Hideki Sasaki
President and CEO

Expanding our business domain, streamlining operations, and instilling sustainability management to enhance the Topia Group's enterprise value

Defining our ideal state that lies beyond sustainable growth

In 2024, the Topia Group published its first Sustainability Report. My goal in publishing this report was to accurately and carefully communicate to our stakeholders the Topia Group's policies, which place a particular emphasis on the environment as a central management issue from an ESG perspective. This was also because of my desire to communicate the Topia Group's thinking and efforts not only within the Group, but also to the local communities where we operate.

The business environment surrounding the Topia Group has changed significantly since the inauguration of the new U.S. administration in early 2025. In particular, there are concerns that the cost competitiveness of our bases in Japan and China will take a hit due to tariff hikes by the U.S. government. In response, the entire Group is considering various options, such as building a new supply chain in the U.S.

We are also working to further instill the idea of sustainability management, which is the starting point for responding to these environmental changes. The Topia Group has defined its purpose as "continue to challenge various changes and demands to accomplish a prosperous future." In addition to this purpose and corporate philosophy, in fiscal 2024 we formulated a new Mission, Vision and Values (MVV) covering the entire Group. With this, we have clarified our raison d'être as a company, our vision and our values, and are working to spread understanding. We are now sharing the MVV within the entire Group, deepening dialogue about the Topia Group's ideal state, and further defining our future direction and social raison d'être.

Pursuing growth and peace of mind from our initiatives to address the four material issues

The Topia Group has identified four material issues to resolve in order to boldly respond to the changing business environment and implement sustainability management. For each theme, we have set key performance indicators (KPIs) and mid-term targets for fiscal 2030, which we are now working to achieve.

Specifically, we have set quantitative targets in four areas: 1) targets for the ratio of renewable energy and reducing CO_2 emissions toward a decarbonized society; 2) targets for reducing waste generation toward realizing a circular economy; 3) targets for added value per employee in order to provide safe and high added-value products; and 4) targets for the ratio of female managers and the ratio of male employees taking childcare leave in order to realize a work environment where people can feel growth and peace of mind. These material issues and KPIs were identified from the unique perspective of the Topia Group as a manufacturing company.

In addressing these material issues and implementing sustainability management, the Topia Group aims to achieve sustainable growth and the resulting peace of mind from employment and day-to-day life. As the economic environment changes dramatically with inflation and rising wages, the entire Group will come together to face the challenges head on and steadily work towards achieving our targets, thereby contributing to a sustainable society.

Message from the President

Paving the way for the growth of the next generation using the power of our diverse human resources and technology transfers

The Topia Group is fully committed to pursuing efficiency and energy conservation in order to achieve sustainable growth. Based on Material Issue 2 - Contributing to a Circular Economy, we are advancing initiatives to realize a society that reduces the burden on the natural environment by using resources effectively and without waste by reducing industrial waste. Specifically, we are developing a system that enables us to accurately understand and quickly respond to constantly changing requirements, such as security and environmental regulations in Europe.

We consider the acquisition and development of human resources to be a key issue in achieving sustainable growth. In light of the impacts of the external environment, including the shortage of human resources and declining birthrate, we will flexibly promote measures toward Material Issue 4 - Creating a Workplace Where Every Employee Can Feel Growth and Peace of Mind. In particular, it is essential to develop talented human resources who will lead the next generation, and we will make every effort to deepen the understanding of the characteristics and technologies of the Topia Group through our own training programs for new employees.

We will strengthen the mid-level human resources necessary to achieve our future targets by utilizing various means, such as internal training, acquiring external human resources who can contribute immediately, and collaborating with external parties, to enhance our organizational capabilities. Furthermore, we are actively working to utilize overseas human resources and post-retirement-age employees. In particular, we intend to ensure that the experience, skills, and knowledge that post-retirement-age employees have amassed over many years within the Topia Group, as well as knowledge from outside the Group, are passed on to our young human resources who will lead the next generation. We are also working to transform this knowledge into the strength of each organization.

We intend to continue our proactive approach to capital investment to ensure our sustainable corporate growth. However, we also recognize that investing in human resources is extremely important for future growth. Going forward, we will implement measures to create a an employee-friendly workplace where employees can feel a sense of growth and work with peace of mind.

Toward realizing our ideal state through a stronger earnings base and sustainability management

Topia Group continues to engage in prototyping, mainly for automobiles, tailored to the needs of our customers. We currently have nine bases in seven countries overseas and are expanding our business globally. By accurately pinpointing the ever-changing needs of our customers, proactively tackling various challenges and making them a reality, we have refined our unique processing and joining technologies. Making full use of cutting-edge equipment, we provide high-quality, high-difficulty products, and are now able to support every process when building new production lines for automobile manufacturers. These are the major strengths of the Topia Group.

Topia's origins lie in prototyping. Making the most of our many years of proven performance and experience, we aim to steadily expand our business domain from prototyping to small-lot production and then mass production, steadily growing our profits in the process. Furthermore, we will broaden our business fields from automobiles to semiconductors and others, and expand our business in growth fields that will be needed by the world in the future. At the same time, we will continue to develop new technologies and materials and build up our track record.

By expanding our business domain and fields in this manner, we will strengthen the Group's earnings base and work together as a team to implement sustainability management and realize the Topia Group's ideal state.

We hope to provide information on the Topia Group to all stakeholders through this report. Your continued support and understanding are much appreciated as we move forward.