

SUSTAINABILITY REPORT 2026

PURPOSE

Topia will continue to challenge various changes and demands to accomplish a prosperous future

Achieving “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 Principles



Spirit of the Wild Pigeon

Active management with 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 to the unknown and the challenge to excellence are 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.

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Editorial Policy

The external environment surrounding Topia has become increasingly diverse and complex. Therefore, it is difficult to predict situations, such as the worsening disasters caused by climate change, wars and trade tariffs 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 discussions with all stakeholders.

Scope of this Report: Topia Co., Ltd. (including some of its subsidiaries)
Reporting Period: April 2025 to March 2026
Publication Date: July 2026
Referenced Guidelines: GRI Standards

Our Business

Topia Group provides comprehensive support to our customers' manufacturing processes, from planning and design to production. We work across a wide range of fields including automobiles, aircraft and electrical fields.
By utilizing state-of-the-art equipment and digital technologies in design and analysis, and by promoting concurrent engineering where multiple departments collaborate on development, we are achieving improved quality and shorter development times.



Development and Engineering

Covers everything from design and detailed engineering to CAE analysis. Digital verification enables us to achieve both high-quality design and shorter development times.

- Automobile design and analysis
- Utilizes know-how cultivated in other fields

Prototyping and Special Processing

Sheet metal processing as well as design and manufacturing of carbon fiber molding. High-precision prototyping and assembly allow us to identify issues that are not visible in drawings at an early stage.

- From sheet metal parts manufacturing to assembly.
- Carbon composite production





Production Preparation and Support

In addition to prototype and mass-production molds, we manufacture jigs and inspection tools for complex assembly processes. We build a manufacturing foundation that achieves "zero defects" through our skilled techniques.

- Mold manufacturing
- Assembly jig and inspection tool production

Small-Batch Productions and Mass Production

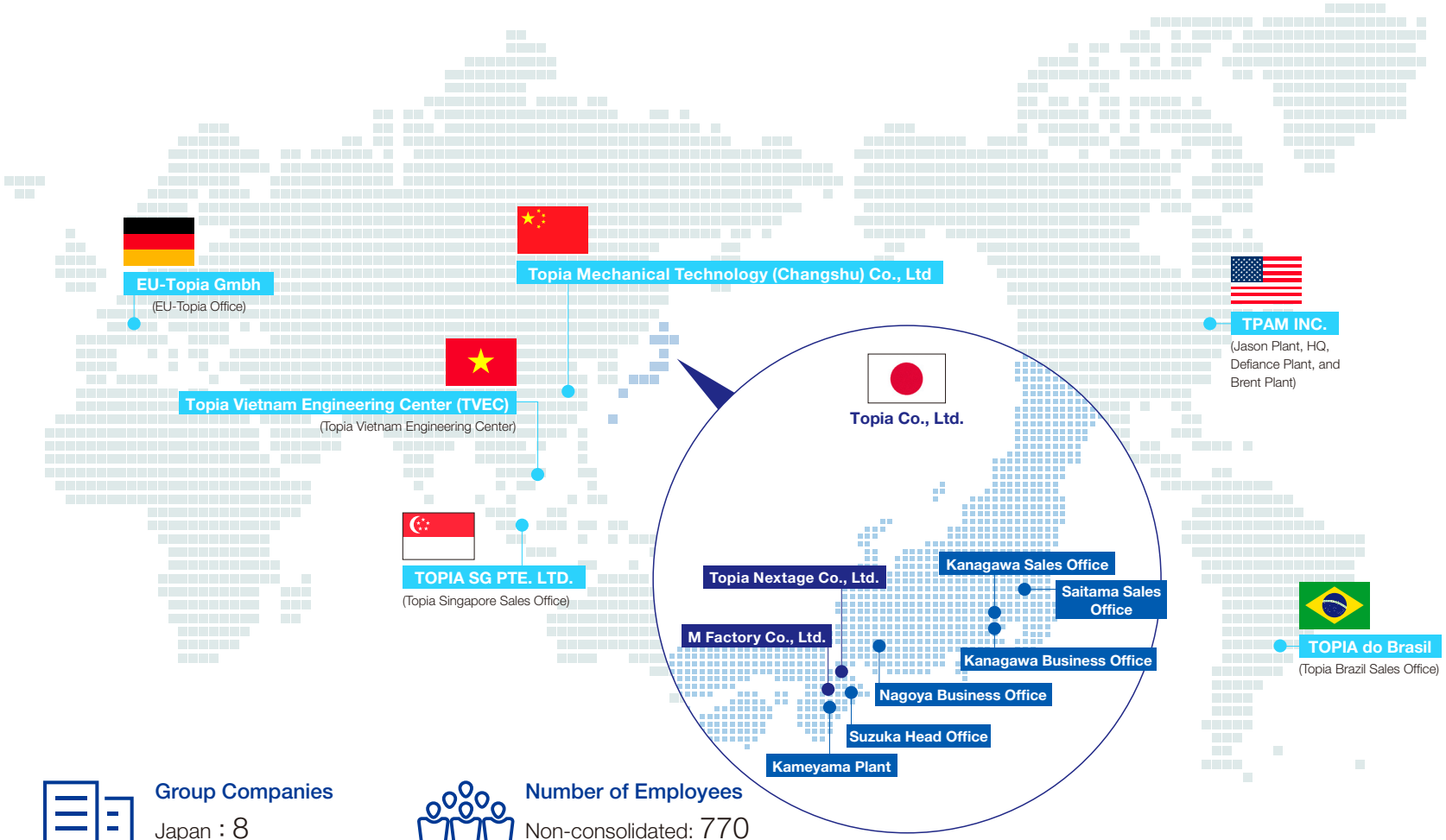
We can also handle small-batch production, including limited editions and custom-made items. We provide comprehensive support for product development, from the initial stages of manufacturing to mass production startup.

- Small-lot mass production system
- Establishment of mass production and lines



Our Business

Topia is involved in all types of manufacturing, including automobiles, aircraft, and electric appliances.



Group Companies

Japan : 8

Overseas: 8 in 6 countries

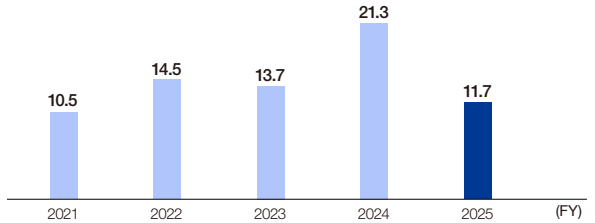
Number of Employees

Non-consolidated: 770

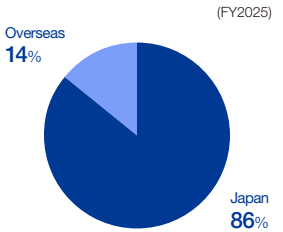
Consolidated: 1,237

Financial Results at Topia Co., Ltd. (Non-Consolidated)

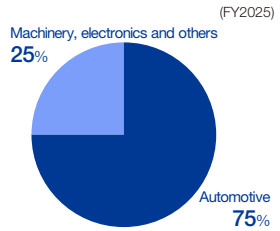
Net Sales (billions of yen)



Sales Composition by Region



Sales Composition Ratio by Market



Company Overview

Head Office: Suzuka City, Mie Prefecture

Date of Establishment: August 16, 1973

Net Sales: 21.2 billion yen (for the year ended March 31, 2026) *As of March 2026

Message from the President



Fearless challenges pave the way for our future

The societal environment is changing at an extraordinary pace, while the role expected of companies is also evolving day by day. I strongly believe that contributing to a sustainable future, from addressing global issues to the needs of local communities, now counts as fundamental to our corporate activities.

Embrace change and forge ahead

Amid significant changes in the global situation, we see inflation and rapid exchange rate fluctuations as major challenges in the current market environment. While exchange rate volatility can offset weaknesses in import/export businesses, it can significantly impact the profitability of businesses where procurement, manufacturing, and sales are completed domestically, as the current situation remains challenging. Anticipating that these environmental changes will persist, we will take decisive measures to address them from a medium- to long-term perspective.

In this environment, in addition to our core automotive business, we have aggressively invested in the precision equipment sector underpinning next-generation industries, and in areas that address social issues using advanced technologies such as drones and AI. This reflects our philosophy of dedicating our technology and passion to sectors where we can contribute to resolving social issues in Japan, including labor shortages.

We aim to achieve sustainable growth for the entire Group by strengthening the foundation of our existing businesses and expanding into new business domains. Our decision to add a new plant in Kameyama City, Mie Prefecture in 2025 is also part of this growth strategy. I am confident that this is an important step in further strengthening our competitiveness for the next generation and one that leads to the creation of new value with a view to the future. We will continue to embrace change and take on challenges to forge a path for the future.

Human resources development policy centered on the spirit of challenge

At Topia, based on the firm belief that people will shape our future, we consider human resources development to be one of the top priorities of management. We encourage each employee to first establish a specific goal: "What do I want to achieve?" I believe that thoroughly considering why we work and what kind of life we want to lead is what results in personal growth and the joy of working. One of our Management Principles is the spirit of challenge. For example, when an employee proposes a new idea or a challenge, I generally don't say no. It's important to first try it out. Embracing new challenges is an integral part of our corporate culture. Even if we fail, we can just change our approach. What is important is taking that first step and learning from it. Encouraging new challenges fosters new ideas among young employees, which in turn strengthens them as individuals as well as our organizations and the company as a whole. When I helped establish our plant in China, I faced a lot of opposition due to financial and market risks, but I was determined to take on the challenge with an eye to the future. This culture that encourages such challenges has been passed down for over half a century, based on our Management Principles. By providing an environment where every employee can proactively take on new challenges and grow, we will continue to maximize the potential of our people and create the future.

Working toward a sustainable future

Achieving a sustainable society represents both our social responsibility and a great opportunity for creating new value.

Based on this understanding, we emphasize each aspect of ESG and promote sustainability management with the attitude of steadily and honestly building upon what we can do.

In terms of environmental, our basic policy is the efficient use of resources and the reduction of waste. We value the idea of eliminating waste in our daily operations.

In terms of social, we prioritize collaboration with partner companies that share our values, and we are committed to building relationships that allow us to grow together.

In terms of governance, we are also focusing on strengthening internal controls in order to earn the trust of society as a sustainable company. Our vision for the Group in 10 years is one where we supply our products worldwide and contribute to the advancement of society. Toward this end and guided by our core purpose–Topia will continue to challenge various changes and demands to accomplish a prosperous future–, we will continue striving for manufacturing that contributes to the future of people and the planet, together with the younger generation and newcomers.



Value Creation Model

From assembly development to casting,
Topia aims to contribute to the development of a wide variety of manufacturing around the world.

PURPOSE

Topia will continue to challenge various changes and demands to accomplish a prosperous future

INPUTS (Capital)

Financial Capital	Robust financial base
Manufacturing Capital	Production systems in Japan and overseas
Human Capital	Diverse workforce of professionals
Social and Relationship Capital	Co-creation with manufacturing partners and joint development with suppliers
Natural Capital	Reduction of environmental impacts caused by business activities
Intellectual Capital	Comprehensive technologies (know-how) within the "Topia brand"

Business Model



OUTPUTS (Results)

Consolidated Net Sales
Target: 100 billion yen

"Topia Brand" Prototypes and Mass-Produced Products
- Industrial machine enclosures
- Medical related parts
- CFRP parts

Offering Value to Customers
- Handling diverse needs (Lightweight, High durability)
- Shortening development lead time
- Small-lot mass production
- Implementing outstanding, cost-effective products
- One-stop solution

OUTCOMES (Value Provided to Society)

Employee Well-Being
Create a workplace where diverse human resources can take on challenges and grow with peace of mind

Reducing Environmental Impact
Promote resource and energy conservation, actively introduce renewable energy, and achieve a circular economy

Contributing to the Economy
Achieve a more comfortable and convenient society through technological innovation

Value Creation Model

Features of Business Model

Topia aims to contribute to the development of manufacturing by focusing on sustainability management, enhancing corporate value and implementing our six strengths and three systems.

Six Strengths Accelerating Our Business Model

Prompt Delivery to Meet Customer Needs

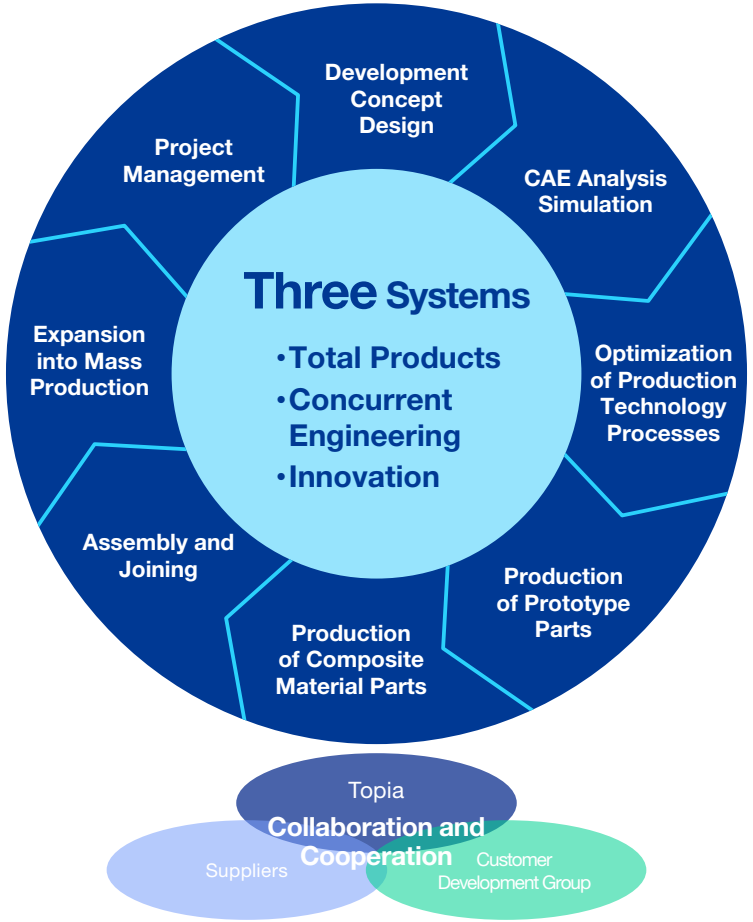
We always strive to pursuit the diverse needs of our customers with our "Customer First" principle. Topia's mission is to make maximum use of the Group's management resources and deliver products in a short period of time, not to mention quality and cost, to satisfy customers.

One-Stop Provider from Engineering Small-Lot to Mass-Produced Products

We are able to be a one-stop provider not only for "prototypes" to "shape" things that have never been seen before, but also for designing, manufacturing, and creating Body in White. Systems have also been established to mass-produce various small-lot products.

Challenging Spirit to Create New Products

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



State-of-the-Art Equipment to Implement 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 equipment with manufacturers around the world, producing higher-quality, more complex products and striving to fulfill customer requests and needs.

Exceptional Technological Capabilities

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 continue to 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 built up a global business and have built relationships of mutual trust with many customers. Based on this management foundation, we aim to pursue further corporate growth.

Sustainability Management

Basic Policy

Topia aims to be a company that grows and develops sustainably, emphasizing harmony with society, and considers the practice of sustainability management as an important corporate social responsibility. We will sincerely address complex and changing issues such as climate change, human rights, and coexistence with local communities, while valuing dialogue and co-creation with all stakeholders. We will simultaneously pursue a sustainable society and enhancement of corporate value through honest and transparent corporate activities.

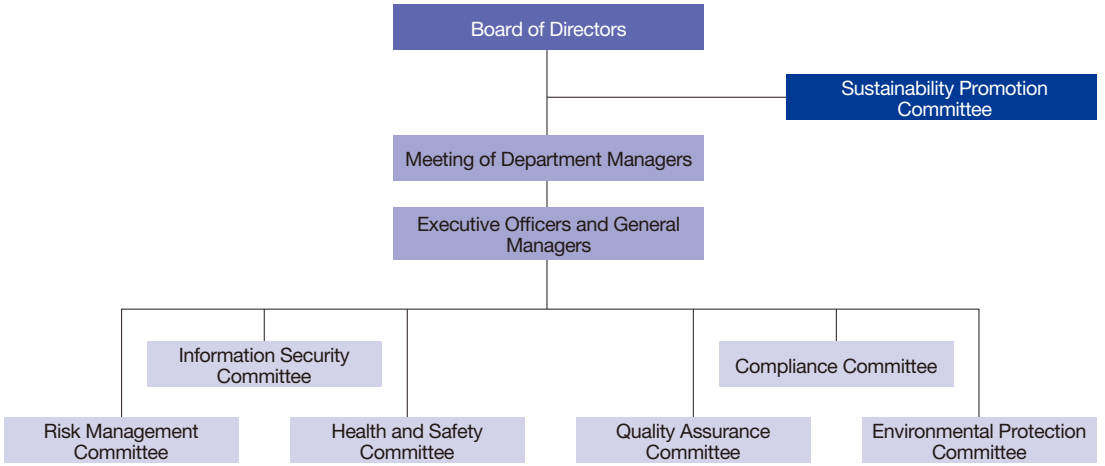
Basic Sustainability Policy

1. Contribute to Environmental Conservation
   Through our business activities, we will work to protect the global environment by reducing CO_2 emissions, limiting energy usage, reducing waste, promoting recycling, and preserving biodiversity. We will also contribute to the achievement of a sustainable society in which people and nature coexist through the provision of environmentally friendly products and services.
2. Coexist with Society
   As a corporate citizen, we will contribute to the revitalization of local communities and the creation of a richer living environment for people through our business and social contribution activities.
3. Create New Value
   We will consistently pursue innovation, create new technologies, products, services that exceed customer expectations, actively contribute to solving social issues and achieving a sustainable future.
4. Human Resources Development and Activities
   We aim to contribute to both the company and society by nurturing human resources who have the talent to tackle customer challenges and the ability to understand both viewpoints. We strive to create a rewarding work environment where employees can feel personal growth and pride.
5. Strengthening the Governance System
   We will comply with laws and regulations and other social norms and build a transparent and sound management system. We will respond to the trust of all stakeholders and strengthen our governance system to support sustainable growth.

Basic Sustainability Policy

In July 2021, Topia established the "Sustainability Promotion Committee," led by Topia's CEO, in order to advance sustainability management practices. Under the committee, there are six specialized subcommittees ranging from the Risk Management Committee to the Environmental Protection Committee. Each committee is responsible for setting targets for the issues they are assigned and monitoring the progress of activities, working to ensure effective improvements are made. These activities are supervised and managed by the Sustainability Promotion Committee, which regularly reviews and monitors the entire process, thereby promoting continuous improvement and implementation across the entire Group.

Sustainability Management Promotion System



Materiality

In fiscal 2023, we identified materiality that contributes to the sustainable growth of the company and society, in order to clarify the relevance between business activities and societal issues that in an effort to balance corporate value and societal value. Specifically, we explored two perspectives: (1) environmental and societal issues in which Topia can make a difference and achieve results, and (2) issues that can be addressed through the development and manufacturing of prototypes. Based on these considerations, we selected four candidates. By addressing these material issues, we will contribute to the realization of a sustainable society.

Materiality Identification Process

STEP 1 Identify and Narrow Down Social Issues

Over 100 social issues were identified in reference to the main guidelines which are GRI Standards, the SASB Standards, and the UN SDGs, A list of items that were of particular relevance to Topia was compiled from this.

STEP 2 Conduct Evaluations from Our Stakeholders' and Topia's Perspective

To emphasize both objectivity and diversity we conducted a questionnaire survey targeting approximately 50 executives and employees to assess the importance of social issues.
From our company's perspective, we have identified the mid- to long-term possibilities for our management plans. From the perspective of our stakeholders, we have taken into consideration the impact on the natural environment and requests from our business partners and local communities.

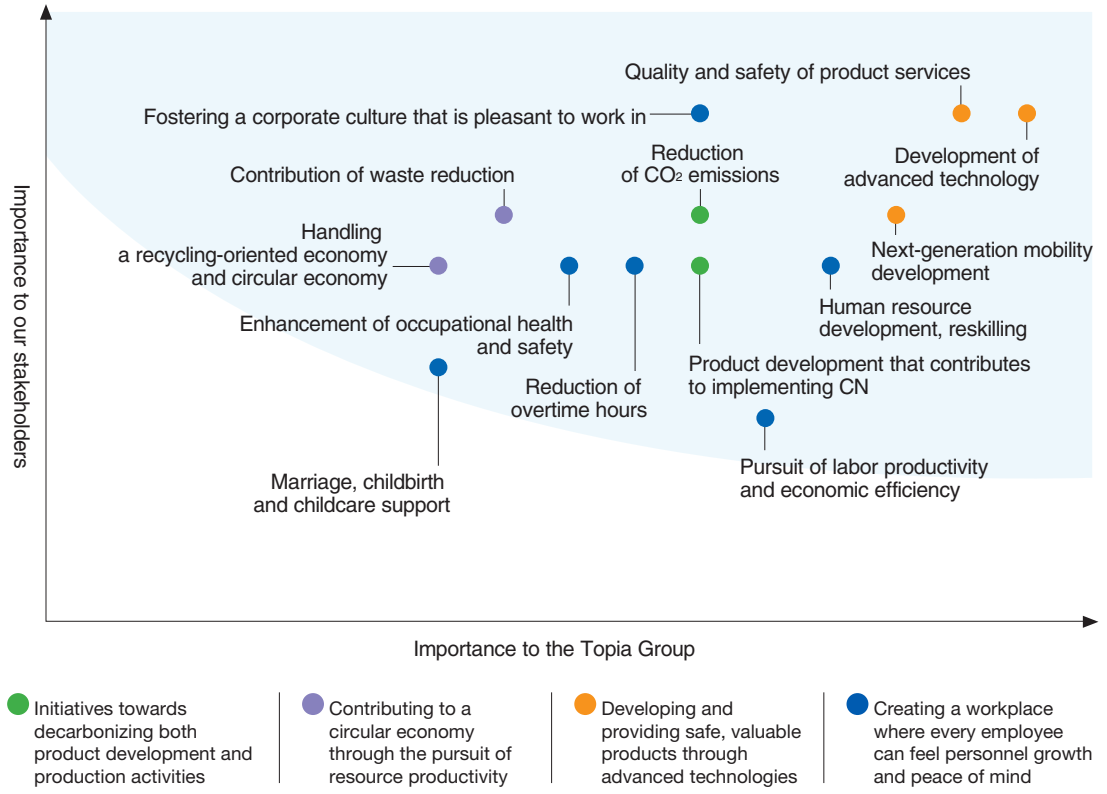
STEP 3 Formulation of Materiality

Based on the content of the President's review, a materiality map was determined to be of high importance. The map was created through internal discussions such as the general manager's meeting.

STEP 4 Identification of Materiality

In the end, Topia's Board of Directors narrowed down the materiality issues to four.

Materiality Mapping



- Initiatives towards decarbonizing both product development and production activities
- Contributing to a circular economy through the pursuit of resource productivity
- Developing and providing safe, valuable products through advanced technologies
- Creating a workplace where every employee can feel personnel growth and peace of mind

Topia's Materiality

Topia aims to evolve manufacturing around the world and achieve a sustainable future. We enrich society by reviewing the societal impacts of its business activities identified in fiscal 2023 and taking action to resolve them.

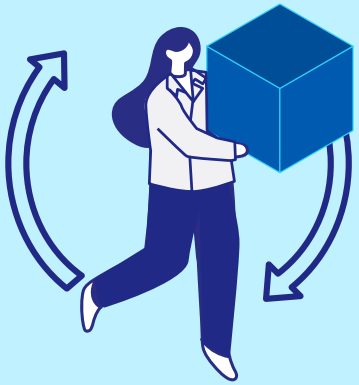
1



Contributing to a Decarbonized Society Through Our Business Activities

Topia aims to achieve carbon neutrality by aggressively promoting the introduction of renewable energy in order to reduce greenhouse gas emissions from its business activities.

2



Contributing to a Circular Economy

We are working to recycle waste materials and steel materials generated from our business activities. Our plan is to also accelerate our paperless and digital transformation (DX) initiatives in order to take steps towards being a sustainable company.

3



Providing Safe, Valuable Products Through Advanced Technologies

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

4

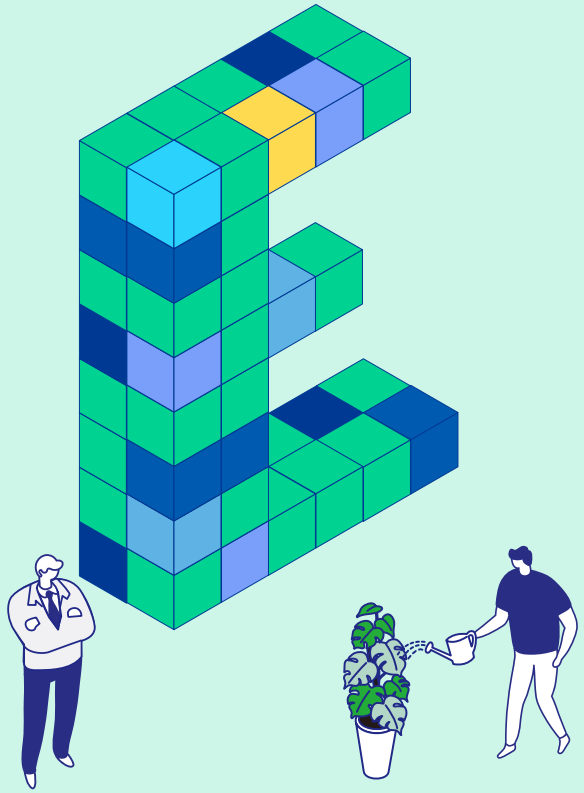


Creating a Workplace where Every Employee Can Feel Personal Growth and Peace of Mind

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

KPIs and Targets Based on Materiality

Materiality	Risks and Opportunities	KPIs / Mid-term Targets	Strategy	FY2025 Results
Contributing to a Decarbonized Society Through Our Business Activities 	[Risks] ・Increased costs and decreased customer confidence due to delays in industry response [Opportunities] ・Improvement in business expansion and customer confidence in new technology development	Scope 1 and 2 Emissions ・FY2030: Reduce by 21% from FY2021	Promote the reduction of total CO_2 emissions at our own plants and offices Reduce by 3% per year over a 7-year period starting in FY2024	Increase by **8%** from FY2021 ($6,009$ t-CO_2)
		Scope 3 Emissions ・Continue ZAS purchase rate at below 10%	Step up ZAS material recycling and minimize new purchases	**6.8%**
		Renewable energy Ratio ・FY2030: Increase by 30% from FY2021	Switch our own electricity consumption to renewable energy-derived power	Increase by **18.1%** from FY2021
		EV ratio (commercial vehicles) ・FY2030: Achieve 100% HV and EV Ratio	Promote the switch of the company's commercial vehicles to HVs and EVs	**81.6%**
Contributing to a Circular Economy 	[Risks] ・Increased operating costs and decreased customer confidence due to continued large-scale waste disposal [Opportunities] ・Contributions to a circular economy through reduction of industrial waste and effective use of resources	Amount of waste generated and sand recycling ratio ・Continue 95% or more	Strong promotion of prototype mold sand recycling to minimize waste	**99.2%**
Providing Safe, Valuable Products Through Advanced Technologies 	[Risks] ・Declining customer confidence due to non-conforming products [Opportunities] ・Business expansion and increased customer confidence through the development of safe and high-quality products	Amount of added value per employee ・FY2030: Increase by 5% from FY2021	Maximize profits through high value-added businesses	Increase by **1.5%** from FY2021
Creating a Workplace where Every Employee Can Feel Personnel Growth and Peace of Mind 	[Risks] ・Decreased productivity and difficulty hiring due to lower employee engagement [Opportunities] ・Increased productivity through improved employee engagement and enhanced ability to address challenges through the active participation of diverse talent	Percentage of female managers ・FY2030: 20%	Implement systems and promote in-house training	**6.8%**
		Percentage of male employees taking parental leave ・FY2030: 85%		**60.0%**
		Number of work-related accidents (lost-time injuries of 1 day or more) ・FY2030: Zero	Further improve workplace safety and health	**Zero**
		Overtime work hours ・FY2030: 25 hours or less per month	Increase business efficiency through DX, etc.	**8.8** hours
		Japanese Language Proficiency Test certification rate (N3 or higher) ・FY2030: 75%	Support foreign employees and trainees to take and pass the Japanese Language Proficiency Test	**43.5%**



Environmental

Topia Group strongly recognizes that maintaining a sustainable global environment is of paramount importance to humanity. Through our business activities, we will proactively work to reduce our environmental impact and contribute to the future of the planet and humanity.

Efforts of the Environmental Protection Committee

The mission of the Environmental Protection Committee is to maintain and advance ISO 14001: Environmental Management Systems (EMS) certification and implement energy management. It is working to reduce greenhouse gas emissions by enhancing the operation of our EMS and conducting surveys and improvements on energy usage.



ISO 14001 certificate

Conducting Environmental Patrol

Every month, we conduct environmental patrols from the viewpoints of the environment, safety, and the 5S. We then share the results of these patrols throughout the company, and promptly implement corrective and improvement measures in an effort to maintain the workplace environment and raise awareness.

In addition to monitoring the actual power consumption and changes at each plant, we also seek advice from an energy manager to get an idea of our energy consumption and activate energy conservation activities.



Environmental patrol

Comply with Environmental Laws and Regulations

Topia is aware of environmental laws and regulations, including the Waste Management Law, the chemical substance regulations under the Industrial Safety and Health Act, the Noise and Vibration Control Law, the Fluorocarbons Control Law, and the Global Warming Countermeasures Law. We are working to maintain and strengthen its compliance system. We regularly check compliance through internal patrols, internal and external audits in order to prevent violations of laws and regulations and to promote continuous improvement.

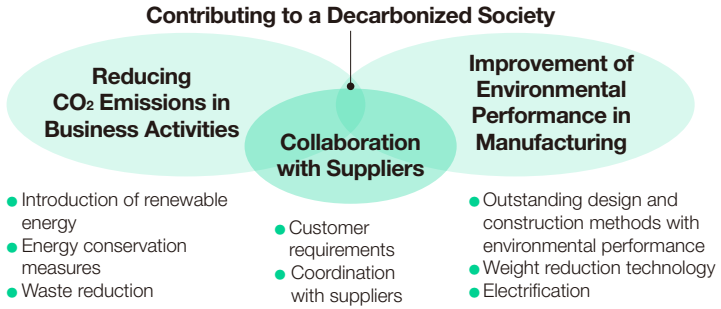


Having diagnosis conducted by a qualified energy manager

Efforts to Achieve a Decarbonized Society

Basic Policy

As global warming increases risks caused by climate change, Topia Group understands that achieving a decarbonized society is an important part of its mission. We consider climate change countermeasures an important responsibility and are working to reduce greenhouse gas emissions. Not only are we introducing renewable energy within the Group and reviewing production processes, but we are also aiming to reduce environmental impact throughout the entire supply chain. Through collaboration with all stakeholders, we aim to create sustainable value in order to build a society that the next generation can be proud of and continue to take on the challenges of achieving a carbon-neutral society as a company that coexists with society.



Introduction to Renewable Energy

Topia is working to reduce greenhouse gas emissions by using renewable energy as part of the energy used at its plants. At the Suzuka head office plant, which is the main plant in Japan, we gradually installed more solar power generation facilities for our own consumption, and achieved a reduction of greenhouse gas emissions of approximately 860 t-CO_2 in fiscal 2025. We will continue to install solar power generation facilities at our business sites and promote the establishment of a system that balances reducing environmental impact with Business Continuity Planning (BCP) by increasing CO_2 reductions from renewable energy by fiscal 2030. Through these efforts, we will fulfill our responsibility for a sustainable future and aim to be a company trusted by society.



Solar power generation facilities

Energy Conservation Promotion Activities at Our Plants

Through our energy conservation promotion activities, we are working to conserve energy within our plants based on proposals and guidance from qualified energy managers. Specifically, we are working to optimize energy consumption by improving the efficiency of air conditioning and production equipment, adjusting the setting for the pressure and reducing operating time of compressors, conducting air leak examinations and repairs inside plants, and making improvements to the air duct systems. Furthermore, our head office's EMS promotion staff and qualified energy managers visit each of our domestic business sites and sales offices to support continuous improvement activities and promote overall CO_2 reduction efforts. We are committed to providing guidance and training to all employees so that they become even more environmentally conscious, aiming to improve energy conservation awareness in their daily work.



Air leak examination

Efforts to Achieve a Circular Economy

Basic Policy

Topia Group's environmental guidelines include the concept of "building a recycling-oriented society," promoting efficient use and recycling of resources to reduce environmental impact. In order to effectively restrict the use of resources, we are working to reduce waste generated in the manufacturing process through the introduction of production equipment. This equipment reduces the input of raw materials and facilitates the recycling of materials.



Recycling the Materials Used in Prototyping Molds

There are two types of press molds: mass-production molds to make mass produced parts and prototyping molds for prototype parts. While mass production molds use hard material such as iron casting materials, prototyping molds use a soft zinc alloy (ZAS), and are cast in our melting furnace. We have carried out ZAS casting in-house since our establishment and also continue to reuse it.

In addition, the sand required in the casting process has been treated in the past as industrial waste because it becomes solid due to the effects of hardening agents. In 2012, however, we introduced a sand agitator for casting and have continued to use it to reuse sand, thereby contributing to waste reduction.



Mixer for recycling casting sand

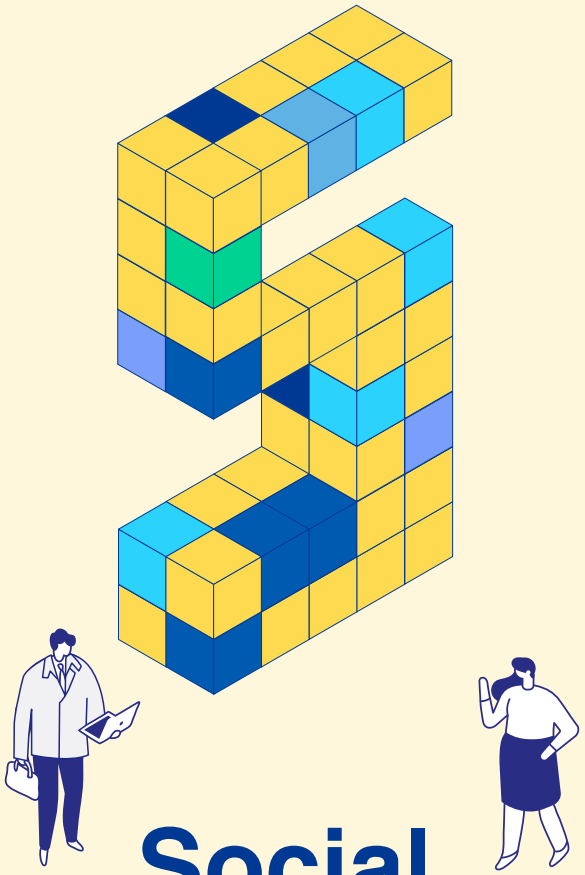
PET Plastic Bottle Cap Collection Activities

Topia collects PET plastic bottle caps from both the perspectives of environmental protection and social contribution. The collected bottle caps are effectively utilized as recycled resources, and the proceeds from their sale are used to support children's vaccinations in developing countries. Our efforts, which balance resource recycling with resolving social issues, contribute to the achievement of a sustainable society.

Through these activities, over the past four years, we have collected a total of 415 kg of PET plastic bottle caps. This has allowed us to deliver vaccines to 208 children.


JCV ペットボトルキャップ
寄 付 証 明 書

PET plastic bottle cap donation certificate



Social

Topia Group recognizes its social responsibility as a member of local communities. We actively engage with these local communities through our business activities and social contribution activities. In this way, we are working to revitalize communities and create a richer living environment for everyone. Our goal is toward sustainable and broad social contributions by collaborating with diverse stakeholders.

Initiatives towards Ensuring Product Safety (Quality Assurance)

Topia Group constantly strives to improve its technological capabilities and manufacturing operations. To provide safe, high-quality products that satisfy our customers, we work daily under common, quality awareness. In particular, ensuring safety is our top priority and something we are working on collectively as a company. As part of our efforts, we strive to become a company trusted by all stakeholders through continuously renewing our quality management system certifications.



ISO 9001 Certificate

Conducting Regular Quality Patrols

The Quality Assurance Department takes the lead in quality management of each manufacturing process. They regularly conduct patrols to check work procedures, the 5S, work environments, and changes at each site. In turn, examples of potential quality improvements are shared throughout the company. Data relating to non-conformities is also analyzed to prevent relapse and even the chance from anything happening. This allows us to further improve quality.



Quality patrol

Creating a System for Quality Assurance

In order to thoroughly implement quality assurance for each manufacturing process, we utilize quality procedures that are standardized and clarified. We aim to achieve stable product quality, so one procedure is that we minimize discrepancies through the visualization of management items. We also verify our system's validity through periodic audits and promote improvement activities. The entire company is committed to continuous improvement.



Quality slogan award ceremony

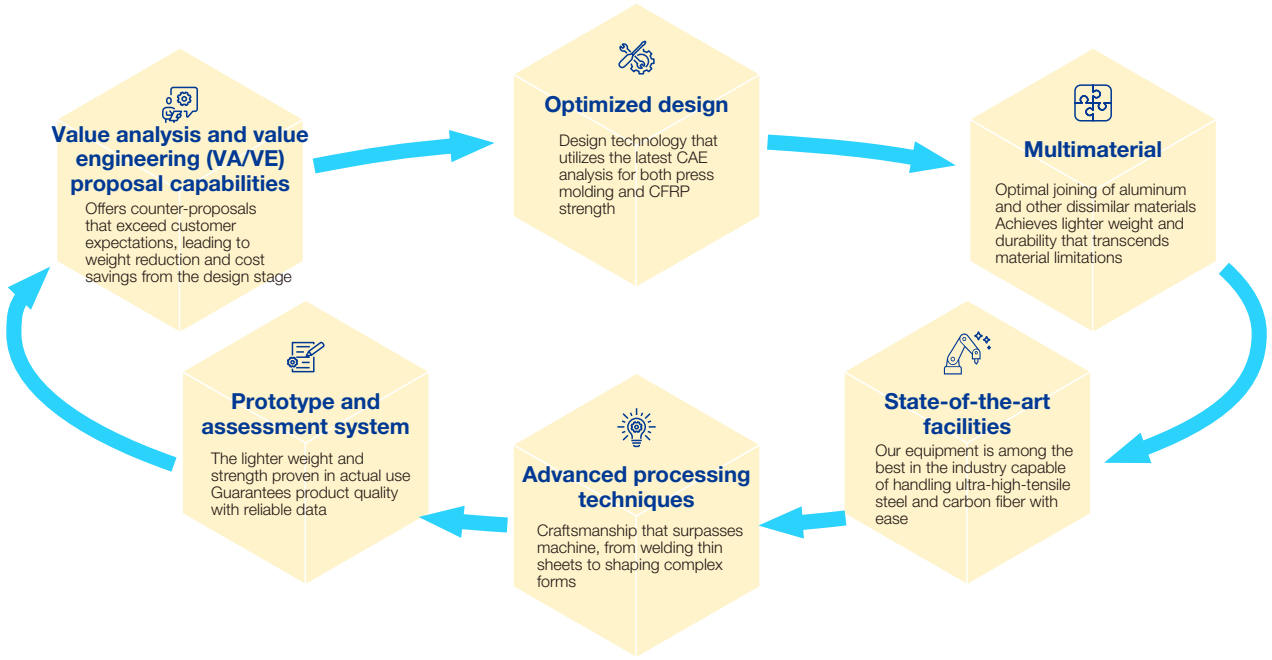
Developing High-Value-Products

The Spirit of Challenge—Creating the Future without Fear of Failure

Topia reflects on opinions starting with our customers to various stakeholders in order to innovate and improve quality. By deepening mutual understanding and collaboration with stakeholders, we will continue to proactively encourage continuous efforts toward the creation of greater value.

Developing Diverse Engineers

We are focusing on technical training programs, support for obtaining official qualifications, use of external educational institutions, and on-the-job training to develop our engineers. For more difficult jobs, we are working to overcome physical and technical challenges by further training our engineers in Japan and overseas to provide high value "Topia Brand" products.



Kameyama Plant Commences Operations

We opened a new plant focused on mass production of semiconductor-related equipment in Kameyama City, Mie Prefecture. The plant features state-of-the-art equipment specialized for mass production and complies with our customers' quality guidelines. Furthermore, the new plant is equipped with a system that can accommodate future increases in standards and stricter regulations. All products are strictly managed according to mass production-specific procedures, and a system is in place to control the entire process, from material issuance to manufacturing, quality control, and storage of finished products. Topia's capabilities as a line builder, providing comprehensive support from production startup, mass production, in addition to prototype manufacturing, have been fully utilized in the launch of this new plant.

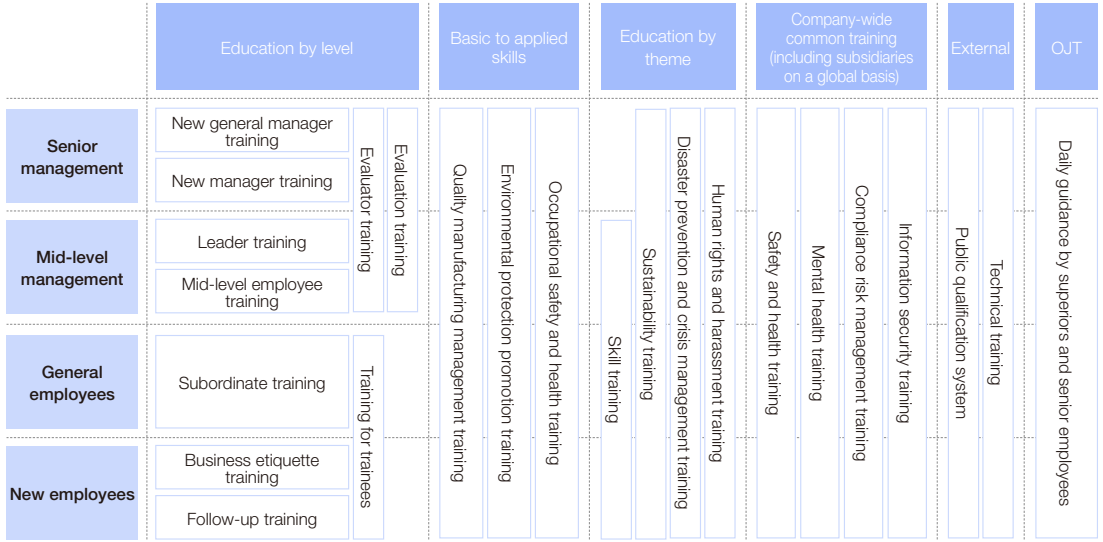


Creating a Workplace That Enables Employees to Achieve Personal Growth (Human Capital Management)

Creating an Environment Where Each Employee Can Experience Growth

Topia promotes the development of skilled workers with diverse personalities, skills, and experiences in order to address social issues. We focus on creating a work environment in which employees can experience a genuine feeling of self-growth through diverse opportunities, including daily operations, education and training programs.

We support the growth of each individual through regular meetings with department managers and goal setting, and are enhancing training programs and career support. Our goal is to foster a sense of growth among employees and improve organizational engagement.



Create an Environment Where Each Employee Can Experience Growth



Tatsuhiro Kobayashi
Senior Managing Director
Finance Division
Planning and
Administration Division

Topia will continue to challenge various changes and demands to accomplish a prosperous future. Under this purpose, we place people at the forefront and actively promote human capital management as a crucial form of capital for creating the future.

We firmly believe that the growth of each and every employee is directly linked to the development of the company, and for this reason, we invest in our people.

In today's rapidly changing world, there are increasingly more situations where conventional wisdom no longer applies. Therefore, to create an environment where employees can truly feel their growth, we established an Education Department in April 2026, which is promoting individual development through training and skill building activities.

Our founding management principles—Spirit of the Wild Pigeon, Responsibility of an Emergency Hospital, and Spirit of Challenge—are unwavering guidelines for employees to act proactively and foster teamwork. To embody these principles, we aim to become an organization that is resilient to change and creates new value through people development.

With a strong sense of responsibility as one of companies driving regional growth, we will help create a better community by focusing on human resources development.

Creating a Workplace That Enables Employees to Achieve Personal Growth (Human Capital Management)

Respect for Human Rights

Topia considers respect for human rights to be an important responsibility. We have established the Topia Group Sustainability Guidelines, which the directors and employees work together to comply with. These guidelines clearly define policies regarding respect for human rights and a fair work environment, with the entire company working to implement them.

As an enterprise with global operations, the guidelines were formulated and are implemented based on internationally recognized human right norms such as the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. We prevent child labor, pay fair wages, comply with legal working hours, ensure fair hiring and evaluation, respect diversity, and eradicate discrimination and harassment. We regularly conduct training and awareness programs to help each employee foster a greater awareness of human rights, thereby contributing to the realization of a sustainable society.



Promotion of Diversity

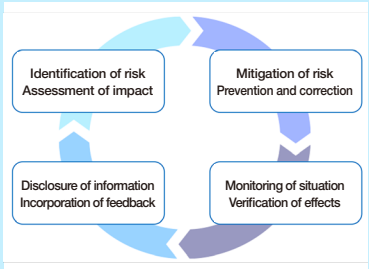
Topia is promoting various initiatives to foster a corporate culture in which diverse employees can play an active role. This includes active participation by women, employing people with disabilities, active participation from foreign employees, and having a better understanding of the LGBTQ+ community. We are working to foster a corporate culture in which employees respect each other's personality and individuality, and where there is no discrimination based on race, religion, nationality, gender, age, or disability.

Occupational Health and Safety Management

To safeguard the safety and health of all employees and the local community, Topia Group is striving to create a work environment in which employees can work with peace of mind. With regard to equipment requiring legal qualifications, we promote measures to prevent drops and falls during transportation, as well as strengthening the risk assessment system by external organizations. We believe that mental and physical well-being is crucial for improving work performance. Therefore, we are implementing stress checks, measures to address long working hours, and health promotion initiatives.

Human Rights Due Diligence

Based on the assessment conducted in fiscal 2024, we established and improved human rights regulations in order to reduce human rights risks within the Group.



Overview of Initiatives

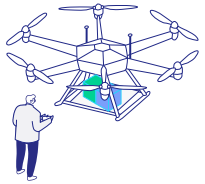
Toward the Introduction of a Health Management System

To advance diverse working styles for employees, we have updated our childcare and family care policies. We are committed to continuous improvement for work-life balance and to support career development for employees with young children. We will maintain and enhance a comfortable work environment.

In addition to reducing overtime hours, we are also actively providing opportunities for employees to talk with a public health nurse, as part of our efforts to manage employee health.



Members (from left)
1. Hirofumi Kurotaki, Engineering Solutions Division, Engineering Department (Project Management Advisor)
2. Shingo Yoshida, Technical Development (Project Leader), Production Engineering Division, Engineering Department
3. Koto Itaya, Engineering Solutions Division (Engineer), Engineering Department
4. Shoji Honda, Deputy Manager, Engineering Solutions Division, Engineering Department



Special Feature

Taking on a Challenge into the Unknown Developing Japan-Made Drone

Taking on an all new challenge

Kurotaki The driving-force for developing a Japan-Made drone came from the executive officer in charge of the Engineering Sales Offices Department who wanted to do something completely new and different. That's when the idea came up to use the carbon fiber made at our Kanagawa Business Office to create a Japan-Made drone. As discussions moved forward, the decision to create the largest drone ever made in Japan became the first step in a major challenge. The development team was recruited from various departments, and the project started off with a trial-and-error approach.

Honda It was suggested that the person who had previously led the EV concept car production project lead this project. However, from the perspective of talent development, we focused on a different person this time. Eventually, Mr. Yoshida was chosen. Do you remember how you were appointed as project leader?

Yoshida Yes. It all started when the executive officer in charge approached me directly. My experience working in a carbon fiber manufacturing facility, combined with my sales experience, led to my selection as project leader.

Kurotaki I heard this is your first time as a project leader. Were you nervous about the role?

Yoshida I would say so. At first, I was unsure about exactly where to begin. Yet, I was fortunate to have an open and communicative team where it was easy to talk to supervisors and colleagues. In particular, I was able to consult with my seniors on various matters, which allowed me to move the project forward smoothly.

Honda After Mr. Yoshida was chosen as the leader, Mr. Kurotaki joined as the project's advisor. Since we also needed to get the plant at head office running, we brought in a representative from the head office, and further solidified the team with members from each department, including production management, procurement, and manufacturing. Mr. Yoshida, what was it like actually running the project?

Yoshida By bringing together individuals who are active in their respective fields and focusing on allowing each person to fully utilize their strengths, I came to realize the importance of solidarity in working towards a common goal, as well as the difficulty of leading such.

Persevering despite difficult challenges

Yoshida Since drones were a first for Topia, gathering detailed information for the manufacturing process was daunting. In my regular work, I'm often involved in the production of racing parts for two-wheeled and four-wheeled vehicles, so I was able to utilize my experience in areas such as strength and weight reduction. However, the biggest obstacle was our complete lack of knowledge about "propellers," which are necessary for flying, rather than driving. Therefore, with the help of the experts at Drone Technology Institute Co. Ltd., who study flying objects, we all went through a process of trial and error within a short period of time.

Honda Since we had already decided to exhibit at Japan Drone 2025, we only had five months to develop our drone, so we were all working frantically, building it by trial and error, and even taking the propellers to the test flight field to do tests. This was a first-time experience where we absorbed a lot and felt a sense of growth professionally.

Kurotaki The testing was fast-paced, starting immediately after drawing the blueprints and creating parts, all while being assisted

by the staff at Drone Technology Institute. Analysis software and calculations can make some predictions, but they don't always reflect reality. We aimed to create the drone by repeatedly making improvements after each failed flight test. The efforts of those on site and the accurate advice and proper testing environment provided by Drone Technology Institute were aided by a bit of luck. I think all these elements came together nicely.

Honda The tests were tough, but there were actually a number of other major challenges as well, weren't there? Initially, we had outsourced the assembly of the drone. Then, about two months before the scheduled start date, they declined, forcing us to hastily handle the assembly in-house. We were in complete disarray due to the unexpected situation. Yet, everyone was able to approach it positively thanks to Topia's Management Principle of the "Spirit of Challenge."

Yoshida When it came to the in-house assembly process, I felt less like it was not possible and more like we could actually do it. I think that sticking to that belief ultimately led to our success. It was precisely because Topia has a culture of "giving things a try" rather than focusing on whether we can or can't do it that we were able to work together and accomplish our goal as a team.



Circular environment of young employees taking on challenges and growing professionally

Honda Thankfully, our exhibit at Japan Drone 2025 generated more buzz than we had anticipated. At that time, we were also invited to exhibit in 2026, so we plan to exhibit again next time. With the goal of creating another hit exhibit, we have asked up-and-coming Ms. Itaya to take the lead, and preparations are steadily underway. By the way, what was your experience like working on the project, Ms. Itaya?

Itaya Since I was only in my first year at Topia, I often found myself overthinking things and worrying about them. Having my supervisor by my side so I could consult with them made me feel like I was being given the opportunity to take on a new challenge, which made me happy.

Honda Is there anything about the project that particularly stands out in your mind?

Itaya We ended up using a 3D printer that uses resin, and since I didn't know anything about it, I asked my supervisor all sorts of questions. However, it turned out that my supervisor wasn't very knowledgeable about 3D printers either, so we ended up researching it together. Also, Mr. Yoshida and Mr. Kurotaki have been very easy to talk to from the first time we met, and they answer questions and concerns in detail and thoroughly. It was a very comfortable working environment.



Everyone has a lot of experience and is constantly improving, so it's tough to keep up, but I'll do my best.

Honda I have high hopes for you. I would like Ms. Itaya to not only focus on preparing for the exhibit, but also, with the support of many senior colleagues, aim to create a versatile product using a variety of materials, including metal, carbon fiber, and resin. Let's take on this challenge together.

Itaya I feel like I've been entrusted with various responsibilities from an early stage. Since joining Topia, I've realized that I'm suited to jobs that require me to think and then act. I feel that this is an environment where the "Spirit of Challenge" is deeply rooted, just as stated in our Management Principles. Going forward, I want to approach my work with the mindset that no matter what it is, I'll give it a try!

Social Contribution Activities

Basic Policy

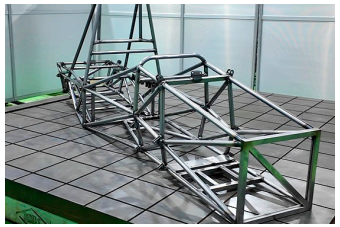
Since its establishment in 1973, Topia has grown with the support of local communities where our business bases and Group companies are located. To fulfill our social responsibilities, we will continue to contribute to a sustainable society that enriches both people and society through in-depth communication and active participation in various activities involving environmental conservation, disaster assistance, employee development, and community contribution.

Support for Student Formula Racing (Industry-Academia Collaboration)

The Formula SAE Japan involves each participating university forming a team, building a formula-style racing car, and taking part in various races. Over the course of one year, participants design and manufacture parts for a Formula car, competing comprehensively in terms of planning ability, technical skills, and power performance. Students can gain practical experience in manufacturing and the automobile development process. With the aim of nurturing human resources that will support the future of the automotive industry, we at Topia are sponsoring and providing technical support to Tokyo University of Technology.

Sponsoring Sports Teams

Topia sponsors various sports teams in Mie Prefecture and actively supports their activities. Since 2021, we have supported local teams such as Atletico Suzuka Club, Iga FC Kunoichi Mie, and Mie Violet Iris, as well as motor sports teams such as SUBARU BRZ GT300. Topia will continue to hold activities that contribute to nurturing well-being and revitalization of sports through its organization of hands-on sports activities and other events aimed at children, the bearers of the next generation.



Students making formula-style race car chassis



Sports team sponsorship

Topics

Coastal Cleanup to Protect Sea Turtles

The Ise Bay coast, where Topia's head office is located, has long been known as a nesting ground for sea turtles. As part of our efforts to conserve the global environment and protect biodiversity, we have been regularly participating in volunteer beach cleanups since 2025. Last year, we conducted a total of five activities, with the cooperation of 163 employees and their families, and collected various types of plastic waste. We will continue to deepen our collaboration with local communities and engage in sustainable environmental conservation activities.





Governance

Topia Group will faithfully comply with laws and regulations and other social norms to build a transparent and sound management system. We aim to enhance corporate value by continuously promoting efforts to strengthen and improve our governance system, which underpins sustainable growth, in an effort to live up to the trust of all stakeholders.

Corporate Governance

Topia Group believes that its management principles are the backbone of its corporate ethics and the foundation that supports its corporate governance. Based on this belief, and recognizing that the essence of corporate governance lies in maintaining sound management, improving management efficiency, and ensuring transparency in management to achieve the first two, we formulated Topia corporate governance. Topia believes it is important to enhance the overall presence of the company while maintaining a balance between economic and social value, in order to prevent situations that damage corporate value, such as legal violations, fraud, and scandals, through the realization of effective corporate governance, and in order to enhance corporate value over the long term and in a stable manner, which is positioned as a top priority for management. We recognize that these actions contribute to fulfilling our corporate mission and are in the best interest of all Topia's stakeholders. We will promote initiatives to further strengthen our corporate governance and strive for continuous improvement to make it even stronger.

Strengthening Financial Governance and Enhancing Sustainable Corporate Value

The finance department recognizes that important challenges include stepping up interdepartmental collaboration and information sharing across the Group, further enhancing internal control operations, improving disclosure including non-financial information, as well as improving the decision-making process for capital investments and increasing the accuracy of cost management. In response, we are promoting improvements towards reliability of financial information, the establishment of a rapid disclosure system, enhanced effectiveness of internal controls including J-SOX, strengthened investment decisions and monitoring of capital expenditures and cost controls, and further advancements in risk management. Going forward, we will strive to further enhance transparency and accountability, while also working to strengthen our governance system to achieve both economic and societal value, thereby contributing to the sustainable improvement of corporate value.



Yoichi Shinogi
Executive Officer
Finance Division

Compliance

Topia aims to achieve maximum corporate value through the implementation of its management philosophy, building good relationships with all stakeholders, and pursuing long-term, stable growth and development. We have also established the Topia Group compliance basic policy to promote fair and transparent management as a company trusted by the international community. We regard compliance as an important issue that underpins management. All directors and employees within the Group are aware of not just legal compliance, but their corporate social responsibilities, and take the initiative to conduct themselves in accordance with ethics. In addition, we are committed to preventing fraud and misconduct, respecting intellectual property rights, strictly managing customer information, and taking decisive action against anti-social forces, while also striving to ensure respect for human rights and a safe and comfortable working environment.

Anti-Corruption Initiatives

Topia strictly enforces rules against bribery, illegal political donations, intimidation, coercion, embezzlement, money laundering, illegal international remittances, funding anti-social forces, or any other illegal or unjust provision of benefits. We comply with anticorruption laws and regulations in all countries and regions where we conduct business.

Risk Management

In order to minimize various risks, Topia is working to strengthen its risk management as part of its internal controls. We will precisely identify and manage risks relating to our business activities. If a risk were to materialize, we will minimize human, economic, and social damage quickly and appropriately, while strongly pursuing efforts to maintain and improve corporate value as well as ensure the trust of society.

Strengthening Information Security

Topia has established an information security policy and thoroughly manages risks by striving to promptly investigate the cause, prevent recurrence, and implement preventive measures in the event of any incidents.

We have also obtained certification (TISAX — Trusted Information Security Assessment Exchange) based on the information security evaluation standards established by the German Association of the Automotive Industry, maintaining a high level of information security internationally. We are also working to continuously educate and raise awareness among employees and to strengthen our information security management across the entire Topia Group.

TISAX® RESULT AVAILABLE

Strengthening Initiatives Relating to the Business Continuity Plan (BCP)

Topia has established disaster response standards and a business continuity plan, prioritizing the continuity of its business activities along with the safety of employees' physical and mental well-being, even in the event of a disaster. We have built a system of policies, procedures, and operational structures that enable early response to the continuation and restoration of critical operations. Every year, we conduct regular reviews, disaster preparedness drills, and first-aid training to ensure that all employees can respond seamlessly in the event of a contingency.

Introduction of the Safety Confirmation System

As part of our BCP, we have introduced a safety confirmation system. In the event of a contingency, we have established a system that allows us to quickly ascertain the safety and status of our employees and their families, and to provide necessary support and instructions.

緊急連絡網・安否確認システム オクレンジャー Safety Confirmation System Ocrenger

Sustainability Data (Environmental and Social)

Environmental

	FY2023 Results	FY2024 Results	FY2025 Results
CO_2 Emissions (t-CO_2)			
Scope1+2	6,928	7,725	**6,009**
Scope1	1,293	1,426	**1,071**
Scope 2 (electricity)	5,635	6,299	**4,938**
ZAS Recycling			
Average consumption (t)	334.9	365.6	**158.7**
Purchase rate: Recycled blocks (%)	8.6	8.0	**6.8**
Purchase rate: New blocks (%)	—	18.5	**—**
Casting Sand Recycling			
Amount disposed (t)	29.7	29.0	**12.9**
Recycling rate (%)	97.2	97.5	**99.2**

Work Environment

	FY2023 Results	FY2024 Results	FY2025 Results
Acquisition Rate for Childcare Leave (%)			
Male	38.5	63.6	**60.0**
Female	100	100	**100**
Disability Employment Rate (%)			
	2.3	2.5	**2.5**
Average number of paid leave days taken (days)			
	11.2	11.8	**10.9**
Average overtime working hours (hours)			
	23.4	25.7	**8.8**

Occupational Safety and Health (Japan)

	FY2023 Results	FY2024 Results	FY2025 Results
Health checkup uptake rate (%)			
	99.3	99.7	**99.6**
Stress check uptake rate (%)			
	55.0	56.6	**58.0**