

SUSTAINABILITY REPORT 2024





As a competitive prototype manufacturer, Topia is always one step ahead of the times!

PURPOSE

Topia will Continue to Challenge Various Changes and Demands to Accomplish a Prosperous Future

Achieve “carbon neutrality by 2050,” and the future beyond ...
Toward accomplishing a prosperous future, Topia will work together with stakeholders. At the same time, we will strengthen our sustainability management by being aware and responsible for changes and demands from the environment and society.



Management Philosophy



Spirit of the Wild Pigeon

Active management in the Spirit of the Wild Pigeon. Unlike chickens, which are sheltered and waiting for food to be given to them, wild pigeons always fly freely in the sky in search of food. They find the vitality to survive with their own eyes and feet, and create new value.

Responsibility of An Emergency Hospital

We are committed to a customer-first spirit and are always fully prepared to accept customers even in times of emergency. No matter what seems impossible, we will do our best to make it possible and build trust with our customers.

Spirit of Challenge

The challenge of the unknown and the challenge of excellence is the leap to tomorrow. Under the recognition that entering the inexperienced zone is the breakthrough to the future, Topia will learn everything and take on any opportunity that comes our way.

Editorial Policy

Editorial Policy

The external environment surrounding Topia has become increasingly diverse and complex. Therefore, it is difficult to predict situations, such as the worsening of disasters caused by climate change, wars, and political instability. In this business environment, we hope that this Sustainability Report will help readers understand our efforts for long-term growth, and that it will serve as an opportunity for dialogue with all stakeholders.

Scope	Publication Date
Topia Co., Ltd. (including some of its subsidiaries)	September 2024
Reporting Period	Referenced Guidelines
April 1, 2023 to March 31, 2024	GRI Standard

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Company Information

Topia is involved in all types of manufacturing, including automobiles, aircraft, and electric appliances. We deal directly with major automotive manufacturers as the automobile market accounts for the majority of our sales.

Our strength lies in our design and analysis technologies using state-of-the-art equipment and digital technologies. We are also promoting concurrent engineering to improve quality and shorten development time.

In the field of prototyping metal products, we boast top sales in the industry. Our parts play a key role in the development of new models by automotive manufacturers.

Company Overview

Head Office	Suzuka City, Mie Prefecture, Japan
Date of Establishment	August 16, 1973
Net Sales	24.0 billion yen (Consolidated) * Results for the fiscal year ended March 31, 2024
Number of Employees	1,129 (Consolidated) * As of March 31, 2024

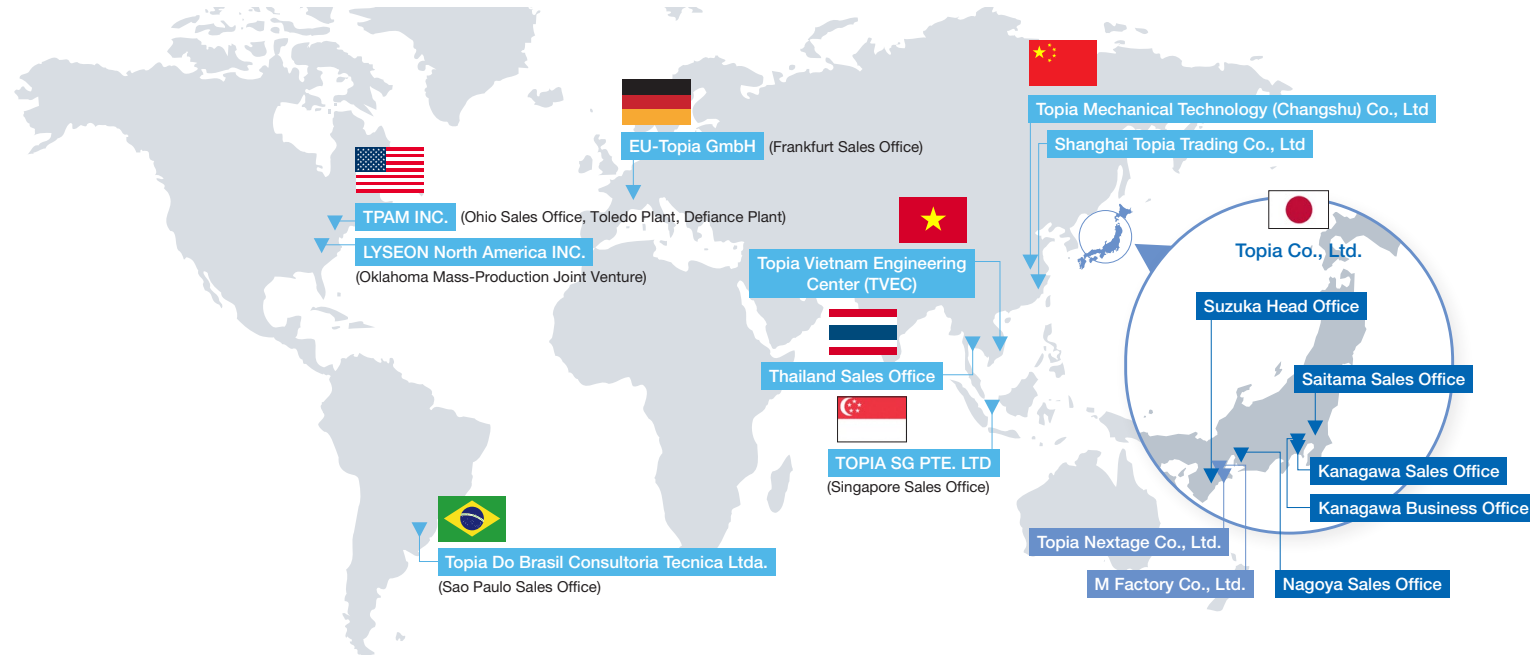
Business Content

We develop new products, manufacture prototypes, and manufacture small-lot to mass-produced parts in various fields.

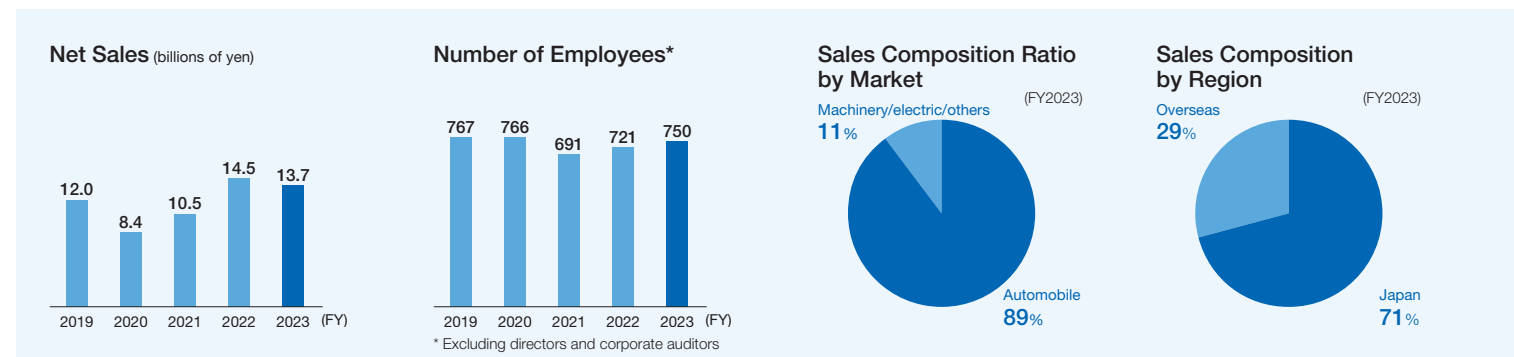
- Automobile design and analysis
- Fabrication and assembly of sheet metal prototype parts
- Mold manufacturing
- Assembly jig and inspection tool production
- Manufacture of small-lot to mass-produced parts
- Carbon composite production

Business Sites

Topia conducts business globally with 7 bases in Japan and 11 bases in 7 countries (including subsidiaries and sales offices).



Financial Results and the Number of Employees at Topia Co., Ltd. (Non-consolidated)





Message from the President

Promote Sustainability Management with the Three Management Philosophies and the New PURPOSE

Hideki Sasaki
President

Practice Sustainability Management with an Awareness of the Current Trend, “ESG”

Topia is a company that continues to manufacture prototypes, mainly for automobiles, to meet customer needs. Currently, we have 11 overseas offices in 7 countries and plan on continuing to develop our business globally.

In recent years, we have received an increasing number of inquiries from our customers and business partners regarding the group’s environmental, social, and governance (ESG) initiatives. We have been asked whether or not we have obtained certification from external organizations.

To respond to this situation, we established the Sustainability Promotion Committee in July 2021. Through discussions in this committee, we believe that we must promote management that is responsible for changes in the environment and society. Topia has set its “purpose” in October 2023, as “we will continue to challenge various changes and demands to accomplish a prosperous future.”

Furthermore, we believe it is extremely important to promote sustainability management from an ESG perspective, to clearly define KPIs (key performance indicators), mid-term targets, and promote a broad understanding of our achievements.

Although the disclosed details in this report are not sufficient yet, we plan to enhance them as we continue to implement sustainability management. Topia aims to enhance the trust and confidence of a wide range of stakeholders.

Business Model of “A Company That is Always One Step Ahead of the Times”

Since our founding in 1973, Topia has inherited the three “Management Principles” set forth by our founder and has worked together to steadily implement them. This management philosophy is based on the “Spirit of the Wild Pigeon” that takes the initiative in pursuing new opportunities. The “Responsibility of An Emergency Hospital” that puts the customer first and does its best even for urgent or seemingly impossible cases. Finally, the “Spirit of Challenge” that always takes on the unknown and inexperienced. In particular, the “Spirit of Challenge” is at the core of our actions, “that the greatest risk is not to take on a challenge.” We are confident that our business practices based on this philosophy and the trust from customers have become the foundation of Topia today.

Based on this philosophy, we have refined our unique processing and joining technologies by gathering a wide range of information. Examples include participating in overseas exhibitions, accurately grasping the needs required in each era, meeting those needs while making future investments to look even further ahead, and proactively taking on a variety of challenges. Through these challenges, we have been able to respond to diverse needs with short delivery times while providing high-quality, high-difficulty products using state-of-the-art equipment. Today, we have expanded our business with many customers, and have established a firm position in the “prototyping” industry.

Furthermore, we are strengthening our business model as “a company that is always one step ahead of the times” through unique manufacturing, not only in the automotive-related industry, but also in fields such as aerospace, electronics, and semiconductor industries, to ensure our superiority.

Message from the President

Challenges to Sustainable Growth: “Four Materiality Issues”

To promote sustainability management, Topia has set four materiality issues to be resolved by FY2030, and KPIs and mid-term targets were established for each issue.

Specifically, we have set targets such as (1) CO₂ reduction and renewable energy ratio targets for decarbonization, (2) waste reduction targets to achieve a circular economy, (3) targets for the amount of value added per employee to provide safe and high-value-added products, (4) increase the ratio of female managers and male employees taking maternity leave to create a growing and safe workplace. Considering the relatively large number of foreign employees and trainees, we also set a numerical target for the Japanese Language Proficiency Test.

In order to identify four materialities, we reached out for suggestions from approximately 50 of the group’s executives and employees. After discussing with our managers, we made a decision on the proposals. Specifically, we identified and narrowed down social issues from the perspective that we would contribute to accomplish “sustainable growth for the group and society.” Then, we evaluated them from our company’s and our stakeholders’ perspectives, ultimately determining that these four materiality issues were of high importance.

Among the materiality practices, for example, we have long established an “Environmental Policy” and have been promoting the recycling of paper resources and introducing equipment that contributes to energy conservation. Solar power generation systems and LED lighting are a couple of examples of our contributions. In addition, by considering the possibility of being affected by the Nankai Trough earthquake in the region, we are working to create a system and structure from the perspective of the business continuity plan (BCP).

Through the setting of the purpose, identification of materiality, discussions with the Promotion Committee, and the preparation of this Sustainability Report, there seems to have been an increased understanding of sustainability management throughout the group, leading to a greater sense of cohesion toward achieving the targets for FY2030. In the future, we intend to further strengthen these efforts to achieve our goals.

To Be a Company Trusted by Society Through the Development of Excellent Human Resources and Fair and Honest Business Activities

I believe that the acquisition and development of human resources is one of the most important issues in advancing corporate management. With the increase in the number of manufacturing and sales bases overseas, the group has recognized the



need for diverse human resources with foreign language skills and has introduced various human resource development programs.

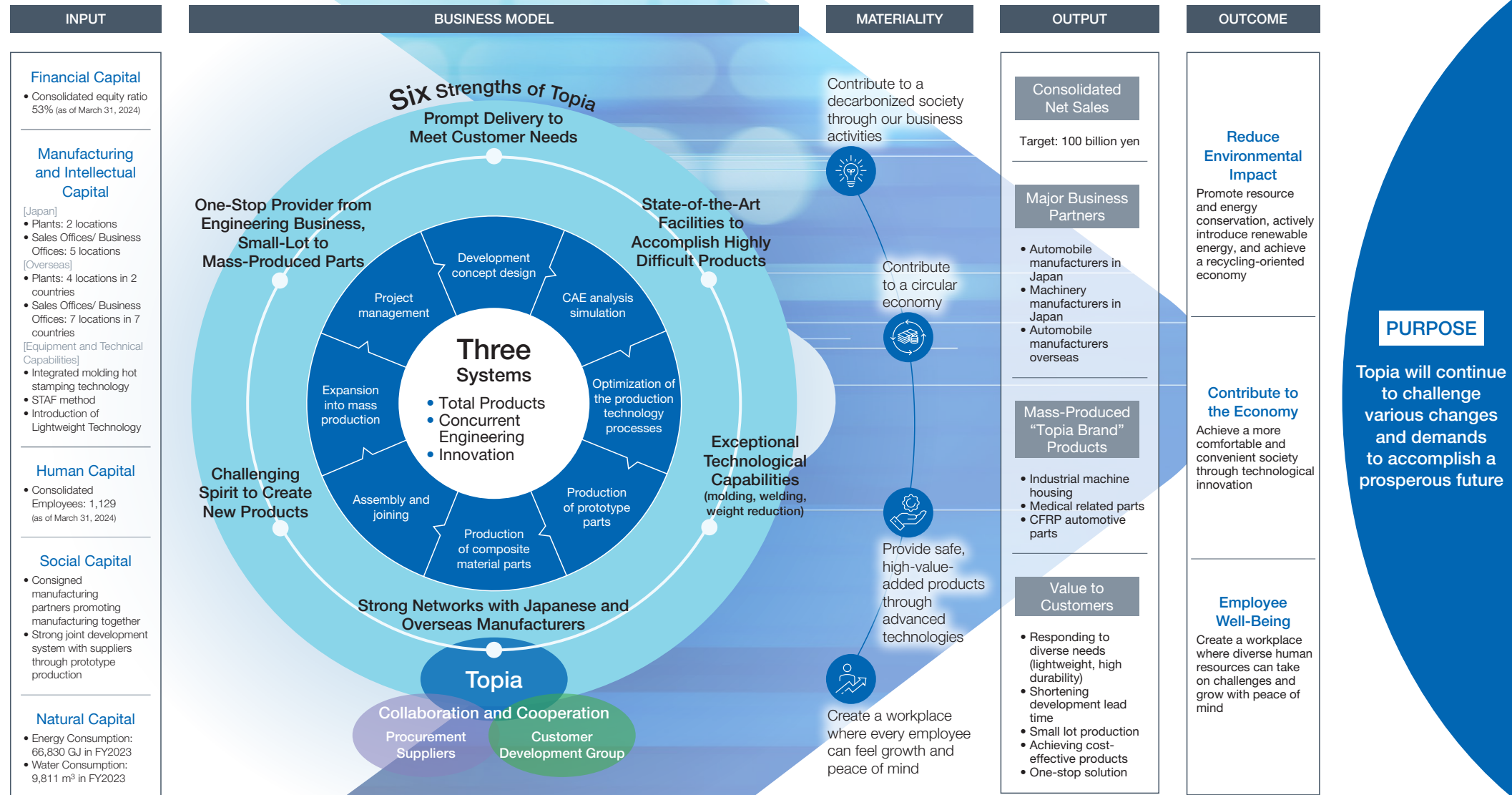
In order to achieve further growth, expand global business activities, and achieve high-value-added manufacturing, the development of excellent human resources is key. For new employees, we have introduced a system in which a dedicated educator carefully trains them during their first year, helping them acquire knowledge and culture that are important for our business. On the other hand, with regard to the human resources that are needed to achieve our medium- and long-term goals, we will focus on strengthening our human resources not only through in-house training, but also by considering all possible means. Our idea is acquiring human resources who can become immediately effective and can collaborate with external organizations.

I believe that sustainability management is all about doing the right thing. We will not be able to meet global standards unless we continue to take such actions and attitudes. It is important for us to communicate our actions and attitudes through this report both internally and externally. We will continue to strive to enhance our sustainability management and become a company trusted by society.

We hope that all of our stakeholders will continue to have high expectations for the Topia’s activities, and we look forward to your continued support.

Value Creation Model

Topia aims to contribute to the development of a wide variety of manufacturing around the world.



Features of Topia's Business Model

Topia aims to contribute to the development of manufacturing and achieve a sustainable society by pursuing values for sustainability initiatives.

Three Systems

Total Products

- We will pursue production efficiency by improving productivity and securing sales and profits.
- Aiming to establish the basic conditions for sustainable, corporate prosperity, we will work to reduce various losses.

Concurrent Engineering

- We believe that shortening the production period, in which each process is performed in parallel, is the most important factor for prototyping.
- Analysis at the design stage identifies problems and reduces man-hours to speed up development and reduce costs.

Innovation

- We believe that innovation in manufacturing processes will lead to unique, new technologies, and we are committed to solving customer problems.
- By combining the creation of new technologies from multiple directions including existing know-how, we will promote the use of our products in new fields.

Six Strengths



Prompt Delivery to Meet Customer Needs

We always strive to meet the diverse needs of our customers with our "Customer First" principle. Topia's mission is to make maximum use of the group's management resources and deliver products in a short period of time, not to mention quality and cost, to satisfy customers.



State-of-the-Art Facilities to Accomplish Highly Difficult Products

In order to achieve products that have never existed in the world, we are actively promoting the installation of state-of-the-art facilities with equipment manufacturers around the world, producing products and striving to fulfill customer requests and needs.



Exceptional Technological Capabilities (molding, welding, weight reduction)

The foundation of Topia's growth from its establishment to today lies in the fact that Topia has responded to customer requirements with a variety of technological capabilities. These capabilities being molding, welding, and utilizing product weight reduction technologies. We will provide value to customers through new manufacturing using sophisticated facilities and highly skilled personnel.



Strong Networks with Japanese and Overseas Manufacturers

Since its establishment, Topia has responded to the needs of customers in a wide range of markets. As a result, we have gained businesses globally and have built relationships of trust with many customers. Based on this management foundation, we aim to pursue further corporate growth.



Challenging Spirit to Create New Products

One of our management philosophies is the "Challenging Spirit." Topia as of today is the result of overcoming difficult technical challenges and the unknown without fear of failure. Topia's growth in the future will be driven by the "Challenging Spirit" which has remained unchanged since its establishment.



One-Stop Provider from Engineering Business, Small-Lot to Mass-Produced Parts

We are able to provide not only "prototypes" to "shape" things that have never been seen before, but also design, manufacture, and create Body in White. Systems were also established to mass-produce various small-lot products.

Sustainability Management

Basic Policy

Topia identified four key issues [Materiality ▶ P.10](#) in order to achieve a sustainable society.

Based on its materiality, we will strive to improve the quality of our sustainability management and enhance our enterprise value with the intent of satisfying all stakeholders.

Basic Sustainability Policy

We have classified the aspects of corporate social responsibility (CSR)-based management into the following three perspectives and established the “Basic Sustainability Policy.” Through the development and manufacturing of prototypes, we aim to contribute to the development of global manufacturing.

Basic Sustainability Policy

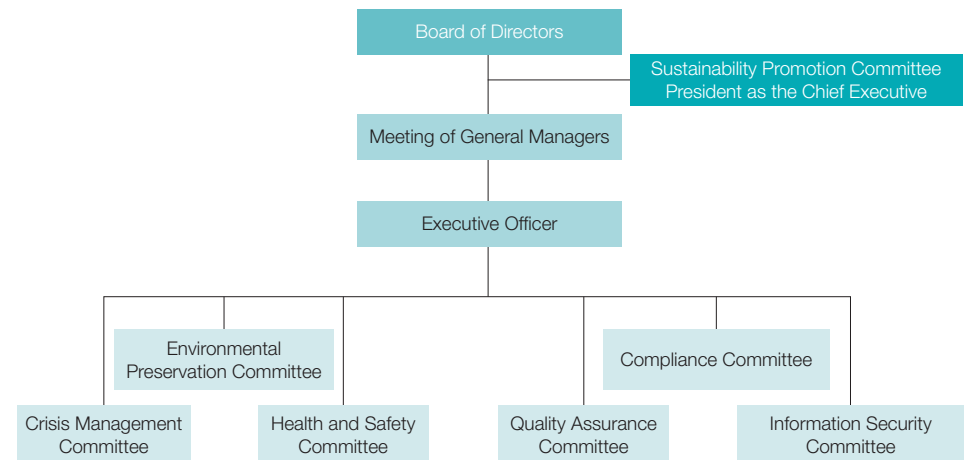
- (1) Reduce environmental impact (minimization of waste)
Develop environmentally friendly products, promote CSR management, and achieve a circular economy
- (2) Contribute to the economy (maximize benefits)
Create new technologies and solve customer issues through innovation
- (3) Employees’ happiness
Pursue diversity that contributes to enterprise value through dialogue and collaboration

Sustainability Management Promotion System

Topia established the “Sustainability Promotion Committee” in July 2021 to promote sustainability management.

The Sustainability Management System is coordinated with the six subcommittees. The Risk Management Committee, the Environmental Protection Committee, the Health and Safety Committee, the Quality Assurance Committee, the Compliance Committee, and the Information Security Committee. Each committee meets regularly. The “Sustainability Promotion Committee” reviews numerical targets for each issue, monitors progress, and oversees the implementation of sustainability management for Topia.

Sustainability Management Promotion System

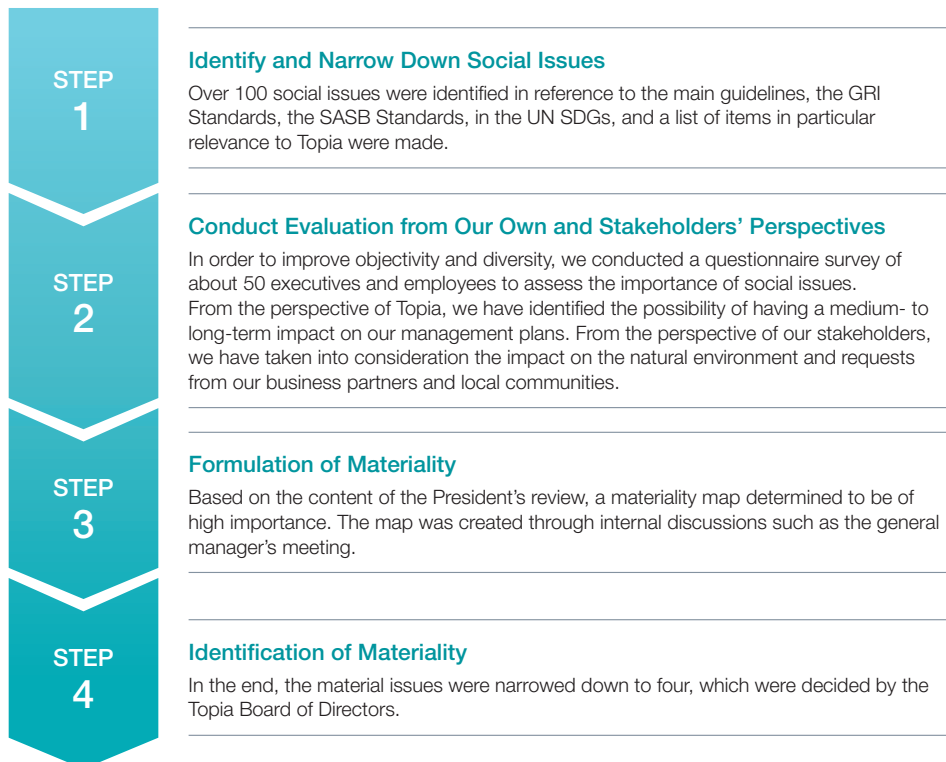


Identification of Materiality

Materiality Identification Process

Topia has identified the material factors that contribute to “sustainable enterprise and social growth.” This was in order to achieve a balance between enterprise value and social value.

These material factors consist of four, selected items that will ultimately become material issues from two perspectives: (1) environmental and social issues that we can achieve results from, and (2) issues that we can address through developing and manufacturing prototypes.

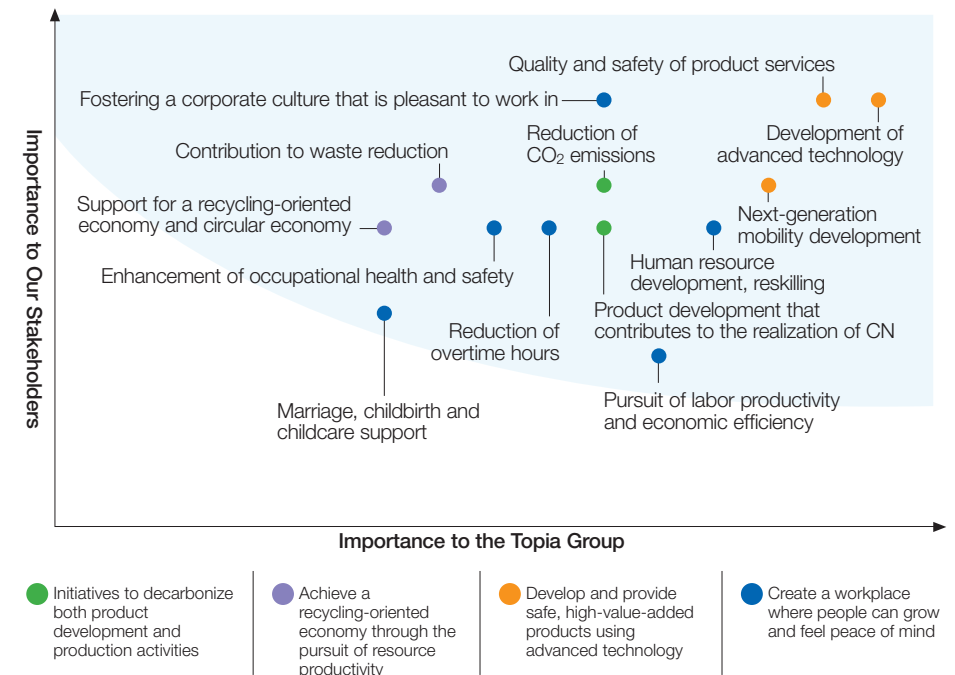


Mapping of Materiality

Topia has identified the following four materialities:

- (1) Initiatives toward decarbonization in both product development and production activities
- (2) Achieve a circular economy through the pursuit of productivity
- (3) Develop and provide safe, high-value-added products using advanced technologies
- (4) Create a workplace where people can feel growth and peace of mind

In addition to our efforts in line with the four materialities, this Sustainability Report also describes our human rights and governance initiatives, which form the foundation of our business.



Materiality

Topia has established four social issues to be resolved when prototyping a wide variety of industrial products.

We aim to solve the issues demanded in current times, contribute to the development of new manufacturing globally, and achieve a sustainable future that enriches society.



Contribute to a Decarbonized Society Through Our Business Activities

Contributing to the SDGs ▶



Topia is aggressively promoting the introduction of renewable energy to reduce greenhouse gas emissions from its business activities. We aim to achieve carbon neutrality by reducing our environmental impact.



Contribute to a Circular Economy

Contributing to the SDGs ▶



We are working to recycle waste materials and steel materials generated in our business activities. We will also accelerate our paperless and digital transformation (DX) initiatives.

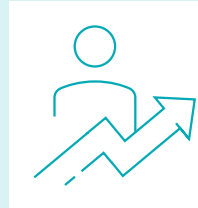


Provide Safe, High-Value-Added Products Through Advanced Technologies

Contributing to the SDGs ▶



We will contribute to the improvement of safety performance by increasing the added value of our products, establishing an educational system and an environment that will improve the skills of all employees.







Achieve a Workplace Where Every Employee Can Feel Growth and Peace of Mind

Contributing to the SDGs ▶



Creating a good working environment for employees is essential for smooth operation of business activities. We will continue to promote initiatives not only to improve the environment, but also to encourage the growth of our employees themselves.

KPIs and Targets Based on Materiality

Materiality	Risks and Opportunities	KPIs	Mid-term Targets	Strategies	FY2022 Results	FY2023 Results
Contribute to a Decarbonized Society Through Our Business Activities 	[Risks] Increased operating costs due to the inability to respond to industry trends toward carbon neutrality Declining customer confidence [Opportunities] Increase customer confidence through proactive carbon neutrality and disclosure Expand business by developing new technologies that contribute to customers' carbon neutrality	Scope 1 and 2 emissions	FY2030: Reduce by 21% from FY2021	Reduce total CO ₂ emissions at our own plants and offices by 3% per year over a 7-year period starting in FY2024	5,857 t-CO ₂	6,928 t-CO ₂
		Scope 3 emissions Zinc alloy purchase rate	Continue 10% or less	Promote recycling of zinc alloy used in prototype mold manufacturing to minimize new purchases	10.6%	8.6%
		Renewable energy ratio	FY2030: Increase by 30% from FY2021	Actively switch in-house power consumption to electricity derived from renewable energy	1.7%	3.2%
		EV rate	FY2030: Achieve 100% HV and EV rate (commercial vehicles)	Switching company owned commercial vehicles to EV and HV vehicles	80.0%	85.4%
Contribute to a Circular Economy 	[Risks] Increased operating costs and decreased customer confidence due to continued mass disposal [Opportunities] Contribute to a recycling-oriented economy through reduction of industrial waste, reduction of chemical load, prevention of air and water pollution, and an effective use of resources	Amount of waste generated Sand recycling rate	Continue 95% or more	Promote recycling of sand materials used in the production of prototype molds, and minimize the amount of waste	96.9%	97.2%
Provide Safe, High-Value-Added Products Through Advanced Technologies 	[Risks] Declining customer confidence due to non-conforming products [Opportunities] Expand business and increase customer confidence by developing safe, high-quality products that respond to diverse values and social issues	Amount of added value per employee	FY2030: Increase by 5% from FY2021	Maximize profits through high value-added businesses	63.8%	65.0%
Achieve a Workplace Where Every Employee Can Feel Growth and Peace of Mind 	[Risks] Decreased productivity due to lower employee engagement Increased cost of recruiting human resources and difficulty in recruiting [Opportunities] Improve productivity by increasing employee engagement Enhance the ability to respond to issues through the active participation of human resources with diverse values	Percentage of female managers	FY2030: 20%	Promote the establishment of workplaces where employees can demonstrate their abilities regardless of gender	7.7%	7.5%
		Percentage of male employees taking maternity leave	FY2030: 85%		66.7%	38.5%
		Number of work-related accidents	Zero	Further improve internal health and safety and reduce the number of the work-related accidents	0	1
		Overtime work hours	FY2030: 25 hours or less per month	Improve operations through DX, etc.	23.6 hours	23.4 hours
		Japanese Language Proficiency Test certification rate (N3 or higher)	FY2030: 75%	Support foreign employees and trainees to obtain the Japanese Language Proficiency Test	52.1%	32.3%

Initiatives for Environmental Protection

Basic Approach

As part of our environmental protection efforts, Topia obtained ISO 14001 certification (environmental management system, hereafter “EMS”) in November 2007, and has since renewed its certification. Since FY2019, we have been strengthening activities to further reduce energy consumption based on the guidance and suggestions of our energy managers.

Environmental Policy

Basic Philosophy

Topia strongly recognizes that maintaining a sustainable global environment is the most important issue for mankind. We will contribute to the future of mankind and the earth by promoting the reduction of environmental impact through our business activities.

Guidelines for Actions

Topia aims to accomplish its basic philosophy by promoting the following activities through our business activities.

1. Compliance with environmental-related laws and regulations
2. Promotion of resource and energy conservation (promotion of a decarbonized society)
3. Contribution to the establishment of a circular society
4. Prevention of environmental pollution
5. Initiatives toward international community goals
6. Promotion of the environmental policy
7. Awareness and understanding of the environmental policy
8. Disclosure of the environmental policy

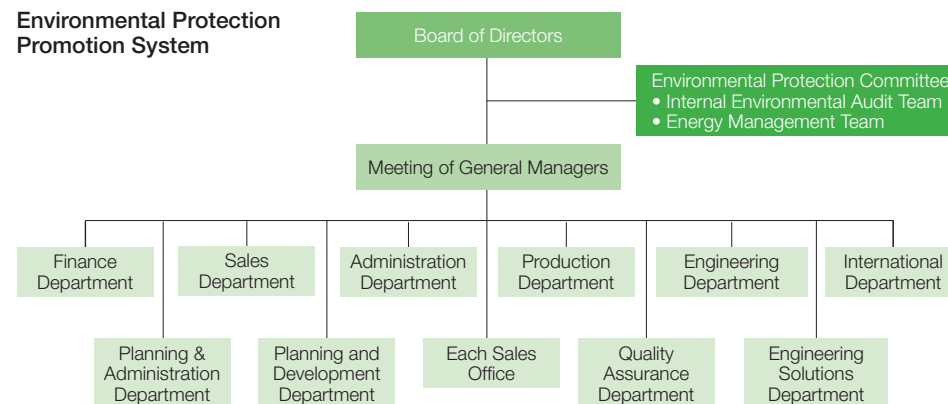
Environmental Management System (EMS)

Since acquiring the ISO 14001 certification (EMS), Topia has been working on the 5S (Sort, Set, Shine, Standardize, and Sustain) activities in order to reduce negative impact on the global environment. We are also continuing our efforts to reduce greenhouse gas emissions.



ISO 14001
registration
certificate

Environmental Protection Promotion System



Regular EMS Promotion Meeting

EMS activities include monthly in-house patrols on the environment, safety, and 5S. Additionally, regular EMS promotion meetings are held monthly to share information on energy consumption results and patrol results.



Regular EMS Promotion Meeting

Regular Energy Management Meeting

As part of our activities to reduce energy consumption, we introduce renewable energy, manage air conditioning, and accept suggestions for improvements at each plant. We also hold regular energy management meetings on a quarterly basis to share information and work toward future improvement.



Regular Energy Management Meeting

Initiatives to Accomplish a Decarbonized Society

Basic Approach

Topia provides prototypes and products to a wide range of industries and sectors. We recognize that addressing “climate change” is a priority for any industry and could potentially become a “prerequisite” for transactions in the future. Therefore, we are reducing CO₂ emissions in our activities through energy conservation and the introduction of solar power generation systems. Our team also aims to accomplish a carbon-neutral society by developing products supporting product weight reduction and electrification.

Basic Policy

[Production Activities]

In addition to monthly energy conservation summaries, PDCA management is implemented for each activity through reports and discussions at regular energy management meetings held quarterly. At our overseas locations, PDCA management is also implemented for each activity quarterly to strengthen cooperation with each site.

[Product Development]

By communicating with customers on a daily basis, we accurately grasp their requests and needs. Then, we quickly disseminate this information within the company and coordinate among departments. Using Topia’s strength in lightweight technology, we are actively suggesting the proposal and development of products that would satisfy the customer needs.

Promotion System

Topia’s Sustainability Promotion Committee [\[Sustainability Management ▶ P.8\]](#), established in July 2021, deliberates and decides on important policies and initiatives contributing to climate change. With regard to energy-saving activities in production activities at our own plants, we promote energy management under the proposal of our energy management specialists.

Solar Power Generation

Topia introduced solar power generation systems in Japan and overseas. By the end of FY2022, the cumulative solar power output became approximately 225 kW in Japan and 1,208 kW in China, respectively. Approximately 8% of Topia’s total electricity consumption is covered by solar power generation.

In the future, we plan to promote solar power generation systems, and to cover 30% of all electricity consumption in Japan with renewable energy sources.



Solar panels installed at the head office plant

Energy Conservation and Environmental Activities at Plants

In order to raise the awareness of each employee about energy conservation and environmental consideration, we introduced an award system in 2013. The results of the energy conservation and environmental activities are evaluated by EMS staffs through monthly patrols. The departments with the highest scores are given an award. In FY2023, the grand prize was awarded to the department that actively engaged in 5S initiatives throughout the year.

Not only our company will participate in reduction activities as a company organization, but we will continue to consider expanding the system. That way, employees can voluntarily practice environmentally conscious behavior.



Energy conservation activities at the plant

Initiatives to Accomplish a Decarbonized Society

Decarbonization of Products

Topia manufactures prototypes based on the latest materials and technologies to achieve both “weight reduction” and “safety and comfort.” In April 2022, we introduced the world’s first epoch-making automobile body frame manufacturing system, STAF, developed by Sumitomo Heavy Industries, Ltd.

This technology is characterized by the ability to mold the flanges (brim-like part), which are essential for assembling frames. This technology is approximately 30% lighter than conventional structures, and contributes to reducing CO₂ emissions by air blow molding.

A new mechanical servo press machine was also introduced in February 2024. Not only does it reduce energy consumption by upgrading the equipment, it enables molding with less raw material input than conventional equipment. In terms of reducing raw materials and product weight, it also contributes to the reduction of Scope 3 emissions for both our business partners and us.



Manufacturing system “STAF”

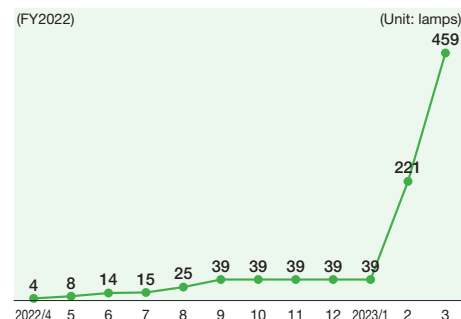


New mechanical servo press machine

Conversion to LEDs in All Plants

Topia is currently promoting the use of LEDs for indoor and outdoor lighting, and has achieved a 100% LED rate at its head office plant.

Number of LED Lightings (cumulative)



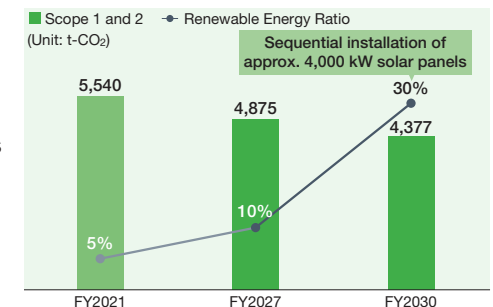
Scope 1, 2, and 3 Calculation Results and Reduction Targets

In FY2023, as well as our own CO₂ emissions (Scope 1 and 2), we calculated the CO₂ emissions throughout the value chain (Scope 3), including emissions from purchased raw materials.

For Scope 1 and 2, we have set a target of 21% reduction from fiscal 2021 levels (3% reduction per year) through FY2024 to FY2030.

For Scope 3, we plan to implement system improvements and other measures for Category 1 (purchased products and services) and Category 4 (transportation and delivery). These account for the largest percentage of CO₂ emissions.

Reduction Target of Greenhouse Gas (t-CO₂/year) for the Group Companies in Japan



Reduction of Total Packaging Material Costs

In an effort to reduce the number of packing steps required to ship products domestically and internationally, the company used to pack products into existing corrugated cardboard. However, a supplier came up with a new packaging material that uses reinforced, corrugated cardboard to match the shape of the product. This led to a reduction in CO₂ emissions and total cost.

Although material costs rose by 57% due to special packaging, the company succeeded in reducing packaging costs by 55% and transportation costs by 40%, resulting in a 37% reduction in total cost. CO₂ emissions during transportation were reduced by 8% (28.3 tons), which is equivalent to the amount that 1,000 cedar trees can absorb in a year.

Total Packaging Material Costs for Shipping



Initiatives to Accomplish a Circular Economy

Basic Approach

Topia's environmental policy includes the concept of "building a recycling-oriented society," and promotes the efficient use of resources.

To achieve carbon neutrality, we plan to contribute by reducing industrial waste, reducing the burden of chemical substances, preventing air and water pollution, and effectively using resources.

CASE ①

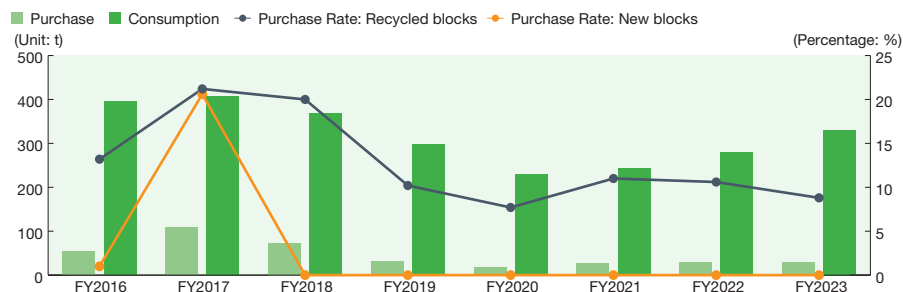
Circulation of Zinc Alloy Material (ZAS) for Molds

In press forming, mass-produced models use materials such as iron and cast iron. However, lead time is required before commercialization and reuse is impossible. Since its founding, Topia has produced prototypes in small quantities, so we use our own melting furnaces to cast ZAS and produce prototypes. This means that we have been making efforts in line with the current recycling-oriented society, and we are also reducing costs by reusing ZAS.



Topia's melting furnace used for ZAS casting

Circulation of ZAS (Average Value/Percentage)



Promotion of Recycling at the Plant

Topia's "one-of-a-kind manufacturing" approach to prototyping means that molds are indispensable for our prototypes. The ZAS casting method, one of the mold manufacturing methods, requires ZAS and casting sand.

ZAS has been melted and reused since Topia was established. We used to dispose of sand for casting, but since fiscal 2012, we have invested in equipment to reuse sand for ZAS casting.

CASE ②

Circulation of Casting Sand

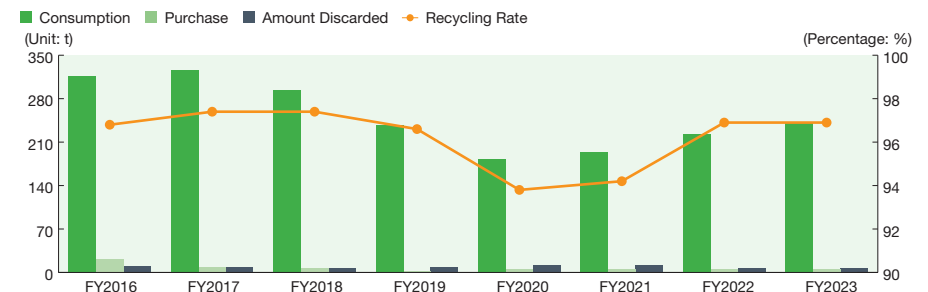
When making molds with ZAS, it is necessary to spread sand mixed with a hardener around the mold. The hardener mixed with the casting sand cannot be completely crushed, so it must be buried and disposed of as is.

Topia uses an agitator to crush used casting sand into random blocks. The purpose is to separate the hardener and reuse the sand.



Stirrer for recycling casting sand

Circulation of Casting Sand (Average Value/Percentage)



Initiatives to Ensure Product Safety (Quality Assurance)

Basic Approach

Topia has established the following “Quality Policy” with the aim of creating quality that satisfies our customers. We do this by constantly striving to improve our technological capabilities and improve the quality of manufacturing operations. Based on this policy, each company under Topia will pursue and practice manufacturing in a fair and honest manner.

Quality Policy

Basic Philosophy

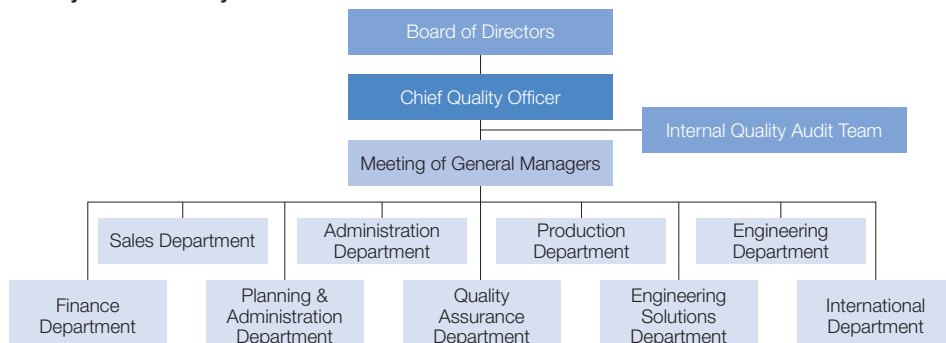
Based on our quality philosophy of “absolute quality,” Topia strives to improve its technological capabilities and the quality of its work. We aim to be a company that can provide its customers with quality that satisfies them and gives them confidence.

Guidelines for Actions

Topia shall engage in the following activities through improving products and services.

1. We shall comply with customer requirements, legal requirements and regulatory requirements.
2. We shall set quality targets and promote improvements to achieve our quality goals.
3. We shall focus on the quality of our business practices for product and service provision and continually improve them.
4. We shall post the quality policy throughout the company to ensure that all employees understand and are aware of it.

Quality Assurance System



Guidelines for Actions

Topia acquired the ISO 9001 (Quality Management System) certification in August 2009 and the JIS Q 9100 (Quality Management System for Aerospace and Defense) certification in July 2011. Our company has continued to renew these certifications to date. We also implement the following activities to ensure and improve the safety of our products and services.



ISO9001
registration
certificate

JISQ9100
registration
certificate

Quality Process Patrol

At each work site, quality initiatives as well as the 5S activities, work environment, and worker awareness are checked through quality process patrols. Examples of improvements are shared with all divisions.



Quality Education Activities

Under the leadership of the Chief Quality Officer, we set up timely training themes for the purpose of quality improvement. In line with these themes, each department head conducts training as needed to raise department members' awareness and knowledge of quality.



Quality Slogans

Every year, all employees are invited to submit quality slogans, and one of the top prizes is displayed in each area of the company. We also carefully select and award 8 excellent prizes, 10 winners, and 20 honorable mentions in order to raise the quality awareness of each employee.



Develop High-Value-Added Products

Basic Approach

Making Things That Don't Exist in the World into "Forms"

We incorporate customer needs by creating specific construction methods, proposing optimal design and development, procuring parts and materials, and by manufacturing products at our own plants. Topia's unique technology and responsibility for the series of steps leading up to the quality assurance, enable us to provide good products through an integrated, in-house production system. This allows us to respond quickly to advanced requirements and project-related issues.

Diverse Equipment

From One-Of-A-Kind Products to Small-lot Products

We implemented a centralized, management system for production information using barcodes, and can manufacture more than 1,000 types of products per month. Its system provides real time progress management, and the accumulated production information enables process and cost management. By using a complex combination of in-house equipment, we are able to achieve manufacturing that cannot be achieved elsewhere and meet the needs of a variety of customers.



Joining line

Establish Total Product System

Equipment and Manufacturing Capabilities from Single Products to Assembly

We provide various products backed by a proven track record of longstanding, business relationships.

We have established production and quality control technologies, and systems that ensure both industry-leading, short delivery times and quality.

We are able to cover the entire value chain from design to manufacturing to quality control in a one-stop service.



BIW (Body in White)

Propose Cost-Effective Weight Reduction

Propose Weight Reduction for a Wide Variety of Products

Our experienced designers and engineers offer lightweight solutions. We internally manufacture the most suitable facilities. A list of facilities we have manufactured include production, inspection, jig, and simulation facilities. In these facilities, we simultaneously conduct research on construction methods, mold design and jig design along with collaborate with material and equipment manufacturers.

Support Small-Lot Production

Establish a Production System That Can Handle Small-Lot Production

We have installed several state-of-the-art equipment from domestic and overseas manufacturers. These can handle small lots as well as specialize in prototypes.

In addition to focusing on the training for machining technicians in each process, we have many engineers dedicated to CAD/CAM. Our in-house integrated system can handle not only prototypes but also a wide variety of small-lot products while providing low cost and short delivery times.

Train Engineers

Make "Topia's Brand" Unmatched Compared to Competitors

We focus on skill-training programs, quality control regulations, and other qualifications, as well as the use of external educational institutions like on-the-job training. For more difficult jobs, we are working to overcome physical and technical challenges by training skilled workers to provide high value-added products.



Special Feature

Prototype Original EV Based on In-House Open Designs

We provide “One Product” that we are proud of.

Theme

Utopian Cars: Toward a Prosperous Future

In 2022, the design was carefully selected from internal applications and turned into an actual car.

The entire process, from design, metal processing, resin processing, to assembly jig, was integrated in-house. A group of workers skilled in material properties verified the process through assembly using the most appropriate method. Topia's accumulated technologies have reached the realm of constructors from planning and development.

Message from the Head of the Original EV Development



Tomohisa Sugiura
Managing Director
Topia Co., Ltd.

Topia will Continue to Run Toward a Sustainable Future

It was not a simple matter of materializing the image, but rather a company-wide effort to complete the project. Our mission was to be “A company that can create attractive, electric vehicles in-house for the next generation.” In order to create more originality, we solicited designs within the company. Each member of our company drew a picture with Topia's image and put it into a flexible style centered on a rounded design.

A variety of cutting-edge materials were used such as carbon sheet molding compound (SMC), hot stamp materials, a wide range of welding machines, machines for joining different materials, and manufacturing methods using steel tube air forming (STAF) equipment, developed by Sumitomo Heavy Industries, Ltd. Everything here resulted in our EV. Our completed vehicle was exhibited at various trade shows and has received favorable reviews from those who attended. As a result, Topia's recognition as a company specializing in lightweight technologies has increased dramatically, and the project was filled with a sense of accomplishment. We will continue to explore and embody opportunities of new development.

The original EV “Grand HUV0,” which was completed after reviewing numerous designs submitted from the company.



Completed Original EV “Grand HUV0”

Create a Comfortable Work Environment for Diverse Human Resources (Occupational Health and Safety)

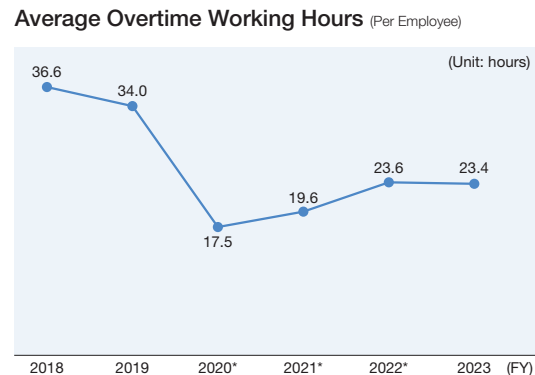
Basic Approach

In order to minimize the impact on health and safety for all employees and the local community, we aim to create a comfortable, working environment by thoroughly implementing health and safety management in our corporate activities.

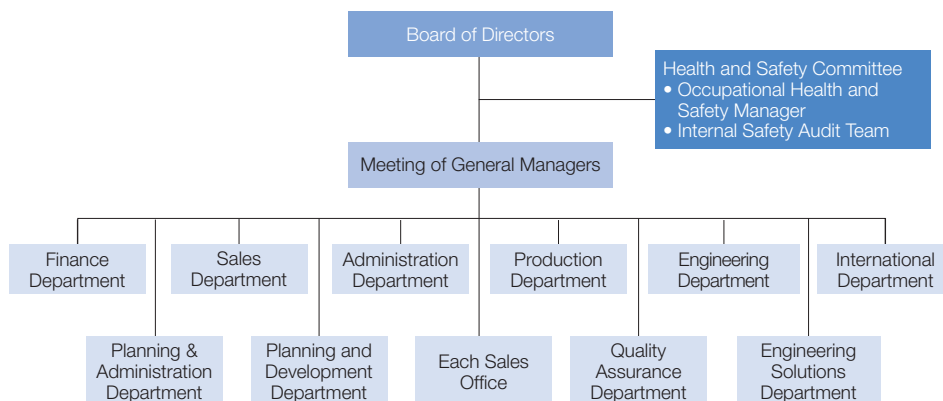
Promote Health Management

We have established an overtime application approval system. We would like to improve the health of all employees by strictly controlling overtime work in addition to complying with the 36 Agreement.

*During the three-year period from FY2020 to FY2022, overtime work hours temporarily decreased due to the COVID-19 pandemic.



Health and Safety System



Initiatives for Fire and Disaster Prevention

Regular evacuation drills and first-aid training are conducted to create an environment in which appropriate and proper responses can be taken in the event of a disaster. We also conduct monthly factory inspections to reduce the risk of disasters.



Disaster prevention training



Lifesaving training

Initiatives for Occupational Health and Safety

We ensure that appropriate methods are followed in transporting products and materials in order to prevent accidents.

With the guidance of external consultants, the risk assessment system was strengthened to eliminate risk factors in the workplace.



Forklift safety training

Initiatives for Traffic Accident Prevention

We conduct traffic safety patrols four times a year to raise traffic safety awareness and ensure compliance with traffic rules.



Traffic safety patrol

Create a Comfortable Work Environment for Diverse Human Resources (Diversity Promotion)

Basic Approach

Topia is committed to prohibiting unfair discrimination. We respect the personalities and individualities of all employees with respect to each other. We also promote fair recruitment and utilization of human resources regardless of race, religion, nationality, gender, age, or disability.

Promote Active Participation of Female Employees

Topia is working to create an environment in which it is easy to balance work with childcare by fostering a favorable workplace culture and enhancing various systems. For example, the shorter working period for childcare is set at “the period until entering elementary school,” which exceeds the legal limit. We also aim to increase the ratio of women in managerial positions to 20% by 2030.

Acquisition Rate of Childcare Leave

	Male	Female
FY2021	42.9%	100.0%
FY2022	66.7%	100.0%
FY2023	38.5%	100.0%

Initiatives to Employ People with Disabilities

Topia aims to create a workplace where both people with disabilities and able-bodied people can work together with vigor and enthusiasm. In FY2023, we achieved the legally required employment rate of 2.3% for the physically challenged. We solve problems in company life and daily life not only within the company, but also with the cooperation of external parties.

Employment Rate of Persons with Disabilities

	Statutory Employment Rate	Results
FY2020	2.0%	2.1%
FY2021	2.1%	2.1%
FY2022	2.2%	2.2%
FY2023	2.3%	2.3%

Promote Participation of Foreign Employees

At Topia, foreign employees account for more than 10% of total employees. We invite outside instructors to provide Japanese language education twice a week to help employees achieve the N3 level of the JLPT. N3 is the level at which daily conversation is possible. For employees who wish to further improve their Japanese language skills, we also provide training to obtain N3 or higher certifications.

In addition, we are building a work environment and corporate culture through the multilingualization of work manuals, internal rules, and the use of images.



VOICE



Mr. Shen

Deputy General Manager,
Parts Department,
Topia Mechanical
Technology
(Changshu) Co., Ltd

Develop Teams at Overseas Sites by Utilizing Skill Training Experience in Japan

I participated in the training because I was interested in new things, especially how high-quality Japanese products are made. Although I was worried about the language barrier, I was impressed by the wealth of Topia's corporate culture, the strong sense of responsibility, and the hard work that goes into working with rules.

After returning to China, I trained a team of technical personnel. I learned the importance of having clear work goals and gained a better understanding of manufacturing, which I am now applying to cost reduction in my current work.

Create a Workplace that Achieves Growth (Human Capital Management)

Basic Approach

Since its founding, Topia's management philosophy (Spirit of the Wild Pigeon, Responsibility of An Emergency Hospital, and Spirit of Challenge) has been the basis for employee decision-making. By acting in accordance with this management philosophy, we believe that our operations will become more efficient and drive our growth.

Company-Wide Cleanup

Topia conducts a company-wide cleanup once a month, including at each of our sites in Japan.

The scope of this cleanup activity, which is conducted by all employees, extends beyond Topia's own premises and to the surrounding areas.



Greeting Campaign

As a part of our efforts to promote communication, Topia has designated June and October as "greeting promotion months." Senior employees and new employees line up at the entrance to the company's premises for one week to greet employees before work begins.

We believe that fostering a corporate culture that encourages employees to greet each other willingly will lead to smooth execution of work at the workplace, with business partners, and with various other related parties.



Education and Training Systems

Action Plan

Topia has established a training system for employees in their second year of employment and thereafter. This system sets out their own growth strategies in relation to the policies and themes of each department based on the President's Policy. For each theme, superiors give their subordinates tasks to accomplish, and interviews with superiors are held three times a year to achieve the goals and to develop employees.



Trainee Education System

Topia strategically trains new employees as trainees during their first year with the company. Monthly discussions on safety, quality, 5S, and other topics are held to help employees acquire a "sensitivity to awareness".

Through these efforts, we aim to quickly acquire the mindset of a member of society and the knowledge necessary for manufacturing.

VOICE



Ms. Deguchi
Engineering Assistant
Engineering Div.
TPAM INC.

Short-term Dispatch to the U.S. to Experience a Wide Range of Practical Work

When I joined the company, I had a strong desire to work overseas, so I thought it would be a good opportunity to make the most of my experience at the head office.

In Japan and the United States, customer requirements are different, and in the United States, there are many opportunities to refer to the quality regulations. The greatest feature is the wide range of work that can be entrusted to us. My work outside of my assigned department has been helpful in my current department.

While there are differences in operations in both Japan and the U.S., the goal is the same. I would like to further devote myself to this project without forgetting my gratitude to those who helped me.

Contribute to Society

Basic Approach

Since its establishment in 1973, Topia has grown with the support of its neighboring communities. We will continue to communicate closely with local communities and engage in social activities that enrich both “people and society.”

Accept Internships

Topia offers an internship program for students in neighboring areas. Aiming to help students choose their future careers, we have prepared a program that allows them to actually experience Topia's state-of-the-art technologies, facilities and take on the challenge of creating prototypes.



A look at the internship

Sponsor Local Sports Teams

Topia, headquartered in Mie Prefecture, has been sponsoring local sports teams such as Iga FC Kunoichi Mie since 2017 and Atletico Suzuka Club since 2021. We will continue to support the revitalization of local communities and the development of young people through sports.



2nd Topia Match Day (September 2023)



Donating Foot-Operated Disinfectant Stands

We manufactured and donated Topia's original disinfectant stands to the Suzuka City Hall, Yokkaichi City Hall, Suzuka City Medical Association, and neighboring communities. The disinfectant stands were designed and produced in the hope of providing some assistance to medical and government institutions suffering from the COVID-19 pandemic. A total of 300 units were donated.



At Suzuka City Hall



At Yokkaichi City Hall

Aim to be a Company that Grows with Local Communities

We promote SDGs initiatives as a SDGs Promotion Partner in Mie Prefecture. We have also been selected as a “Regional Future Leader,” and we consider it our mission to create a company that grows together with the local community.



Compliance

By practicing our management philosophy and maximizing enterprise value, we aim to build good relationships with stakeholders.

As a company trusted by the international community, we believe in the importance of fair, transparent management and are committed to compliance.

Compliance Education

Topia holds education and enlightenment activities to ensure that employees are always aware of compliance.

In FY2023, 90% of our employees participated in educational training on compliance by outside instructors.

Furthermore, as for enlightenment activities, public materials are posted in common areas to raise awareness of compliance.



Compliance education

Anti-Corruption Initiatives

Topia strives to conduct sound and fair business activities with high ethical standards. We are committed to complying with anti-corruption laws and regulations in all regions and countries where we do business. We ensure that we do not provide benefits or favors through illegal or improper means, such as bribery, illegal political contributions, donations, threats, extortion, embezzlement, engage in money laundering, illicit international transfers, or provide funds to anti-social forces.

Risk Management

We are working to strengthen risk management as a part of internal control by identifying and addressing risks that may impede growth, such as rapid changes in the external environment.

Initiatives for Information Security

Topia regards the appropriate handling of information assets as an important management issue. Specific activities include the formulation of a “Security Policy” to ensure security (systems, data, and physical), acquisition of security certification (TISAX), introduction of new technologies, and further employee education and awareness.



Security policy handbook distributed to all employees

Initiatives for Business Continuity Plan (BCP)

A “Business Continuity Plan” is clearly defined in case of a major earthquake, pandemic, or other disaster. Based on this plan, we will ensure the safety of employees’ well-being and lives, and deal with important operations that should be continued and restored on a priority basis and their early restoration. We will carry these out by specifying policies, procedures, and methods of establishing an operational system in order to prevent the interruption of important business activities and to restore them in the shortest possible time even in the event of interruption.



A convenience store inside Topia. Functions as a base for stockpiles and internal safety checks



BCP handbook