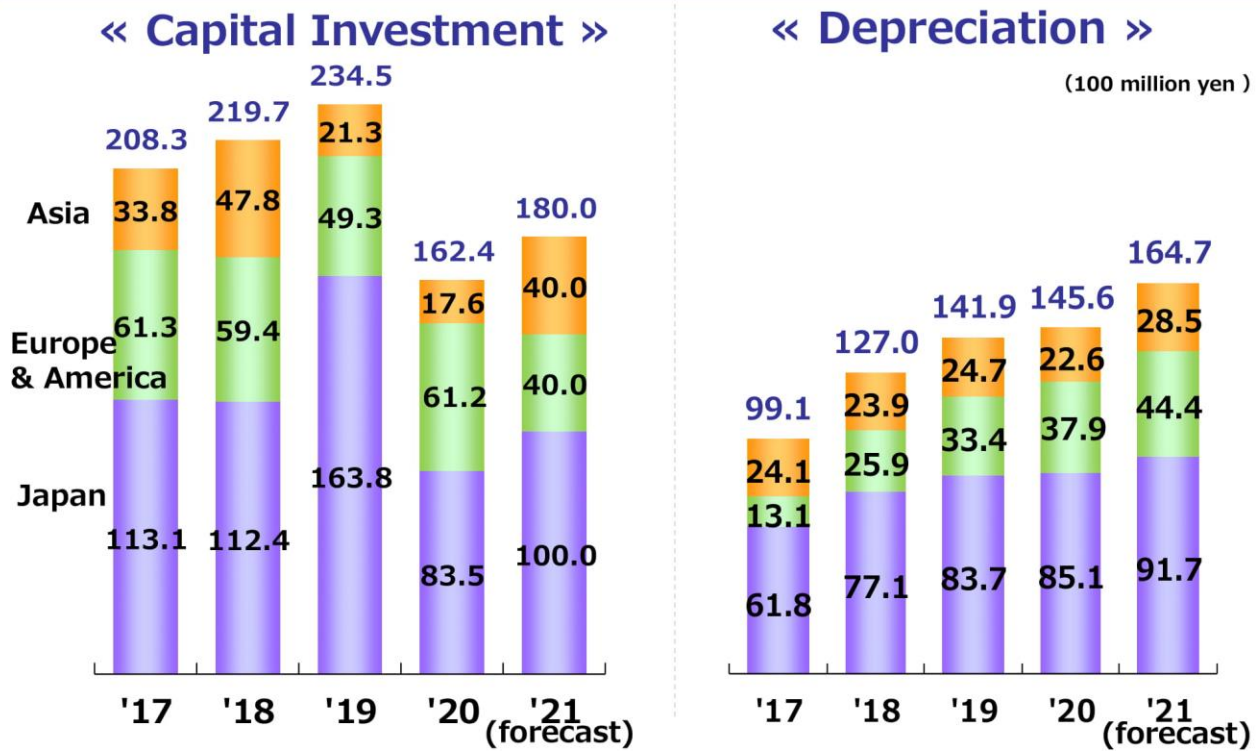
In the US and Europe, we expect net sales to increase 8% to JPY56.3 billion and operating income to rise 15% to JPY1.8 billion.

In Asia, sales are expected to increase by 3% to JPY28.7 billion and operating income to JPY1.9 billion.

Both sales and profits are expected to increase in each region.

2-5 Consolidated Capital Investment/Depreciation 14/34

Prioritized capital investment that has a large effect
and that comes out quickly



Due to the impact of COVID-19, we reduced our capital expenditure in FY2020 compared to the previous year by determining the necessary investments that will be effective.

In addition to investments in production preparations such as stamp molds, we have expanded our plants in North America and Japan, installed large stamps, and built a new type of production line for TPMS.

In fiscal 2021, we will continue to carefully select and implement the investments necessary for growth including production preparation and other areas.

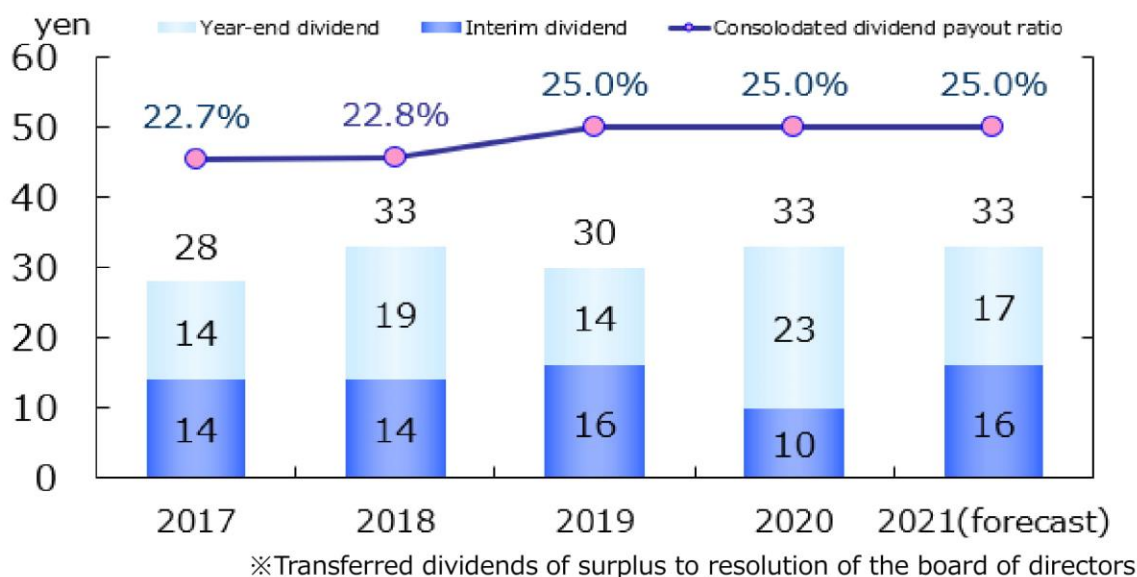
2-7 Returns for Stockholders

Maintaining stable dividends even in COVID-19 pandemic

■ Annual Dividend

FY2020 Annual : 33 yen (mid-term : 16 yen, Term end : 23 yen)

FY2021 Plan Annual : 33 yen (mid-term : 16 yen, Term end : 17 yen)



In response to the significant recovery in our business performance since the last forecast, we resolved at the Board of Directors meeting held on April 28 to pay an annual dividend of JPY33 per share.

In addition to the interim dividend of JPY10 per share, we will pay a year-end dividend of JPY23 per share, up from the initial dividend of JPY10 per share, for an annual dividend of JPY33 per share.

The dividend payout ratio will be 25%.

The Company has decided to move up the timing of dividend payment from the General Meeting of Shareholders to the Board of Directors' resolution and set May 31 as the date of dividend payment.

For the next fiscal year, we plan to pay the same amount dividend of JPY33 per share, with a payout ratio of 25% as in the current fiscal year.

3-1 Approaches for Changes in the External Environment

Shift to sustainability management

PACIFIC GLOCAL VISION

[A revolution once in 100 years] ·CASE ·Progress in mobility society



The automotive industry is in the midst of a once-in-a-century revolution, and the transition to a mobility society is being accelerated by CASE and other measures. In the midst of this, major technological shifts are occurring, such as energy conservation, weight reduction, AI, and the advancement of IoT. In response, we are developing and promoting our strategy in our mid-term management plan, OCEAN-22.

Against this backdrop, we recognize that the SDGs proposed by the United Nations and the national policy of carbon neutrality are important issues that directly affect our competitiveness as a member of the automotive industry.

In addition to these issues, there will be accelerated changes in the environment due to the impact of COVID-19, and we will need to respond quickly.

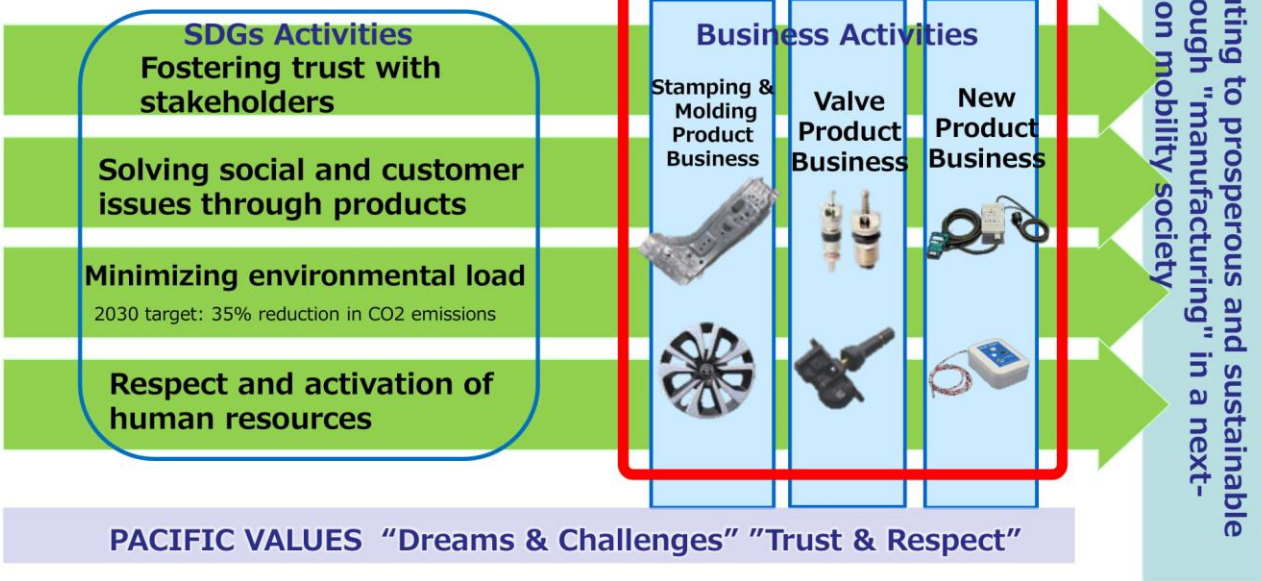
In particular, as a manufacturing company, we believe that we should do our utmost to tackle the minimization of environmental load as “PACIFIC Environmental Challenge 2050”, and we are proceeding with initiatives by turning to sustainability management based on our existing policies, measures, and changes in the external environment.

3-2 Sustainability Management



Passion in Creating Tomorrow PACIFIC GLOCAL VISION

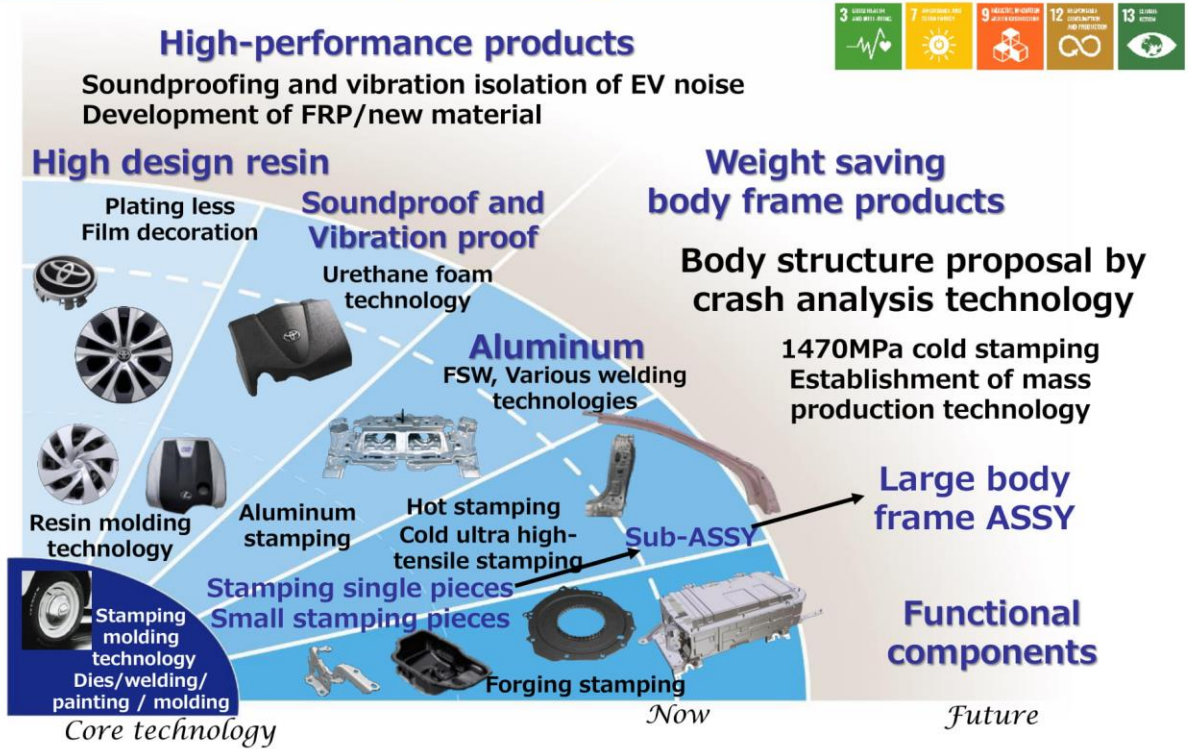
PACIFIC Environmental Challenge 2050 OCEAN-22



Under our long-term vision, "PACIFIC GLOCAL VISION", we will expand the pillars of our medium-term management plan, OCEAN-22, which are stamping and molding, valves, TPMS, and new businesses, weave this as a warp, and we will promote sustainability management by weaving the SDGs into the weft. We will continue to contribute to the next generation mobility society through manufacturing.

3-3 Business Areas of Stamping & Molding Technologies

Evolution of vehicle body weight reduction and noise analysis technology for electrification



Based on the know-how of mold and process design in the stamping and molding business, our strength is cold ultra high-tensile stamped products which can reduce weight by 10% by forming materials with twice the strength of conventional materials, contributing to lighter car bodies, lower fuel consumption, and reduced CO2 emissions.

In addition to aluminum stamping, we expand the scope of our business to functional parts such as battery cases and forging stamps.

In the business of molds, we are developing high-design plating-less film decorating technology and high-performance, lightweight products for sound and vibration insulation, such as engine covers made of urethane foam resin. We will aim to further expand our business domain from the aspect of reducing environmental impact by evolving vehicle weight reduction technology, which is increasingly in demand with the progress of electrification.

3-4 Evolution to be a body shell manufacturer

Area expansion and deepening of structural analysis



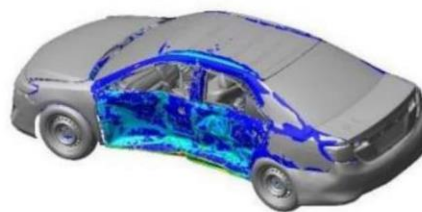
■ Expanding the area of body frame stamping products

- Development of 1470MPa material cold molding / mass production technology
- Expansion of large body frame ASSY products



■ Deepening of crash analysis technology

- Expansion of analysis model, improvement of accuracy
- Proposal of the optimum structure of vehicle body



In order to further reduce the weight of car bodies, we have been working on the development of technology to expand the forming area of ultra-high-tensile materials by using the cold stamping method instead of the hot stamping method and we are ready for mass production of 1,470 megapascal forming.

Comparing the cold stamping method with the hot stamping method, the power consumption can be significantly reduced, CO2 emissions can be reduced by 90%, and costs can be reduced.

In addition to expanding the area of skeletal stamp forming, we are developing optimal body design by deepening our structural analysis technology. We will continue to make proposals for weight reducing while maintaining collision safety, thereby reducing the environmental impact, and achieving safety and security at the same time.

By expanding our business domain from upstream to downstream of body skeleton formation, we will aim to evolve from a press manufacturer to a body shell manufacturer.

3-5 Reinforcement of functional resin parts

Area expansion to meet the needs for noise control measures



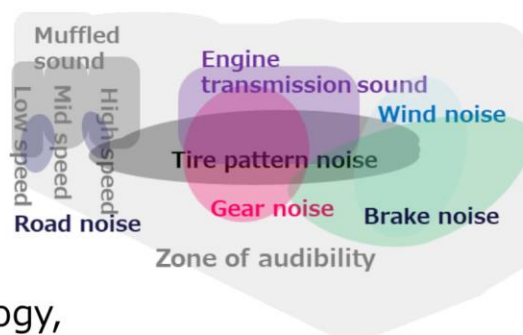
■ Expansion of urethane foam products

- Improved comfort by improving NV performance
- Expand sales by reducing costs and strengthening competitiveness



■ Sound/Vibration proof against EV noise

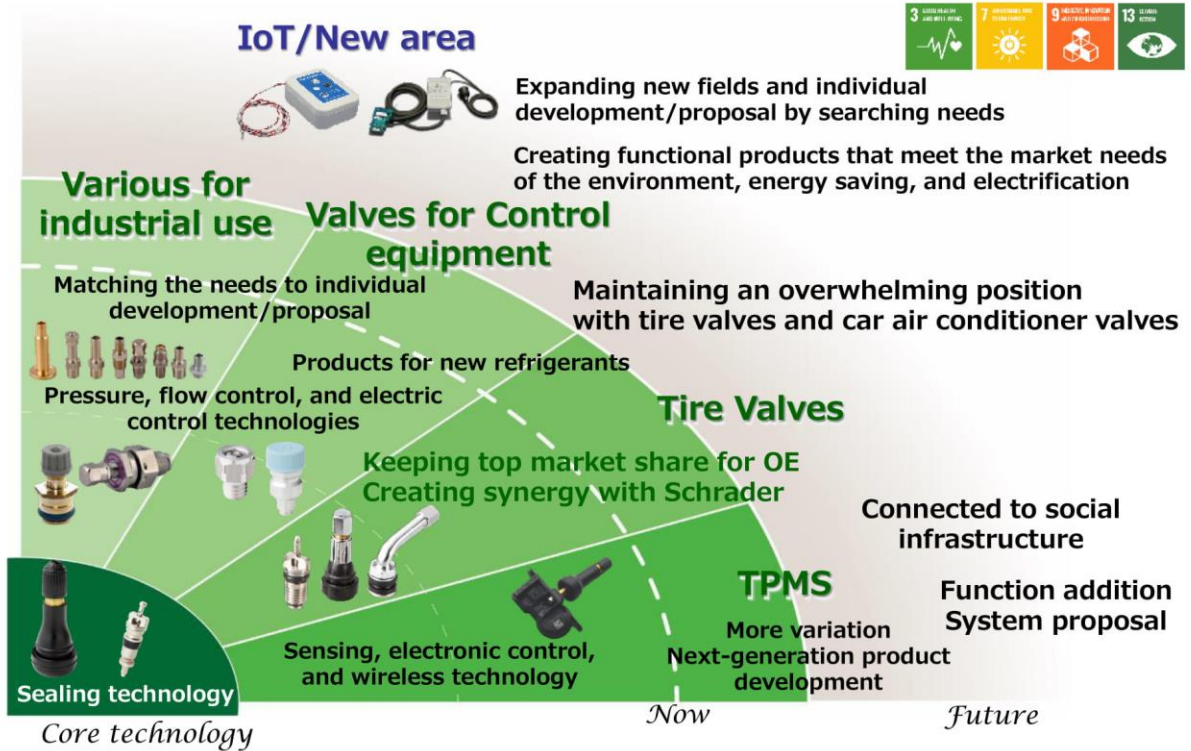
- Analysis of Motorized noise of car and functional development
- Deepening urethane foam technology, developing new materials



In the resin business, we will expand our product lineup by developing polyurethane foam materials that improve NV performance and comfort and strengthen our competitiveness through lower costs and improved functionality.

In addition, with the shift to electrification, we believe that the need for sound and vibration insulation against new types of noise, such as motor noise, will increase further. In addition to deepening our existing polyurethane foam technology, we will deepen our product technology from the development stage of new materials to meet the growing needs of our customers.

Evolution of Sealing/Controlling technologies



Next, in the valve business, we will work with Schrader to provide products that make use of our sealing technologies, including valve cores and tire valves, which are the products of our founding, as well as TPMS, valves for car air conditioners, and valves for industrial use.

We are also responding to the needs of society and our customers by developing technologies and products that can adapt to new refrigerants for car air conditioners as an environmental measure.

3-7 Accumulation of our Valve Technologies

Strengthening collaboration with Schrader

■ Development of a car air conditioner valves for EVs



Changes in power train

Insufficient heat source
for heaters

Heat-pump
air conditioners

→ Control valve required for transition to heat pump air conditioner

- Speed up development with 3 bases
in Japan, US and Europe

→ To create synergies for development



■ Variation development of TPMS products

- Development of aftermarket products in Europe and the United States
- Development and deployment of TPMS for large commercial vehicles and motorcycles



As a manufacturer specializing in valves, we have secured a large share of the market for tire valves and valves for car air conditioners.

Currently, car air-conditioning systems are undergoing major changes due to the shift to EVs, and we are developing new system control valves that require the heat pump method, using our knowledge accumulated in air-conditioning systems for home appliances.

Schrader, which merged with the Company in 2018, has achieved combined results in the manufacturing phase, including technology, cost and productivity. In addition to this, we will further increase the speed of technology and product development by collaborating with our 3 bases in Japan, the US, and Europe to secure market needs and promote joint development with silicon, thereby increasing the effectiveness of synergy development.

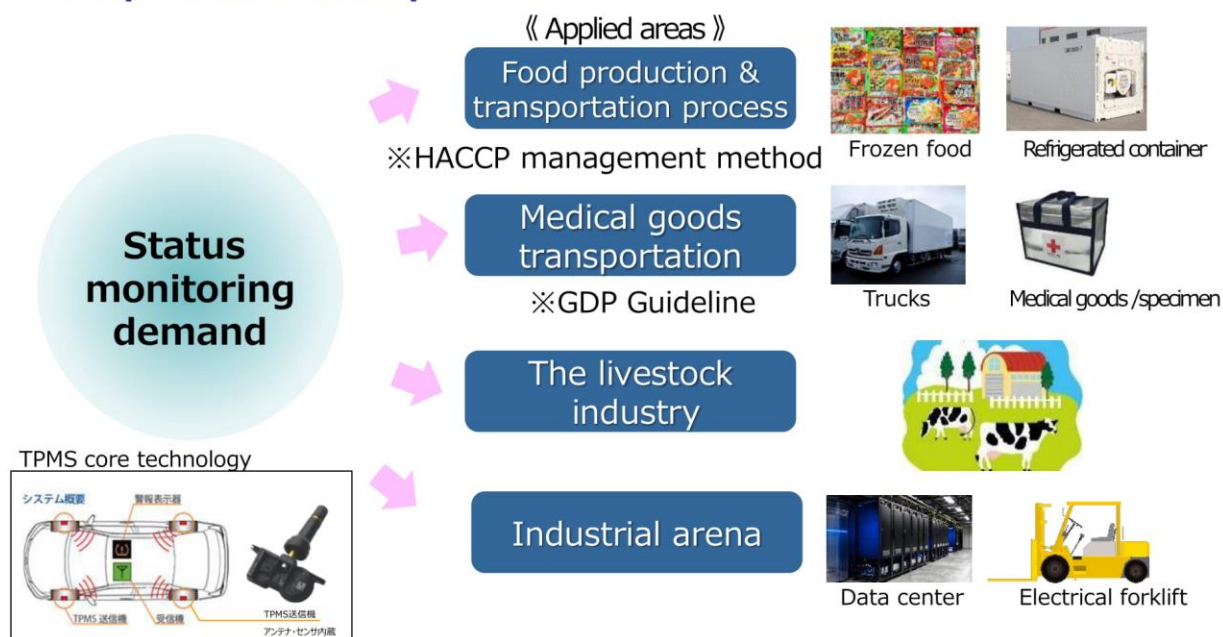
As CASE progresses, TPMS functions will be required to be improved, and demand for trucks, buses and motorcycles is expected to increase in addition to passenger cars, so we will continue to develop valuations.

In addition, we have started to sell general-purpose transmitters for the aftermarket, for which replacement demand is expected to increase for passenger cars.

3-8 Technology Development in New Fields

Solution technology development

■ Applying monitoring & wireless technologies to the new product development



We are developing technologies in new fields by utilizing the core technologies cultivated in our existing businesses and adding AI technologies as well.

In recent years, the demand for environmental monitoring has been increasing. In the food industry, HACCP regulations have been strengthened for product management in the supply chain transportation process, and for pharmaceuticals GDP guidelines have been introduced and gaining consideration to ensure quality in the distribution process.

In addition, the demand for monitoring is increasing in various industries, such as the livestock industry's growing need for individual management of livestock.

We will shift in the development of not only hardware technology but also by utilizing IoT and ICT, including solutions, using TPMS-based sensors and radio wave transmission technology, and introduce new technologies and products into business fields that contribute to a new, richer lifestyle.

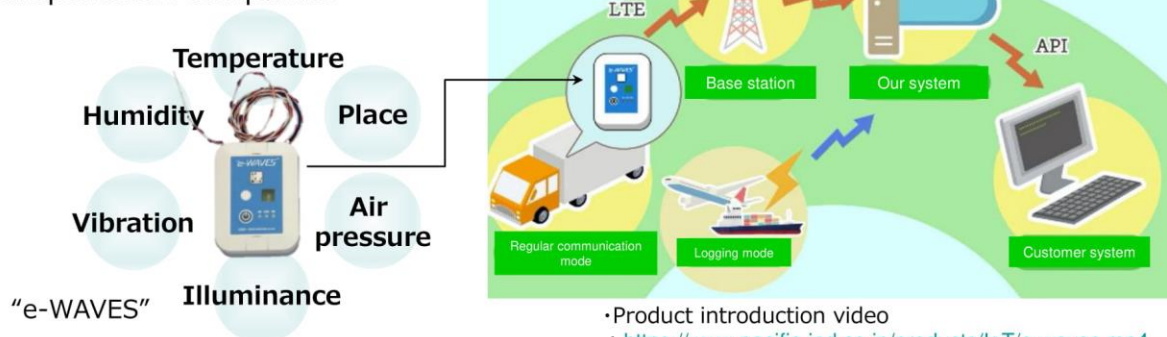
3-9 New product development that contributes to prosperous living

Product development applying TPMS core technology

■ Started selling “e-WAVES” , the multi sensing logger



- Ensuring quality during transportation at low temperatures
- Started delivery to major transportation companies



• Product introduction video

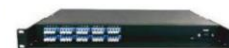
: <https://www.pacific-ind.co.jp/products/loT/e-waves.mp4>

■ Applying sensing technologies to safe/secure product development

- A thermo charging cable for electric forklifts
- Server error monitoring system for data centers



charging cable



Server error monitoring system

Against this backdrop, we started selling e-WAVES, a multi-sensing logger that can monitor conditions during the transportation process by applying the core technology of TPMS, in April and started delivering it to a major transportation company.

This system can be used for quality control of foodstuffs, medicines, and vaccines that need to be transported under low temperature conditions, so that it is possible to monitor the situation in real time during transportation. We believe that this is a product that can contribute to the security and health of society, and we will continue to promote it.

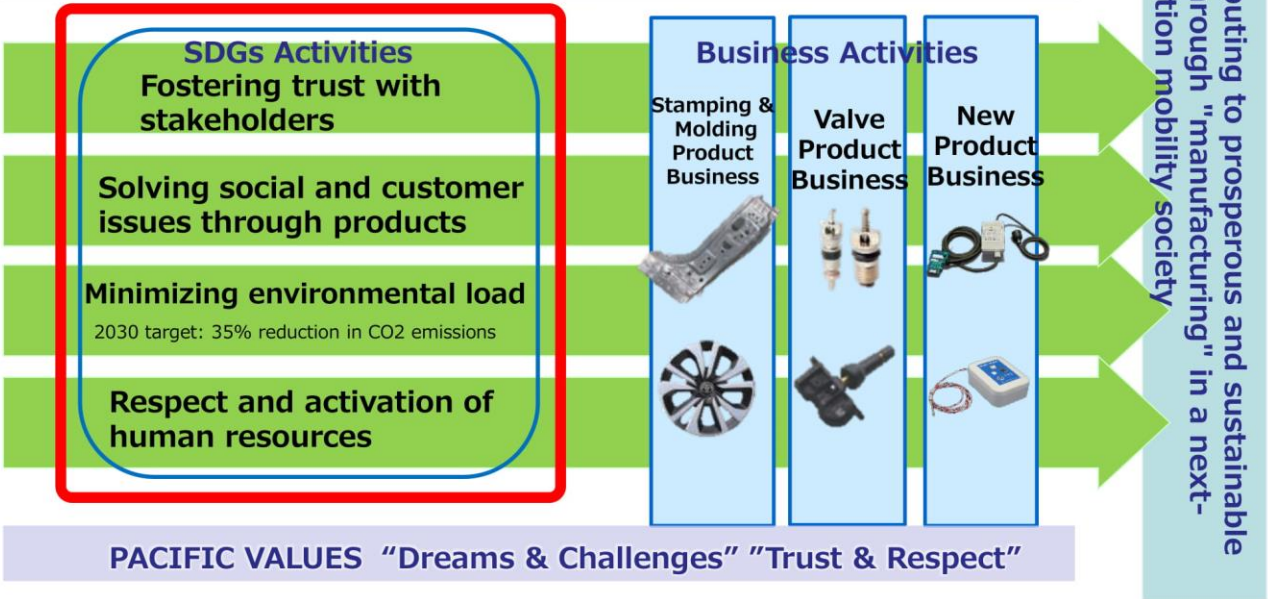
We are also developing products based on sensing technology, such as forklift charging cables with a burnout prevention function and server monitoring systems for data centers and will continue to respond with safe and reliable technology.

4-1 Sustainability Management



Passion in Creating Tomorrow PACIFIC GLOBAL VISION

PACIFIC Environmental Challenge 2050 OCEAN-22



With the OCEAN-22 business as the warp and SDGs activities as the weft, we hope to promote sustainability management and become a sustainable manufacturing company in the next-generation mobility society.

4-2 Key Issues of Sustainability

Four themes related to visions and SDGs

Vision : A company that continues to provide new businesses, new products, and new technologies by utilizing its core technologies toward a sustainable society

■ Solving social and customer issues through products

Contribution to a sustainable mobility society and prosperous living
Improving mobility safety
Development of environmentally friendly products



■ Minimization of environmental load

Climate change mitigation and adaptation
Sustainable use of resources
Conservation of water resources

PACIFIC
Environmental
Challenge
2050



Vision : A true GLOCAL company that is trusted by stakeholders, rooted in the local community, and can coexist and develop

■ Fostering trust with stakeholders

Corporate ethics and compliance
Responsible procurement
Improvement of customer satisfaction
Local community development



Vision : A company that values new ideas and challenges of employees and allows them to feel the harmony between work and life

■ Respect and activation of human resources

Respect for human rights
Stable employment and a comfortable workplace
Employee safety and health
Fostering human resources and fostering a culture where people can take on challenges
Diversity & Inclusion



The 4 themes related to our long term vision, “PACIFIC GLOCAL VISION”, and SDGs will be explained.

In order to realize “A company that continues to provide new businesses, new products, and new technologies on a GLOCAL scale by utilizing our core technologies toward a sustainable society”, we will promote activities that consider the product and life cycle in LCA, from materials to design, equipment introduction, production, and disposal. As a manufacturing company, we have formulated the PACIFIC Environmental Challenge 2050 and are working to minimize our environmental impact by promoting total environmentally friendly product manufacturing and solving customer issues through products for a mobility society.




In addition to creating a healthy and safe workplace under the COVID-19 pandemic, we will create an environment that emphasizes on human rights, such as respect for humanity and diversity and inclusion, and we will value the new ideas and challenges of our employees and promote the respect and success of our human resources.

In addition, in light of the transition to a prime market and the revision of the Corporate Governance Code, we will strive to coexist and co-prosper with local communities and deepen relationships with our stakeholders, who will be able to evaluate us appropriately on a global scale. In addition, the entire supply chain, including the Pacific Industrial Group and its suppliers, will work to realize a sustainable society.

4-3 Minimization of Environmental Load

Aim for Carbon Neutral by "PACIFIC Environmental Challenge 2050"

■ Milestones to 2050

	SDGs	Items	Current status (Result in FY2019)	2030 Goal	2050 Goal
Climate change mitigation and adaptation		CO2 emission	93.9(kt)	Compared to 2019 35% reduction	Zero
Sustainable use of resources		Waste emissions	3,132(t)	Compared to 2019 60% reduction in Japan 30% reduction in overseas	Zero
Conservation of water resources		Water usage	1,744(km ³)	Proper use	Minimized

In order to minimize the environmental impact of our business activities, we have set long-term goals to reduce CO2 emissions by 35%, waste emissions by 60%, and water consumption by 2030, in line with the guidelines of the Japan Auto Parts Industries Association as PACIFIC Environmental Challenge 2050, and are working to achieve them.

4-4 Efforts Toward Carbon Neutrality

Examples of environmental load reduction

■ Introducing renewable energy at domestic and overseas bases



- Solar power generation has been introduced at 6 domestic bases and 1 overseas base
- Tohoku / Taiwan: Plan to introduce using PPA



**CO2emission
Reduced
350t/year**

■ CO2 reduction by switching power supply sources, etc.

- Special high-voltage power reception / switching to city gas
- Reduce the amount of heavy oil used and reduce CO2 emissions



**CO2emission
Reduced
1,400t/year**

■ Promotion of energy-saving measures in the production process

- Introduction of new manufacturing methods and new equipment, improvement of quality and productivity, reduction of loss and disposal
- Construction of model plant, roll out to other plants

We have already introduced solar power generation at 7 of our locations, and we are working to introduce it globally, as well as to switch from heavy oil to city gas.

In addition to daily energy conservation measures such as productivity improvement and cost reduction, we plan to promote the development of a model plant for energy conservation.

4-5 Respect and activation of human resources

Manufacturing is about developing people

■ Respect for human rights

- Formulated a human rights policy for the group in 2021
- Promotion of initiatives including the supply chain

■ Human resource development

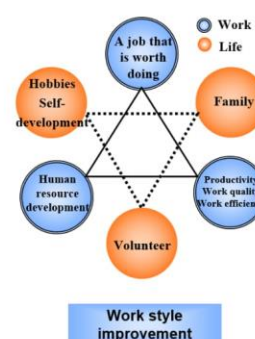
- Opened a learning center to strengthen safety, quality, and skill education
- Global human resource development and implementation of rank-based training

■ Creating a comfortable workplace

- Creating a safe and secure workplace culture
- Promotion of work-life balance



Training at the learning center



We have been saying for a long time that manufacturing is a development of human resource, and we will continue and deepen our efforts to respect and promote human resources.

With regard to human rights, we formulated and disclosed a human rights policy in February this year. The content will be integrated with the guidelines and disseminated to employees and suppliers in Japan and overseas.

As a manufacturing company, we believe that the development of human resources is an issue that directly affects our competitiveness, and we are promoting the development of global human resources through education at study centers where people can learn about manufacturing, on-the-job training through improvement activities in Japan and overseas, and education by rank.

As part of our efforts to create a healthy and safe workplace, we will create a safe and secure work environment where all employees can work vigorously and promote work-life balance.

4-6 Initiatives to Information Disclosure

Trusted sustainability management

■ Sustainability information Disclosure

- Issued Sustainability report 2020
<https://www.pacific-ind.co.jp/csr/report/>
- Disclosure of various information on the Web
- CDP Climate Change Assessment :
Acquired Leadership level “ A – ”



Selected as "Leaderboard" for Supplier Engagement Evaluation

■ Initiatives to support TCFD

- Promote integration of climate change impact strategies and information disclosure

We are actively disclosing information on our sustainability management initiatives and various KPIs on the web and in our Sustainability Report.

In recognition of these efforts, we were awarded the Leadership Level A minus in the CDP, Climate Change Assessment last year, and in February, we were selected to the Leaderboard for Supplier Engagement Assessment.

We are also considering endorsing TCFD, an international framework for disclosure of information on climate change. Based on the TCFD, we will continue to integrate climate change impacts into our strategies and disclose information.

4-7 Fostering trust with stakeholders

Globally contributing to local society



- Donation of masks, etc. to regions expanding into China (Feb.2020)
- Donation of "PCR inspection car" to Gifu prefecture (Sept. 2020)
- 30 years since the establishment of Thai subsidiary: Donation of "ambulance" with our partner (July. 2020)
- Newly established mask production line : distributed to employees, suppliers, and local regions (Sept. 2020)



Donation of PCR test car



Ambulance donation



Mask production line

Our company just celebrated its 90th anniversary last year. Although we refrained from holding major commemorative events, due to the spread of COVID-19, we did donate a PCR car to Gifu Prefecture and an ambulance to its local authority with our Thai subsidiary in collaboration with other partners to commemorate the 30th anniversary of its founding. We have also built a new production line for masks in our factory and are distributing them to employees, suppliers, and local communities.

We will continue to value the trust of our stakeholders and contribute to the development of the community and society.

We, the Pacific Industrial Group, aim to become a company that has been in business for 90 years to 100 years, and beyond that, we will continue to create tomorrow with our thoughts and feelings.