



Passion in Creating Tomorrow

SUSTAINABILITY DATA BOOK 2025

PACIFIC INDUSTRIAL CO., LTD.

Editorial Policy • Contents • Reporting System • Media Information

Sustainability Data Book 2025 Editorial Policy

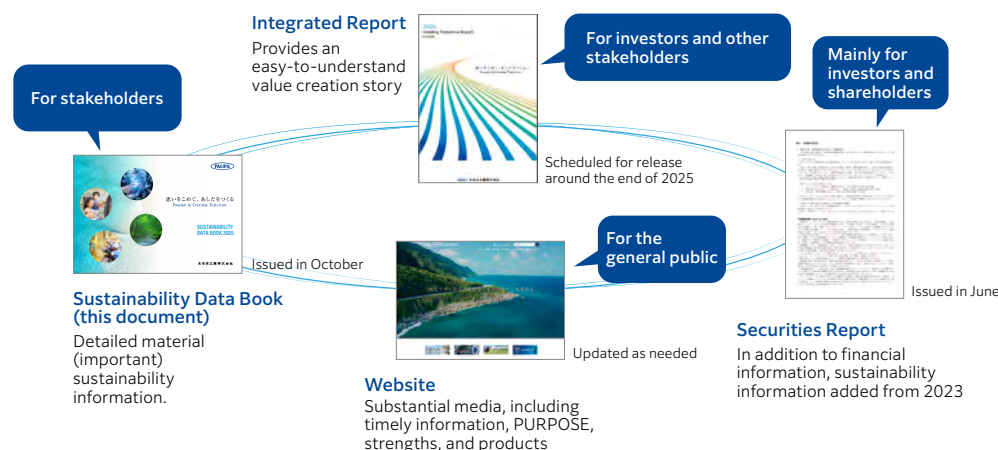
The Pacific Industrial Group has been publishing Sustainability Reports (formerly CSR Reports) since 2007 to promote and enhance dialogue with more of our stakeholders so as to build a sustainable society.

From 2023, we are publishing the “Integrated Report” (Creating Tomorrow Report) to convey our value creation story to investors and others in an easy-to-understand manner, starting with our Group’s PURPOSE.

In addition, based on our responsibility to disclose sustainability information to a wide range of stakeholders and in response to requests from ESG evaluation organizations and others, we are disclosing sustainability information in a Sustainability Data Book (this report) based on materiality and in reference to the GRI Guidelines.

We will create a sustainable tomorrow by promoting management that takes into accounts the impact on stakeholders, a factor that is becoming increasingly important on a global level, and by continuing to disclose the results of these efforts.

Reporting System



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Media Information

- **Period covered** : April 1, 2024 to March 31, 2025 (Issued annually. Some information may only be correct at the time of publication)
- **Scope** : The Pacific Industrial Group
(In principle, the company and its consolidated subsidiaries. If disclosed data goes beyond this, its scope is stated separately.)
- **Publication date** : October 27, 2025
- **Publishing department** : Corporate Planning Department, Pacific Industrial Co., Ltd.
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Guidelines used as reference:

GRI Standards, ISO 26000, TCFD Recommendations (Published in 2017, integrated into IFRS Foundation in 2023), SASB Standards (For reference, icons are provided at relevant locations, including partial disclosures.)

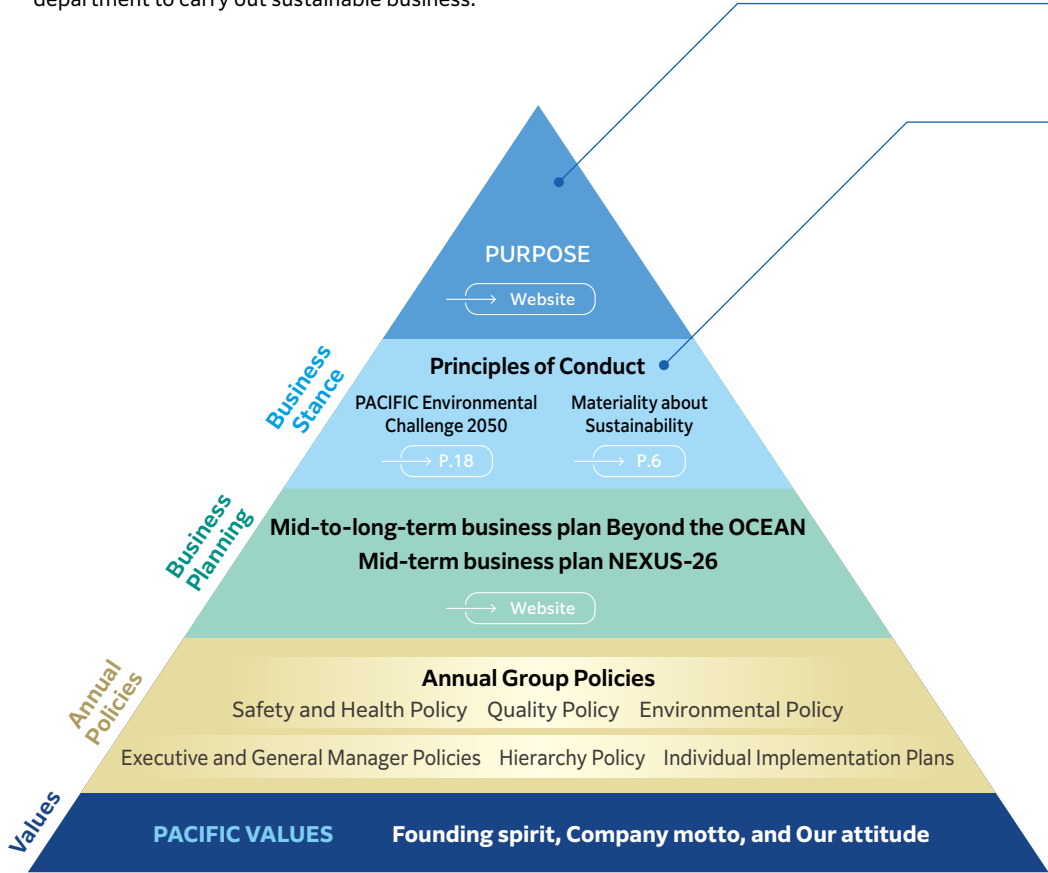
Notes on outlook

This report contains forward-looking statements, including strategies, plans, targets, and other projections made based on currently available information. These forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those discussed in the forward-looking statements. Therefore, any forward-looking statements contained in this report should not be regarded as definitive.

Pacific Industrial Group Concept Structure

In April 2023, our group announced our mid- to-long-term business plan Beyond the OCEAN and our mid-term business plan NEXUS-26. In line with these, we positioned our PURPOSE, “Passion in Creating Tomorrow,” at the core of our business. The principles of behavior for realizing this PURPOSE are shared throughout our group as the Principles of Conduct, and the specific guidelines of conduct as the Code of Conduct. In addition, the spirit of our Corporate Philosophy adopted up to then is strongly connected with the intent behind our PURPOSE, and has therefore been developmentally integrated into our PURPOSE. Our group's core values are called the PACIFIC VALUES, consisting of founding spirit, company motto, and our attitude.

To realize these, we have incorporated them into our annual group policy and the policies of each department to carry out sustainable business.



Passion in Creating Tomorrow

To Remain as a Company Needed by Society, Now and into the Future

As a company dedicated to creating a truly prosperous, safe, and secure future, we are passionate about building a sustainable tomorrow. To achieve this, we have established Principles of Conduct that set forth the principles each member of the Pacific Industrial Group should follow, guiding us to act with high ethical standards and integrity as responsible members of the global community, while considering the impact our company has on its stakeholders. Based on the Principles of Conduct, the Code of Conduct clearly defines for our employees the concrete judgment standards by which they shall make appropriate decisions and properly conduct themselves. Reflecting on the spirit of the Principles of Conduct and Code of Conduct, we shall act in the way we believe to be best based on our own conscience.

Customers	We will work to maintain regular communication with our customers, earning their trust and satisfaction by delivering high-quality products and services that reduce environmental impact.	Employees	From the perspective of respect for human rights and dignity, we will provide a workplace where all employees can work at ease in an environment that allows them to find work they can be proud of and encourages them to demonstrate their creativity and spirit of challenge.
Shareholders	In order to garner trust and meet the expectations of our shareholders, we will place importance on bilateral communication and continuously strive to improve our corporate value by taking a long-term view.	Environment	We always recognize the importance of environmental conservation in all our business activities, comply with laws and regulations related to the environment, and actively engage in environmental conservation activities based on our "Environmental Policies."
Business Partners	Aiming at co-existence and co-prosperity based on mutual trust, we will respect our business partners and establish strong positive relationships with them on an equitable and fair basis.	Communities	In addition to contributing to the sustainable development of society through close partnership and cooperation with local communities, we also engage in social contribution activities (support for academics/culture/sports, participation in volunteer activities, contributions for communities in each country, etc.) to build bonds with local communities.

Overview of Pacific Industrial Group

Organization Overview

Name	Pacific Industrial Co., Ltd.
Head Office location	100 Kyutoku-Cho, Ogaki City, Gifu Prefecture 503-8603 Japan (Head Office) Tel +81- 584-91-1111 (main switchboard)
Established	August 8, 1930
Capital stock	7,316 million yen (As of March 31, 2025)
No. of employees	2,252 (Consolidated: 5,138)
Business	Development, manufacture and sales of automotive parts and electronics parts
Stock listing	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Sector	General consumer goods (automobiles and automotive parts)
Security code	7250

Main Products

Stamping products

We manufacture a variety of stamping products including body parts to ensure the strength and rigidity of car bodies. We are focusing on ultra-high-tensile strength steel forming technologies that achieve both weight reduction and high rigidity.



Plastic Molding products

We manufacture a wide range of plastic molding products, utilizing our strengths in decorative and soundproofing technologies.



Valves and TPMS products

We produce valve products with multiple top global market shares, TPMS products that ensure driving safety and contribute to improved fuel efficiency, and electric expansion valves for BEVs.



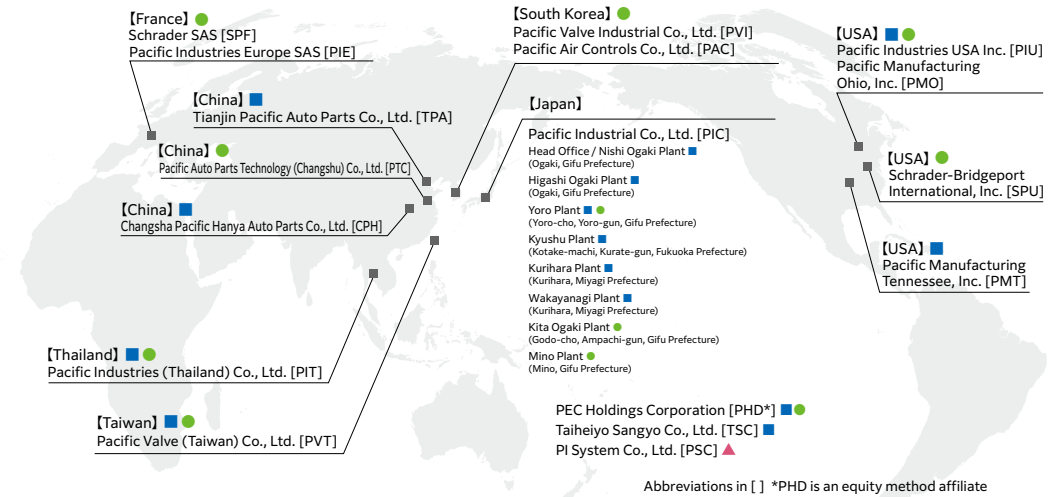
IoT products

By combining our products with IoT and AI technology, we consistently provide valuable data not only through physical things, but also through the Web and apps, helping customers to promote DX and resolve their issues.



Global Network

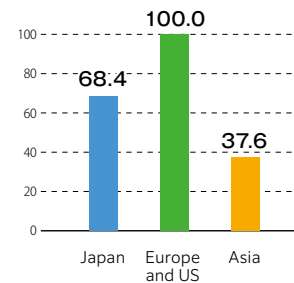
■... Stamping and plastic molding product business ●... Valve product business ▲... Others



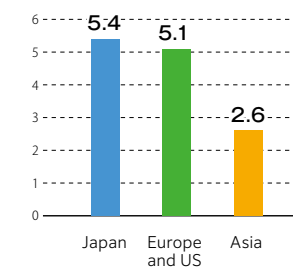
Overview by Region

Regional segments are categorized into Japan, Europe and the US, and Asia.

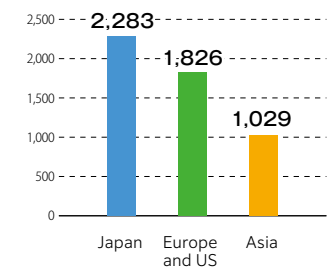
Sales by region
206.1 billion yen
(FY2024)



Operating income by region
13.6 billion yen
(FY2024)



No. of employees by region
5,138
(FY2024)



Message from the President



Based on the revised materiality, we will continue our commitment to sustainability management from a long-term perspective.

Through the supply of automotive parts and new products, our Group provides various societal benefits, including vehicle weight reduction, improved safety, and solutions to social issues. In conducting our business activities, we engage with many people around the world, including our employees and their families, customers, suppliers, shareholders, and local communities. We carry out our initiatives with consideration for these relationships, the impact on future generations, and the effects on society and the natural environment.

In April 2023, we established our purpose as “Creating Tomorrow with Passion,” and formulated our mid-to-long-term management vision, Beyond the OCEAN, and our mid-term management plan, NEXUS-26, while taking into account materiality, which represents the key sustainability issues. In April 2025, materiality was revised to reflect our impact on society and the natural environment, as well as the risks and opportunities that social and environmental issues present to the Group.

In the five years since identifying our materiality in 2020, we have achieved many results, including the dissemination of guidelines throughout our company and supply chain, progress in initiatives like carbon neutrality and human rights due diligence, and improvements in various sustainability assessments. We have also promoted new product development that considers social issues, as well as the implementation of ongoing social contribution activities. Furthermore, as a foundation for realizing our purpose, company-wide initiatives in employee engagement and health management have taken hold.

Moving forward, we will continue our commitment to sustainability management with a long-term perspective, swiftly adapting to environmental changes. This includes advancing initiatives related to resource circulation and natural capital, expanding our global activities, and promoting further efforts throughout our supply chain.

Tetsushi Ogawa
President, Member of the Board

Stakeholder Relations

Communication with Stakeholders

Our Group's relations with stakeholders are clearly stated as a policy in the Principles of Conduct, and specific action guidelines are included in the Code of Conduct and compliance is verified.

Stakeholders	Principles of Conduct	Main Stakeholders	Main Communication Methods
Customers	We will work to maintain regular communication with our customers, earning their trust and satisfaction by delivering high-quality products and services that reduce environmental impact.	Global car makers, tire makers, automotive parts makers, product end users, customers of new products, etc.	<ul style="list-style-type: none"> Communication with customers in daily operations Requests from customers Participation in technical exhibitions and events in Japan and abroad Commendations from customers (evaluation criteria and evaluation details)
Shareholders, Investors, Financial Institutions	In order to garner trust and meet the expectations of our shareholders, we will place importance on bilateral communication and continuously strive to improve our corporate value by taking a long-term view.	9,766 shareholders (22 financial institutions, 32 financial instruments dealers, 146 other domestic corporations, 191 foreign corporations, etc., 9,375 individuals and others)	<ul style="list-style-type: none"> General meeting of shareholders Briefing sessions for individual and institutional investors Financial results briefing ESG meeting Information disclosure on our website
Business Partners	Aiming at co-existence and co-prosperity based on mutual trust, we will respect our business partners and establish strong positive relationships with them on an equitable and fair basis.	From primary to upstream suppliers, etc., that are procuring for our global operations	<ul style="list-style-type: none"> Corporate policy briefing/ Practitioners' meeting Activities with main suppliers Supplier questionnaire Ethics and complaint consultation Counter, independent consultation Counter
Employees	From the perspective of respect for human rights and dignity, we will provide a workplace where all employees can work at ease in an environment that allows them to find work they can be proud of and encourages them to demonstrate their creativity and spirit of challenge.	6,114 employees at 24 bases in 8 countries worldwide, including 5,138 regular employees and 976 non-regular employees, and their families	<ul style="list-style-type: none"> Dialogue with labor union Evaluation interview Education and training Health and Safety Committee Ethics and complaint consultation Counter, independent consultation Counter Company newsletter (issued monthly) Stress check trend analysis Employee engagement survey
Environment	We always recognize the importance of environmental conservation in all our business activities, comply with laws and regulations related to the environment, and actively engage in environmental conservation activities based on our "Environmental Policies."	Natural environment in deployment areas and value chains (forests, rivers, oceans, atmosphere, soil, resources, etc.)	<ul style="list-style-type: none"> Communication with local and global governments, regional round-table Meetings
Communities	In addition to contributing to the sustainable development of society through close partnership and cooperation with local communities, we also engage in social contribution activities (support for academics/culture/sports, participation in volunteer activities, contributions for communities in each country, etc.) to build bonds with local communities.	24 bases in 8 countries around the world, and especially municipalities where bases are located. Also, areas where employees live, etc.	<ul style="list-style-type: none"> Plant tours Community contribution activities Sports promotion Travel to schools for lectures Dialogue with NPOs

Direct Economic Value Generated and Distributed * Pacific Industrial

(100 million yen)

Creation		
Economic value	Net sales, non-operating income, extraordinary income	898
Distribution		
Business costs	Supplier transactions(Labor costs, taxes and dues, etc. deducted from manufacturing costs, selling expenses, general administration, etc.)	603
Employees	Labor costs	161
Shareholders	Dividends and Acquisition of treasury stock	67
Communities/society	Taxes and donations	34
Financial institutions	Interest expense	3
Reservation		
Internal reserves	Retained earnings - Acquisition of treasury stock	28

Main Endorsements and Participating Organizations and Initiatives, ESG Rating

External recognition



Declarations and endorsements



Participating organizations

Japan Business Federation
Japan Auto Parts Industries Association (JAPIA)

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Materiality and Identification Process

To realize the Pacific Industrial Group's corporate values and vision and to achieve the Sustainable Development Goals (SDGs), we identified the Group's key sustainability issues (materiality) in 2020, with a target year of 2030. These include four core themes, fifteen material issues, and priority SDG themes. In 2025, we revised our materiality in accordance with business environment changes and the growing global demand for sustainability disclosure.

Materiality Identification Process [Details online]

1. Establishment of the approach and preconditions

Based on the following preconditions, we established an evaluation process and proceeded to identify key issues.

- Themes related to sustainability
- An approximately 10-year period until 2035 in mind
- Examined from a global perspective, including throughout the value chain

2. Materiality assessment from the perspectives of impact, risk, and opportunity

We analyzed degree of influence across the value chain from two perspectives: the impact of our business operations on society and the environment, and the impact society and the environment have on our corporate value and finances (risks and opportunities).

In doing so, we conducted a simplified natural capital assessment, referencing TCFD for climate change risks and opportunities, and TNFD for environmental impact, dependency, and associated risks and opportunities. Social impact was evaluated comprehensively, taking into account human rights risk assessments.

3. Re-examination of validity based on a matrix

Materiality was determined by evaluating the impact and likelihood for each topic. Assessment was conducted separately on the impact aspects and the risk and opportunity aspects, focusing in on those topics that scored above a defined threshold.

Materiality was then reviewed from multiple perspectives, taking into account global standards, requests from domestic and international customers, the materiality of other automotive parts manufacturers, and discussions with our technology development department.

As a result, none of the candidate material topics were found to be lacking in terms of standards, customer requirements, or peer comparisons. Although several of our company's topics are highly unique, we concluded that all of them are important to us.

4. Final review and board approval following third-party input

Professor Keisuke Takegahara of the National Graduate Institute for Policy Studies was asked to evaluate our materiality, given his extensive expertise of sustainability management, numerous achievements advising on materiality assessments, his third-party opinion on our previous materiality evaluation, and his deep understanding of our company gained through discussions with our Chairperson (then President), Shinya Tanaka. Details of the materiality identification and the full text of the third-party opinion are available on our website.

<https://www.pacific-ind.co.jp/eng/sustainability/management/>



Materiality

Our group identifies 15 material topics and divides them into 4 pillars. Our mid-to-long-term business plan "Beyond the OCEAN" has set management targets for non-financial values, and for these targets we have adopted relevant indicators based on this materiality.

Fostering Trust with Stakeholders

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

Particularly relevant SDGs



Solving social issues through business

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

Particularly relevant SDGs



[Management target] No. of new products and services launched

[Management target] Sales ratio for electrified vehicles

Achieving a society in harmony with nature

- Mitigation of and adaptation to climate change
- Sustainable resources use
- Conservation of water and nature

Particularly relevant SDGs

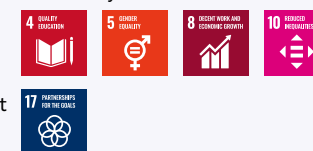


[Management target] CO₂ emissions

Human resource advancement and respect for human rights

- Employee engagement
- Creation of a secure and vibrant work environment
- The safety and health of employees
- Development of human resources and cultivation of a culture that we can tackle new endeavors
- Diversity and inclusion

Particularly relevant SDGs



[Management target] Employee engagement

Sustainability Management Based on Materiality

Reviewed in light of the materiality revision.

Four Pillars	Materiality	Objective (Ideal State)	Key mid-term initiatives	SDGs	KPI	Scope	Target FY	Target Value	Major Achievements in FY2024 (partly including FY2025)	Related Pages
Fostering Trust with Stakeholders	Corporate ethics and compliance	As a foundation for sustainability management, raise ethical standards of all employees as well as their pride in the company and their work, and fulfill our responsibilities to society.	Implementation and correction of Code of Conduct self-assessment, anti-corruption and compliance awareness and fraud prevention, implementation of awareness-raising and education at each levels, and dissemination of information through company newsletter	12.8 16.5 and general	Implementation rate of Code of Conduct survey self-assessment	Group	2030	80%	<ul style="list-style-type: none"> Conducted employee questionnaires regarding our Code of Conduct, including 11 overseas companies. Conducted by 80% of the Group 	p11
	Responsible procurement	Work together throughout supply chains to address social issues such as human rights and environmental concerns.	Review of the Supplier Sustainability Guidelines and their development and dissemination, including overseas, supplier sustainability risk assessments, auditing and support for suppliers of concern, non-use of conflict mineral resources in supply chains, awareness-raising for suppliers on BCP, and parts procurement status surveys for overseas components	3.9 6.3 6.4 7.3 8.7 8.8 11.5 12.2 12.4 12.5 13.1 13.3	Company ratio (purchase amount base) for survey of supplier compliance with "Supplier Sustainability Guidelines"	Group	2030	85%	<ul style="list-style-type: none"> Deployment to suppliers based on Supplier Sustainability Guidelines Implemented self-checks among suppliers (at suppliers that account for more than 80% of total purchases. Japan: Average compliance rate 93%. Overseas: 8 of 11 overseas companies in FY2024; average compliance rate 92%) Conducted SDG-related study sessions for major suppliers Conducted Conflict minerals survey 	p12
	Improvement in customer satisfaction	Increase customer trust in the long term by improving our quality and reputation for sustainability.	Extension of product life cycles by achieving high quality, reducing waste, and improving evaluation of customer's requests including EcoVadis and CDP	7.3 12.2 12.4 12.5 13.2 13.3	Number of recalls issued	Group	—	0	<ul style="list-style-type: none"> No. of recalls: 0 18 awards received from customers Implemented quality improvement projects through START activities Efforts to improve CDP and EcoVadis evaluations 	p13
	Local community development	Contribute to attractive development of local communities, which are the foundation of our corporate activities, and strive for coexistence and co-prosperity with our stakeholders.	Support for fostering of the next generation in education, scientific research, manufacturing, etc.; biodiversity conservation activities; support for culture and sports such as Ogaki Minamo, FC Gifu, and soft tennis; promotion of global contributions to local communities; and local support activities during disasters	4.5 4.7 9.5 10.2 11.5 17.16 17.17	No. of social contribution activities implemented*	Group	2028	180	<ul style="list-style-type: none"> Various sponsorships Ongoing donations Support for creating places for children Community contribution activities through sports Ongoing researcher support from Ogawa Science and Technology Foundation 159 social contribution activities (Group) 	p14

* Target value after revising criteria for the number of social contribution activities.

Sustainability Management Based on Materiality

Reviewed in light of the materiality revision.

Four Pillars	Materiality	Objective (Ideal State)	Key mid-term initiatives	SDGs	KPI	Scope	Target FY	Target Value	Major Achievements in FY2024 (partly including FY2025)	Related Pages
Solving social issues through business	Contribution to a sustainable mobility society and prosperous living	Create products that contribute to the resolution of social issues in both existing and new areas, and contribute to society through our business.	Research and development of products that contribute to the next generation mobility society and prosperous living.	9.5 11.2 and individual judgment	Number of new products and services launched (from FY 2023)	Group	2030	35	<ul style="list-style-type: none"> • No. of products developing that solve social issues: 12 (10 Launched : Including FY25) • Began sales of "cap-type tire pressure sensor" for smartphone air pressure check (April 2025) • Launched "Enegraph," a low-cost system for visualizing energy usage • Launched "MATOMAT," a mat for both normal and crisis phases using urethane waste from automotive parts manufacturing, and it won the 2024 Super Monozukuri Components Award in the "Healthcare & Welfare, Bio, and Medical Equipment Components" category • Launched a new "e-WAVES" product, "BLE" 	p16
	Improving mobility safety	Contribute to zero traffic deaths by improving automobile safety through our core businesses.	Reduction of the number of traffic deaths and injuries (Contributions through, for example, TPMS products that prevent accidents caused by insufficient air pressure and high strength UHTSS products)	3.6	Ratio of UHTSS versus all stamping products	Group	2026	30%	<ul style="list-style-type: none"> • Development and expansion of sales of ultra-high tensile products by cold stamping • Ratio of UHTSS versus all stamping products: 28.1% 	p17
					Number of TPMS products and TPMS valves sold	Group	2030	5-year total: 500 million	<ul style="list-style-type: none"> • Launched cap-type TPMS • No. of TPMS products and TPMS valves sold: 107 million 	
	Development of environmentally conscious products	By pursuing development, design, and new business creation that can generate value across the entire value chain, we will create a virtuous cycle that reduces our environmental impact.	Development and sales expansion of environmentally conscious products (weight reduction, energy saving, etc.), improvement of resource use efficiency, development and sales expansion of products for electrified vehicles.	7.3 9.4 11.2 12.2 12.5 13.2 13.3	Sales ratio for electrified vehicles	Group	2030	70%	<ul style="list-style-type: none"> • Development and sales of control valves for thermal management systems • Continued to launch products in the "LcycL" series, which utilize plastic scrap, such as the "MATOMAT" disaster relief mat • Sales ratio for electrified vehicles: 43.6% 	p17

Sustainability Management Based on Materiality

Reviewed in light of the materiality revision.

Four Pillars	Materiality	Objective (Ideal State)	Key mid-term initiatives	SDGs	KPI	Scope	Target FY	Target Value	Major Achievements in FY2024 (partly including FY2025)	Related Pages
Achieving a society in harmony with nature	Mitigation of and adaptation to climate change	Strive to mitigate and adapt to climate change, a major global issue that has a significant impact on our business.	Action to achieve the IPCC's 1.5-degree or 2-degree target, reduction of energy use, introduction of renewable energy, evaluation improvement in "climate change" and "water" in CDP's supply chain program	7.2 7.3 13.1 13.2 13.3	CO ₂ emissions	Group	2030	50% reduction (Scope 1,2, compared to FY2019)	<ul style="list-style-type: none"> Selected CDP climate change "A List" and "Supplier Engagement Leader" Expansion of solar power generation at Kyushu No. 1 Plant CO₂ emissions (group): 66.7 kt (29.2% reduction from FY2019) 	p21
	Sustainable resources use	Engage in manufacturing from the perspective of resource conservation and reuse, including the procurement of raw materials and product design, based on the demands of society and changing values.	Promotion of waste minimization and recycling	9.4 12.2 12.4 12.5	Amount of waste generated	Group	2030	30% reduction (from FY2019)	<ul style="list-style-type: none"> Promoted the recycling of plastic materials generated during TPMS production at Kita Ogaki Plant and wheel cap production at Higashi Ogaki Plant Amount of waste (group): 3,948 t (5.8% reduction from FY2019) 	p22
	Conservation of water and nature	In view of the global importance of natural capital and growing concerns about worsening flood damage, water quality degradation, and water scarcity, we will sustainably utilize natural capital and water resources while giving consideration to biodiversity.	Strengthen initiatives and external disclosure related to reducing water use, monitoring water quality, and conserving natural capital.	3.9 6.3 6.4 15.1	Amount of water used	Group	2030	30% reduction (from FY2019, appropriate use depending on the area)	<ul style="list-style-type: none"> Commencement of water treatment facility operations at Higashi-Ogaki Plant Upgrade of wastewater treatment facilities at Nishi-Ogaki Plant Implementation of water management using our product "Enegraph" Water usage (group): 1,351 thousand m³ (22.5% reduction from FY2019) 	p22

Sustainability Management Based on Materiality

Reviewed in light of the materiality revision.

Four Pillars	Materiality	Objective (Ideal State)	Key mid-term initiatives	SDGs	KPI	Scope	Target FY	Target Value	Major Achievements in FY2024 (partly including FY2025)	Related Pages
Human resource advancement and respect for human rights	Respect for human rights	Human rights issues can lead to serious problems not only in Japan, but also in developing countries and at upstream suppliers. Our company attaches great importance to respect for humanity and will fulfill its responsibility to respect human rights.	Human rights due diligence efforts and identification of human rights risks	5.1 8.7 8.8 10.2 10.3	Human rights survey (SAQ) implementation rate	Group	2030	80%	<ul style="list-style-type: none"> Implemented 80% of human rights surveys based on self-checks of the Code of Conduct (Group) Addressing issues based on SAQ results New sustainability education including human rights in awareness-raising and hierarchy-specific education through e-learning Education for our main business partners 	p23
	Employee engagement	Create a company where each employee has job satisfaction and a sense of pride, enabling them to fully demonstrate their creativity and spirit of challenge to achieve our purpose.	Promote 4 priority action items (Shared the leadership vision, relationships with supervisors and colleagues, sense of growth and learning, job satisfaction)	8.5	Positive response rate for employee engagement	Pacific Industrial	2026	60% or more	<ul style="list-style-type: none"> Positive response rate for employee engagement 55.8% 	p25
	Creation of a secure and vibrant work environment	Aim to improve both productivity and employee job satisfaction based on employment stability and fairness by encouraging decent work and well-being.	Ensuring of employment that enhances job satisfaction and lowering of employee turnover through appropriate evaluations, having the right people in the right jobs, and creating a workplace that is flexible and easy to work in according to individual circumstances	8.5	Positive response rate for "work style" in employee engagement survey	Pacific Industrial	2030	70%	<ul style="list-style-type: none"> Convert non-regular employees into regular employees (76 people) Web-based questionnaire started after 1 month of employment (to understand and improve physical health, work, personal interactions, etc.) Enhancement of welfare facilities in conjunction with new plant operation (Restaurants, plant rest areas, etc.) (improved work environment due to AC installation in plants) 	p25
	The safety and health of employees	Foster a work environment that respects human rights and prioritizes employee safety and health, allowing employees to find purpose and joy in their work.	Eliminating workplace accidents, improving work environment, and enhancing employee vitality and organizational vitality through health management	8.8	Lost-time injury frequency rate	Group	—	0	<ul style="list-style-type: none"> Lost-time injury frequency rate : 0.83 (Group) Promoting "STOP 6" activities to prevent serious accidents Development of people with awareness, knowledge, and skills to act safely Continuous implementation of rank-specific safety education Certified as Excellent Health Management Corporation 	p26
	Development of human resources and cultivation of culture that we can tackle new endeavors	Hone our ability to thrive in a rapidly changing market environment and provide opportunities for employees to achieve self-fulfillment by developing human resources capable of taking on global challenges, and foster a corporate culture conducive to such challenges.	Promotion of education by rank, and creation of a system and culture to evaluate challenges	4.4 8.2	Positive response rate for "growth opportunities" in employee engagement survey	Pacific Industrial	2028	60%	<ul style="list-style-type: none"> 31.3 hours of training per employee (Pacific Industrial) Continuation of education to improve "psychological safety" Continuation of sustainability education to training for promoted employees Provision of web-based learning materials and introduction of system to cultivate a positive learning culture Promotion of project activities that encourage challenge (Creating Tomorrow Project, Ω Project, and Open Innovation Project) 	p27
	Diversity and inclusion	Revitalize the workplace, contribute to innovation, and reduce turnover by creating an environment and culture that are inclusive and allow people to demonstrate their abilities in accordance with their internal attributes, including individuality, strengths and weaknesses, health situation, personality, beliefs, and sexual orientation.	Creation of a workplace where everyone, including women, can work comfortably, and provision of opportunities to play an active role	10.2 10.3 5.5 5b	Ratio of women in managerial positions	Pacific Industrial Group	2030	5% or more 14% or more	<ul style="list-style-type: none"> Ratio of women in management positions: 3.8% Pacific Industrial, 9.8% Group Continued strengthening of female recruitment (36% female ratio of new graduate staff hired in April 2025) Promotion of parental leave for male employees: 75.4%(Pacific Industrial) Strengthened hiring mid-career employees: 60 employees *Including temp employees Eruboshi Grade 3 certification, Platinum Kurumin Plus certification 	p27

Fostering Trust with Stakeholders

Corporate Ethics and Compliance

Fostering Strong Corporate Ethics

We believe that gaining the trust and sympathy of society requires each and every employee to have high ethical standards and to act with fairness and integrity. Based on this concept, the Pacific Industrial Group Code of Conduct, which has been revised and updated since its initial publication in 2008, is informed to all employees to raise awareness. Overseas, Group companies operate their own country's code of conduct that reflects the laws and customs of that country or region, in addition to the Pacific Industrial Group Code of Conduct, and conduct compliance activities appropriate to that country or region.

In the area of awareness-raising and education, in addition to rank-specific training and specialized training, we continuously conduct various educational and awareness-raising activities for employees, such as distribution of a regular newsletter discussing familiar topics, in an effort to prevent fraud and misconduct.

Our Group also conducts questionnaires with employees, including those of overseas companies, to determine the level of penetration of our Code of Conduct, identify compliance issues, and to implement improvements for the quick detection and resolution of problems and prevention of recurrence. Furthermore, to find and correct injustices and scandals that cannot be identified through questionnaires, we have established an internal reporting system that allows employees to report or consult with us by e-mail, telephone, postal mail, or in writing. For example, we have introduced an independent consultation desk, which functions as a reporting system independent of management, with non-executive directors to contact. Compliance regulations stipulate maintaining confidentiality for whistleblowers and others seeking advice, as well as prohibition of prejudicial treatment on the grounds of reporting or consultation, making the system safe to use.

Anti-Corruption

In 2020, as part of our basic anti-bribery and anti-corruption measures, we developed anti-corruption rules by establishing a Basic Policy for Anti-Bribery and Anti-Corruption and incorporating it into the terms of contracts with third parties such as business agents, as well as raising awareness and educating employees through e-learning.

We have also developed Supplier Sustainability Guidelines to prevent bribery and corruption in the supply chain.

The Pacific Industrial Group Code of Conduct Overview

1. Basic Principles

- (1) Compliance with laws and ethics
- (2) Business activities based on sustainability

2. Safety & Quality

- (1) Health and safety at your workplace
- (2) Quality improvement
- (3) Customer satisfaction improvement

3. Respect for Human Rights and Working Environment

- (1) Respect for human rights and prohibition of discrimination
- (2) Harassment
- (3) Prohibition of forced labor and child labor
- (4) Improvement and enhancement of a comfortable working environment
- (5) Promotion of diversity and inclusion
- (6) Freedom of dialogue / discussion and association with employees
- (7) Promoting of human resources development
- (8) Prohibition of land grabbing

4. Sincere and Fair Business Activities

- (1) Building sound relationships with politics and administration, preventing corruption
- (2) Responsible resource and raw material procurement
- (3) Implementation of sustainable procurement
- (4) Appropriate licensing and notification procedures
- (5) Breaking relationships with antisocial forces
- (6) Compliance with export/ import related laws and regulations
- (7) Proper transactions with suppliers
- (8) Compliance with the Subcontract Act

- (9) Compliance with the competition law (Antitrust law)
- (10) Entertainment / Gift
- (11) Correct accounting and tax processing
- (12) Protection of intellectual property rights
- (13) Management of confidential information
- (14) Personal information protection
- (15) Correct use of information systems
- (16) Information disclosure and public relations activities to stakeholders
- (17) Behavior in the event of a disaster

5. Ethical Behavior

- (1) Prohibition of insider trading
- (2) Proper use of company seal
- (3) Compliance with traffic rules, etc.
- (4) The discipline of the workplace
- (5) Prohibition of conflicts of interest
- (6) Correct use of company assets

6. Environment

- (1) Environmental management
- (2) Mitigation of and adaptation to climate change
- (3) Pursue of circular society
- (4) Conservation of water resources
- (5) Conservation of biodiversity
- (6) Pollution prevention
- (7) Chemical substance management

7. Social Contributions

- (1) Social contributions
- (2) Mutual trust with local communities in each country

Fostering Trust with Stakeholders

Responsible Procurement

For Fair Business Practices

In April 2022, we announced a Declaration of Partnership-Building in support of the purpose of the Council on Promoting Partnership-Building for Cultivating the Future in which government, economic organizations, labor organizations, etc. participate. In accordance with this declaration, we aim to realize long-term co-existence and co-prosperity based on good partnerships with our suppliers. Our views are set out in our Basic Procurement Policies, which are available in the Procurement section of our website.

We also hold company policy briefings with our major suppliers twice a year to share and discuss our policies and business issues and have introduced an evaluation system to strengthen such partnerships, such as by giving awards to outstanding suppliers once a year.

Various Initiatives with Suppliers

The Pacific Glocal Association consists of 33 of our major suppliers to strengthen our management base and improve our manufacturing capabilities. We jointly conduct plant tours, safety and quality improvement activities, and study sessions. In FY2024, we worked to level up each company by way of online safety and quality workshops.

Through the Sustainability Study Group and other forums, we conducted online study sessions on the SDGs (human rights, etc.), carbon neutrality, and biodiversity and health management. In addition, we share and discuss information concerning management issues and countermeasures with our major suppliers through visits and online interviews, and endeavor to inform them about support regarding public subsidies. We also provide cybersecurity consultation and promote security measures with our suppliers.



General meeting of the Pacific Glocal Association



Online study session

Sustainable Procurement

We have established Supplier Sustainability Guidelines to promote sustainability throughout the supply chain. We ask our suppliers to promote activities addressing issues such as compliance and anti-corruption, human rights and labor, the environment, quality and safety, information security, business continuity, and social contribution.

In addition, to further raise awareness of the guidelines and verify compliance, we have conducted a questionnaire survey (self-check) for the suppliers who account for more than 80% of our total procurement value. At the same time, suppliers are asked to sign a commitment letter pledging their adherence to our Supplier Sustainability Guidelines. The average compliance rate domestically was about 93% (FY2024 figure), and at our overseas subsidiaries (8 out of 11), the average compliance rate was 92% (FY2024 figure).

Regarding environmental substances, we conduct material surveys of suppliers using the JAPIA Standard Material Datasheet. We have also issued Green Procurement Guidelines to promote the procurement of environmentally-conscious technologies and products.

As for conflict minerals, we investigate using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) published by the Responsible Minerals Initiative (RMI) as research tools.

Regarding compliance with the Subcontract Act, continuing from the previous fiscal year, 567 managers and related staff throughout the company, including procurement departments, have completed the Proper Trade Training: Subcontract Act Basics online course run by METI.

To maintain thorough corporate ethics and ensure stakeholder trust, we have established an Ethics and Compliance Hotline to accept reports and inquiries from both inside and outside the company, which is clearly indicated on our website.

Going forward, we will continue to deepen communication with suppliers, ask them to improve on any issues that have emerged, and provide support to help them resolve such issues as part of our commitment to responsible and sustainable procurement.

Fostering Trust with Stakeholders

Improvement in Customer Satisfaction

Aiming to Become a No. 1 Manufacturer by “Manufacturing with Persistency”

The Pacific Industrial Group recognizes that human resource development is the very foundation of manufacturing. We are committed to passing on our manufacturing DNA and reducing costs for further evolution. Our manufacturing practices are based on the Toyota Production System, and we take the Genchi Genbutsu approach to implement KAIZEN (improvement) initiatives Groupwide.

Each of our bases is conducting proactive initiatives, such as improving quality through the voluntary introduction of an award system, or facilitating the passing on of technical skills to the younger generation.

In our Toyota Production System Voluntary Study Group activities, we have been strengthening our production technology capabilities and on-site capabilities, raising the problem-solving skills of our employees, and promoting the shift away from traditional manufacturing through groundbreaking process improvements. In FY2025, we continue to strengthen our production foundation, aiming for higher quality and improved cost competitiveness based on the kaizen capabilities reinforced through these activities.

Thanks to our commitment to global manufacturing, we have been highly regarded by both domestic and overseas manufacturers in terms of quality, cost, and delivery time, receiving 18 global awards from our customers in fiscal 2024.

Customers First, Quality First

We uphold Jikotei Kanketsu (defect-free process completion) as our basic principle to ensure that no defects are passed along to the post-process and that our customers are satisfied with our products. To establish a quality assurance system that meets global standards, quality is built into all processes starting with the preliminary design and production stage.

In addition, we continue to engage in the “START” project, the global quality improvement initiative to prevent future defects, and the Smart Standard Activity (SSA) to optimize quality standards by recognizing the gap between customer (end-user) needs and the value provided.

From the production preparation stage, we perform repeated CAE analysis that enables us to propose easy-to-make shapes to our customers. Internally, we conduct molding allowance verification and create a process with a high degree of perfection for each product. We have created an environment in which trends in moldability and accuracy can be managed even after the start of mass production, and we have established a system to prevent the release of defective products. Our engineering and manufacturing departments are working together to create products of stable quality, with the goal of creating a process that cannot produce defects, a process that does not allow defective products to pass through. We have also created a corporate culture in which, if an abnormal product is discovered, the information is immediately brought to the attention of executives under the slogan “Bad News First.”

In 2021, SSA added “Closeness Activities,” in which Toyota Motor Corporation, our main customer, actively listens to the problems of our suppliers, and it has become a valuable pillar of our activities that has produced many positive results. Recently, we expanded our activities to overseas bases and are conducting a review of appropriate quality.

In addition, all our offices and plants in Japan have obtained certification for ISO 9001, an international standard on quality management systems, strengthening our quality assurance system consistently applied throughout all stages from development to production.

Enhancing Customer Satisfaction

We make continuous improvements based on the information collected from customers by our Sales and Quality Departments, and enhance customer satisfaction so that we can meet customers' needs and expectations. We also hold technology exhibitions and give technical presentations in and outside Japan to introduce our new products, technologies, and methods to customers. SDGs and CO2 reduction are issues of great interest to our customers, and so we also focus on proposing products that contribute to achieving them.

At the request of our customers, we are participating in the CDP supplier program, and have been evaluated by EcoVadis, a global CSR evaluation organization for suppliers, who awarded us with their 2024 Bronze Medal.

Awards from Customers (FY2024)

Award-winning Companies		Award Given By	Awards	Type
Japan	PIC	Nissan Motor	Global Quality Award(TPMS Transmitter)	Quality
Japan	PIC	Toyota Motor	Cost Improvement Excellence Award	Cost
Japan	PIC	Toyota Motor	Excellence Award for Environmental Promotion	Environment
Japan	PIC	Toyota Motor East Japan	Quality Control Award	Quality
China	TPA	GAC Toyota Motor Co., Ltd	Quality Cooperation Award	Quality
Thailand	PIT	Toyota Motor Asia	The Runner Up for Cost Improvement	Cost
China	PTC	GAC Toyota Motor Co., Ltd	Cost Cooperation Award	Cost
U.S.A.	PMO	American Honda Motor	Supplier Performance Award	Quality
Taiwan	PVT	Kuozui Motors, LTD.	Quality Excellence Award	Quality
Taiwan	PVT	Kuozui Motors, LTD.	SSA (Smart Standard Activity) Promotion Award	Quality
Taiwan	PVT	Kuozui Motors, LTD.	START Activity Certificate of Appreciation	Overall
Japan	PIC	Daihatsu Motor	Quality Improvement Activity Award	Quality
U.S.A.	SPU	General Motors	Supplier Quality Excellence Award	Quality
Japan	PIC	Toyota Auto Body	Special Award	Overall
South Korea	PVI	PT.TD AUTOMOTIVE COMPRESSOR INDONESIA	Best Supplier Kaizen Activity	Quality
South Korea	PVI	PT.TD AUTOMOTIVE COMPRESSOR INDONESIA	Supplier Audit Award	Overall
Japan	PIC	Toyota Motor	Quality Enhancement Activity Effort Award	Quality
U.S.A.	PMT,PMO	Toyota Motor North America	Quality Certificate of Achievement	Quality

* See P3 for abbreviations

Fostering Trust with Stakeholders

Local Community Development

Approach to Community Contribution

Understanding and contributing to local communities is essential for the development of the regions where we operate and for us to grow together.

In addition to contributing to the sustainable development of society through close partnership and cooperation with local communities, we also engage in social contribution activities (support for academics/culture/sports, participation in volunteer activities, international community contributions, biodiversity conservation activities, etc.) to build bonds with local communities.

Nurturing the Next Generation



Grant from OGAWA Science and Technology Foundation

In FY2024, the OGAWA Science and Technology Foundation, founded by the late founder of our company Soichi Ogawa, provided 28 research grants totaling 16.62 million yen.



Hosted We Love Science seminar

In August 2024, we held a science class for elementary school students as an experience of using renewable energy. The students drove around a model car and learned about how wind power generation works powered by wind power generated by propellers made from plastic bottles.



Held SDGs Workshop for High School Students

At the "SB Student Ambassador" regional block Tokai event, we conducted an SDGs workshop for over 200 high school students from 26 schools across four prefectures in the Tokai region.



Exhibited at "Out of KidZania in Ogaki"

We exhibited at "Out of KidZania in Ogaki", held over two days in November 2024. At our booth, about 40 elementary and junior high school students experienced quality inspection work. We will continue contributing to career education in the local community in future.



Social Studies Learning Session for Elementary School Students

We hosted a learning session for a nearby elementary school at our plant. Personnel from each workstation explained the various equipment and processes, deepening the students' interest in and understanding of monozukuri.



Supporting Experiential Learning Activities for Elementary School Classes

We provided experiential learning activities in elementary school classes in Ogaki. During the lessons, students calculated their household electricity usage to gain an understanding of the impact their daily lives have on the environment.

Biodiversity



Event Held at Pacific Industrial Satoyama Forest

We invited a tree doctor to Pacific Industrial Satoyama Forest for a "Children and Parents Learning About Trees from a Tree Doctor" event, where everyone learned about the gifts of the forest and the importance of biodiversity.



PIT in Thailand plants 800 Mangrove Trees

In March 2025, PIT employees and their families, totaling 105 people, planted 800 mangrove trees in a forest near PIT. They also continued seedling cultivation from last year.



Hands-on Wood Experience Held at Gifu Moku Yukan in Collaboration with Gifu Prefecture

In fiscal 2024, employees and their families, totaling about 100 people, participated in two sessions at the Gifu Moku Yukan (Gifu Wood Play Museum), learning about the importance of forest conservation through activities such as woodworking and an environmental quiz rally.



Gifu Global Environment Academy

We conducted environmental education in Kaizu for elementary school students and their parents, deepening their understanding of carbon neutrality in automobiles and the need to reduce greenhouse gas emissions throughout the product life cycle.

Fostering Trust with Stakeholders

Local Community Development

Sports Promotion



FC Gifu

@Kaz Photography/FC Gifu

As a top partner, we support FC Gifu, a team that currently plays in the J3 League, the third division of Japanese football league. In July 2024, we held a Pacific Industrial Thanks Match.



Rugby – Toyota Verblitz

We invited students from school and youth rugby clubs within Gifu Prefecture, along with their parents, to a match of the Toyota Verblitz rugby team, which we support as a partner.



Participated in GIFUNITE Activity

Our soft tennis club participates in Gifu Unite, an organization formed by top sports groups within the prefecture. It teaches children the joy of exercise and aims to improve their athletic ability and nurture future top athletes.



Ogaki Minamo Softball Club

This club is run by 11 supporting companies, and two of our employees are also involved with the club as players or staff. We also provide technical and financial support to the softball league in France, where we have an operational base.

Support for Disaster Recovery and Prevention



Provided Mats to All Elementary Schools in Ogaki

We provided 10,000 "MATOMAT" products to all 19 elementary schools in Ogaki and all 8 junior high schools in Ono-cho. These mats are normally used as chair cushions, but they can also be linked together to form larger mats in case of disaster. They also provide opportunities for learning about disaster preparedness.



Donated Disaster Relief Mats to Nanao, Ishikawa Prefecture, and Other Locations

We donated approximately 6,000 "MATOMAT" disaster relief mats to areas impacted by the Noto Peninsula earthquake including Nanao City, Ishikawa Prefecture, as part of our social contribution initiatives.

Local Community Contribution



Held Eco-coaster Making Workshop

In September 2024, a workshop for making eco-coasters was held at a shopping mall. Over 100 participants created coasters using chip blocks made from recycled polyurethane scraps.



Conducted Food Drive

In support of the 2024 Food Drive Gifu, we donated unused food and pet food collected with the cooperation of our employees.

Global



PVI (South Korea) – Cleanup and Interaction with Children at Social Welfare Organization

PVI employees visited a social welfare organization, where they took part in facility cleanup activities and shared time with the children.



PIT (Thailand) – Donated Roof for Corridor in Local Elementary School

We donated a 72-meter-long roof for the corridor within a school building near Rayong Plant. At the completion ceremony, the children performed a Muay Thai dance.



PMT (USA) – Gave Christmas Gifts to Children

An Angel Tree event was held to present gifts that children had written down on message cards. Our employees gathered 175 presents, fulfilling the children's wishes.



PIT (Thailand) – Donated Bicycles etc. to Local Elementary Schools

On Thailand's Children's Day, celebrated on the second Saturday of January, we donated bicycles, sports equipment, and other items to 10 nearby elementary schools.

Solving Social Issues through Business

Concept of Technological Development

As we enter an era of great change in mobility, and against the backdrop of the growing importance of sustainability issues, we are accelerating the development of LCA and carbon-neutral technologies in the mobility field, which has been our main focus, and we are proposing products that consider the changing nature of mobility and taking on the challenge of new fields by utilizing our core technologies, in cooperation with external parties.

Mainly in the stamping and molding product business, we focus on ultra-high tensile strength steel (UHTSS) and aluminum products that contribute to weight reduction, and develop molding products to improve comfort performance, which is becoming increasingly important with the shift to electric power. In our valve business, while creating synergy with Schrader, we are accelerating development to expand our TPMS business domain, as well as product development for electrified vehicles by leveraging our core technologies, such as sensing and fluid control technologies.

In addition to investing in the development of these mainstay products, we are also actively taking on the challenge of developing new businesses that anticipate social and customer issues by utilizing sensing technology and other technologies with a view to expanding our business domain over the long term.

Whereas in our stamping business, where we continue to improve upon our advanced structural analysis technology, participate in mobility development from further upstream stages, and accumulate knowhow for manufacturing, we are also focusing on original product development in the molding, valve, TPMS, as well as new businesses, and are actively pursuing patents, aiming to create societal and customer value.

Contribution to a Sustainable Mobility Society and Prosperous Living

We are actively developing new products in areas outside of mobility that leverage our core technologies to help solve societal challenges. This is part of our contribution to the SDGs through our business. 22 products have already been launched and are being marketed, and another nine products and services are under development. MATOMAT, launched in May 2024, is a phase-free disaster relief product that can be used as a cushion in elementary and junior high school classrooms during normal times, but can be connected together to form a mat during emergencies. Also, EneGraph, launched in April 2024, provides a low-cost system for visualizing energy consumption, including electricity, water, and gas, thereby helping reduce energy consumption. Going forward, we will align the sustainability of the company with that of society, by taking on the challenge of proactively developing products and services that address the SDGs and other social issues, and implementing them in society.

Enhancing Functionality of EneGraph to Visualize Environmental Information

Developed to support detailed solutions for energy and water resource conservation and the reduction of CO₂ emissions, EneGraph visualizes the consumption of resources such as electricity, gas, air, and water through an edge device that can be attached to existing smart meters and connected to the cloud. In this way, it contributes to more efficient resource utilization. Since its market launch in FY2024, we have been working to improve our products and services by increasing the number of measurement points on edge devices and adding cloud-based analysis and comparison functions. In recognition of EneGraph's features and high ripple impact, it received Toyota Motor Corporation's 2024 Environmental Excellence Award.



Products that solve social issues

	Progress	Products and Services	Targets for Solving Social Issues	Highly relevant SDGs
1	In development	Electric expansion valves for heat pump type thermal management system	• Reduced heating and cooling energy through thermal management in mobility	13 CO ₂ reduction
2	Launched	TPMS for motorcycles	• Improving mobility safety	3.3 Elimination of traffic accidents etc.
3	Launched (FY2025)	Tire Pressure Monitoring System (Cap-type)	• Improving mobility safety	3.3 Elimination of traffic accidents etc.
4	In development	Valves for mobility	• Improving mobility safety	3.3 Elimination of traffic accidents etc.
5	Launched (2 products) In development	e-WAVES	• Appropriate management of pharmaceuticals and foodstuffs • CO ₂ reduction through smart logistics • Reduction of quality problems and waste loss	2 Prevention of food loss 3 Vaccination management 13 CO ₂ reduction
6	Launched (New Service) In development	CAPSULE SENSE	• Job satisfaction and improved productivity for producers • Use of limited resources and labor • Reduced environmental impact per head by shortening the fattening period	2 Feed reduction 8 Decent work 13 Climate change mitigation
7	Launched In development	MATOMAT	• Solving problems during disasters • Resource recycling using waste materials	11 Disaster prevention 12 Recycling 13 CO ₂ reduction, etc.
8	Launched In development	Flood detection sensor	• Contributing to climate change adaptation • Improving resilience in the event of a disaster	11 Sustainable cities and communities 13 Climate change adaptation etc.
9	Undergoing verification testing In development	Rockfall detection sensor	• Contributing to climate change adaptation • Improving resilience in the event of a disaster	11 Sustainable cities and communities 13 Climate change adaptation etc.
10	Launched In development	EneGraph	• Support for visualization of energy in facilities and plants	8 High economic productivity 13 CO ₂ reduction, etc.
11	Launched (New Function)	Choku Q Raku R	• Solving problems at plants	8 High economic productivity
12	Launched In development	Upcycling Brand "Lcycl"	• Contributing to the circularization of mobility	12 Waste reduction, etc. 13 CO ₂ reduction, etc.

e-WAVES BLE Type Released

We have released BLE Type, a new model in our e-WAVES series of multi-sensing loggers, which uses a Bluetooth connection. As well as checking temperature via a smartphone app, it can integrate with Docomop Japan's vehicle location information service DoCoMAP to enable real-time monitoring of location and temperature/humidity data.



Image of integration with DoCoMAP

CAPSULE SENSE Sales Expanded

Capsule Sense takes over the task of monitoring cattle from humans, contributing to labor savings and higher productivity in livestock farming, and is currently being used with approximately 1,000 cattle nationwide, including in Hokkaido and Kyushu. At the 20th anniversary ceremony of Kurihara City, Miyagi Prefecture, where our Kurihara and Wakayanagi plants are located, our company was recognized for promoting sustainable livestock farming through the introduction of Capsule Sense in collaboration with local livestock producers.

By promoting the adoption of our products, we will continue to support sustainable livestock farming through technology, giving farmers greater peace of mind and a sense of well-being.



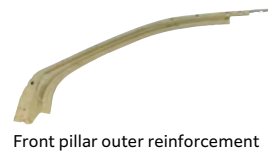
Solving Social Issues through Business

Improving Mobility Safety

Key Products that Contribute to Mobility Safety

Stamping parts that we produce contribute to improved safety performance in terms of protecting occupants in the event of a vehicle collision. Our products made of UHTSS are used for the inside of the vehicle roof to prevent the cabin from being crushed in the event of the vehicle overturning. High-strength materials are employed in the front reinforcement parts of the body to protect occupants in case of a frontal oblique collision. Furthermore, the increased strength of the front pillars means we can make them narrower, which helps to ensure driver visibility.

We are also the only transmitter manufacturer in Japan that develops and produces TPMS, which monitors the air pressure and temperature inside tires and alerts the driver to abnormalities while driving. TPMS is a product that contributes to society by maintaining proper tire inflation pressure, thereby improving safety and fuel efficiency.



Front pillar outer reinforcement



TPMS transmitter

Development of Environment-Conscious Products

UHTSS / Cold Stamping Products

In addition to contributing to reducing CO₂ emissions during driving by reducing the vehicle body weight with thinner and stronger stamping products for car body frames, we are actively promoting development and proposals for carbon neutrality based on LCA.

We are actively proposing replacing the hot stamping method, which has high CO₂ emissions during its production, with the cold stamping method using our accumulated knowhow and cutting-edge stamping technology.

Development of Products for Electrified Vehicles

Regarding stamping and plastic molding products, in addition to HEV battery cases, which are among our main products, we are accelerating the development of products for electrified vehicles that utilize our core technologies, such as BEV battery reinforcement parts that apply ultra-high tensile stamping technology, compressor covers to meet the growing need for quieter systems due to electrification, and aerodynamic wheel caps that are highly rated for their effectiveness in improving electric efficiency.

Regarding valve products, we have started production of valve products for thermal management systems, which are increasingly being adopted to improve energy-saving performance through the introduction of BEVs. We also produce and sell valves for CO₂ refrigerants, which are increasingly being adopted in Europe due to their lower greenhouse effect.

MATOMAT Disaster Relief Mat Sales Expanded

The adoption of MATOMAT, our disaster relief mat created by upcycling urethane offcuts generated during the production process of our soundproofing products, is progressing. These phase-free mats are normally used as individual chair cushions but can be linked together to form larger disaster relief mats during emergencies. In addition to being introduced in local elementary and junior high schools and donated to local governments through the corporate version of the furusato nozei (hometown tax) system, they have also been adopted by Chubu International Airport as emergency equipment. Furthermore, we hold on-site classes for students in municipalities where MATOMAT has been introduced. In addition to hands-on experience of assembling a disaster relief mat in preparation for emergencies, we promote understanding of the SDGs by explaining our collaboration with local companies and welfare facilities and our upcycling efforts. In FY2024, we received numerous awards as listed right.



MATOMAT assembly experience in preparation for emergencies

Organizer	Award Details
Phase Free Association	Phrase-Free Award - Selected
Gifu Invention Association	Chairman's Encouragement Award from Gifu Invention Association at the Gifu Prefecture Invention Kufu Exhibition
Monozukuri Japan Association / The Nikkan Kogyo Shimbun	Super Monozukuri Components Award - Healthcare & Welfare, Bio, and Medical Equipment Components category
Association for Disaster Mitigation and Sustainable Technology	Disaster Relief/Mitigation + Sustainability Awards - Excellence Award
Automobile Business & Culture Association of Japan	Automobile-Society Partnership Awards - Good Partnership Work
The Nikkan Kogyo Shimbun	Readers' Choice Naming Award - Humorous Naming Award

TPMS Contributes to Improved Fuel Efficiency

Produced and marketed globally, TPMS helps to improve safety, and by maintaining proper tire inflation pressure, contributes to better fuel economy. Especially in Europe, legislation has been enacted to improve fuel efficiency, and TPMS is sold through our European bases. TPMS is also sold for the aftermarket, motorcycles, etc.

KPIs and monitoring indicators

Contribution to a sustainable mobility society and prosperous living

	FY2023	FY2024
KPI No. of products developed that solve social issues	11	12
No. of patents	512	513
R&D expenses	2.12 billion yen	1.99 billion yen
No. of new themes developed	48	63

Improving mobility safety

	FY2023	FY2024
KPI Ratio of UHTSS versus all stamping products	25.2%	28.1%
KPI No. of TPMS products and TPMS valves sold	0.99 million	1.07 million

*FY2023 figures have been revised.

Development of environment-conscious products

*Reference values for our estimates

	FY2023	FY2024	
Percentage of products sold that are 100% recyclable or reusable*	81.7%	84.9%	SASB TR-AP-440b.1
Total weight of recycled or remanufactured materials	21,213t (single)	20,112t (single)	SASB TR-AP-440b.2
Sales ratio for electrified vehicles (HEV, PHEV, BEV, FCEV) KPI	34.1%	43.6%	

* Products made of steel, aluminum, recyclable materials, etc.

Energy reduction during product use

*Reference values are based on our calculations

Global medium-sized car models(100,000 km/vehicle)	2024
Weight reduction through UHTSS (cold stamping)	Reduction of approx. 32.1 kg of CO ₂ Approx. 13,200 tons of CO ₂ reduction per model concerned

*Reference values calculated by us based on the percentage of gasoline vehicle and HEV sales in 2024.

Achieving a Society in Harmony with Nature

Environmental Philosophy

We will strive to conserve the global environment and continue to be the good company that society expects us to be.

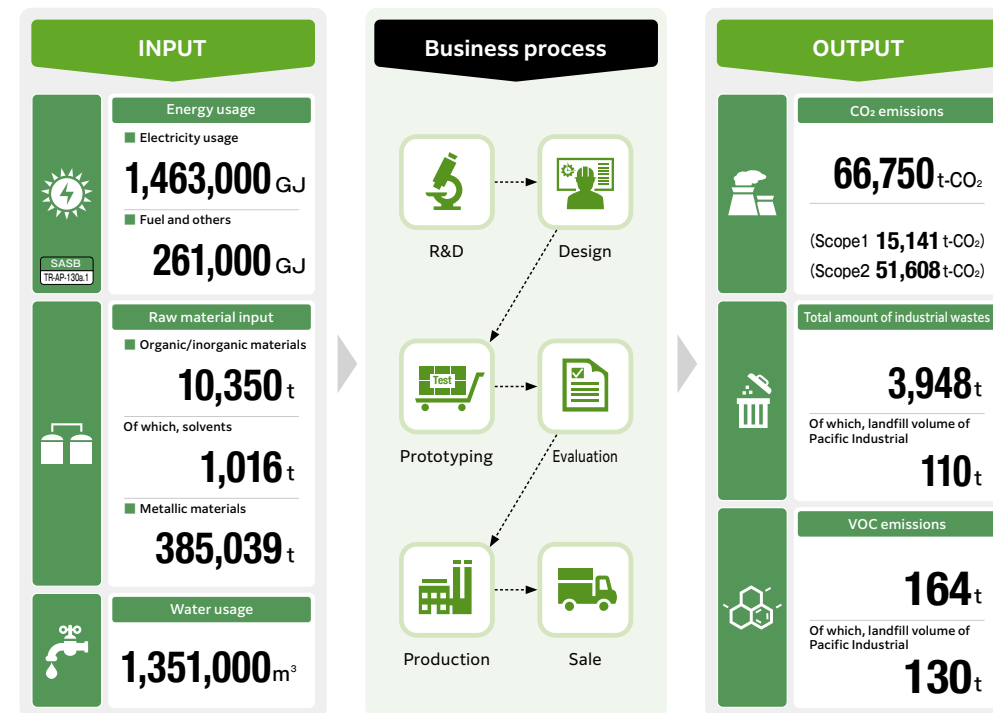
Environmental Policy

We accelerating environmental load reduction activities with the participation of all employees to achieve the PACIFIC Environmental Challenge 2050

PACIFIC Environmental Challenge 2050

SDGs	Materiality	Direction of initiatives	Mid to long-term target: KPIs	
 	Mitigation of and adaptation to climate change	Reduce CO ₂ emissions toward building a carbon-free society	CO ₂ emission reduction (Scope 1, 2)	
		<ul style="list-style-type: none"> Production technology development/facility upgrading Production process improvement Daily improvement activities Introduction of renewable energy 	2030 targets 50% reduction from FY2019	2050 targets Net Zero
	Sustainable resources use	Accelerate the use of recycling resources in pursuit of sustainable operations	Reduction of waste generated	
		<ul style="list-style-type: none"> Production technology development/facility upgrading Daily improvement activities Defect reduction activities Material recycling 	2030 targets 30% reduction from FY2019	2050 targets Minimization
	Conservation of water and nature	Seek to minimize water usage and reduce water contamination risk according to local circumstances	Reduction of water usage	
		<ul style="list-style-type: none"> Production technology development/facility upgrading Daily water usage reduction activities Promotion of water reuse Change of surface treatment specifications 	2030 targets 30% reduction (Compared with FY2019, appropriate usage by region)	2050 targets Minimization Usage according to local circumstances

Resource usage and emissions (Material balance)



* Group (excluding TSC and PSC)

ISO14001

The Pacific Industrial Group considers ISO 14001 certification to be an absolute requirement as a manufacturer and has actively sought to build and maintain an environment management system (EMS) since 2000 on a global scale. In FY2024, 19 of 20 sites (8 domestic sites and 11 overseas) were certified, covering 95% of all sites.

Environmental Communication

We invite residents living near our plants and government officials to our company for regular community gatherings. We are also involved in educating the next generation through initiatives such as supporting the "Environmental SDGs Ogaki Future Lecture" for local high school students in collaboration with Ogaki City.

FY2025 targets

	Direction of initiatives	Targets (compared to FY2019)
1	CO ₂ emissions	34% reduction (Group)
2	Amount of industrial waste	14% reduction (Group)
3	Water usage	Optimal usage (Group) 24% reduction

Achieving a Society in Harmony with Nature

Disclosure of Climate Change-Related Information under the TCFD

We recognize that climate change is one of the most important issues facing society, and we have declared that we will be carbon neutrality by FY2050, reduce CO₂ emissions by 50% by FY2030 (compared to FY2019, Scope 1 and 2), and are implementing group-wide initiatives to reduce CO₂ emissions. We also endorsed the TCFD in May 2021, and are working strategically to understand the risks and opportunities of climate change. In this report, we have set out our efforts to address climate change in line with the TCFD's final recommendations.



Governance

Our Group has identified 15 material issues that are important for sustainability management, including "Mitigation of and adaptation to climate change," and categorized them into four pillars. Materiality related initiatives are pursued by defining the ideal state and the KPIs. Important issues are discussed at individual weekly Corporate Strategy Committee meetings as required, and particularly important issues are discussed by the Board of Directors. Recognizing that mitigation of and adaptation to climate change is the top priority issue in materiality, we report, deliberate, and make decisions at the quarterly Sustainability Promotion Committee meetings (attended by internal directors, including the president). Important issues are discussed individually at the weekly Corporate Strategy Committee meetings. In addition, the Board of Directors deliberates on the status of sustainability activity reports and initiatives regarding risks and opportunities related to climate change matters.

Strategy

We have updated our Group's previous recognition of risks and opportunities related to climate change, which were based on the 1.5 degree and 4 degree scenarios. Strategies related to such risks and opportunities are developed mainly as "transition plans," "adaptation measures," and "development of environment-conscious products."

		Significant risks and opportunities	Impact (1.5°C and 4°C scenarios)	Term	Impact level	Countermeasures
Risks	Transition risks	Carbon pricing and energy price increases	With the spread of carbon pricing mainly in developed countries, carbon taxes, emission trading, carbon adjustment measures based on borders, etc., would have an impact of about 1.2 billion yen/year in 2030 and about 3.0 billion yen/year in 2050 in the 1.5°C scenario. Energy prices are also expected to soar when carbon prices are factored in, with energy payments expected to increase by about 0.9 billion yen/year in 2030 and 2.8 billion yen/year in 2050. (electricity, crude oil, natural gas)	Mid- to long term	High	Through PACIFIC Environmental Challenge 2050, we will: <ul style="list-style-type: none"> • Promote energy conservation • Make use of ICP (internal carbon price) • Replace fossil fuels (heavy oil, diesel oil, kerosene, natural gas) facilities with power-saving facilities • Understand and utilize trends in next-generation energy (green hydrogen and methanation) • Introduce renewable energy (solar power generation system) • Purchase CO₂-free electricity and renewable electricity certificates
		Surge in raw material prices (iron, aluminum, resin, etc.)	With the impact of decarbonization and intensifying competition for resources, raw material prices are expected to soar, with an impact of approximately 0.6 billion yen in 2030 under the less than 4°C scenario and 15.4 billion yen under the 1.5°C scenario. In 2050, raw material prices are expected to fall by about 8.2 billion yen/year under less than 4°C scenario, while prices are expected to soar by about 4.5 billion yen/year under the 1.5°C scenario.	Short to mid-term	High	Through PACIFIC Environmental Challenge 2050, we will: <ul style="list-style-type: none"> • Reinforce the use of recycled materials, upgrade our recycling technology for resin products, and utilize synthetic rubber waste • Develop lightweight parts and transfer price to customers
		Decrease in orders for parts due to shift to BEVs and FCEVs	Because of the worldwide shift to electrification by automakers and the decrease in the number of engine vehicles, sales of products for engine vehicle transmissions and die-casting products for compressors are expected to decrease, causing a sales decrease of approximately 3.8 billion yen by FY2030. (from FY2019)	Mid- to long term	High	• Develop and expand sales of products for Electrified Vehicles
		Exclusion from investment targets due to worsening sustainability assessment by institutional investors and sustainability research companies	If a company's sustainability rating is inferior to that of any of its peers in an investment, its stock sales or purchases may decrease. Assuming that 1% of the company's market capitalization is affected, this would result in a decrease in market capitalization of 1% of 140.9 billion yen (August 29, 2025) = 1,409 million yen.	Mid- to long term	Moderate to high	• Strengthen sustainability management and actively disclose information.
	Physical risks	Operations shut down due to floods, storms and lightning strikes etc. caused by extreme weather conditions	The development of extreme weather conditions due to climate change has exposed some bases to storms and floods caused by heavy rainfall. For example, domestically, Nishi-Ogaki, Higashi-Ogaki, Yoro, Mino, and Kyushu, and overseas TPA, PTC, and PIT, are at risk of flooding and are expected to incur cumulative damages of approximately 3 to 9 billion yen through 2050 under the 1.5°C scenario and 6 to 18 billion yen through 2050 under the 4°C scenario.	Mid- to long term	High	<ul style="list-style-type: none"> • Incorporate extreme weather countermeasures into BCP for high-risk bases • Promote cooperation with local communities
		Increase in heat stroke	Health issues among employees due to heat stroke are expected, along with decreased productivity and increased costs for heat stroke prevention.	Short-, medium- and long term	High	<ul style="list-style-type: none"> • Provide air-conditioned clothing (All technical personnel who request it (Pacific Industrial)) • Install air conditioning • Promote plant insulation • Ensure full awareness until the switchover is complete or for outdoor workers

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		Significant risks and opportunities	Impact (1.5°C and 4°C scenarios)	Term	Impact level	Countermeasures
Risks	Up-stream	Suppliers' operations shut down due to flooding (or drought) caused by extreme weather	Suppliers in low elevation areas, mainly in the Ogaki region, and around Tianjin and Changshu in China, and Chachoengsao province in Thailand, are considered to be at high risk of flooding. In addition, because water stress is high in 2 bases in Thailand and the vicinity of Tianjin in China, water shortages and other such factors may affect the startup of suppliers.	Mid-to-long-term	Moderate to high	<ul style="list-style-type: none"> Support the inclusion of extreme weather countermeasures in BCPs of high-risk suppliers Diversify suppliers by local production
	Down-stream	Order quantities impacted by customer shutdowns or inability to respond to customer requests	Major customers have requested CDP evaluations, reductions in CO ₂ emissions, and the like, and failure to respond to these requests could result in a loss of order opportunities in the worst-case scenario. Also, production activities may be disrupted if customers shut down operations due to windstorms or water stress.	Mid-to-long-term	High	<ul style="list-style-type: none"> CO₂ reduction by LCA Set reduction targets for Scope 1 and 2 and follow up Develop a BCP
Opportunities	Products/Services	Increase in sales of stamping products to help reduce weight, and increase in sales of TPMS products to help improve fuel efficiency	Our businesses have many more products for which demand is expected to increase than those for which orders will decrease as a result of the shift to BEVs. Sales associated with the electrification of vehicles (BEVs, HEVs, PHEVs, FCEVs) are expected to increase by about 15.0 billion yen/year by FY2030, including mainstay products such as UHTSS parts, battery cases, plastic molding products such as compressor covers and aerodynamic wheel caps, and EV products such as control valves for heat pump car air conditioners. (compared to FY2019)	Short-to mid-term	High	<ul style="list-style-type: none"> Develop lightweight products, develop next generation TPMS
		Increased orders for products for batteries, motors, plastic molding product, thermal management, and hydrogen piping due to the shift to BEVs and FCEVs		Mid-to-long-term	High	<ul style="list-style-type: none"> Improvement in Sales ratio for electrified vehicles (Management Target)
	Market	Energy-saving car legislation will increase need for weight reduction and increase sales of UHTSS products		Short-to mid-term	High	<ul style="list-style-type: none"> Develop lightweight products
	Resilience	High supply chain resilience to water risks	Our globally distributed production system makes it possible to supply products even if some production bases are shut down due to disaster etc. Our main production base is located in the Ogaki area, which has abundant water resources and is less susceptible to drought risk, even as drought risk is advancing worldwide.	Mid-to-long-term	High	<ul style="list-style-type: none"> Globally distributed production Supply chain decentralization in local production

* The impact amount is not a forecast but a reference to ensure management resilience. The above figures are our own calculations based on certain hypotheses and with reference to publicly available parameters, etc., and may differ significantly from the actual impact.

* Short-term 1 to 5 years, Medium-term 6 to 10 years, Long-term 11 years and more

* 1% annual growth rate until 2030 (For raw materials only, annual growth rate will be 3% until 2030 and remain flat after 2031)

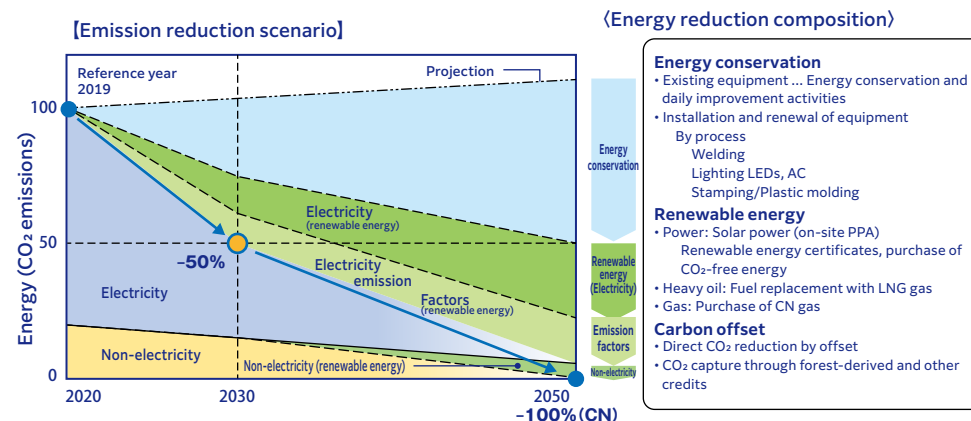
* For transition risks, the IEA's World Energy Outlook's Net Zero Scenario (NZE) 2024 and STEPS scenario are used, and for physical risks, the parameters of the IPCC's RCP2.6 and RCP8.5 scenarios are used.

* Assuming an exchange rate of 1 dollar = 150 yen

Strategy 1 Transition Measures

Our Group recognizes that the impacts of the climate change transition will be extremely significant, including carbon pricing and customer requests to reduce CO₂ emissions. In 2020, we formulated the PACIFIC Environmental Challenge 2050, which aims for carbon neutrality in 2050, and we are promoting CO₂ reduction throughout the group. In 2021, we raised our 2030 target to 50% of the FY2019 level (scopes 1 and 2), and are accelerating initiatives such as energy conservation, energy conversion, introduction of ICP, and introduction of renewable energy.

Transition Plan Plan to Achieve Carbon Neutrality by 2050



To achieve carbon neutrality (virtually zero CO₂ emissions) in 2050 as set forth in PACIFIC Environmental Challenge 2050, we have revised our mid-term target for 2030 to a 50% reduction (compared to FY2019), and we will strengthen our efforts to achieve carbon neutrality throughout the entire life cycle of products.

Strategy 2 Adaptation Measures

Our Group has production bases and supply chains around the world, and some regions may be affected by wind and flood damage, lightning strikes, heat stroke, and other adverse factors due to the effects of increasingly extreme weather and high temperatures in the future. To address this, we are promoting measures such as the decentralization of production bases, multi-company procurement, measures against wind, flood, and lightning damage prevention, BCP integration, supplier training, and heat stroke prevention.

Since FY2023, we have been prioritizing flood prevention measures at Yoro and Kyushu Plants, which face high flood risk. In FY2024, we applied heat-shielding paint to Nishi Ogaki Plant to block heat from direct sunlight and suppress temperature rises inside the facility. We have also implemented measures to protect equipment from lightning strikes at domestic plants prone to frequent lightning. In FY2025, we have also consulted with external experts to further strengthen our flood disaster preparedness.

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Strategy 3 Development of Environment-conscious Products —

Our Group recognizes two major impacts of climate change as business opportunities.

One is the reduction of CO₂ emissions throughout the product life cycle. UHTSS stamping products, which are our mainstay products, lower CO₂ emissions during automobile use by reducing weight. Furthermore, the cold stamping method, which is our specialty, reduces CO₂ emissions during production to about one eighth of that of the hot stamping method. In addition to this, we are promoting the use of recycled materials and the manufacture of recyclable products.

Another impact is the development of products for electrified vehicles, which is advancing globally. Our analysis shows that the profits are greater than the losses associated with the transition to electrified vehicles. We have already started production of control valve products for the thermal management system of BEV air conditioners and of soundproof covers for electric compressors. We recognize that these and other products for electrified vehicles have great potential, and we will continue our efforts to develop and expand sales.

Risk Management

We identify sustainability related material topics and use them to identify risks. Of these, company-wide management-level risk is addressed by the Risk Management Committee, which selects risk items and discusses and deliberates on countermeasures. The Risk Management Committee assesses and manages significant risks across the organization, including things related to sustainability such as climate change and social issues. In the event that such risks materialize, the committee takes prompt and appropriate measures to mitigate the impact.

Climate-related risks and opportunities are identified and assessed by the sustainability promotion team, and the results are presented to the Corporate Strategy Committee. Issues such as carbon neutrality and electrification, which are especially recognized as having a significant impact, are discussed by the Corporate Strategy Committee and Board of Directors as required, incorporated into strategy, and countermeasures are planned and implemented.

Metrics and Targets

Transition Measures	<ul style="list-style-type: none"> • Reduce CO₂ emissions by 30% by FY2026 (management target of our mid-to-long-term business plan Beyond the OCEAN) • Reduce CO₂ emissions by 50% by FY2030 (management targets of our mid-to-long-term business plan Beyond the OCEAN) • Achieve net-zero CO₂ emissions by FY2050 (PACIFIC Environmental Challenge 2050) *Scope 1 and 2, compared to FY2019
Adaptation Measures	<ul style="list-style-type: none"> • Enhance our own disaster countermeasures and brush up our BCP • Promote the following initiatives related to material topic "Climate change adaptation measures" • Support BCP formulation for business partners • Promote cooperation with local communities in the event of a disaster • Heat stroke prevention
Opportunities	<ul style="list-style-type: none"> • Set the following materiality KPIs • Ratio of UHTSS versus all stamping products (FY2026 30%) • Percentage of sales for electrified vehicles (FY2026 50%, FY2030 70%, management targets of our mid-to-long-term business plan Beyond the OCEAN)

Mitigation of and Adaptation to Climate Change

With an eye on the 1.5°C scenario of the Paris Agreement adopted in 2015, the Pacific Industrial Group is striving to reduce energy use by promoting activities such as developing production technologies, upgrading facility, improving production processes, improving daily activity, and introducing renewable energy. In FY2024, we continued steady energy-saving improvements such as upgrading ceiling lights and replacing boilers with high-efficiency models, while also promoting the introduction of renewable energy through the installation of solar power generation systems both in Japan and overseas.



The ceiling lighting improvements implemented at Kita Ogaki Plant were horizontally deployed to Mino Plant as well. The ceiling lights in Mino Plant Buildings 1 through 4 were upgraded to dimmable LEDs, enabling the brightness of each light to be individually set. This allows adjustment to the necessary brightness level for each area, and programmed time settings also enable automatic dimming during break periods. These initiatives have reduced power consumption to one-fourth of previous levels, achieving an annual reduction of approximately 170 tons of CO₂ emissions.



At Kurihara Plant, following the 2019 upgrade of the degreasing solution temperature control system on Line 2 to a vacuum hot water boiler, a similar upgrade was carried out on Line 1. This enabled the plant to switch its fuel from oil to LPG, resulting in an annual reduction of approximately 220 tons of CO₂ emissions.



In January 2025, we expanded our solar power generation facilities at Kyushu Factory Plant 1. This has achieved an annual reduction of approximately 300 tons of CO₂ emissions. In FY2024, six of our domestic plants, including Kyushu Plant, met 100% of their electricity needs with renewable energy through their own solar power generation and the purchase of renewable energy certificates.

Achieving a Society in Harmony with Nature

Sustainable Resources Use

Our Group is working to reduce waste emissions through activities aimed at reducing defects in the manufacturing process, and to promote resource recovery through material recycling, mainly of waste rubber and plastics. In FY2024, we focused mainly on plastics material reuse.



At Kita Ogaki Plant, plastic material generated during the manufacture of TPMS battery cases has been made reusable as a valuable resource. In addition, Higashi Ogaki Plant is advancing initiatives to turn sludge generated from wastewater treatment into valuable resources. Going forward, the Group will continue its efforts to promote recycling.

Conservation of Water and Nature

Our Group manages and reduces water usage in accordance with local conditions, and promotes water recycling, effective utilization of water resources, and protection of water resources. In FY2024, we focused on the installation of new wastewater treatment facilities and management using our product "EneGraph."



Automatic total nitrogen and total phosphorus analyzer

At Higashi Ogaki Plant, new wastewater treatment facilities were constructed last year and operations commenced. In FY2024, wastewater quality management was switched from conventional periodic inspections to continuous monitoring using "EneGraph," a continuous monitoring system developed by our company. Monitoring the concentration, pH, COD, and flow rate of nitrogen and phosphorus in real time has strengthened our consideration for the surrounding environment.

At Nishi Ogaki Plant, a wastewater treatment facility upgrade is also underway, with operations scheduled to begin during FY2025.

Automation of material switching



Manual



Automatic

At Higashi Ogaki Plant, in the resin molding process for plastic wheel caps, the material shutter and purging* processes have been automated to optimize the amount of material input. Additionally, by sorting and managing purge material generated during material switching according to material type, their reuse has been enabled. This has resulted in a reduction of approximately 2.2 tons of resin waste per year.

*Purging: The removal of purge material (resin material remaining on previously used molds or forming machine screws)



Sorting and managing purge material according to material type

Analysis of Our Dependencies and Impacts on Nature

Amid growing momentum for initiatives and disclosure regarding the relationship between business and natural capital, we conducted a preliminary assessment of our Group's and our value chain's dependencies and impacts on nature using ENCORE, a tool that enables simplified assessment of nature-related dependencies and impacts globally. The results indicated a very high risk of harmful pollutants from plastic product manufacturing leaking into water and soil.

Accordingly, all production sites in the Group were screened to identify facilities with relatively high water pollution risks and to locate areas important for biodiversity within approximately 10 km downstream. While several sites were found to be in close proximity to such areas, they all conduct appropriate wastewater treatment, and no significant risks were identified at this stage.

This analysis is only preliminary, and so we will continue our initiatives related to natural capital, including reducing environmental impact, while following international trends, advancements in methodologies, and increasingly sophisticated disclosure requirements.

Human Resource Advancement and Respect for Human Rights

Human Resources Strategy

Approach to Human Resources Strategy (Environmental Development Policy)

We aim to be a company where a diverse range of employees can play an active role in achieving our group's PURPOSE of "Passion in Creating Tomorrow." To this end, we will take two main measures.

The first is to improve infrastructure. This includes respecting human rights and providing a pleasant work conditions, in order to maximize human resources and improve the work environment. Specifically, we will take steps to prevent harassment, encourage teamwork, and prioritize health and safety for employees.

The second is business growth. This means promoting the growth of our human resources and provide skill development and career support. In addition, we will promote the transformation of our corporate culture to one that encourages challenge.

By taking these two steps, we aim to increase engagement. We will continuously measure and improve our employee engagement. We will also emphasize diversity and inclusion, recognizing the differences among all people and creating a psychologically safe work environment where everyone can fulfill their potential. In this way, we aim to enhance the well-being of our employees and the value of our company.

Respecting Human Resources and Their Active Participation (Human Resources Strategy)

Integrated approach to key issues with "employee engagement" at the core



Respect for Human Rights

Human Rights Policy Formulation

In recent years, the importance of corporate efforts to address human rights issues as a social requirement is growing. We consider human rights to be a core issue for sustainability management and created the Pacific Industrial Group Human Rights Policy in February 2021. Under this policy, all employees will act with high ethical standards and integrity as sensible members of the global community, and the Group will work to promote initiatives that respect human rights. In July 2025, we revised our human rights policy and enhanced our internal whistleblowing system as part of our grievance mechanism.

Implementation of Human Rights Surveys

Through human rights due diligence mechanisms, our Group strives to identify and either prevent or mitigate negative impacts on human rights. These mechanisms include the regular monitoring of the implementation status of our Code of Conduct and Supplier Sustainability Guidelines.

In FY2024, as in the previous year, we conducted a human rights questionnaire, mainly on harassment in the Code of Conduct self-inspection. The results of the surveys were shared with the Human Resources Department to confirm the facts through hearings and other means, and efforts are being made to raise awareness of psychological safety and human rights, establishing a consultation service, and other initiatives. We also conduct questionnaires at overseas entities in the same manner as in Japan, and promote awareness-raising activities during morning meetings and through periodic education.

In FY2025, we conducted e-learning on human rights and included a more in-depth harassment and discrimination topic in the domestic action guideline self-assessment.

Education and Engagement

In FY2024, we worked to promote and instill awareness of respect for human rights by continuing to provide human rights education through e-learning as in the previous year, and by conducting awareness and education to create a group-wide culture of respect for human rights, including harassment education for those promoted to management and supervisory positions.

Additionally, in the materiality revision process, we conducted stakeholder engagement as part of our human rights due diligence. Based on the results of these initiatives, some human rights risks were identified (see next page), our human rights policy revised, and our whistleblower system as a grievance mechanism improved to enable anyone to use it anonymously from the website. In FY2025, we are trying to improve employee engagement by conducting department-specific training aimed at enhancing psychological safety, which is closely linked to respect for human rights.

Human Resource Advancement and Respect for Human Rights

Identification of Human Rights Risk

Due to the growing importance of human rights issues, we implemented a process to identify human rights risks in 2024-2025 in conjunction with the materiality revision process. We identified the risks for rights holders based on past advice from human rights experts, general risk assessments by country, and rights-holders engagement (labor unions, foreign full-time employees, foreign temporary employees, women, people with disabilities (physical and intellectual), and a supplier). A materiality revision team (from our Corporate Planning, Environment, Human Resources, Legal, and Procurement divisions) then conducted assessments of severity and likelihood of occurrence. This resulted in the identification of the following human rights risks for our company: occupational health and safety, discrimination and harassment, forced labor, child labor, working hours, air, water and soil pollution, land grabbing and indigenous rights, and product safety. Many initiatives are already underway, including occupational health and safety, health management, quality management, and psychological safety improvements; harassment prevention; and research and training on internal and external behavioral guidelines and supplier sustainability guidelines. In particular, we are strengthening our supply chain-related initiatives, including efforts to collect, review, and rectify information on suppliers and provide them with support.

Human Rights Assessment Process



Human Rights Risk (Risks we may pose to rights-holders)

	Domestic	Overseas	Domestic Suppliers	Overseas Suppliers	Others	Main Initiatives
Occupational health and safety	Employees, especially foreign and non-permanent employees	Employees, especially technical interns	Employees, especially technical interns	Employees		Occupational health and safety, and health management
Discrimination and harassment	Employees, especially, female, LGBTQ people, people with disabilities, foreigners, elderly, sick or injured, and non-permanent employees	Employees, especially non-permanent employees and minorities	Employees, especially technical interns	Employees		Education for the prevention of power harassment and discrimination, D&I initiatives, and SAQs
Forced labor		Employees	Employees, especially technical interns	Employees		Encouragement, education, and SAQs for suppliers, identification of and support for high-risk suppliers
Child labor				Employees		Encouragement, education, and SAQs for suppliers, identification of and support for high-risk suppliers
Working hours		Employees		Employees		Improvements through distribution of load, digitalization, etc.
Air, water, and soil pollution					Local communities	Thorough understanding and management of environmental data
Land grabbing and indigenous rights					Local communities	Understanding of procurement items of concern such as natural rubber and palm oil, education, SAQs, identification of and support for high-risk suppliers
Product safety					End-users	Thorough quality control

Human Resource Advancement and Respect for Human Rights

Employee Engagement

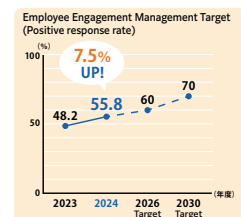
Efforts to Increase Employee Engagement

Employee engagement refers to each employee's willingness to understand and agree with the strategy and goals of the company and workplace, and to voluntarily contribute his or her skills.

Our PURPOSE, "Passion in Creating Tomorrow," is aimed to empower each of our employees to create new value by maximizing their individual strengths in order to build a sustainable future. To achieve this goal, it is essential that we increase employee engagement. In November 2024, we conducted our second engagement survey, and the results were used to review progress toward our management objectives.

We are focusing on four key priority initiatives to become a company where everyone can thrive and fulfill their potential.

The survey results were shared with all employees, and discussions were held within each department and group to further enhance engagement. The results are also being utilized to create workplaces where employees feel comfortable expressing their thoughts, and to resolve individual issues specific to each workplace.



●Results of 2nd survey

To questions on 18 factors in 8 categories*1, positive response rate*2 = 55.8%

*1 Management, business strategy, work style, supervisors, colleagues, work, growth opportunities, evaluation.

*2 Responder chose "Strongly agree" or "Agree" from the options "Strongly agree", "Agree", "Neither agree nor disagree", "Do not agree", "Strongly disagree".

●Setting target values

FY2026 = 60%, FY2030 = 70%

Priority Action Items

1 Shared the leadership Vision

Main initiatives

- Increasing dialogue opportunities (Vision sharing meetings, horizontal deployment of safety practices, etc.)
- Resolving workplace issues



2 Relationships with supervisors and colleagues

Main initiatives

- Creating psychologically safe workplaces (Human skills development, harassment education, psychological safety training, etc.)



3 Sense of growth and learning

Main initiatives

- Enhancing online education
- Introducing AI tools
- Promoting business creation projects



4 Job satisfaction

Main initiatives

- Improving work-life balance (working hours, etc.)
- Enhancing compensation and benefits
- Improving workplace environment (AC, lighting, etc.)



Creation of a secure and vibrant work environment

Creating a Decent Work Environment

Creating a decent work environment improves employee job satisfaction and engagement with the company, leading to a higher retention rate. We are actively working to improve the working environment in our offices and plants and to review various systems.

As a specific example, in 2022, the start time at our Kyushu and Tohoku plants was revised from 6:00 to 7:10 to reduce the physical burden on factory workers, and from January 2025, it was also revised to 7:10 in the Gifu area.

Good interpersonal relationships are also important for a comfortable workplace, and so we expanded our mentor system to assign young senior employees to not only new administrative staff but also new technical hires. We also monitor employees' physical and mental well-being while fostering human resource development, such as through pre-assignment training for managers and supervisors, and regular interviews with new employees. We also strive to create a workplace with a high level of psychological safety by holding regular informal discussions where employees can talk freely to management or labor unions about their thoughts and feelings on their work, as well as any problems they face. We conduct psychological safety training for new managers and supervisors too.

As part of our support activities, we also continuously strive to improve the workplace environment from the perspectives of people, facilities, and environment.

Work-Life Balance

We implement a variety of measures to help employees balance a fulfilling personal life with job satisfaction and growth. We have received Kurumin certification every year since 2008 as a child-rearing company, and in July 2024, we received Platinum Kurumin certification. Our target for annual paid leave is set at 12 days per year. We are working to ensure that this goal is met. In FY2024, the average rate of achievement of this goal was 100% for union members for the fourth year in a row.

Reflecting employee feedback, in March 2025 we received Platinum Kurumin Plus certification following the introduction of leave for infertility treatment. We are also expanding and revising various systems, such as removing any limit on the number of paid half-days employees can take.

We have introduced flexible work styles, such as encouraging the use of annual paid leave, reducing long working hours, ensuring rest periods through a work interval system, and using reduced working hours, staggered working hours, and a flextime system to support the balance with childcare or nursing care.

Going forward, we will continue to strive to create an environment and culture that supports work-life balance, allows employees to easily take time off, and encourages healthily and energetic work.

Converting Non-Regular Employees into Regular Employees

We periodically evaluate and interview non-regular contract employees and temporary employees and make them regular employees if they are qualified. In FY2024, 76 of our non-regular employees (including two temporary staff) were hired as regular employees. We will keep actively trying to convert non-permanent employees into permanent employees in order to achieve continued growth.



Human Resource Advancement and Respect for Human Rights

The Safety and Health of Employees

Building a Safe and Secure Workplace

Based on the principle of safety first, in accordance with the occupational health and safety management system, we promote safety management initiatives centered on human resource development, equipment safety measures, and workplace development to provide a healthy, safe, and secure workplace for employees.

In addition, a Health and Safety Committee has been established to investigate and deliberate on basic measures to prevent worker hazards and health problems, and labor and management work together to address these issues.

Health and safety risks are assessed at each workplace and prioritized to promote activities to reduce risks.

■ Human Resource Development

To develop personnel with “awareness, knowledge, and skills”, we utilize the Safety Dojo within our Learning Center, which serves as a hub for technical training. There, we provide hands-on safety education, risk assessment training by job level, and hazard prediction exercises designed to improve employees’ ability to identify potential hazards. The same hands-on safety education is provided to temporary employees as to regular employees. Through safety activities with our suppliers, we conduct on-site safety study sessions to promote mutual improvement, as well as safety training programs (experiential learning and hazard prediction exercises) using our Safety Dojo.

In FY2024, we continued our risk assessment and safe behavior training while expanding participation to include all temporary employees upon assignment. A total of 608 participants completed the program. These initiatives will be further strengthened as we strive to achieve zero workplace accidents.

■ Equipment Safety Measures

The key points of STOP 6 for the prevention of serious disasters have been incorporated into our daily activities, and we are working to establish and continue those activities, clarify our priorities, and promote countermeasures. As for the safety of new equipment and lines, we aim to create safe work through risks reduction at the process and equipment design stage, and work risk assessments at the installation stage.

■ Providing a Proper Work Environment

Regarding improvements to the environment at our plants, we have made efforts to create a better working environment by introducing air-conditioned clothing, LED lighting, and process improvements to reduce the physical strain on workers. In constructing the new plant building at the Higashi Ogaki Plant, we upgraded the air conditioning, safety equipment, and corridor spaces, and installed a comfortable break room, cafeteria, and lounge space for employees to visit and talk with each other.



New employees safety training



Suppliers safety training

Health Management Initiatives

In 2005, we launched our “Work-life Balance” initiative, and since becoming the first workplace to be registered with the Gifu Labor Bureau’s “Hatsu Ratsu Workplace Creation Declaration” in 2006, we have been promoting the mental and physical health of our employees in specific and continuous ways. Placing importance on the health of our employees as the basis for the performance of our human resources, we reaffirmed this position in September 2021 in the Pacific Industrial Group Health Declaration, and are continuing with our health management efforts.

In November 2024, our annual in-house event, “Waiwai Festa”, included a health booth where we provided bone density measurements and health guidance based on the results. Prior to the event, from September through November, we also held “Waiwai Walking,” a team-based step-count competition designed to promote teamwork and healthy habits. In addition, efforts are being made to improve health literacy by offering opportunities for employees to become more health-conscious, as well as through e-learning programs and themed health newsletters.

In March 2025, the company was certified as a Health & Productivity Management Organization 2025 (Large Enterprise Category) for the fourth consecutive year, in recognition of its efforts to prevent employee illness, address lifestyle-related diseases, support mental health, and assist with returning to work and balancing treatment with work.



As part of our measures against heatstroke, we have clarified the procedures and communication routes for responding to suspected cases of heat stroke, and thoroughly communicated these to ensure a proper response in each workplace. Oral rehydration solutions and cooling packs are also kept on hand in each workplace. Furthermore, every morning before work begins, heat stroke alerts and WBGT forecasts for the day are distributed company-wide via email. This clarifies the warnings that should be given during morning meetings and the times for intensified workplace patrols. Detailed information on suspected heatstroke cases is collected and analyzed to further strengthen preventive measures.

Furthermore, we have unrolled a series of heat countermeasures in our plants, including the installation of air conditioning at the new Higashi Ogaki Plant and Kita Ogaki Plant, adding cooling fans to Nishi Ogaki Plant 1, and applying heat-shielding paint to the roof of Nishi Ogaki Plant 3.

Drawing on absenteeism and presenteeism data, we have also identified back pain as the most common health issue and are implementing both company-wide measures and individual guidance to address it.

Human Resource Advancement and Respect for Human Rights

Development of Human Resources and Cultivation of Culture that We can Tackle New Endeavors

Human Resources Development Policy

Our Group is committed to cultivating motivated personnel who can think and act on their own initiative so that every employee can have "Passion in Creating Tomorrow." In particular, we need people who can perform globally, people who play a central role, people who set high goals and take on challenges, and people who can solve problems to achieve a sustainable society. We will visualize the skills and number of people required for this, and systematically strengthen any areas that are lacking. In addition, we will actively provide education to enhance the resourcefulness they will need in order to achieve work results as a team. For everyone to be able to grow and fulfill their potential, we will provide learning opportunities and career support to help them develop individuality and characteristics regardless of their gender, nationality, age, work style, etc.

Strengthening Education at Each Level

Strengthening job level-based education and supporting self-development

Since FY2021, we have completely revamped our education program and restructured it into an effective education system that improves not only competence, but also human skills. In addition, from FY2023, we have started providing new web-based learning materials offering learning opportunities anytime, anywhere, and to anyone. Courses have been selected for people at different levels, such as new hires or newly promoted employees, so that they can actively acquire the skills and knowledge that the company wants them to have during their working hours. We have also made it easier for motivated employees to take the first step toward learning by offering more generous subsidies for course fees and by starting courses on a quarterly bases. As a result of our efforts, the idea that it is natural to continue learning is becoming more widespread.

In FY2024, we are adding new training programs and expanding the scope of existing ones. In addition, to create psychologically safe workplaces where employees can freely voice their opinions and ask questions regardless of their position or years of experience, we have launched department-level training initiatives beginning in 2024.



New employees training

Improving Work Methods

We are continually promoting "improving work methods" in our company. This is based on the concept that of individual employees improving their work productivity and personal growth through repeated improvements, thereby shifting to more creative, higher value-added work, rather than being bound by conventional work methods.

Diversity and Inclusion

Policies and Initiatives

We believe that creating an environment and culture that are inclusive and allow employees to fulfill their potential according to their internal attributes, including individuality, strengths and weaknesses, health, personality, beliefs, sexual orientation, and nationality, will revitalize workplaces, contribute to innovation, and reduce employee turnover. To this end, we respect diversity and inclusion as one of our management strategies, and are promoting various cross-functional initiatives within the company.

Promotion of Women's Activities

We believe that the further advancement of women is essential for a company's sustainable growth and corporate competitiveness, and are therefore hiring capable human resources regardless of gender, create a work environment that allows for diverse work styles, and promoting career education necessary for individual growth. To strengthen our recruitment of women, we are working with each department to address the low ratio of females in technical positions, with the goal of hiring 15 women by 2030. Specifically, during new graduate recruitment, female technical employees participate in information sessions for high school students, where they explain the fulfilling aspects of their work in a roundtable format. In addition, our Human Resources staff visit high school career counselors to describe examples of successful contributions made by our female employees, which has led to actual recruitment.

In addition, based on the view that men's participation in childcare is necessary for women's advancement, we support our male employees in taking childcare leave, with 75.4% of them taking leave in FY2024. We have also prepared a "Childcare Leave Handbook for Men", which includes detailed explanations of the subsidy system to alleviate concerns about earning less when taking childcare leave, as well as explanations of the procedures from a male perspective and interviews with those who have taken long-term leave. In June 2024, we received Eruboshi certification from the Labor Bureau after our implementation of initiatives to promote the advancement of women was found to meet the certification criteria.



Consideration for Foreign Workers

We also prepare foreign language versions of materials for foreign workers to understand, such as common area signs, health screening questionnaires, internal bulletins, hygiene-related guidelines, training materials for new hires, and work manuals.

ESG Data

Environment

CO₂ Emissions (Scope 1, 2)

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI CO ₂ emissions* ¹	kt	Group	85.8	85.2	76.6	74.1	66.7
			17.3	17.3	16.9	16.5	15.1
			68.5	67.9	59.7	57.7	51.6
CO ₂ emissions	kt	Pacific Industrial	38.0	34.8	27.2	26.3	23.8
		Overseas	47.8	50.4	49.5	47.9	34.8
Emissions intensity	t/100 million yen	Pacific Industrial	46.4	42.7	32.8	31.8	28.8
		Overseas	69.7	60.8	45.6	36.0	34.8

* Excluding domestic subsidiaries.

* We employ emission factors for the calculation of CO₂ emissions included in the List of Calculation Methods/Emission Factors for the Calculation, Report, and Publishing Systems published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

*1 Our group has received third-party verification by SGS Japan Inc. to improve the reliability of our CO₂ emissions data for FY2023. For details on the scope of calculations and other items, please click the "Verification Opinion" link in the ESG Data section of our website. The figures for FY2023 have been revised accordingly. The difference from the verified values was mainly due to two plants in Thailand offsetting their carbon dioxide emissions through the purchase of non-fossil certificates (I-RECs) between January and March of 2024. Figures for FY2024 are before third-party verification, and will be revised after third-party verification and announced on our website.

Energy Usage SASB TR-AR-130a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Total energy	1,000 GJ	Group	1,869	1,962	1,966	2,052	1,724
			1,594	1,679	1,673	1,743	1,463
			293	304	293	309	261
Sales intensity	GJ/100 million yen	Group	1,243	1,193	1,028	990	836
Total renewable energy consumption* ¹	Gwh	Group			3.5	5.6	8.6

* Excluding domestic subsidiaries.

*1 Solar power consumption (excluding CO₂-free electricity).

Renewable Energy Introduction Ratio SASB TR-AR-130a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Renewable energy introduction ratio	%	Group	1.2	1.2	12.1	16.9	25.7

* Excluding domestic subsidiaries.

* CO₂-free electricity used since 2022, and this figure includes that amount.

CO₂ Emissions (Scope 3)

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
1 Purchased goods and services	t-CO ₂	Group				839,223	873,729
2 Capital goods						108,431	98,759
3 Fuel and energy-related activities not included in Scope 1 or 2						13,796	13,269
4 Transportation and distribution (upstream)						16,853	16,916
5 Waste generated in operations						2,664	2,017
6 Business travel						644	531
7 Employee commuting						4,069	3,930
9 Transportation and distribution (downstream)						22,006	22,093
12 End-of-life treatment of sold products						4,028	2,324
Scope 3 total						1,011,714	1,033,570

* Scope 3 figures calculated based on Emission Intensity Database for Calculating Greenhouse Gas Emissions and Other Emissions by Organizations Throughout the Supply Chain (Ver. 3.5) published by MOE.

Raw Material Input

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Metallic materials	t	Group	326,339	341,458	326,299	391,664	385,039
Organic/inorganic materials			11,862	15,492	11,113	11,467	10,350
Of which, solvents			2,370	1,599	1,332	1,316	1,016

* Excluding domestic subsidiaries.

Waste-Related SASB TR-AR-150a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Amount of industrial wastes	t	Group	3,516	3,245	3,625	3,852	3,948
		Pacific Industrial	1,664	1,575	1,830	1,697	1,836
		Overseas	1,852	1,670	1,796	2,155	2,112
Amount of landfill wastes	t	Pacific Industrial	111	99	80	92	110
Recycling rate* ¹	%	Pacific Industrial	89	93	86	93	93

* Excluding domestic subsidiaries.

*1 Including thermal recycling.

Amount of Hazardous and Non-Hazardous Waste Generated SASB TR-AR-150a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of non-hazardous waste generated	t	Domestic*	1,287.9	1,218.3	1,476.5	1,380.4	1,575.6
Amount of hazardous waste generated	t	Domestic*	1.2	1.4	0.6	0.2	1.0

* Domestic: Nishi Ogaki Plant, Higashi Ogaki Plant, Kita Ogaki Plant, Mino Plant. Kyushu Plant was added from FY2024.

Water Usage

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Water usage	1,000m ³	Group	1,645	1,374	1,394	1,327	1,351
		Pacific Industrial	1,393	1,179	1,176	1,119	1,180
		Overseas	252	195	217	208	172

Water Quality

Site	Measurement Item	Unit	Discharge Standard Value	Annual Average	Max. value
Nishi Ogaki	BOD	mg/L	20	8.39	13.16
	COD		120	5.94	6.21
	Nitrogen		60	1.22	1.42
	Phosphorus		8	3.63	4.23
Higashi Ogaki	BOD	mg/L	20	4.97	18.60
	COD		120	7.85	13.60
	Nitrogen		60	11.19	14.01
	Phosphorus		8	1.38	1.69
Kurihara	BOD	mg/L	40	4.73	8.80
	COD		160	6.94	9.20

Site	Measurement Item	Unit	Discharge Standard Value	Annual Average	Max. value
Kita Ogaki	BOD	mg/L	15	4.04	9.90
	COD		30	12.91	20.00
	Nitrogen		60	21.88	60.00
	Phosphorus		8	4.73	7.70
Mino	BOD	mg/L	60	4.34	9.82
	COD		30	2.97	4.40
	Nitrogen		60	2.59	6.36
	Phosphorus		8	0.19	0.53
Yoro	BOD	mg/L	60	3.90	11.44
	COD		30	6.68	9.80
	Nitrogen		60	13.03	31.57
	Phosphorus		8	0.77	1.25

ESG Data

Society

Employees: Basic Data

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
No. of employees (regular)			4,797	4,763	4,797	4,966	5,138
Gender	Persons	Group					
			Male	3,796	3,844	3,837	4,006
			Female	1,001	919	960	1,046
				2,075	2,078	2,131	2,194
Region	Persons	Group	Japan	1,529	1,484	1,555	1,713
			Europe and US	1,193	1,201	1,111	1,059
			Asia				
No. of employees (Non-regular)	Persons	Group	970	1,133	1,238	1,205	976
No. of employees (Regular)	Persons	Pacific Industrial	1,987	1,988	2,105	2,162	2,252
Employee ratio (Permanent: Male)	%	Pacific Industrial	91.8	92.2	91.7	91.7	91.7
Employee ratio (Permanent: Female)			8.2	7.8	8.3	8.3	8.3
No. of new employee hires			122	83	117	160	165
Gender	Persons	Pacific Industrial	Male	117	76	109	146
			Female	5	7	8	14
No. of new employee hires					585	609	872
Gender	Persons	Group	Male		442	458	629
			Female		143	151	243
Average age			40.2	40.6	40.9	41.0	41.0
Average age (Male)	Years old	Pacific Industrial	39.8	40.3	40.6	40.8	40.8
Average age (Female)			43.9	44.0	43.7	43.5	43.5
Average length of service			13.8	13.7	13.7	13.5	13.4
Average length of service (Male)	Years	Pacific Industrial	13.4	13.3	13.2	13.1	13.0
Average length of service (Female)			17.8	18.5	18.8	18.2	18.2

Respect for Human Rights

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Human rights survey (SAQ) implementation rate*	%	Group	40	73	43	74	80

* FY2020 and FY2021 does not include PMO, PMT, SPU and SPF. Calculation uses all Group employees as denominator for FY2022 and after.

Employee Engagement

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Positive response rate for employee engagement	%	Pacific Industrial				48.2	55.8

Stable Employment and Decent Work Environment

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Turnover rate ^{*1}	%	Pacific Industrial Group	2.1	2.5	2.5	2.9	2.1
No. of employees taking parental leave: Male	Persons	Pacific Industrial	7	13	32	32	46
No. of employees taking parental leave: Female	Persons	Pacific Industrial	5	3	7	4	7
Rate of taking parental leave: Male ^{*2}	%	Pacific Industrial	12.1	15.3	37.6	45.7	75.4
Rate of taking parental leave: Female ^{*2}	%	Pacific Industrial	100	100	100	100	100
Rate of taking parental leave & returning to work	%	Pacific Industrial	100	100	100	100	100
Rate of taking parental leave & returning to work: Male	%	Pacific Industrial	100	100	100	100	100
Rate of taking parental leave & returning to work: Female	%	Pacific Industrial	100	100	100	100	100
Achievement rate of annual paid leave acquisition target per employee ^{*3,4}	%	Pacific Industrial	99.3	100	100	100	100
Monthly overtime hours worked per employee ^{*5}	Hours	Pacific Industrial Group	20.9	22.8	19.8	25.5	23.8
No. of employees with medical insurance	Persons	Group	4,651	4,243	4,503	4,829	4,836
No. of employees in employee stock ownership plan	Persons	Group	1,531	1,634	1,637	1,680	1,750
No. of employees using flexitime system	Persons	Group	858	825	932	943	973

*1 Employees who retire for personal reasons. Excluding those of retirement age. Permanent employees.

*2 Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Law No. 76 of 1991), the percentage of child care leave, etc. taken pursuant to Article 71 (4) (i) of Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Order No. 25 of 1991) was calculated.

*3 Annual acquisition target is 12 days (Excluding management positions).

*4 Applies to regular employees except managers and those granted annual paid leave after April 1.

*5 Regular employees, excluding managers, are covered.

Safety and Health of Employees

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Lost-time injury frequency rate ^{*1, *2, *3}	—	Group	0.51	0.24	0.64	0.81	0.83
	—	Pacific Industrial	0.40	0.40	0.98	0.88	0.35
	—	Nationwide manufacturing industry	1.21	1.31	1.25	1.29	1.30
	—	Nationwide transportation machinery and equipment manufacturing	0.48	0.45	0.56	0.6	0.66
Lost time injury severity rate ^{*2, *3, *4}	—	Group	0.01	0.01	0.03	0.04	0.01
	—	Pacific Industrial	0.01	0.03	0.05	0.06	0.02
	—	Nationwide manufacturing industry	0.10	0.06	0.08	0.08	0.06
	—	Nationwide transportation machinery and equipment manufacturing	0.04	0.03	0.04	0.04	0.03
Lost workdays	Days	Pacific Industrial					133
	Days	Group					185
No. of fatal accidents	Cases	Pacific Industrial	0	0	0	0	0
	Cases	Group	0	0	0	0	0
Occupational sick leave frequency rate (included in lost-time injury frequency rate)	—	Pacific Industrial	0.00	0.00	0.00	0.00	0.00
	—	Group	0.00	0.00	0.00	0.00	0.00
Health risk synthesis	—	Pacific Industrial	100	101	96	94	91
No. of employees on mental health leave ^{*5}	People	Pacific Industrial	7	16	15	12	32

*1 No. of fatalities/injuries due to occupational accidents (lost time injuries) ÷ total actual working hours x 1,000,000.

*2 Including temporary and contract employees.

*3 Source: MHLW, "Survey of Occupational Accident Trends (Calendar Year)."

*4 Total working days lost / total actual working hours x 1,000.

*5 Number of employees absent from work continuously for at least one month. Individuals who are absent from work multiple times during the period are counted as one person.

ESG Data

Society

Development of Human Resources and Cultivation of Culture of Tackling Challenges

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Training hours per person ^{*1}	Hours	Pacific Industrial	23.9	26.3	26.6	26.1	31.3
Training hours per person ^{*1}	Hours	Group				12.6	16.1
Rate of employees receiving regular job and career development assessment ^{*2}	%	Pacific Industrial	98.7	99.3	99.4	99.2	99.1
Rate of employees receiving regular job and career development assessment ^{*2}	%	Group				95.1	96.5
Rate of employees trained in career or skills development	%	Pacific Industrial	42	35	36	36	40
Rate of employees trained in career or skills development	%	Group				23.4	37.3

^{*1} Excluding OJT.

^{*2} Number of regular employees plus employees seconded outside the company and employees on leave of absence.

No. of Employees Who Passed IT-related National Examinations

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Information Security Management	People	Pacific Industrial	36	45	52	54	56
IT Passport (including Systems Administrator Beginner)	People	Pacific Industrial	307	319	359	354	355
Fundamental Information Technology Engineer	People	Pacific Industrial				53	50
Applied Information Technology Engineer	People	Pacific Industrial				13	11

Diversity and Inclusion

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Rate of females in management positions ^{*1}	%	Group	10.6	10.2	10.3	10.0	9.8
		Pacific Industrial	3.4	3.5	3.3	3.9	3.8
Rate of female supervisors in administrative and technical positions ^{*1}	%	Group	22.6	23.7	20.3	22.2	18.9
		Pacific Industrial	11.5	11.6	13.1	13.7	14.2
Rate of foreign nationals in director positions ^{*2}	%	Group		17.9	20.0	28.0	25.9
Rate of foreign nationals in management positions	%	Group	46.5	43.4	42.2	39.2	46.0
		Pacific Industrial	0.0	0.0	0.0	0.0	0.0
Rate of mid-career employees in management positions	%	Group	58.8	47.8	45.3	49.2	53.7
		Pacific Industrial	20.9	22.4	22.6	24.4	27.0
No. of non-regular employees made regular employees	Persons	Pacific Industrial	29	30	40	55	76
Year-round hiring rate of regular workers	%	Pacific Industrial	28.0	47.4	45.0	48.3	48.5
Rate of employees with disabilities ^{*3}	%	Pacific Industrial	2.16	2.31	2.37	2.23	2.21
Number of people with disabilities actually employed ^{*3}	Persons	Pacific Industrial	37	39	43	42	43
Number of people with severe disabilities ^{*5}			10	12	10	10	10
Number of people with disabilities actually employed ^{*4}	Persons	Group					79
Number of people with severe disabilities ^{*5}							16
Reemployment of seniors	Persons	Pacific Industrial	105	122	129	136	127
Gender wage differential ^{*6}	%	Pacific Industrial			82.4	81.2	82.4
Permanent workers	%	Pacific Industrial			83.0	81.7	83.4
Fixed-term workers	%	Pacific Industrial			61.1	63.7	66.4

^{*1} Calculated in accordance with provisions of Act on the Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

^{*2} Counted as one person if serving concurrently.

^{*3} As of June each year. Persons working part-time with scheduled working hours of less than 20 hours per week are excluded from the number of employees (However, those working part-time with scheduled working hours of 20 hours or more but less than 30 hours per week are counted as 0.5 employees).

^{*4} Based on the calculation of each country's statutory employment rate. Excludes US.

^{*5} "Severe" physical disability or intellectual disability

^{*6} Calculated in accordance with provisions of Act on the Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015). Covers regular employees, excluding those seconded outside the company. Fixed-term workers include contract workers (including rehired workers), part-time workers, and temporary employees.

Other

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Rate of employees with labor union membership	%	Group	47	46	46	45	44
		Pacific Industrial	86	86	84	85	86

[Customers] SASB TR-AR-250a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI No. of recalls issued	recalls	Group	0	0	0	0	0

[Business Partners (Suppliers)]

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Company ratio (purchase amount base) for survey of supplier compliance with Supplier Sustainability Guidelines	%	Pacific Industrial	80 or more	80 or more	80 or more	80 or more	80 or more
Supplier Sustainability Guidelines average compliance rate		Pacific Industrial	94	95	95	94	93

[Communities]

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI No. of social contribution activities conducted	Cases	Group	73	86	112	123	159
Donations	thousand yen	Group				42,561	39,806 *
	thousand yen	Pacific Industrial	19,000	21,000	19,000	40,477	36,657

* Standard has been reviewed since FY2024.

[Shareholders and Investors]

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
No. of meeting with investors	Times	Pacific Industrial	84	86	74	89	67

* FY2024 figure includes two plant tours.

ESG Data

Governance

Officers

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
		Company with a Board of Corporate Auditors				Company with an Audit and Supervisory Committee
Number of the board member (Excluding Members of the Board who are Audit and Supervisory Committee Members) ¹	Persons	7	6	6	6	5
Of which, Male	Persons	6	5	5	5	4
Of which, Female	Persons	1	1	1	1	1
Of which, Outside Board members	Persons	2	2	2	2	1
Number of the Board member who are Audit and Supervisory Committee Members ²	Persons	4	4	4	4	4
Of which, Outside Board member ³	Persons	2	2	2	2	3
No. of executive officers	Persons	6	5	5	5	5
No. of Board of Directors meetings	Times	12	12	12	13	12

*For FY2020, information is provided on officers as of the end of the fiscal year concerned plus officers who resigned at the shareholders' meeting of the fiscal year concerned.
From FY2021 onward, information is provided on officers as of the end of the fiscal year concerned.

*1 Up to FY 2023, the number represent board members.

*2 Up to FY 2023, the number represent Audit & supervisory board member

*3 Up to FY 2023, the number represent outside audit & supervisory board member

Remuneration

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
		Company with a Board of Corporate Auditors				Company with an Audit and Supervisory Committee
Board members total ¹	Millions of yen	253	222	217	298	281
Internal board member total	Millions of yen	240	208	203	284	272
Fixed remuneration	Millions of yen	172	145	150	176	177
Performance-linked remuneration	Millions of yen	49	52	42	96	82
Non-monetary compensation, etc. ²	Millions of yen	15	10	10	12	12
Retirement reward	Millions of yen	4	0	0	0	0
No. of officers covered	Persons	6	4	4	4	4
Total outside board members	Millions of yen	13	14	14	14	9
Fixed remuneration	Millions of yen	13	14	14	14	9
No. of officers covered	Persons	2	2	3	2	1
Audit & supervisory board members total ³	Millions of yen	51	42	46	46	27
Internal audit & supervisory board members total ⁴	Millions of yen	38	29	33	33	11
Fixed remuneration	Millions of yen	37	29	33	33	11
Retirement benefits	Millions of yen	1	0	0	0	0
No. of officers covered	Persons	3	2	2	2	1
Outside audit & supervisory board members total ⁵	Millions of yen	13	12	13	13	16
Fixed remuneration	Millions of yen	12	12	13	13	16
Retirement reward	Millions of yen	1	0	0	0	0
No. of officers covered	Persons	3	2	2	2	3

*The information listed for FY2020 is the number of corporate officers as of the end of the fiscal year plus that of those who resigned at the general meeting of shareholders of the relevant fiscal year. The number of corporate officers as of the end of the relevant fiscal year is shown for FY2021 and thereafter.

*1 Excluding audit and supervisory committee members for FY2024

*2 The breakdown of total non-monetary remuneration from FY2019 onwards it consists of transfer-restricted stock remuneration

*3 The number of FY 2024 is audit and supervisory committee members.

*4 The number of FY 2024 is inside board member, audit and supervisory committee members.

*5 The number of FY 2024 is outside board member, audit and supervisory committee members.

Ethics and Compliance

SASB TR-AR-520a.1

Item	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
KPI Implementation rate of Code of Conduct survey self-assessment	%	Group*	40	73	43	74	80
		Pacific Industrial	98	97	93	99	100
No. of consultations with ethics and complaints desk	Cases	Pacific Industrial	8	9	14	7	18
No. of serious compliance violations	Cases	Group	0	0	0	0	0
No. of legal actions for anti-competitive behavior	Cases	Group	0	0	0	0	0
Political contributions	10 thousand yen	Pacific Industrial	602	392	509	270	68

* FY2020 and FY2021 does not include PMO, PMT, SPU and SPF.

Calculation uses all Group employees as denominator for FY2022 and after.

GRI Contents Index

Declaration of Use: Pacific Industrial Co., Ltd. has reported the information cited in this GRI content index for the period [April 1, 2024 to March 31, 2025] with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standards	Disclosures	Listing Location
GRI 2 General Disclosures	1. The organization and its reporting practices	
2-1	Organizational details	• p.3 Overview of Pacific Industrial Group
2-2	Entities included in organization's sustainability reporting	• p.1 Media Information, p.3 Global Network
2-3	Reporting period, frequency, and contact point	• p.1 Media Information
2-4	Restatements information	• p.17 No. of TPMS products and TPMS valves sold
2-5	External assurance	• p.28 CO ₂ emission (F2023)
	2. Activities and workers	
2-6	Activities, value chains, and other business relationships	• Sector: GICS/ICB, Sector: Consumer Discretionary, Industry Group: Auto Components/Automobiles and Parts • Organization's activities, products, services, and markets served: p.3 Mainstay products, global network, regional overview • Entities downstream of the organization and their activities: Car manufacturers, tire manufacturers, automotive parts manufacturers, distributors, used car dealers, recycling companies, industrial waste disposal companies, etc.
2-7	Employees	• p.3 No. of employees by region • p29 ESG Data
2-8	Workers who are not employees	• p29 ESG Data
	3. Governance	
2-9	Governance structure and composition	• Corporate Governance Report • Annual Securities Report (Year ended March 2025) p.48
2-10	Nomination and selection of the highest governance body	• Annual Securities Report (Year ended March 2025) p.48
2-11	Chair of the highest governance body	• Chair of board of directors is the chairperson Annual Securities Report (Year ended March 2025) p.49
2-12	Role of the highest governance body in overseeing the management of impacts	• Online: System of Sustainability Management https://www.pacific-ind.co.jp/eng/sustainability/management/
2-13	Delegation of responsibility for managing impacts	—
2-14	Role of the highest governance body in sustainability reporting	—
2-15	Conflicts of interest	• Corporate Governance Report p.2 Principles 4-9 Independence Criteria for Independent Outside Board Members • Notice of convocation, annual securities report, key concurrent positions of directors and relationship with Pacific Industrial • Corporate Governance Report p.1 Principles 1-4 So-called Cross-Shareholdings 1. Policy on Cross-Shareholdings • Convocation notice for year ended March 2025 p.13 Cross-shareholdings policy (listed stocks) holdings (Consolidated basis) • No Controlling Shareholder: Annual Securities Report for year ended March 2025 p.42 Major Shareholders • Corporate Governance Report p.1 Principles 1-7 Related Party Transactions
2-16	Communication of critical concerns	—
2-17	Collective knowledge of the highest governance body	—

GRI Standards	Disclosures	Listing Location
2-18	Evaluation of the performance of the highest governance body	—
2-19	Remuneration policies	• Annual Securities Report (Year ended March 2025) p.58 Officers' Remuneration etc. • Corporate Governance Report p.7 "Incentives" "Directors' Remuneration"
2-20	Process to determine remuneration	• Annual Securities Report (Year ended March 2025) p.58 Directors' Remuneration etc.
2-21	Annual total compensation ratio	—
	4. Strategy, policies and practices	
2-22	Statement on sustainable development strategy	• p.4 Message from the President
2-23	Policy commitments	• p.2 Principles of Conduct • Online: Policies https://www.pacific-ind.co.jp/eng/company/our_way/code_of_conduct/
2-24	Embedding policy commitments	• Fostering High Corporate Ethics (Code of Conduct) https://www.pacific-ind.co.jp/eng/company/governance/compliance/ • Promoting Sustainability Throughout the Supply Chain https://www.pacific-ind.co.jp/eng/sustainability/stakeholders/supplier/
2-25	Processes to remediate negative impacts	• p.11 Corporate Ethics and Compliance • p.23 Respect for Human Rights
2-26	Mechanisms for seeking advice and raising concerns	• Online: Compliance (Establishment of Ethics and Complaint Counseling Service) https://www.pacific-ind.co.jp/eng/company/governance/compliance/
2-27	Compliance with laws and regulations	• p.11 Corporate Ethics and Compliance • p.31 ESG Data • Online: Environment / Environmental Impact Reduction / Pollution Prevention https://www.pacific-ind.co.jp/eng/sustainability/environment/chemical/
2-28	Membership associations	• TCFD Consortium • Biodiversity - Keidanren Biodiversity Declaration Initiative • 30 by 30 Declaration • Declaration of Partnership Building • Japan Business Federation • Japan Auto Parts Industries Association, etc.
	5. Stakeholder engagement	
2-29	Approach to stakeholder engagement	• p.5 Communication with Stakeholders • p.23 Respect for Human Rights
2-30	Collective bargaining agreements	• p.30 ESG Data • Online: Communication with Labor and Management https://www.pacific-ind.co.jp/eng/sustainability/stakeholders/employee/
GRI 3 Important Topics	3-1	Process to determine material topics
	3-2	List of material topics
	3-3	Management of material topics

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Economy			
GRI Standards		Disclosures	Listing Location
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• p.5 Direct Economic Value Generated and Distributed
	201-2	Financial implications and other risks and opportunities due to climate change	• p.19, p.20 Disclosure of Climate Change-related Information under the TCFD
	201-3	Defined benefit plan obligations and other retirement plans	• Annual Securities Report (Year ended March 2025) p.92 Retirement Benefits
	201-4	Financial assistance received from government	• Annual Securities Report (Year ended March 2025) p.67, 71, 77
GRI 202: Market Presence 2016	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	—
	202-2	Proportion of senior management hired from local communities	• p.30 ESG Data (Rate of foreign nationals in director positions, Rate of foreign nationals in management positions)
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investment and services supported	—
	203-2	Significant indirect economic impact	—
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	—
	205-2	Communication and training about anti-corruption policies and procedures	• p.11 Anti-Corruption
	205-3	Confirmed incidents of corruption and actions taken	• p.31 ESG Data
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• p.31 ESG Data
GRI 207: Tax 2019	207-1	Approach to tax	—
	207-2	Tax governance, control, and risk management	—
	207-3	Stakeholder engagement and management of concerns related to tax	—
	207-4	Country-by-country reporting	—

Environment			
GRI Standards		Disclosures	Listing Location
GRI 301: Materials 2016	301-1	Materials used by weight or volume	• p.28 ESG Data
	301-2	Recycled input materials used	• P.17 KPIs and Monitoring Indicators
	301-3	Reclaimed products and their packaging materials	• P.17 KPIs and Monitoring Indicators
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• p.28 ESG Data
	302-2	Energy consumption outside of the organization	• p.28 ESG Data
	302-3	Energy intensity	• p.28 ESG Data
	302-4	Reduction of energy consumption	• p.21 Mitigation of and Adaptation to Climate Change
	302-5	Reduction in energy requirements of products and services	• p.17 Development of Environment-Conscious Products
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	• p.22 Conservation of water and nature
	303-2	Management of water discharge-related impacts	• p.22 Conservation of water and nature • p.28 ESG Data
	303-3	Water withdrawal	• p.28 ESG Data
	303-4	Water discharge	—
	303-5	Water consumption	—
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
	304-2	Significant impact of activities, products, and services on biodiversity	• Online: Biodiversity https://www.pacific-ind.co.jp/eng/sustainability/environment/biodiversity/
	304-3	Habitats protected or restored	• Online: Pacific Satoyama Woodland https://www.pacific-ind.co.jp/eng/sustainability/stakeholders/glocal_community/
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• p.28 ESG Data
	305-2	Direct (Scope 2) GHG emissions	• p.28 ESG Data
	305-3	Other indirect (Scope 3) GHG emissions	• p.28 ESG Data
	305-4	GHG emissions intensity	• p.28 ESG Data
	305-5	Reduction of GHG emissions	• p.21 Mitigation of and Adaptation to Climate Change
	305-6	Emissions of ozone-depleting substance (ODS)	—
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• Online: ESG Data Collection https://www.pacific-ind.co.jp/eng/sustainability/esg_data/
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	• p.18 Resource Usage and Emissions (Material Balance) • p.22 Sustainable Resources Use
	306-2	Management of significant waste-related impacts	—
	306-3	Waste generated	• p.28 ESG Data
	306-4	Waste diverted from disposal	• p.28 ESG Data
	306-5	Waste directed to disposal	• p.28 ESG Data
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	—
	308-2	Negative environmental impacts in the supply chain and actions taken	—

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Society			
GRI Standards		Disclosures	Listing Location
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• p.29 ESG Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
	401-3	Parental leave	• p.29 ESG Data
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	—
GRI 403: Occupational Health and Safety Management System 2018	403-1	Occupational health and safety management system	• p.26 Building a Safe and Secure Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health service	
	403-4	Worker participation, consultation, and communication on occupational health and safety	—
	403-5	Worker training on occupational health and safety	• p.26 Building a Safe and Secure Workplace
	403-6	Promotion of worker health	• p.26 Health Management Initiatives
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
	403-8	Workers covered by an occupational health and safety management system	• p.26 The Safety and Health of Employees
	403-9	Work-related injuries	• p.29 ESG Data
	403-10	Work-related ill health	• p.29 ESG Data
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• p.30 ESG Data
	404-2	Programs for upgrading employee skills and transition assistance programs	• p.26 Development of human resources and cultivation of culture that we can tackle new endeavors
	404-3	Percentage of employees receiving regular performance and career development reviews	• p.30 ESG Data
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• p.30,31 ESG Data
	405-2	Ratio of basic salary and remuneration of women to men	• p.30 ESG Data
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	—
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—

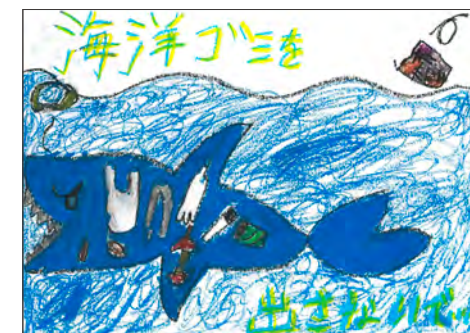
Society			
GRI Standards		Disclosures	Listing Location
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	—
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies and procedures	—
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violation involving rights of indigenous peoples	—
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	• p.24 Implementation of Human Rights Surveys
	412-2	Employee training on human rights policies and procedures	• p.23 Education and Engagement
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	• p.14, p.15 Local Community Development
	413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	—
	414-2	Negative social impacts in the supply chain and actions taken	• p.12 Sustainability Procurement
GRI 415: Public Policy 2016	415-1	Political contributions	• p.31 ESG Data
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impact of product and service categories	• Online: Customers and Quality https://www.pacific-ind.co.jp/eng/sustainability/stakeholders/customer/
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	• p.30 ESG Data(No. of Recalls)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	—
	417-2	Incidents of non-compliance concerning product and service information and labeling	—
	417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	—

For Tomorrow, With Nature

These posters were drawn by children of Pacific Industrial Group employees on the theme of the environment. What can we do to protect our precious planet?

The actions each and every one of us take now will change our children's tomorrow.

We hope that you will enjoy and appreciate the heartfelt messages expressed by the children through their drawings.



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