

Financial Results Briefing for FY2023

The 100th period : Apr. 1st, 2023- Mar. 31st, 2024

May 8, 2024

PACIFIC INDUSTRIAL CO., LTD.



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Cautionary Statement with Respect to Forward-Looking Statements

These forward-looking statements are not guarantees of future performance. It involves any risk depending on the Japanese or international economic situation, business trends related to our company, fluctuation of exchange rates and other factors. It may cause our actual performance to be materially different from any future results announced.

1-1 FY2023 Consolidated Financial Summary



Sales volume increased due to steady automobile production, and both sales and profits reached record highs

(100 millions of yen, %)

	FY2022		FY2023		YoY rate			
	22/Q4 Results	Full Year Results	23/Q4 Results	Full Year Results	Q4 Gain&Loss	Q4 % Change	Full Year Gain&Loss	Full Year % Change
Sales	478	1,912	Record High 513	Record High 2,073	+35	+7.4	+160	+8.4
Operating Income	36	92	32	Record High 144	△3	△10.9	+51	+55.5
Operating Income Ratio	7.5%	4.9%	6.3%	7.0%	△1.2P	—	+2.1P	—
Ordinary Income	46	132	44	Record High 188	△2	△4.3	+56	+42.6
Ordinary Income Ratio	9.8%	6.9%	8.7%	9.1%	△1.1P	—	+2.2P	—
Net income attributable to owners parent	31	93	Record High 60	Record High 169	+29	+95.7	+76	+82.5
Net Income margin	6.5%	4.9%	11.8%	8.2%	+5.3P	—	+3.3P	—
Average exchange rate (U.S. dollars)	¥133.3	¥134.9	¥147.0	¥144.2	¥13.7	—	¥9.3	—

• Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. As a result of this, FY2023 results includes a 24.4 billion yen year-on-year decline in net sales. No impact on income.

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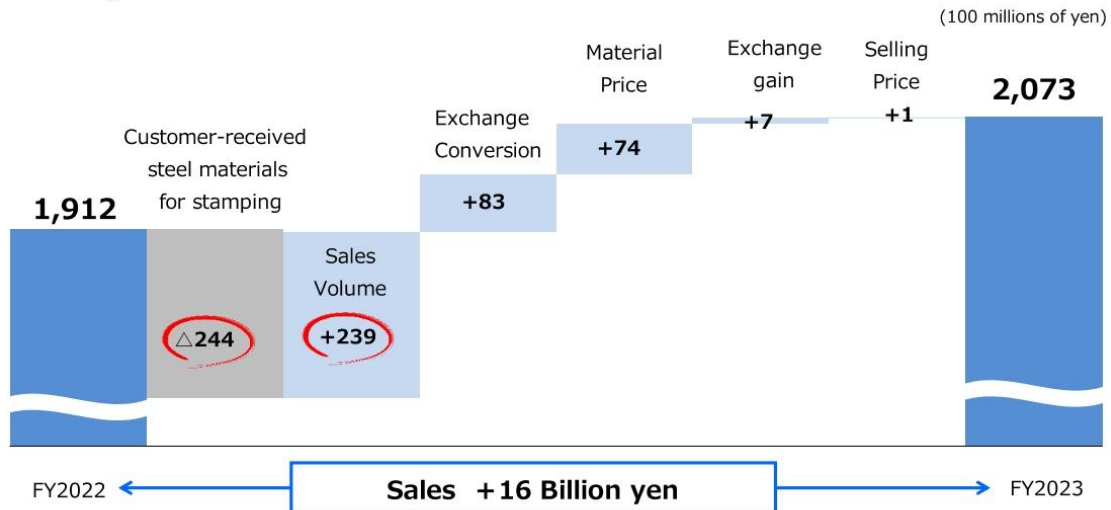
In Q4, due to exchange rate differences resulting from the yen's depreciation, sales increased 7% from the previous year to JPY51.3 billion, while operating income decreased 10% to JPY3.2 billion, mainly due to a decrease in domestic automobile production. For the full year, sales were JPY207.3 billion, operating income was JPY14.4 billion, ordinary income was JPY18.8 billion, and net income was JPY16.9 billion, all record highs.

Net income includes an extraordinary gain of JPY15.5 billion on the sale of investment securities and an extraordinary loss of JPY7.5 billion due to impairment losses on fixed assets at consolidated subsidiaries.

1-2 Analysis of Consolidated Results : Sales



Sales reached record highs due to the sales volume increase and the exchange conversion



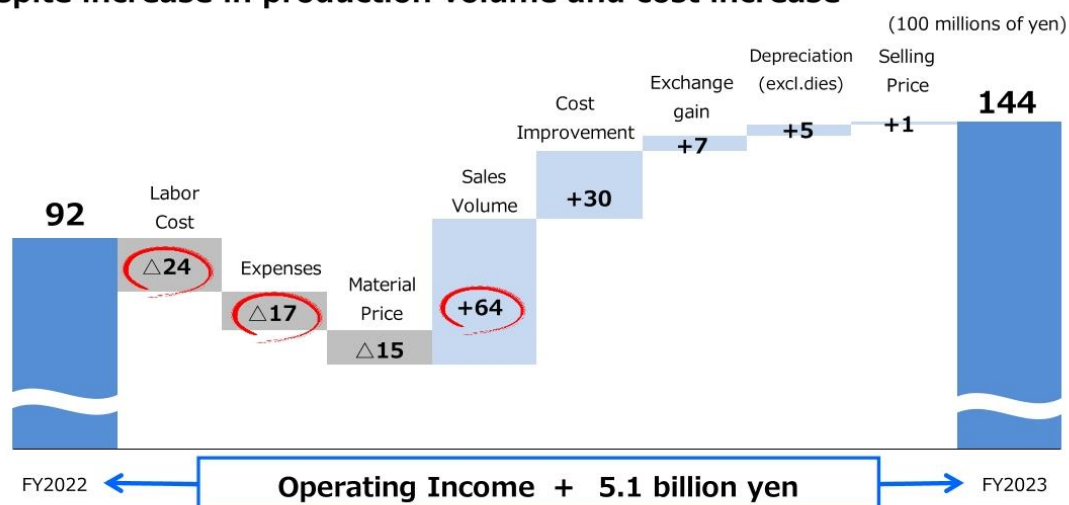
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Sales increased JPY16 billion YoY to JPY207.3 billion, mainly due to an increase in sales volume and the positive impact of foreign exchange rates as the yen continued to depreciate, despite a decrease in sales due to the impact of customer-received steel materials for stamping.

1-3 Analysis of Consolidated Results : Operating Income



Record-high profit due to increase in sales volume and cost improvement despite increase in production volume and cost increase



5/30

Operating income increased JPY5.1 billion YoY to JPY14.4 billion from the increase in sales volume and promotion of cost improvement, despite the negative effects of higher labor and expenses due to increased material volume and soaring material prices.

1-4 Consolidated Results by Business Segments



Stamping and plastic molding business increased sales and profit; valve business increased sales but profit remained flat YoY

(100 million yen,%)

	Sales				Operating Income			
	FY2022 Result	FY2023 Result	YoY Rate		FY2022 Result	FY2023 Result	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Plastic Molding	1,368	1,499	+131	+9.6	49	103	+54	+108.8
(The Impact of increased customer-received materials for stamping)	(△51)	(△295)	(△244)					
Operating Income Ratio					3.6%	6.9%	+3.3P	
Valves	542	571	+29	+5.4	42	41	△1	△3.3
Operating Income Ratio					7.9%	7.2%	△0.7P	

*Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping.
No impact on income.

6/30

In the stamping & plastic molding business, sales increased 9% from the previous year to JPY149.9 billion due to an increase in sales volume. Operating income increased JPY5.4 billion to JPY10.3 billion due to an increase in sales volume and improved profitability.

In the valves business, sales increased 5% to JPY57.1 billion due to the impact of yen depreciation. Operating income was flat YoY at JPY4.1 billion, as foreign exchange gains, profit improvement, and price pass-through offset the negative impact of higher overseas parts procurement cost and material price hikes due to yen depreciation.

1-5 Consolidated Results by Region



Sales and profits are expected to increase in real terms in Japan, Europe and the America. In Asia, sales at the same level as the previous year and profit decline.

(100 millions of yen, %)

	Sales				Operating Income			
	FY2022 Result	FY2023 Result	YoY Rate		FY2022 Result	FY2023 Result	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Japan	706	679	△27	△3.8	49	62	+12	+25.3
(The Impact of increased customer-received materials for stamping)	(△51)	* (△295)	(△244)					
Operating Income Ratio					7.1%	9.2%	+2.1P	
Europe & America	781	969	+188	+24.2	△1	43	+44	-
Operating Income Ratio					△0.2%	4.4%	+4.6P	
Asia	425	424	△0	△0.2	36	26	△9	△26.9
Operating Income Ratio					8.7%	6.4%	△2.3P	

* Sales decrease since FY2022 Q4 due to expansion of offsetting range of sales and its cost; the impact of customer-received steel materials for stamping. No impact on income.

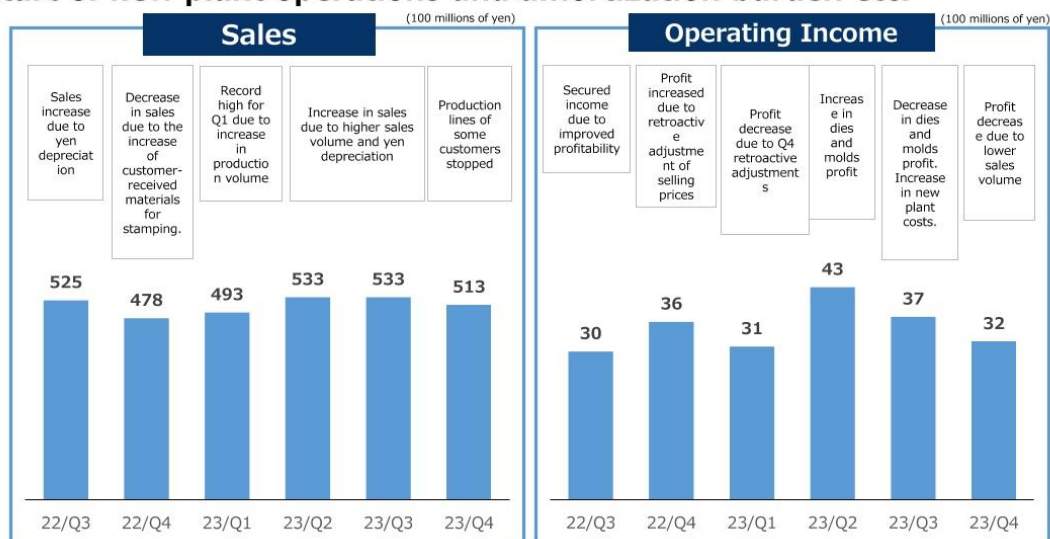
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Sales in Japan decreased 3% to JPY67.9 billion and operating income increased JPY1.2 billion to JPY6.2 billion. Sales in Europe and America increased 24% to JPY96.9 billion and operating income increased JPY4.4 billion to JPY4.3 billion. Sales in Asia were flat YoY at JPY42.4 billion and operating income decreased JPY900 million to JPY2.6 billion.

1-6 Consolidated Quarterly Results



Profit declined from Q3 due to increased preparation costs for the start of new plant operations and amortization burden etc.



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The new stamping plant has been in full operation since Q3, and profits have declined due to the increase in the preparation costs and amortization expenses. Sales and profits in Q4 declined due to a decrease in the volume of products sold as a result of customers' production line stoppages.

2-1 Full Year Forecast FY2024



Expect income decrease due to lower sales volume and higher labor cost, expenses etc.

(100 millions of yen, %)

	FY2023		FY2024		YoY rate			
	Q2 Cumulative Results	Full Year Results	Q2 Cumulative Forecast	Full Year Forecast	Q2 Cumulative Gain&Loss	%Change	Full Year Gain&Loss	%Change
Sales	1,026	2,073	980	2,000	△46	△4.5%	△73	△3.5%
Operating Income	74	144	45	110	△29	△40.0%	△34	△23.9%
Operating Income Ratio	7.3%	7.0%	4.6%	5.5%	△2.7P	—	△1.5P	—
Ordinary Income	103	188	55	130	△48	△46.8%	△58	△31.0%
Ordinary Income Ratio	10.1%	9.1%	5.6%	6.5%	△4.5P	—	△2.6P	—
Current Net Income *	75	169	45	100	△30	△40.2%	△69	△41.1%
R O E	—	11.2%	—	6.0%	—	—	△5.2P	—
R O A (Operating income basis)	—	5.3%	—	3.7%	—	—	△1.6P	—
Net Assets per Share	—	¥2,840	—	¥2,895	—	—	+55円	1.9%
Average exchange rate (US dollars)	¥139.9	¥144.2	¥145.0	¥145.0	¥5.1	—	¥0.8	—

* Current net income is the current net income attributable to the parent company shareholders.

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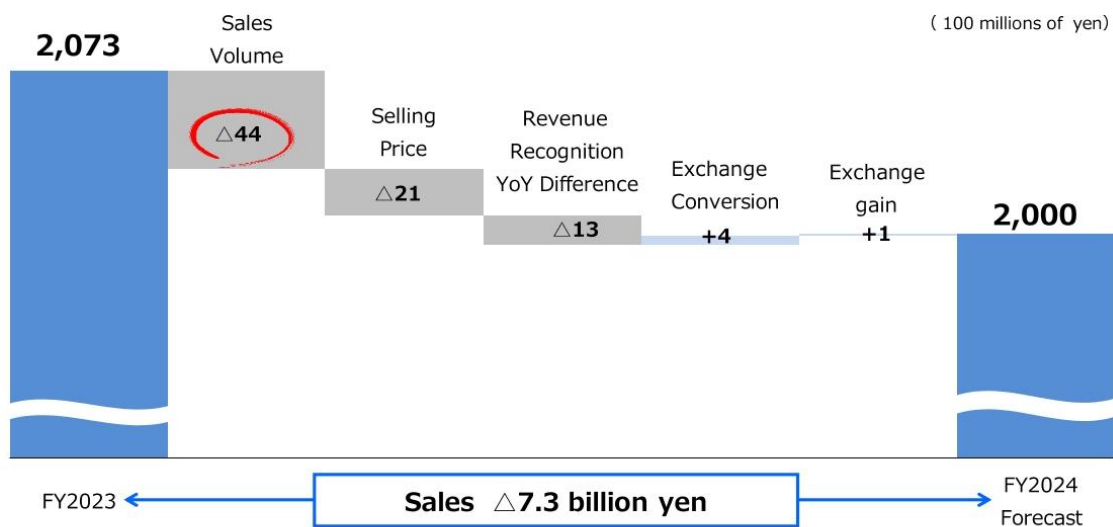
Full-year sales are expected to be JPY200 billion. Although we expect automobile production volume to remain at the same level as the previous year, overall sales are expected to decline due to lower sales of dies and molds, which are collectively recorded at the time of launch, due to the large number of customer's new vehicle model launched in FY2023 and fewer launches in FY2024.

Operating income is projected at JPY11 billion, ordinary income at JPY13 billion, and net income at JPY10 billion.

2-2 Analysis of FY2024 Forecasts: Sales



Sales decreased due to lower sales volume



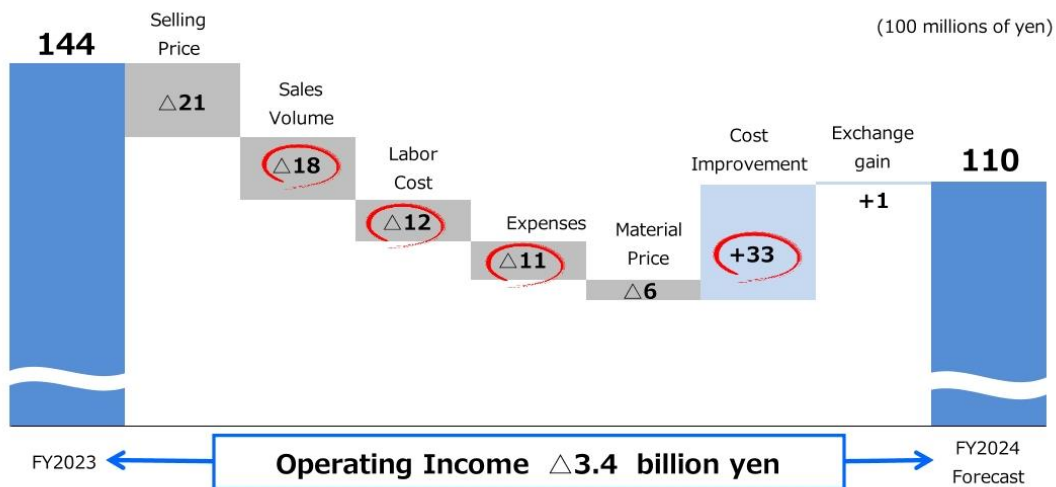
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For the full year, we forecast net sales of JPY200 billion, down JPY7.3 billion from the previous year's JPY207.3 billion. This is due to a decrease in sales volume resulting from lower dies and molds sales, the impact of foreign exchange rates, and lower sales prices.

2-3 Analysis of FY2023 Forecasts : Operating Income



Cost improvement efforts to recover from decrease in sales volume and cost increase



12/30

Although we plan to promote cost improvement, we forecast full-year operating income of JPY11 billion due to the negative impact of price revisions, decreased product volume, and increased labor costs resulting from wage hikes.

2-4 Forecast by Business Segments



Sales and income in stamping and plastic molding business are expected to decrease, while valve business is expected to remain flat YoY .

(100 million yen,%)

	Sales				Operating Income			
	FY2023 Result	FY2024 Forecast	YoY Rate		FY2023 Result	FY2024 Forecast	YoY Rate	
			Gain&Loss	%Change			Gain&Loss	%Change
Stamping & Plastic Molding	1,499	1,430	△69	△4.6	103	70	△33	△32.7
Operating Income Ratio					6.9%	4.9%	△2.0P	
Valves	571	565	△6	△1.1	41	40	△1	△2.9
Operating Income Ratio					7.2%	7.1%	△0.1P	

13/30

Sales for the stamping & plastic molding business are projected at JPY143 billion and operating income at JPY7 billion, due to a decrease in sales volume. The valves business is projected to generate sales of JPY56.5 billion and operating income of JPY4 billion.

2-5 Forecast by Region



Expect higher sales and lower income in Japan, lower sales and income in Europe and the America, and lower sales in Asia

(100 million yen,%)

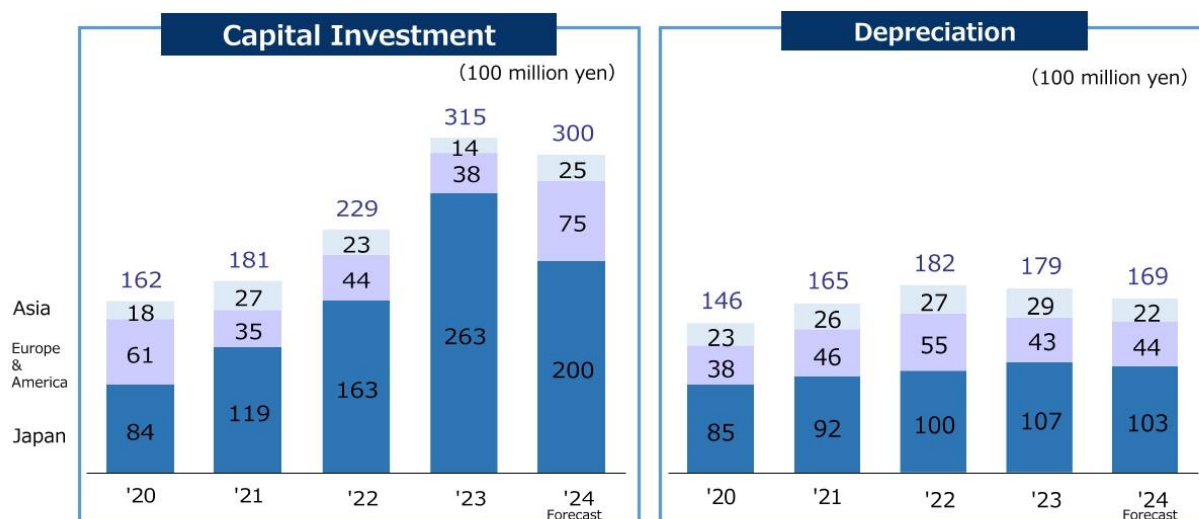
	Sales				Operating Income			
	FY2023 Result	FY2024 Forecast	YoY Rate Gain&Loss %Change		FY2023 Result	FY2024 Forecast	YoY Rate Gain&Loss %Change	
Japan	679	730	+50	+7.5	62	43	△19	△31.2
Operating Income Ratio					9.2%	5.9%	△3.3P	
Europe & America	969	905	△64	△6.7	43	32	△11	△25.8
Operating Income Ratio					4.4%	3.5%	△0.9P	
Asia	424	365	△59	△14.0	26	28	+1	+3.9
Operating Income Ratio					6.4%	7.7%	+1.3P	

14/30

We forecast sales of JPY73 billion and operating income of JPY4.3 billion for Japan. For Europe and America, sales of JPY90.5 billion and operating income of JPY3.2 billion. For Asia, sales of JPY36.5 billion and operating income of JPY2.8 billion.

2-6 Capital Investments and Depreciation

Investing for future growth



15/30

Capital investments are made for future growth in addition to regular investments in production preparation, improvement, and renewal. In FY2023, we invested JPY31.5 billion, including the construction of a new stamping plant in the Ogaki area and preparation for production of electronic expansion valves for BEVs (battery EVs).

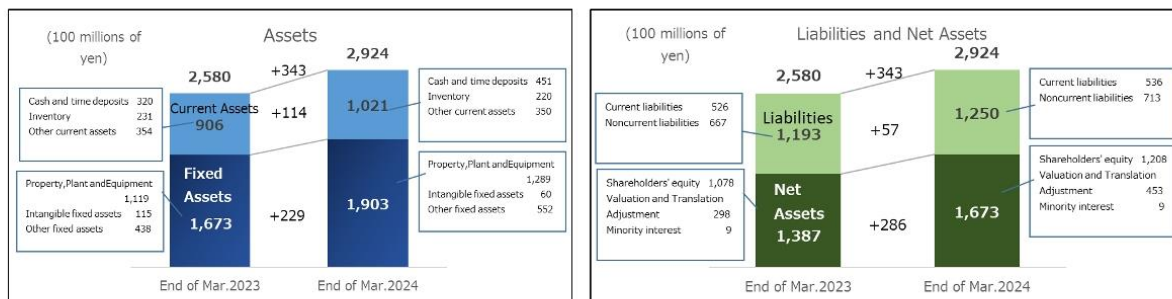
In FY2024, we plan to invest JPY30 billion, including investments in the construction of a new valve plant, a die plant, and a development center, which will be explained later.

In anticipation of increased orders from customers and market expansion, we will increase our production capacity and invest in building a more efficient production system to strengthen our competitiveness.

2-7 Consolidated Balance Sheet



Fixed assets increased due to investments such as the new stamping plant and market valuation of cross-share holdings. Cross-share holdings will be sold off gradually, with a target of 20% or less of net assets.



< Main increase/decrease details >

Assets		Liabilities		Net Assets	
•Property, plant and equipment	+170 (Investment in plants, etc.)	•Interest-bearing liabilities	+7	•Net income	+169
•Intangible fixed assets	△54 (Impairment of goodwill, etc.)	•Deferred tax liabilities	+27	•Payment of dividend of surplus/Share buyback	△39
•Other fixed assets	+113 (Market value evaluation of held stocks)			•Other comprehensive income	+155

Selling 15.8 billion yen of cross-shareholdings in FY2023

16/30

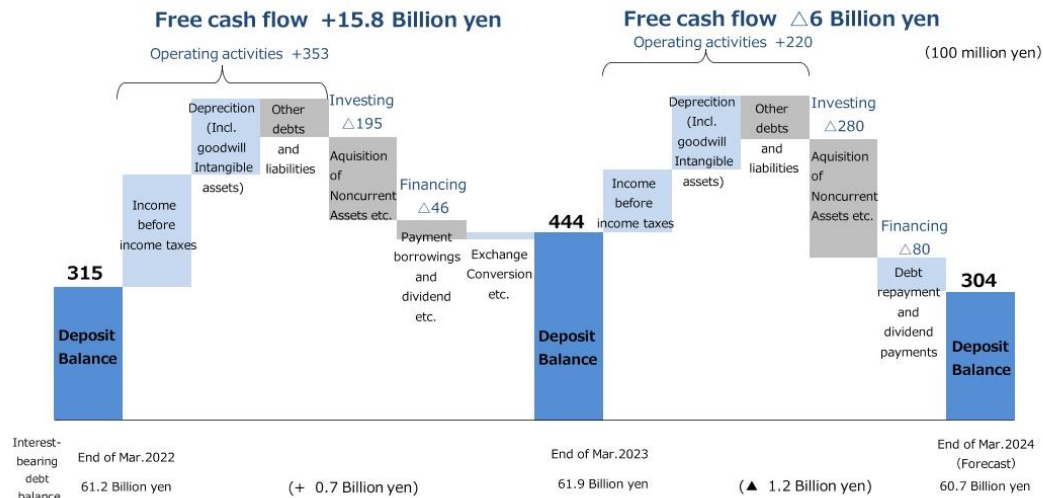
Compared to March 31, 2023, total assets increased by JPY34.3 billion as of March 31, 2024. The main reason was an increase in fixed assets due to investments in a new stamping plant and other facilities, as well as the mark-to-market valuation of cross-shareholding.

In addition, we are progressively selling our cross-shareholding, with JPY15.8 billion sold in FY2023. In addition, we recorded an impairment loss of JPY7.4 billion on fixed assets related to our consolidated subsidiaries in France and Korea as a result of a careful review of the future recoverability of such assets.

2-8 Consolidated Cash Flows



Efficient fund management was implemented by strengthening cash management within the group.



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Regarding cash flow, we are strengthening our internal cash management and promoting efficient fund management.

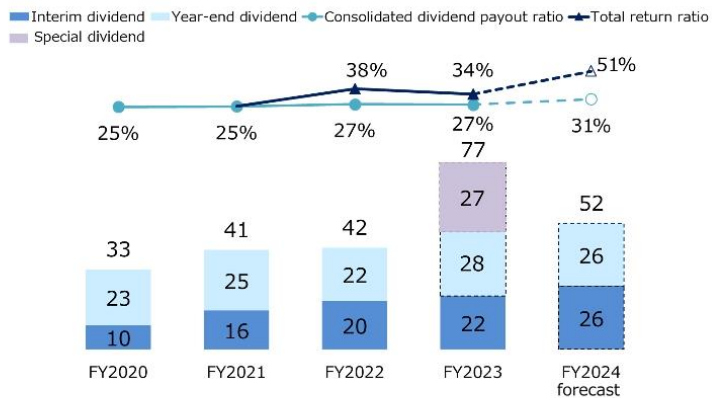
In FY2023, cash outflows from the plant construction and capital investment and cash inflows from cross-shareholding holdings resulted in a JPY12.9 billion increase in cash and cash equivalents at the end of the period. In FY2024, cash and cash equivalents will decrease by JPY14 billion due to the construction of a new valve plant, die plant, and development center.

2-9 Shareholder Returns



Shareholder returns through share buybacks in addition to special dividends

<Dividend per share>



<Share buybacks>

- Purpose :

Improve shareholder returns and capital efficiency, implement flexible capital policy

- Amount : max 2 Billion yen,
- No. of shares : max 1,500,000 shares
- Method : Market purchase
- Period : Apr.26~Sep.30 in 2024
- FYI : 1.2 Billion yen/FY2023
1 Billion yen/FY2022

18/30

As per the dividend forecast revised on March 18, we will pay a year-end dividend of JPY55, including a special dividend of JPY27, for an annual dividend of JPY77 for FY2023. The annual dividend for FY2024 is expected to be JPY52 per share.

The share buyback, which was disclosed in conjunction with the announcement of financial results, will be implemented up to 1.5 million shares for a maximum of JPY2 billion in order to return profits to shareholders, improve capital efficiency, and implement an agile capital policy. As a result, the total return ratio is expected to be 51%.

3-1 The Progress of Mid-term Business Plan “NEXUS-26”



Promote initiatives to achieve financial and non-financial targets in line with the NEXUS-26 plan

Financial value targets	FY2022 results	FY2023 results	FY2024 forecasts	FY2026 targets
Sales	191.2 billion yen	207.3 billion yen	200 billion yen	210 billion yen
Ratio of operating income to sales	4.9%	7.0%	5.5%	7% or more
ROE	7.0%	11.2%	6.0%	8% or more
Non-financial value targets	FY2022 results	FY2023 results		FY2026 targets
Sales ratio for electrified vehicles	29.1%	34.1%		50%
No. of new products and services launched	1 cases	7 cases		15 cases from FY2023
Employee engagement	-	First survey implementation 48.2% Positive assessment rate		60% Positive assessment rate
CO2 emissions (Scope 1 and 2, group, compared to FY2019)	18.4% reduction	20.0% reduction Provisional figure		30% reduction

20/30

Under NEXUS-26, financial and non-financial value targets were set for FY2026, the final year. As we explained earlier in our full-year forecast, we will work to achieve our goals, although sales and profits will decline in FY2024 for the time being.

3-2 The Progress : Stamping and plastic molding business



Development, sales expansion, and order acquisition are progressing as planned, and the production system is being established.

Stamping business strategy :

- Develop and expand sales of electrified vehicle components for the decarbonized era
- Increase orders by strengthening relationships of trust with major customers

Stamping Sales Target

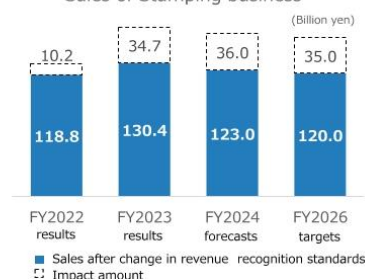
FY2022 129 **FY2026** 155 billion yen
CAGR 4.7%
(Before the change in revenue recognition standards)

FY2023 results

Key measure

- Received orders for BEV battery-related parts and started up a new plant
- Development of new products for BEVs utilizing ultra-high strength steel stamping technology
- Improvement of profitability due to the effect of the new plant and the establishment of a new tooling plant
- Improvement of order unit price per vehicle by expanding sales of existing body shell parts

Sales of Stamping business



Plastic Molding business strategy :

Promote development of new products for BEVs and expand sales to new customers

Plastic Molding Sales Target

FY2022 18 **FY2026** 25 billion yen
CAGR 8.6%

FY2023 results

Key measure

- Received orders for soundproof covers and decorative wheel parts for BEVs
- Continue to expand sales to new mega Tier 1 and global customers
- Increase production capacity to meet demand based on BEV trends

Sales of Plastic molding business



In the stamping and plastic molding business, development of technologies and products, and sales expansion are progressing steadily. We are promoting to establish a production system to increase sales. In the stamping business, we aim to increase orders for new products for electric vehicles that take advantage of our ultra-high strength steel stamping technology, as well as by expanding sales of existing stamped parts. We will gradually increase the operating rate for the new stamping plant launched last year, and we expect that it will contribute to sales and profit.

In the plastic molding business, product development and sales expansion for BEVs are progressing, and we will work to build a production system to increase the volume of products. We will continue to increase production capacity to meet demand while also keeping an eye on future BEV trends.

3-3 The Progress : Valve business



Development and sales expansion underway through collaboration among global bases; new parts orders received

Growth strategy :

- Develop and expand sales of products for electrified vehicles
- Develop new customers for existing products and strengthen revenue base

Valves Sales Target

FY2022 54.2 **FY2026** 63 billion yen
CAGR 3.8%

FY2023 results

Key measure

- Received new orders for electronic expansion valves
- Sales expansion to mega tier1 supplier
- Establish production system and promote investment while monitoring demand
- Secure sales and maintain profitability by expanding sales to new TPMS customers

Sales of valve business (Billion yen)

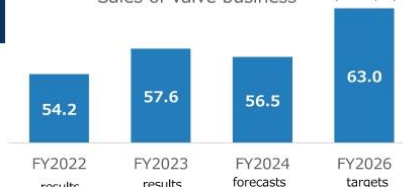


Image of completed plant

New plant built in anticipation of market expansion

- Location : On the premises of Kita Ogaki Plant Godo-cho, Anpachi-gun, Gifu pref.
- Products : Various valve products for electrified vehicles, etc.
- Total floor area : 14,900 m² approx.
- Amount invested : 4.5billion yen approx.
- Operation start : Mar. 2025



Electric expansion valves

23/30

In the valve business, we are developing and expanding sales of valves for electric vehicles, including valves for thermal management systems and electronic expansion valves, and we continue to receive orders. As we announced on April 17, we will build a plant to produce valves for electric vehicles in order to expand our business and strengthen our competitiveness in anticipation of the market expansion associated with future electrification.

In construction, we will pursue the basics of manufacturing. Also, we will work to achieve carbon neutrality through the introduction of solar power generation systems and other measures, in addition to reducing CO2 emissions by improving the efficiency of facilities,

In the future, we plan to expand our product lineup and sales of electronic expansion valves by utilizing our overseas bases, mainly in Europe and the US, and the new plant will serve as the global mother plant to lead the development and production of electronic expansion valves and other valve products for electrified vehicles.

3-4 The progress : New business



Continuing to take on the challenge of creating new business pillars

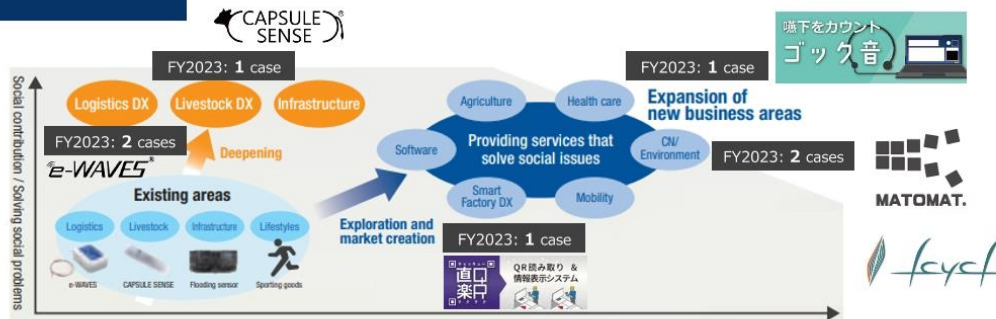
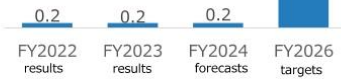
Growth strategy : Develop IoT products and systems that contribute to solving social issues

No. of new products and services launched
FY2026 15 cases
FY2030 35 cases

FY2023
 results
Key
 measure

- 7 new products released, e-WAVES variations developed
- Effective sales expansion activities tailored to product characteristics, such as web marketing
- Continuing to launch new products through in-house resource development and open innovation

(Billion yen)
 New business sales



24/30

In our new business, we continue to take on various challenges to create pillars in fields other than mobility. In the last fiscal year, we released seven new products. We will continue to take on the challenge of new products and businesses by developing them with our own resources and utilizing open innovation as well.

Products with potential, such as the cattle body condition monitoring system and the logistics management system that have been released to date, are being promoted through effective sales expansion activities tailored to the characteristics of each product in order to increase awareness.

3-5 The progress : New business



Contribute to customers' DX promotion and problem solving by combining products and IoT technology

Variation development **e-WAVES®**



- Expanding Product Lineup from entry, standard to high-end models
- Expanding adoption by pharmaceutical manufacturers, food manufacturers, supermarkets, etc.

Logistics DX

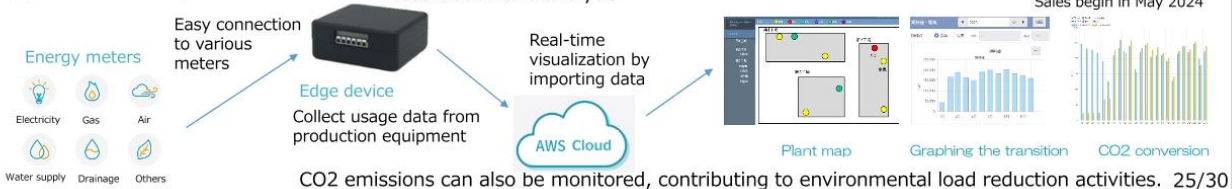
Smart Factory DX

Propose a set of transportation containers and expand cooperation.



New product **エネグラフ**
System Overview

Collects electricity, gas, air, water, and other usage data to support real-time visualization and analysis



We would like to introduce products that utilize IoT technology to help solving customer issues.

The multi-sensing logger, e-WAVES, can monitor and analyze transportation conditions with six different sensors, making it ideal for accurate transportation quality control that meets GDP guidelines required in the pharmaceutical industry and HACCP in the food industry. By expanding our product lineup from entry-level models that only measure temperature and position to high-end models suitable for regenerative medicine products, we are meeting a wide range of needs and expanding adoption.

The EneGraph listed at the bottom will be available for sale tomorrow. By installing edge devices that collect usage data from the meter, the system collects usage data from production facilities that use electricity, gas, air, water, etc., and visualizes it in real time through the cloud to support energy-saving activities in factories and plants.

Originally developed and utilized as part of our plant's DX initiative for internal use, we decided to offer it for external sales as a package due to its affordability and ease of installation.

3-6 The progress : New business

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Challenging to expand our business areas with a focus on businesses that are linked to solving social issues

New business creation projects through in-house recruiting

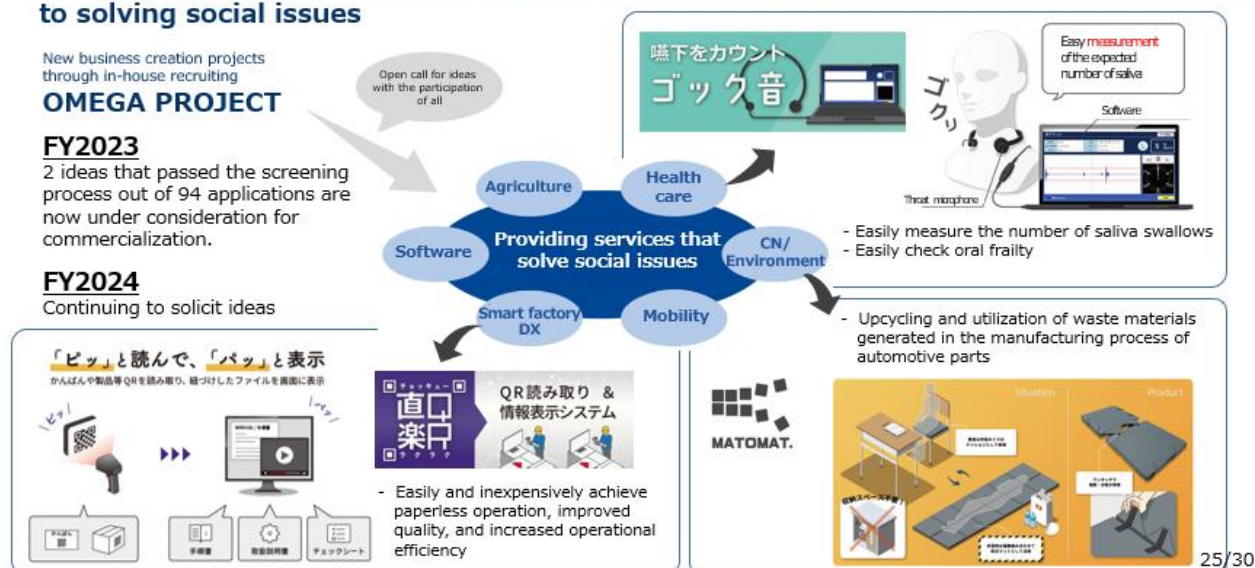
OMEGA PROJECT

FY2023

2 ideas that passed the screening process out of 94 applications are now under consideration for commercialization.

FY2024

Continuing to solicit ideas



25/30

New businesses are being developed that are linked to solving social issues. We are developing diverse products based on new ideas. I would like to introduce new products that are released in the last fiscal year.

A swallowing checker, Gokkuon is a product that easily measure the number of saliva swallowed, making it easy to perform oral frailty checks. The main sales destinations will be dentists and drugstores.

Chokkyu Rakuraku (直Q楽R), is a packaged product that include improvement tools operated at in-house manufacturing sites that can easily and inexpensively achieve paperless operations, improved quality, and increased operational efficiency at the worksite.

MATOMAT is an upcycled disaster relief mat that utilizes urethane scraps generated during the production of plastic molding products. This product can be used as a cushion for school chairs and can be joined together to form a mat in an emergency situation. It is a disaster preparedness product even if you do not have space to store.

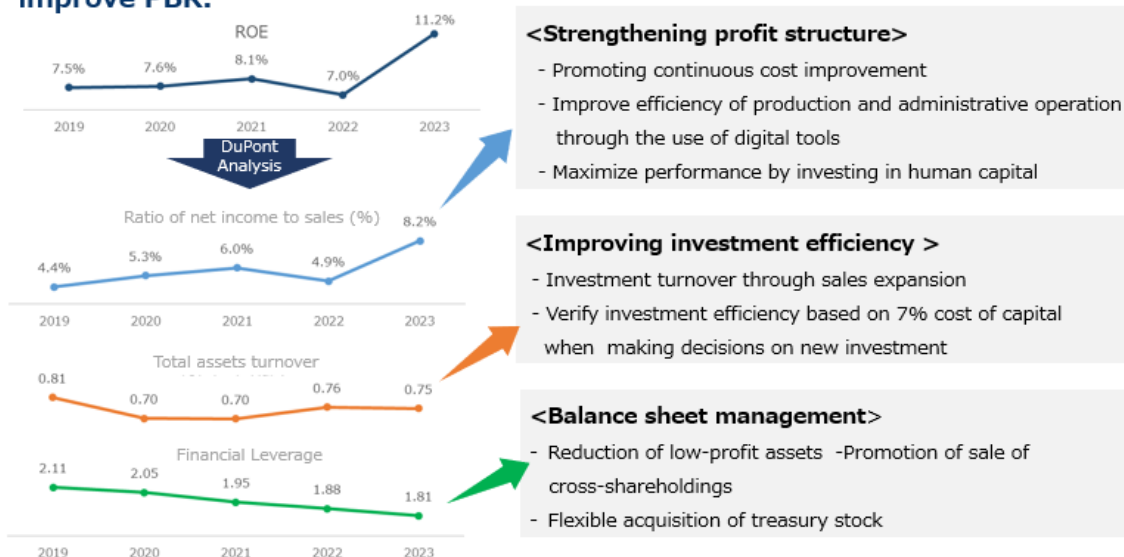
In addition, as an activity being undertaken outside of the development division, we have launched a new business creation project that is open to internal applicants. Last year, the first year of the program, over 100 employees participated, and 94 ideas were submitted. From these, hypotheses were constructed and reviewed, and two teams are currently verifying the feasibility of commercialization. This project is ongoing, and we are now accepting new ideas for 2024.

I think that after many years of business activities, employees may become fixed in their own business domains and fall into an environment where it is difficult to challenge new areas. So, I think it is important to find interesting core technologies and interesting human resources within the Company.

Working on new ideas and new things is hard when you try it, but you will find that it is all very interesting. In an era of rapid change and an uncertain future, we aim to cultivate a corporate culture where challenging ourselves with new ideas and embracing change is natural, free from the constraints of past conventions.

3-7 Initiatives to improve capital efficiency

Aim to achieve ROE of 8% or more in FY2026 and 10% or more in 2030 and improve PBR.



26/30

Our financial value targets are to achieve ROE of at least 8% in FY2026 and 10% in FY2030, and to improve PBR. In addition to the growth strategies in each business that we have explained, we will improve capital efficiency by strengthening our revenue structure and base, improving investment efficiency, and promoting balance sheet management.

3-8 Sustainability : The progress of HR strategy

Identified 4 priority measures based on employee engagement survey and promoting them



27/30

We believe that the human resources strategy is the foundation of our medium to long-term management concept and an important initiative for realizing the Purposes of "creating new value for a sustainable tomorrow" by enabling employees to exercise their capabilities with their own thoughts and ideas. Therefore, we conducted an employee engagement survey and set management targets last year.

Using the positive assessment rate as an indicator, we aim to achieve 60% in FY2026 and 70% in FY2030, compared to 48.2% in FY2023. In addition, by analyzing the survey results, we have themed up four priority measures to improve engagement.

By fostering empathy among employees towards the Company's vision and the perspectives of top management, by prioritizing daily conversations that empower employees to execute business strategies as if they were their own, and by establishing trust with supervisors and colleagues through these dialogues, psychological safety is strengthened. This encourages everyone to freely voice their opinions and contribute constructive ideas without hesitation, fostering a mutually supportive workplace.

And if employees feel their job rewarding and experience growth and learning, it will be a source of vitality and improve performance.

By promoting these four priority measures, we hope to create a virtuous cycle that will lead to higher employee engagement, business growth, and increased corporate value.

3-9 Sustainability : CO2 Reduction initiatives



Promoting the initiatives of CO2 emission reduction and enhanced information disclosure

Actively introduce solar power generation

Expanded at Higashi Ogaki Plant

- Power generation capacity 3,200MWh/year approx.
- CO2 Reduction Effects 1,470t/year approx.



Introducing energy-saving and highly efficient equipment

- Introduction of high-efficiency air conditioning
- Replacement of hydraulic power with electric power
- Improvement of efficiency by automation equipment, etc.
- Promote energy conservation



Achieved high rating in CDP

- Leadership level A- for climate change, for the 4th year in a row,
- Highest rating in the Supplier Engagement Assessment
- Selected "Supplier Engagement Leader"



Introduction of third-party verification of CO2 emissions

- CO2 emissions (Scope 1 and 2)
- Third-party verification to be implemented from FY2022
- Continued implementation planned for the future



28/30

Minimizing environmental impact is an important issue for the manufacturing industry, and we are working on this issue with the PACIFIC Environmental Challenge 2050 as a long-term goal. We are promoting our efforts on reduction and enhanced information disclosure with regard to CO2 emissions.

The new stamping plant, which was completed last year and officially started operation in November, is a mother plant that aims to become carbon neutral. It promotes energy conservation by adding a 3-megawatt-class solar power generation facility, introducing high-efficiency equipment, and increasing efficiency through automation.

In terms of information disclosure, we received a Leadership Level, A-minus rating in the climate change category for the fourth consecutive year from CDP, which evaluates the quality of our efforts and disclosures on environmental issues. In addition, we were selected as the highest rated Supplier Engagement Leader in the 2023 Supplier Engagement Assessment.

In addition to our efforts to reduce greenhouse gas emissions and mitigate climate change risks throughout the Group's supply chain, our efforts to enhance disclosure, including the introduction of third-party verification of CO2 emissions, have also been recognized by external organizations.

3-10 Sustainability : Fostering Trust with Stakeholders



Ongoing efforts to foster trust with local communities and other stakeholders

Donated MATOMAT disaster relief mats to Nanao City, Ishikawa Prefecture, and others

Donated approximately 6,000 disaster relief mats to 30 elementary and junior high schools in municipalities affected by the 2024 Noto Peninsula earthquake, it worth approx.10 million yen.



Tire Pressure Awareness Campaign

Tire Pressure Awareness Campaign at Shopping Malls

Promoting understanding of the importance of tire pressure management



Promotion of local sports

Active support for local sports such as :

- Men's and women's soft tennis clubs in the top league
- Ogaki Minamo Softball Club, which operates with the local community
- FC Gifu and Toyota Verblitz.



Supporting children of the next generation

- Continued support for citizens' groups working to create a place for children
- Foster the next generation of human resources by hosting plant tours for local elementary and junior high school students, high school students, and university students.



30/30

We donated 6,000 disaster relief mats, as explained earlier MATOMAT, to four municipalities and 30 elementary and junior high schools, including Nanao City, Ishikawa Prefecture, in the area affected by the 2024 Noto Peninsula earthquake. We pray for the earliest recovery and hope that it will also be useful for disaster relief and education in the future.

In addition, we will contribute to the development of local communities and strengthen ties with them through TPMS awareness campaigns, promotion of local sports, and support for the children who will lead the next generation. We will continue to promote integrated efforts to achieve medium and long-term growth to solve customer issues, with the aim of enhancing corporate value.