



Message from the President

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

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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.

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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.