

Open Up and Be Inspired

The Toyo Seikan Group contributes to the solution of social issues through its business activities.

All our employees are aware of their social responsibility in daily operations and act accordingly.

Through these efforts, we create the values of “Open Up and Be Inspired,” and aim to become a company that contributes to achieving a sustainable society.

Management Philosophy of Toyo Seikan Group

Management Policy

We will constantly create new and innovative values, aspire to achieve a sustainable society and contribute to people’s happiness.

Creed

We will honor dignity and always strive to be fair and unbiased in every way.

All of us will fully demonstrate our own strengths and expertise, and contribute to social prosperity while we grow and thrive as an individual, a corporation or a group.

Vision

We will aim to become the Group which can provide unique and innovative technologies and products that will meet global expectations.

Fundamental Principles of Toyo Seikan

In 1933, our founder Tatsunosuke Takasaki clearly stated our founding philosophy as the fundamental principles in the handbook “The Mission of Toyo Seikan,” which was distributed to shareholders, employees, and partners in the industry. Since then, we have fulfilled our duties based on the principles. This is the origin of CSR activities of the Toyo Seikan Group.

1. Our aim is to achieve results that bring happiness to mankind.
2. We shall work not just for profit, which is merely a result of our business activities and not the main purpose.
3. All of us shall have a spirit of service to fulfill our respective duties and demonstrate the spirit as the entire organization, striving for the prosperity of our business partners in the same way as for our own success.

Editorial Policy

The Toyo Seikan Group (the “Group”) promotes CSR management based on its “Management Philosophy” under a holding company system.

This report was created with the aim to clearly communicate the Group’s CSR vision and activities to its stakeholders. For your better understanding of our specific CSR activities, we classified our achievements in fiscal 2020 (the year ended March 2021) into environmental, social and governance categories and described them in the corresponding sections of the report. Please visit our website for the information not covered by this report, such as our CSR-related policies, systems and data.

Our stance on CSR is based on sincere communication with our stakeholders and actions originating from such communication. We would appreciate your opinions and feedback.

<https://www.tskg-hd.com/en/csr/>

Report Profile

Companies covered by the Report:

Domestic and overseas group companies including Toyo Seikan Group Holdings, Ltd.

Period covered:

April 1, 2020 to June 30, 2021

Numerical data:

April 1, 2020 to March 31, 2021

Published in:

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Referenced guidelines:

GRI Sustainability Reporting Standards

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Please refer to the relevant websites for details of activities at group companies described below.
(Reports marked with an asterisk (*) are available only in Japanese.)

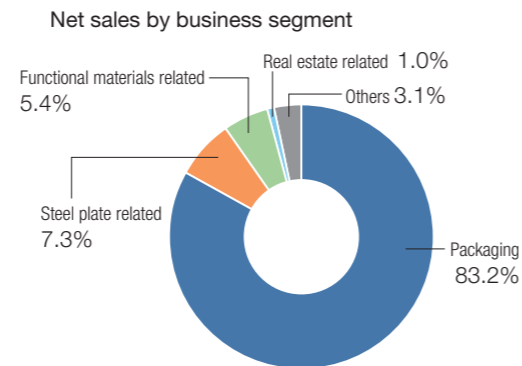
Toyo Seikan Co., Ltd.: Environmental site
Toyo Kohan Co., Ltd.: CSR*
Tokan Kogyo Co., Ltd.: CSR
Nippon Closures Co., Ltd.: Sustainability*

Toyo Glass Co., Ltd.: Environmental Activities*
Mebius Packaging Co., Ltd.: CSR
Toyo Aerosol Industry Co., Ltd.: Environmental Policy*
TOMATEC CO., LTD.: The Measure for Environment

Company Profile (as of March 31, 2021)

Toyo Seikan Group Holdings, Ltd.

Founded: June 25, 1917
Representative: Ichio Otsuka, President and Representative Director
Capital: 11,094 million yen
Head Office: Osaki Forest Bldg., 2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo 141-8627, Japan
Number of Employees: 436 (19,552 on a consolidated basis)



Business Overview

Packaging Business



Manufacturing and sales of packaging containers that are essential for our daily life, including food and beverage cans, plastic bottles and pouches, caps, paper containers, and glass bottles.

Steel plate related business



Manufacturing and sales of various steel plate materials used in every phase of daily life, such as materials for cans, electrical and electronic components, automotive and industrial machinery parts, and construction and consumer electronics.

Functional materials related business



Manufacturing and sales of materials with various functional properties, such as aluminum substrates for magnetic disks, functional films for optics, glaze, micronutrient fertilizers, pigments and gel coats.

Engineering, Filling and Logistics Businesses



This segment includes manufacturing and sales of can and can end making machinery and beverage filling equipment, contract filling and sales of beverages, aerosol products and general liquid-filled products, and trucking and warehousing services.

Real estate related business



Leasing of office buildings and commercial properties.

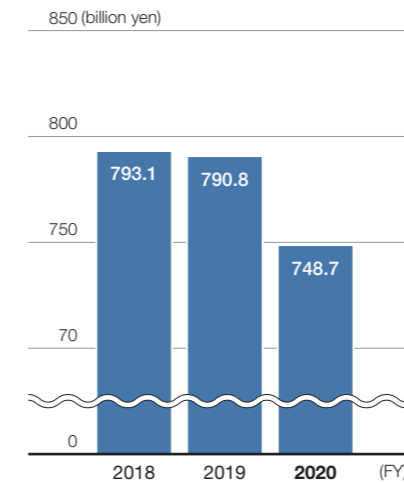
Other businesses



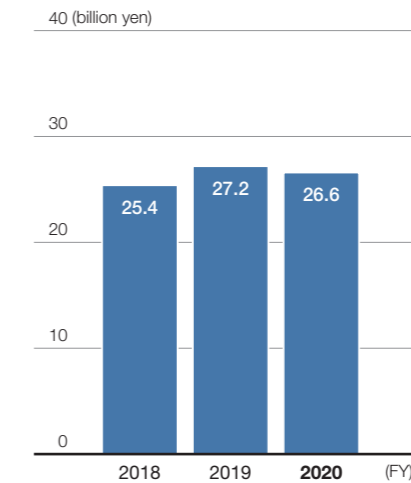
Manufacturing and sales of automotive press dies, machinery and appliances, hard alloys and agricultural-use materials; sales of petroleum products; and non-life insurance agency business.

Financial Data (Consolidated)

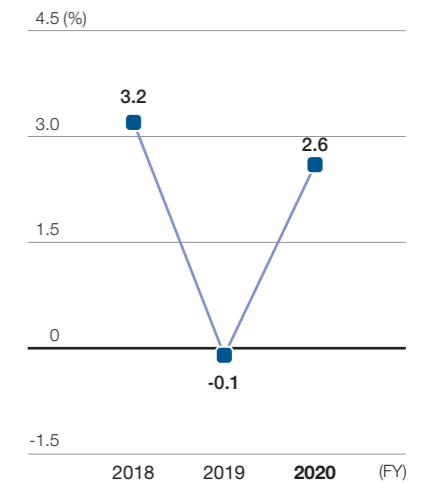
Net sales



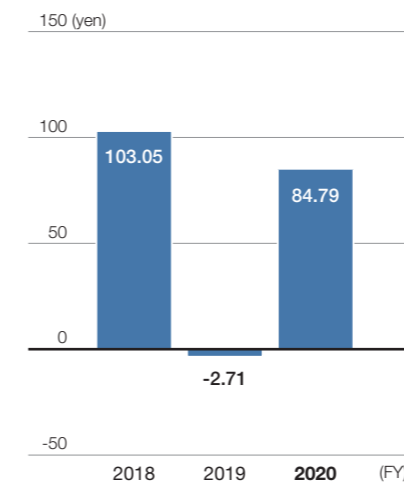
Operating profit



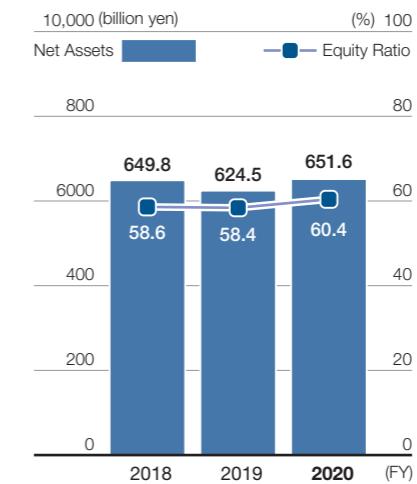
ROE



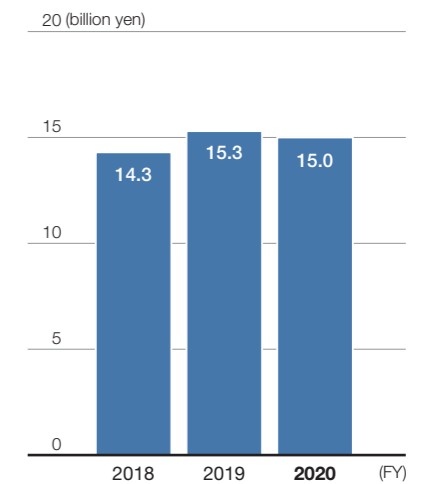
Earnings per share



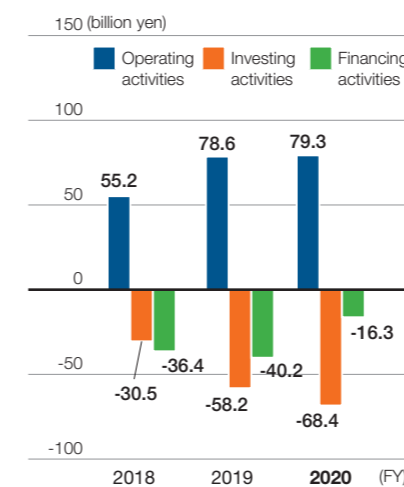
Net assets & equity ratio



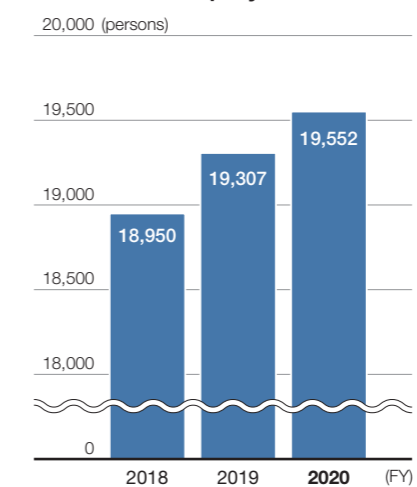
Research & development costs



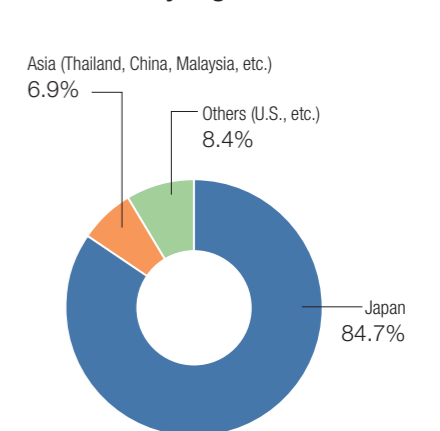
Cash flow



Number of employees



Net sales by region



“The Earth is now a stakeholder.” Always striving to be ahead of the future, which is vital for sustainability



Taking on the challenge of creating a circular economy

The leaders of the Group of Seven declared in the Communiqué of the G7 summit in June 2021 their commitment to carbon neutrality, net zero emissions of greenhouse gases by 2050. The Communiqué also states that they support a green revolution to “protect our planet.” I understood the message as “the Earth has now come to be a corporate stakeholder as well.”

Since the beginning of 2021, the Toyo Seikan Group has made a number of decisions to steadily advance its efforts to address environmental issues. In January, we became the first packaging manufacturer to join the Ellen MacArthur Foundation, a UK-based charity which promotes the circular economy⁽¹⁾ around the world. Many global companies who have joined the foundation are working together to achieve a circular economy by combining their knowledge. Dialogue with European companies with a high level of environmental awareness gives us an insight in finding ways to pursue both social contribution and business sustainability.

As demand for cans are growing in Europe and the United States

amid the COVID-19 pandemic, Toyo Seikan, an operating company of the Group, is promoting resource and energy conservation through the production process of its new aluminum beverage can, thereby reducing environmental impact. Such production technology will pave the way for our expanding to European and US markets. For recycling, we should gain knowledge to promote PET bottle-to-PET bottle recycling in Japan, as more than 85% of used PET bottles are recycled in the country but only 15% of them are currently recycled into PET bottles.

Setting higher environmental targets for fiscal 2030

We have significantly raised our medium term environmental targets in the Eco Action Plan 2030, launched in 2019. We clearly state our commitment to being carbon neutral by 2050, setting new targets of a 35% reduction in emissions from our operations (Scope 1 & 2) and a 20% reduction in emissions from the supply chain (Scope 3) by fiscal 2030, compared to fiscal 2019.

To “protect the Earth as a stakeholder,” I believe that we

need cooperation with business partners and consumers, on top of our own efforts, to generate synergies. This is reflected in our new Scope 3 target, and we will also start disclosure of additional information to achieve it.

We will work together with our business partners to calculate and disclose the emissions from individual processes from procurement to disposal of various materials, such as metal, plastic and paper. The disclosure will certainly enhance our commitment to identifying points to improve and reducing environmental impact.

Formulation of the Group’s first long-term management vision and the significance of backcasting

Our recent initiatives are closely linked to our Long-Term Management Vision 2050 (“The Future, Wrapped for All”), Mid- to Long-Term Management Goals 2030, and Mid-Term Management Plan 2025, which were launched in May 2021. Backcasting from the future we aim for in the long-term management vision, we identified the interim targets and the current issues. In July, we announced our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)⁽²⁾ to continue to communicate our efforts to address climate change to the world over the long term.

This is the first time in our history that we have formulated a long-term management vision that looks ahead 30 years. I have strongly felt the need to establish a long-term vision in the midst of a series of events that have a multiple impact on our living, including natural disasters of larger-scale, increasingly severe environmental problems, unexpected risk occurrence such as the COVID-19 outbreak, and digital acceleration in the society. Experiencing these events, I have come to believe that our traditional three-year management plan alone is not sufficient to take truly effective measures, and that we as a corporation need to have a solid base to commit ourselves to tackling social issues.

In developing the vision, younger employees in their twenties to forties from across group companies joined the process, freely discussing topics like “what the future looks like” and “what the Group can do,” while management had their own discussions. Our long-term vision was formulated by finding a common direction through such discussions on both sides. Here, I would like to add one more point. The vision slogan (The Future, Wrapped for All) uses a word “wrap.” The Chinese character we use to mean “to wrap” comes from an ancient pictograph of a pregnant mother who holds her belly with hands to protect her child in her womb. With this word, we want to convey our message that we will care about all human beings.

From packaging containers to “packaging solutions”

The new long-term vision has set a goal as to what we aim and want to be: a “daily living platform” for people all over the world to live safe, secure and fulfilling lives, and our approach to achieve the goal consists of two pillars: “responding to diversity” and “creating a sustainable society.” We believe that the current industrial structure with mass production and mass consumption is no longer sustainable for our planet, and that we can only survive

by maintaining diversity in various forms while protecting the environment.

Taking this viewpoint into consideration, the Mid- to Long-Term Management Goals 2030 aims to achieve JPY 1 trillion in net sales and JPY 80 billion in operating income for its final year, while we aim to achieve the Eco Action Plan 2030 for the sake of the society and the environment. For all these objectives, we have specified key issues, including exploring, commercializing and monetizing new growth opportunities, in the Mid-Term Management Plan 2025.

While sales of our packaging segment remains almost flat beyond fiscal 2025 in our growth strategy, we aim to double the combined sales of engineering, filling and logistics businesses by fiscal 2030, compared to the current level, thereby enhancing the function of our “packaging solutions.” We are proud that this is a strategy that can only be realized by a corporate group that is capable of handling all kinds of packaging materials based on the technologies it has developed for over 100 years.

Diverse workforce is essential for driving sustainability

To realize our long-term management vision, it is essential to develop human resources and to reform the corporate culture with a vibrant workplace where everyone feels rewarded. I believe that diverse members and outstanding talents promote business creation. We therefore strive to foster a new corporate culture through a number of projects, such as developing an open recruitment system for employees who want to engage in new businesses and introducing members who are involved in unique activities outside work in the President’s regular message.

In 2019, operating company Toyo Seikan received a surcharge payment order from the Japan Fair Trade Commission for violating the Antimonopoly Act. I would say that such misconduct typically occurs when you turn defensive and become inward-looking. Now we manage a regular auditing system and conduct various educational programs to increase compliance awareness. At the same time, to build a culture that does not allow non-compliance and eradicate the root of misconduct, we desperately need an established process that keeps our business active with members who make positive and constructive suggestions, and this is exactly the process to realize our long-term management vision.

Always strive to be ahead of the future by pursuing an original, proprietary technology. Even if it takes ten years, or even twenty years, to realize it, the efforts we make toward the goal should be the strongest power that drives us to create a sustainable future.

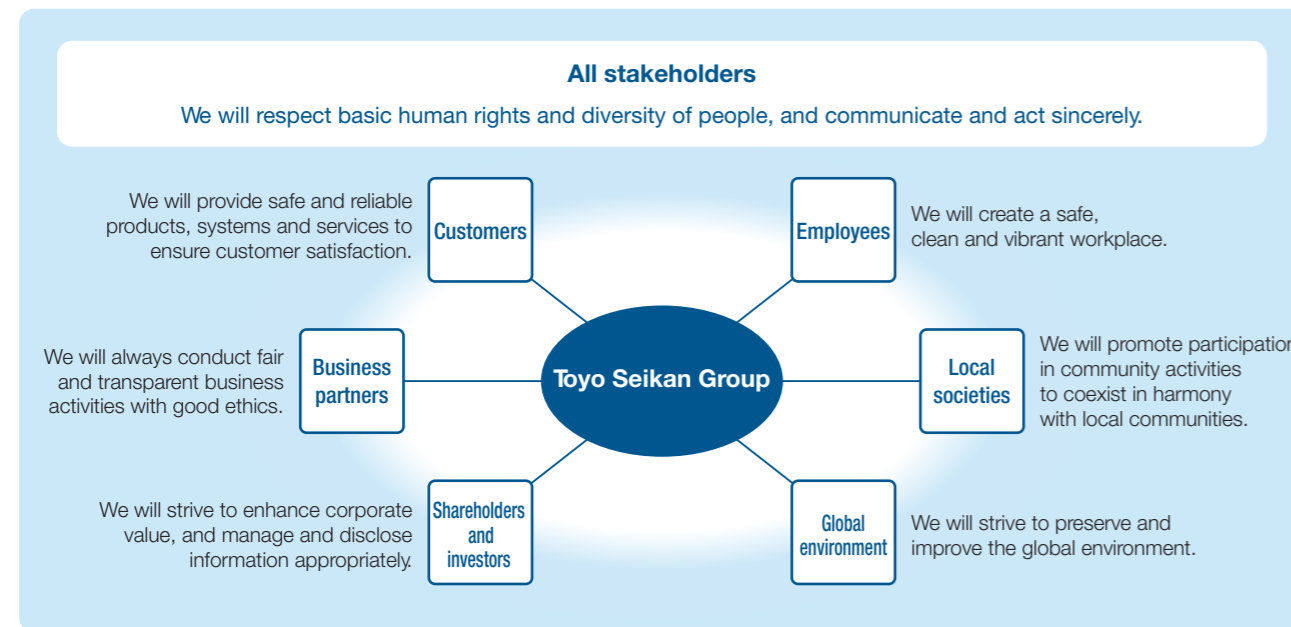
Note:

1. A circular economy aims for a zero-waste system not just by focusing on the three Rs (reduce, reuse, recycle) but by sourcing materials and designing products with due consideration to the later stages of their lifecycle such as collection and recycling processes.
2. The TCFD is a task force established by the Financial Stability Board (FSB) at the request of the Group of Twenty (G20). Following the TCFD’s recommendations on disclosure of climate-related information, we will conduct a scenario analysis to identify climate-related risks and a qualitative and quantitative assessment of business impact, based on the results of our climate-related risk materiality assessment.

CSR Management of Toyo Seikan Group

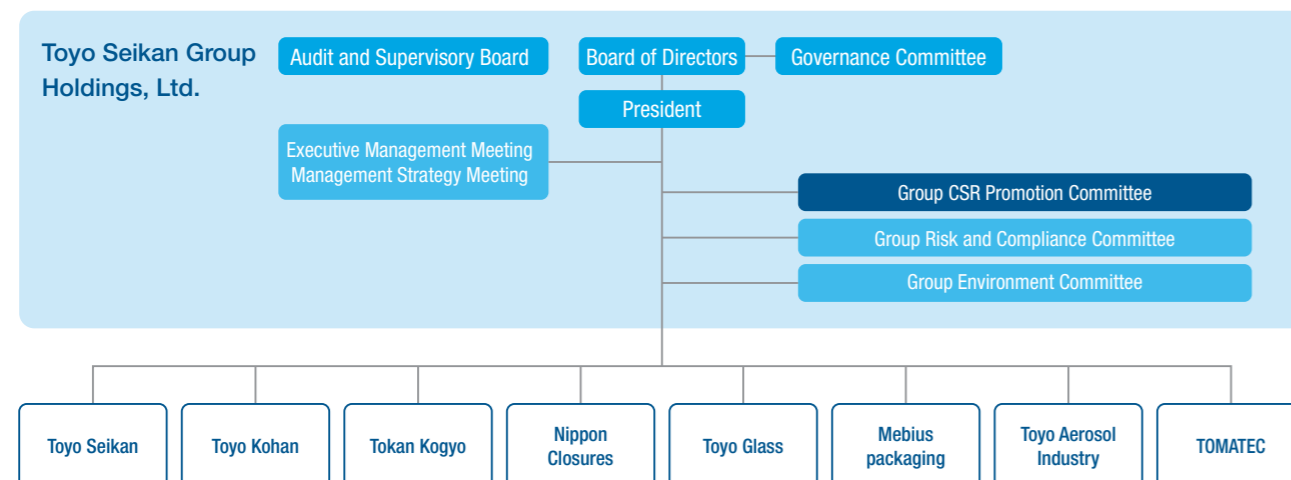
Toyo Seikan Group CSR Policy

The Toyo Seikan Group defines CSR as “continuous contribution to the happiness and prosperity of mankind through fair and honest business activities.” All employees of the Group understand its CSR commitment and work for all stakeholders.



CSR Promotion Framework of Toyo Seikan Group

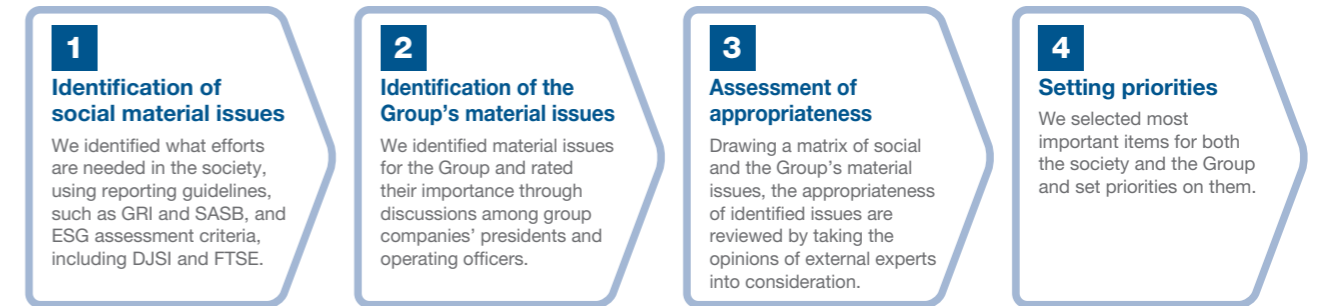
The Group has established the Group CSR Promotion Committee to promote its CSR management. The committee, chaired by the President of Toyo Seikan Group Holdings, consists of officers of the company and presidents of key group companies.



Materiality of Toyo Seikan Group

The Toyo Seikan Group has identified the “eight items of materiality” as its material issues to address with a high priority in order to contribute to the creation of a sustainable society. They are based on our Management Philosophy and serve as a basic guide for us to promote management that is fully integrated with CSR. Through addressing these issues, we also contribute to achieving the Sustainable Development Goals (SDGs), which were adopted by the United Nations in September 2015.

Process of Setting Materiality



Materiality of Toyo Seikan Group

Materiality	Goals	Contribution to SDGs
Developing packaging containers and services in line with social needs	Develop and provide safe and useful products, systems and services to the society.	2, 12, 14, 15
Enhancing quality assurance	Ensure quality and safety of our products, systems and services.	9
Contributing to environmental protection	Contribute to the creation of a low-carbon, Zero-Waste Society that coexists with nature.	6, 7, 8, 12
Enhancing supply chain sustainability	Establish a system for sustainable raw material procurement.	10, 14, 15
Coexistence with communities	Promote community contribution activities with a careful understanding of social conditions, cultures and customs of countries where we operate.	2
Respect for human rights	Respect the fundamental human rights and never violate the human rights in every aspect of our business.	5, 8
Respect for employees	<ul style="list-style-type: none"> Develop and support individuals who continue to seek growth and challenges. Create a corporate culture where we are able to take advantage of our diversity. Achieve a flexible work style that allows for a right balance between work and home life. Maintain the workplace that is safe and healthy and comfortable for employees. 	3, 5, 8
Ensuring thorough compliance	Ensure that our business activities are properly conducted.	10

Developing Packaging Containers and Services in Line with Social Needs

Interview on the innovation strategy of the Toyo Seikan Group

“Don’t leave past success behind, which would give us a key to future success.”



Roles of the technical development function in realizing our long-term management vision

In the Long-Term Management Vision 2050, we aim to become a corporate group that creates new value that changes the society beyond the boundaries of packaging manufacturing, focusing on the three areas of “food and health,” “comfortable living,” and “environment, resources and energy.” Toward this goal, the Corporate R&D and other R&D departments of group companies are leading the Group’s vigorous R&D activities based on their proprietary technologies in materials development, forming and processing, and engineering.

As the technical development function of the Group, we have identified the following three key issues to increase the effectiveness of our activities.

First, we should set themes for R&D that are consistent with the strategies for management and operations. To effectively use limited resources, the processes of theme selection, regular reviews, and judgment to go ahead are all important. We also intend to increase the weight of new areas in theme selection particularly at the Corporate R&D, thereby aiming to expand business fields.

Next, we need to push up the rate of commercialization of products and projects that have been developed by R&D activities. Not a few projects, especially those in new areas, get stuck before the practical application stage. We need to establish a framework to promote commercialization.

Finally, we should promote open Innovation. In order to speed up development, we should not rely too much on our own abilities but rather explore partnerships with external parties, including customers, suppliers, universities and venture businesses.

Good results need a plenty of preparation and time

Research and development, particularly for new business areas, takes a long time to bear fruit. Fortunately, we have now two projects that are at the final stage before commercialization. They are related to the energy and healthcare fields, in line with our long-term management vision, though I am not able to tell the details right now.

We will continue to take on new projects to seamlessly achieve success in the future.

“Device” to activate innovation

While research and development activities play a critical role in innovation, people involved in R&D tend to focus on technical aspects, paying more attention to higher quality and performance that would secure advantage over rivals in the market. For “responding to diversity,” however, we should return to manufacturing that incorporates the perspectives of human beings.

We should remember that, at the time of its founding, the Toyo Seikan Group did manufacturing with the aim of solving issues and problems in the society. Today, we find it more difficult to identify problems that are common to everyone. Even so, we can use an approach based on human perspectives to find unnoticed problems.

As a “device” to activate innovation with such approach, in 2019, we established the Innovation Incubation Office in Japan and the Future Design Lab (FDL) in Singapore. The new organizations are the two main engines of our innovation activities with different roles.

The Innovation Incubation Office aims to create innovations with the inside-out approach, taking advantage of our strong R&D and production abilities and broad customer base. In short, its mission is to “leverage the Group’s strengths.” So, the office provides venues and opportunities for group members in all positions from across all departments and companies to share ideas and objectives.

The FDL, on the other hand, explores new business areas that are vital for creating new value and growing over the mid- to long-term. It is based in Singapore, where various information and startup businesses gather. Its mission is “to create strengths of the Group (for the future).” It promotes our participation in leading ecosystems to adopt new perspectives in our strategies.

With this device for innovation, I hope that we will become a corporate group that utilizes human perspectives, as well as business and technological viewpoints that we have already had, to identify social issues and find solutions with group-wide cooperation in R&D beyond boundaries of individual organizations in the Group.

OPEN UP! PROJECT, a group-wide innovation platform led by Innovation Incubation Office and FDL

The Innovation Incubation Office and the FDL communicate the details of their activities to the whole group and to the outside world through the OPEN UP! PROJECT.

As an initiative to leverage the Group’s strengths, we invested in a partnership with Oishii Kenko Inc., a food and healthcare technology startup that provides lifestyle solutions for people to enjoy eating for a lifetime. Through this partnership, we have redefined the role of packaging from wrapping food to serving as an important interface for all people, aiming to realize the “Internet of Packaging (IoP).”

As for “creating strengths of the Group,” we invested in a startup in Singapore, Shiok Meats. It is a food tech company that aims to solve the social issues in Asia, such as food and protein shortage, climate change and marine pollution, through the production of cell-cultured shrimp meat and other crustacean meat. As a food infrastructure company, we work together with Shiok Meats and other partners to bring affluent and sustainable dietary habits to people in Asia.

We also launched a joint program for creating new products and businesses with the Makuake Incubation Studio as an opportunity to put human perspectives into practice. In this program, we develop prototypes of new product and business ideas by reevaluating existing or unused technologies of the Group, and carry out crowdfunding campaigns to gain direct feedback from consumers. The first round of the program had twenty-one participants from across group companies, and the three projects that have passed the screening by executives are now under preparation for their crowdfunding projects scheduled next spring. The second round has also started its application process. I strongly hope that the new attempts will breathe new life into the Toyo Seikan Group, which has grown through B-to-B business.

The direction in which we should move forward

The Toyo Seikan Group has a reputation as a leading packaging company which has acquired trust from major food and beverage companies and household product makers with its ability of handling various materials and its technologies that allow for supplying high quality products at a lower cost.

However, our history shows us a different picture. The Group is, in fact, a company that has continued to make efforts to identify social issues that change with the times, find necessary partners, involve all relevant people from across group companies and support them, and create innovations—create and establish new cultures in the society—by effectively taking advantage of its technologies and resources. We should properly understand this point, and then we are able to choose the right direction.



Developing Packaging Containers and Services in Line with Social Needs

OPEN UP! PROJECT <https://en.open-up.tskg-hd.com/>

Activities under the OPEN UP! PROJECT to solve social issues with our technologies

“Dream Card Project” to make your imaginary packaging come true!

Visitors to the Museum of Package Culture sketch packaging designs they dream of on a “Dream Card.” To make their dreams come true, the One Pack, a group-wide voluntary action platform, launched a project in which a total of four teams worked to realize those imaginary packages. Using their individual techniques, the participant teams have created the following five works: “Cans are your friends,” “Bottle with push button to open,” “Container that opens with your voice,” “Package Town,” and “Conditioning drink with flower.” These works were exhibited at the Museum from June to September 2021.



Prefabricated cardboard tent DAN DAN DOME to provide people with comfort in an emergency or at outdoor leisure

The Toyo Seikan Group, which has been dedicating itself to “wrapping” and “packing” for over a century, has been seriously addressing the issue of “discarding” as well. No matter how beautiful the container is, how light and easy to carry it is, or how long it can preserve content, it is doomed to be thrown away in the end.

Nippon Tokan Packaging is taking on a challenging work on the packaging technology that focuses on discarding. Corrugated cardboard is approximately 95% recycled in Japan, and everyone can easily know how to discard it by looking at its conditions. Using such material, the company has developed the DAN DAN DOME to comfortably “wrap” people, in collaboration with polar architect Yusuke Murakami.



Invest in Shiok Meats, developing cell-cultured shrimp and crustacean meat in Singapore

Shiok Meats, a food tech startup founded in 2018, has a proprietary technology to isolate stem cells from shrimps and other crustaceans. By producing cell-based seafood with this technology, it aims to help solve social issues in Asia, such as food and protein shortage, climate change, and marine pollution.

Shiok Meats is our first investment under the “OPEN UP! PROJECT,” which has been promoting the investment in startups that work on solutions to social issues since 2020.

Photo credit : Shiok Meats



Members of Shiok Meats, including Dr. Sandhya Sriram, CEO, and Dr. Ka Yi Ling, CTO (in center of front row)



Steamed dumpling using cell-based shrimp mince produced by Shiok Meats

Partnership with Oishii Kenko Inc. toward the realization of food barrier free by building a food and health data platform

Oishii Kenko, Inc., created in 2016 by a spin-off of the healthcare division of Cookpad Inc., provides recipe sharing and development services supervised by nationally certified nutritionists to support disease prevention and management as well as dieting. In March 2021, we entered into a capital and business alliance with the company to build a data platform for food and health and create a barrier-free food environment. We have developed “Salt-off Cup” an innovative package for tofu, and plan to create a variety of products and services going forward.



Enhancing Quality Assurance

Quality Assurance System

We are engaged in quality assurance activities across the group companies according to our quality assurance principles, which focus on i) providing customers and the society with products, systems and services that are safe and reliable, and ii) implementing social activities necessary for a corporate group that deserves the trust of customers and the society. In April 2019, Toyo Seikan Group Holdings established the Quality Administration

Department to further reduce quality risk for the entire group. With our motto “High Quality, Reasonable Prices and Swift Delivery,” which we have been following since the founding of the Group, we continue with our efforts to earn customer trust by maintaining and improving quality levels that meet requirements of the times throughout our operational processes, including development, procurement, manufacturing, sales and service provision.

Construction of Management System

Each operating company in the Group has constructed a quality management system for maintaining and improving the quality of products and services in accordance with the ISO9001 standards. Among them, companies manufacturing and selling food containers have also built food safety management systems based on the FSSC22000 standards, in order to provide safer products and to increase reliability in the food chain. Toyo Seikan, Toyo Glass and Mebius Packaging, in particular, have established a TMS (Total Management System), which integrates the three systems of quality management, food safety management and environmental management (ISO14001 standards-based). The system integration allows the companies to reduce overlaps in operations and expand their focus from sub-optimization to total optimization. Using the dynamic system that links their management systems closely with actual business activities, they have been promoting manufacturing that provides customers with reliability.

Kaizen Activities at Tokan Kogyo

In 2020, Tokan Kogyo started a new initiative, (“No More Waste at Work!”) to identify and eliminate wasted expenses and processes in the workplace. Through a thorough review of the current operations and an active discussion, they have found a total of 195 cases of wasted money and work, and then began activities to improve work processes and increase efficiency by removing unnecessary equipment, changing the floor layout for most efficient transportation, standardizing the inspection procedures to reduce time needed, and conducting skill training programs to reduce improper machine readjustments.

The details of activities at individual plants and departments are shared among all employees through the company’s bulletin board.

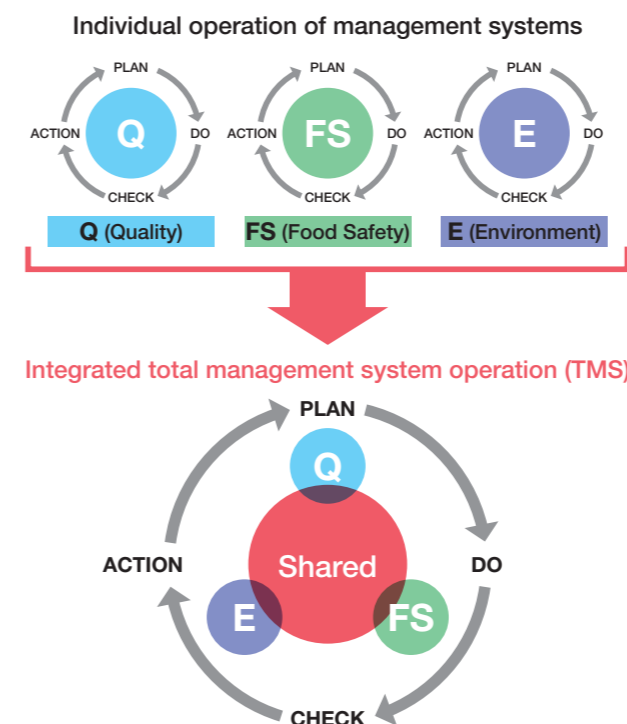
KAIZEN at Next Can Innovation

Next Can Innovation (NCI) has entered the third year of its KAIZEN program, launched in December 2018 to increase employees’ awareness of self-sufficiency for advancing individual skills and to improve work efficiency for higher profitability.

Under the slogan “Change For Good,” the program encourages each employee to submit at least three proposals a year, and the year 2020 saw a total of 754 submissions. The company holds a presentation meeting to share the results once a year, and awards prizes to those who made an outstanding achievement and to most frequent submitters. In 2020, the company registered for the Thailand KAIZEN AWARD 2020 and successfully participated in the final competition.



In addition to NCI, other group companies in Thailand are also actively engaged in KAIZEN activities on a regular basis.



Contributing to Environmental Protection

FY2020 Topics

Investing in Plastic Recycling Venture, R Plus Japan

Toyo Seikan Group Holdings has set up a joint venture, R Plus Japan Ltd., together with 12 companies from the plastics value chain, including Suntory MONOZUKURI Expert Ltd., TOYOBO CO., LTD. and Rengo Co., Ltd., for plastic recycling business. The new company started up in June 2020, aiming to create and commercialize an eco-friendly, efficient plastic recycling system that is under development based on the technology of Anellotech Inc., a US biochemical venture. R-Plus Japan is working toward practical application of the system by 2027 through the cross-industry cooperation.

The company mainly serves three functions in this project: fundraising, supporting development activities, and driving

commercialization. It has increased the number of investing partners to 29 (as of July 2021) to secure funds, while working on development support activities, including analyzing materials and sending the samples to Anellotech as well as sharing information on competing technologies. The Toyo Seikan Group is supporting the project by joining the taskforce for technology to conduct technical research and other activities.

Combining the technologies we have developed across the Group over many years, we will fulfill our responsibility as a member of the value chain to contribute to solutions to plastic issues, working toward a sustainable future.

Expanding Solar Energy Facilities

As part of our efforts to reduce greenhouse gas emissions from operations, we have been introducing solar power systems to our facilities. Two domestic facilities, Tokan Kogyo's Komaki Plant and Toyo Kohan's Kudamatsu Plant, began to operate the system in December 2020 and in February 2021, respectively. Outside Japan, Toyo Filling International in Thailand launched the system in August 2020. We will step up the introduction of renewable energy as a key measure to address global warming going forward.



Komaki Plant of Tokan Kogyo

Participation in Ellen MacArthur Foundation

The Toyo Seikan Group has joined the Ellen MacArthur Foundation (EMF) in the United Kingdom as the fourth Japanese company and as the first packaging manufacturer, aiming to gain knowledge about the circular economy and to explore opportunities to collaborate with other corporations. The EMF is a charity founded in 2010 with the aim of accelerating the global transition to a circular economy through partnerships with businesses, governments and research institutions.

Through workshops hosted by the EMF and joint projects with member companies, we will make proposals for various packaging solutions suited for different regions and countries by taking advantage of our strengths as a comprehensive packaging company, thereby contributing to the realization of a circular economy. We are currently working on a proposal for a can making system that requires less space for installation and has less impact on the environment.



Installation of solar power systems (excluding systems for electricity business)

As of April 2021

Company/plant	Operation started	Annual CO ₂ reduction (ton-CO ₂)
Nippon Closures / Komaki Plant	March 2019	360
Toyo Seikan (Thailand)	October 2019	280
Toyo Filling International (Thailand)	August 2020	100
Tokan Kogyo / Komaki Plant	December 2020	240
Toyo Kohan / Kudamatsu Plant	February 2021	80

Toyo Seikan Receives Appreciation from Saitama Government for Zero Carbon Commitment

Toyo Seikan's Kuki Plant and Saitama Plant jointly received a letter of appreciation from the Saitama prefecture government for their contribution to "Zero Carbon Saitama," a carbon offsetting initiative in the prefecture.

Through its activities to upgrade equipment and improve production efficiency during the period from 2011 to 2014, Toyo Seikan has obtained carbon credits (net reduction in emissions) of approximately 159 thousand tons of CO₂ equivalent, far exceeding the reduction target set in the initiative, and decided to donate these credits in response to the call of the local government. The company will continue with its efforts to be a corporation that helps create a sustainable society.



Promoting Modal Shift—Recognized as Eco Ship Mark Certified Business

Toyo Seikan and Toyo Mebius have been certified as Eco Ship Mark Businesses for 2020 in the Eco Ship Modal Shift Project, led by the government and shipping companies in Japan. The project gives certifications to shippers and logistics companies that are actively engaged in reducing emissions by shifting to ocean transport, which is highly efficient and environmentally friendly. In 2020, the two group companies were recognized for changing the transportation method from truck to ocean for part of their product shipments (approximately 400 truckloads annually) between the Kansai and Kyushu areas in Japan. They will continue to advance their commitment to reducing environmental impact for the creation of a sustainable world, as a member of the Toyo Seikan Group.



Group Environmental Management Framework <https://www.tskg-hd.com/en/csr/environment/global/global02/>

Environmental Vision and Goals

Based on the Toyo Seikan Group Environmental Policy, established in 2002, we have been actively working on the protection and improvement of the global environment through our business activities. In 2015, we revised our Environmental Vision and set new long-term goals toward 2050, taking the next step for the creation of a sustainable society.

Toyo Seikan Group Environmental Vision

Combining our proprietary technologies and tapping into technologies across the world, we will contribute to achieving a sustainable society from three perspectives in the value chain of our products, services and systems.



Contributing to Environmental Protection

Revision of Mid-Term Environmental Targets “Eco Action Plan 2030”



The Eco Action Plan 2030, formulated in fiscal 2019, is a set of quantitative environmental targets for the Group to achieve by 2030, the target year of the SDGs, through the activities to address climate change, promote resource recycling, deal with marine plastic pollution and conserve biodiversity. Recently we have revised our Environmental Vision, which had previously aimed for a “low-carbon society” but now aims to achieve carbon neutrality by 2050 toward a “zero-carbon society,” and have also raised the mid-term targets for fiscal 2030. We will effectively implement our plan by taking specific measures to reduce the environmental impacts.

Addressing Climate Change

We will reduce carbon emissions from our operations (Scope 1 emissions directly from fuel combustion and Scope 2 emissions indirectly from electricity consumption) as well as emissions from the upstream and downstream of our supply chain (Scope 3 emissions). We have set our reduction targets focusing particularly on the emissions associated with procurement (purchased products and services) and disposal of products we sold, which account for a significant portion of the total emissions from the entire supply chain.

In July 2021, we officially announced our support for the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). We will conduct a scenario analysis to identify climate-related risks and opportunities and a qualitative and quantitative assessment of business impact based on the results of our climate-related risk materiality assessment.

Resource Recycling

We will switch materials used for our products from fossil-based to recycled and renewable materials, including plant-based plastics. In setting the numerical targets, we placed high priority on transforming the current system that relies on single-use products into a “circular” system by minimizing the consumption of exhaustible resources and designing easily recyclable products.

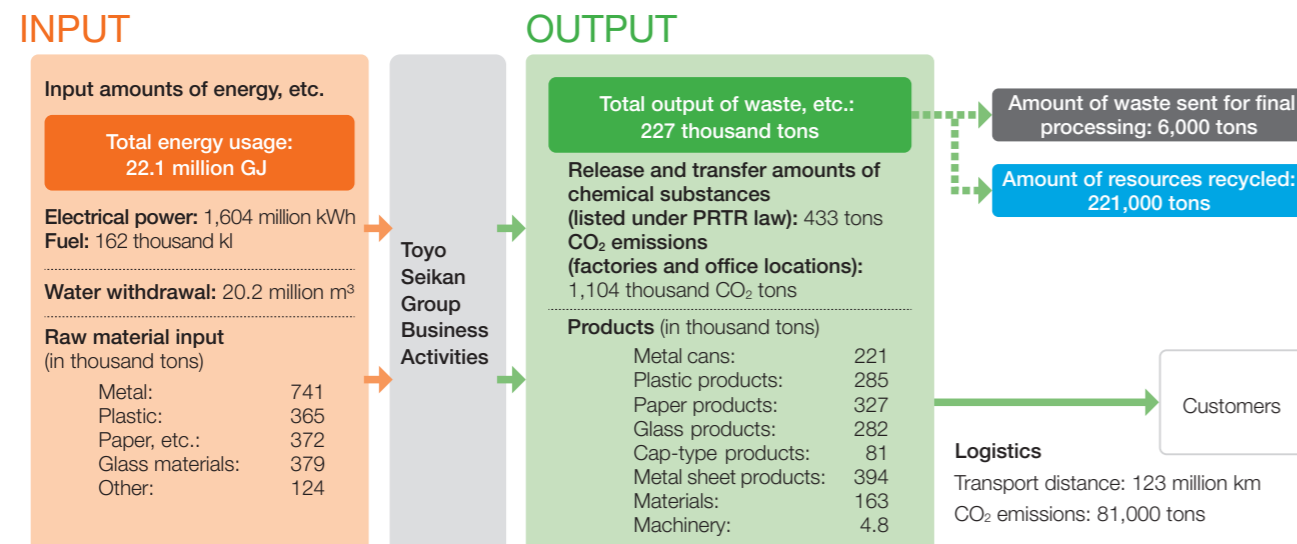
Marine Plastic Pollution

We provide a lot of plastic products for the society but find it difficult to solve the problem of ocean plastic litter just by ourselves. We will cooperate with all partners in our value chain to continue to address this issue.

Environmental Impact of Business Activities

We monitor the amounts of material input and output of the entire group to reduce the environmental impact of our business activities.

FY2020 Material Flow of Domestic Operations of Toyo Seikan Group



Targets for 2030 and Progress in FY2020

The table below shows the progress we made in fiscal 2020 based on the Eco Action Plan 2030.

Evaluation: ★★★ Achieved ★★ Nearly achieved ★ More effort needed

Environmental Vision	FY2020 Results (Major Initiatives)	Evaluation
Targets of Eco Action Plan 2030		
Zero-Carbon Society		
1) Reduce CO ₂ emissions from our operations (Scope 1 & 2) by 35% (compared to FY2019)	1) The Scope 1 and 2 emissions have decreased 7.6% from the base year (fiscal 2019) mainly due to a significant decline in sales of beverage containers and other packages amid the COVID-19 pandemic. We will continue with our energy-saving efforts, including the replacement of production equipment. 2) The emissions from supply chain (Scope 3) have declined 6.0% due to lower production as well. There have also been effects of various resource-saving initiatives such as developing more lightweight containers.	★★★
2) Reduce CO ₂ emissions from the supply chain (Scope 3) by 20% (compared to FY2019)		
Zero-Waste Society		
1) Reduce the use of exhaustible resources ⁽¹⁾ by 30% (compared to FY2013)	1) The consumption of exhaustible resources has decreased 18% from the base year (fiscal 2013). This is largely due to lower production, while we have been working on reducing product weight and improving yield rates (lowering defective rates) to achieve the target. 2) We seek to reduce the consumption of fossil resources by using recycled plastic from used bottles for creating new PET bottles and plant-based resin for other plastic containers.	★★★
2) Reduce the use of fossil resources ⁽²⁾ for plastic products by 40% (compared to FY2013) <ul style="list-style-type: none"> 15% reduction by decreasing product weight and switching materials Increasing the ratio of recycled and plant-based plastics by 30% 		
3) All packaging to be recyclable or reusable		
Society Coexisting with Nature		
1) Reduce environmental risk and environmental pollutant <ul style="list-style-type: none"> 15% cut in the release and transfer amount of chemical substances under the Pollutant Release and Transfer Register Law (PRTR Law) by FY2022 (compared to FY2013) 	1) The release and transfer amount of chemicals subject to the PRTR Law has declined 18% from the base year (fiscal 2013). Although there was a deviation from the target for several years because of production process control for certain products, we have achieved the target with various improvement efforts, such as excluding toluene from printing ink (the annual 9% reduction in fiscal 2019 significantly improved the progress). 2) Water withdrawal has increased 3%. While the use of water has decreased at domestic facilities, the expansion of overseas operations has pushed up the total amount compared to the base year. 3) We manage plastic pellets with the guidelines we have set for all group companies to prevent plastic pellet from escaping from our facilities. Meanwhile, we have participated in the Clean Ocean Material Alliance, which consists of a wide range of business operators across the supply chain.	★★★
2) Promote biodiversity conservation <ul style="list-style-type: none"> 30% cut in water consumption in operations (compared to FY2013) 		
3) Promote communication with external parties <ul style="list-style-type: none"> Action to address marine plastic pollution (prevention of litter) and the disclosure of relevant information 		

Note:

1. An exhaustible resource is a natural resource that is not replenished by natural processes as fast as humans consume it.
2. Fossil resources include crude oil and natural gas.

Cleanup Efforts with Litter Picking App “PIRIKA”

PIRIKA activity report on website: <https://www.pirika.org/u/5256552586149888>

For communicating our cleanup efforts, we have used a litter collection app “PIRIKA” to post articles about our activities on the web since fiscal 2019. In fiscal 2020, a total of 457 people across the Group joined the program and picked up 3,909 liters of waste. In addition to the activities in the surrounding areas of our facilities, we also joined programs led by local communities and organizations. Ryukyu Seikan, a group company in Okinawa, joined the “Beach Cleanup” organized by the Tourism Association in Nago City, and was certified as a community contributor. Meanwhile, Toyo Seikan Group Holdings participated in the “Arakawa River Clean Aid” in Tokyo for the first time.

We will continue with our commitment to cleanup activities more related to the communities in which we operate, in cooperation with regional partners.



Contributing to Environmental Protection

Toward a Zero-Carbon Society

As part of our efforts to address climate change, we are implementing various measures to achieve carbon neutrality. In fiscal 2021, we started a multifaceted review of sourcing and use of energy at the Osaki Forest Building (Shinagawa, Tokyo), where Toyo Seikan Group Holdings and other major group companies are headquartered, and at the Corporate R&D (Yokohama, Kanagawa), the basic research lab of the Group.

CO₂ Emissions from Operations (Scope 1 & 2)

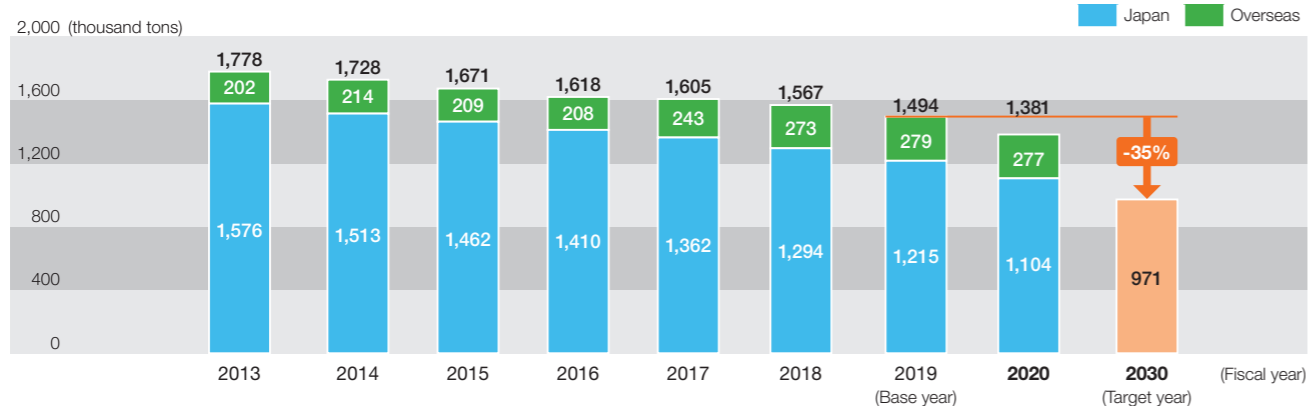
In fiscal 2020, total carbon emissions from the Group's facilities in Japan and abroad decreased 8% from the previous year to 1,381 thousand tons.

The emissions from the domestic facilities declined by 111 thousand tons from the year earlier as a result of lower production,

replacement of air compressors, periodic repair of melting furnaces and other energy-saving activities, while those from overseas facilities decreased by 2 thousand tons year on year.

We continue to engage in cutting carbon footprint in fiscal 2021 through energy-saving efforts, including replacing equipment, streamlining production lines and improving production efficiency.

Changes in CO₂ Emissions from Operations



* In May 2021, we raised our reduction targets.

* The 35% reduction compared to FY2019 is equivalent to a 45% reduction compared to FY2013 (the previous 30% reduction target was compared to FY2013).

* The figures for the previous years have been retroactively revised due to a change in the electricity grid emissions factor and the addition and correction of data for certain facilities.

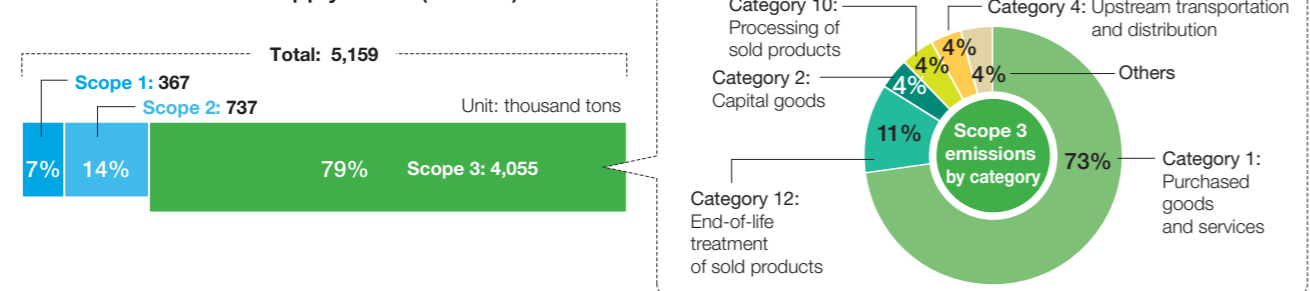
Greenhouse Gas Emissions from Supply Chain (Scope 3)

The Toyo Seikan Group calculates the amount of greenhouse gas emissions from the upstream and downstream of the supply chain (Scope 3) as well as the amount of emissions from its operations (Scope 1: direct emissions from fuel combustion, and Scope 2: indirect emissions from electricity consumption). Under our environmental vision Eco Action Plan 2030, we aim to reduce the Scope 3 emissions 20% by fiscal 2030 compared to fiscal 2019.

In fiscal 2020, the Scope 3 emissions associated with our

domestic operations accounted for approximately 80% of the total emissions from the Group's domestic operations and supply chain. Of the total Scope 3, the emissions from purchased products (Category 1) accounted for approximately 73%, followed by disposal of sold products (Category 12) and capital goods (Category 2). This indicates that reducing emissions related to purchased products (e.g. material procurement) is becoming more and more important. We will continue to work together with material suppliers on reducing product weights and using more recycled and plant-based materials.

GHG Emissions from Supply Chain (FY2020)



Achieving a Zero-Waste Society

Our group companies produce packaging containers and materials by processing raw materials from exhaustible resources, such as metal and petroleum. We therefore believe we have a great responsibility for an efficient use of resources through reducing material input and waste and recycling materials. Under the Eco Action Plan 2030, we are taking measures to achieve the 30% reduction target for the use of exhaustible resources toward a zero-waste society.

In addition to our ongoing efforts to develop more lightweight containers, we are also working on expanding the use of recycled materials. Using more recycled metals in our cans and more recycled or plant-derived resins in our plastic containers will help us achieve the targets of the action plan and eventually help solve social issues. These activities should not only lead to an effective use of resources but also reduce emissions from the material production process, and they are also important from the perspective of combating climate change.

Eco-Conscious Products

The Toyo Seikan Group has been working on developing, manufacturing and selling low environmental impact products, considering their entire lifecycle. We have certified several products of the Group as eco-conscious products based on our group-wide standards for evaluation in the stages of raw material procurement, production, transportation, consumption and disposal/recycling. As of the end of October 2021, a total of 65 items have been certified as eco-conscious products, for which the details are provided on the website of Toyo Seikan Group Holdings (only in Japanese).

Going forward, we expect that the development and commercialization of eco-conscious products will contribute to achieving the targets of Eco Action Plan 2030.

We will strive to develop products keeping in mind the reduction of waste and recycling at their end of life so that they will be widely accepted in the market.



Achieving a Society Coexisting with Nature

Risk Management of Production Facilities

Harmful substances and waste liquid that flow out of plants have a long-lasting adverse impact on the surrounding environment. While group companies have been individually implementing risk management with their environment management systems, we are now enhancing our risk management framework. We identify equipment and facilities that carry high risks of environmental accidents based on the degrees of deterioration in facilities and the characteristics of substances handled by individual plants. The management of piping and storage tanks are given special attention since a leakage from such equipment would have a material impact.

Addressing Marine Plastic Pollution

Engagement through Clean Ocean Material Alliance

In January 2019, the Clean Ocean Material Alliance (CLOMA) was established with a wide range of business operators participating to address marine plastic pollution, an emerging global challenge. The CLOMA is aimed at promoting a new 3R (reduce, reuse, recycle) initiative toward more sustainable use of plastic products and the development and introduction of alternative materials through public-private collaboration. Toyo Seikan Group Holdings has joined the alliance as a managing partner since the preparation phase and has been working as a key member of a subcommittee of CLOMA to share information and enhance the network with partners from across industries.

In 2020, the CLOMA Action Plan was launched to achieve advanced plastic recycling systems as a solution to marine plastic pollution. To implement specific measures under the plan, three other companies of the Group (Toyo Seikan, Tokan Kogyo and Nippon Closures) joined the CLOMA in fiscal 2020 and Mebius Packaging in fiscal 2021.

Enhancing Supply Chain Sustainability

Procurement Policy

We will continue to be engaged in fair, honest and responsible procurement with support and cooperation from our business partners. Through this commitment, we will provide safe and high-quality products, systems and services that can give satisfaction to all the people in the society and gain their trust, thereby implementing the Management Policy of the Toyo Seikan Group.

Toyo Seikan Group Procurement Policy (issued in August 2019)

1. Thorough Compliance

We comply with social rules, relevant laws and regulations and their spirit, and act with good sense to perform operations that can gain the trust of society.

2. Fair and Transparent Business Relationships

We provide all business partners with a fair opportunity to participate in our business both in Japan and abroad. We select suppliers based on a fair judgment with a comprehensive assessment of various factors, including quality, cost, delivery time, supply stability, technical ability, ability to make proposals, management conditions and commitment to corporate social responsibility.

3. Quality and Safety

We conduct procurement activities that ensure the quality and safety of our products, systems and services.

4. Respect for Human Rights

In accordance with the Toyo Seikan Group Human Rights Policy, we promote procurement activities that ensure respect for fundamental human rights and that give consideration to the work environment and health and safety conditions for all relevant people.

5. Consideration to the Environment

In accordance with the Toyo Seikan Group Environmental Policy, we promote procurement activities that are friendly to the global environment.

6. Information Management

We strictly manage the secret information we obtain through our procurement activities.

7. Establishment of Partnerships

We seek to build long-term trust and cooperation with our partners to establish relationships that allow us to grow and develop together with them through business transactions.

Establishment of CSR Guidelines for Suppliers

We have established corporate social responsibility guidelines for our suppliers based on the Group's Procurement Policy. We will continue to work on creating a sustainable society with our own efforts as well as collaboration with our suppliers, who are important partners supporting all our activities.

Participation in Information Sharing Platforms for Sustainable Business

Sustainable growth for a business cannot be achieved without managing environmental and social risks in the entire supply chain. The Toyo Seikan Group has been disclosing CSR-related information through the information sharing platforms operated by Sedex⁽¹⁾ and EcoVadis⁽²⁾ for a sustainable supply chain.

Note:

1. Sedex is a London-based non-profit organization to promote ethical and responsible business practices in the global supply chain. It conducts surveys by questionnaire on labor, health and safety, environment, and business ethics and publishes the results on its web platform.

2. EcoVadis is a French company aimed at improving environmental and social sustainability performance of suppliers and vendors. It provides ratings in four themes: environment, labor and human rights, ethics, and sustainable procurement.

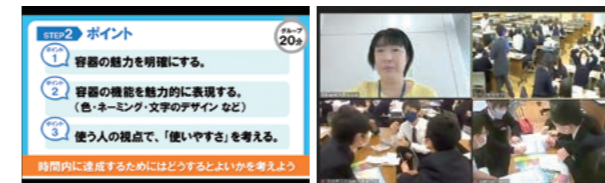
Coexistence with Communities

Social Contribution Activities

Online Classes for Students

We offer two online classes for students: the environmental education for elementary school students and the career education for junior and senior high school students. Using the active learning method, these programs are designed to help young people think about the future through the topics related to packaging. While meeting in person was difficult due to the COVID-19 outbreak during FY 2020, we provided both online and on-site programs for a total of 15 schools with 1,415 students attending.

During normal times, we join events at after-school child care centers and invite students to the Museum of Package and Culture for their field studies from time to time.



Internship Programs

Group companies provide internship opportunities for students to deepen understanding of society and work through practical experience. In fiscal 2020, Toyo Kohan invited five students from neighboring junior high schools and conducted a two-day training program to learn about production processes and experience actual work. Toyo Seikan also invited a total of 16 students from universities, colleges, high schools and facilities for the disabled. Outside Japan, its group companies in Thailand and China accepted a total of 16 interns during 2020.



Donate N95 Masks to Medical Providers

In April 2020, we donated 1,220 pieces of N95 masks, from our emergency stockpile, to hospitals fighting against COVID-19 through the Nippon Keidanren (Japan Business Federation). This was in response to a shortage of medical supplies, including N95 masks, to protect healthcare workers from droplet infection.

We express our heartfelt respect to all those who are working at the forefront of the battle with COVID-19, and hope that the pandemic will be over as soon as possible. We will continue to provide every possible assistance as a whole group.

Cooperation with Local Governments at Emergency

Nippon Tokan Package has signed disaster relief agreements with the local governments stated below for providing corrugated cardboard products for people at evacuation sites to alleviate their suffering during disasters such as earthquakes and floods. These products include cardboard beds and partitions. As a member of the communities in which we operate, we will do our best to support them by utilizing our expertise and experiences in the event of an emergency.



Signed date	Region / Name of agreement
July 2019	Sakura City, Tochigi Agreement on provision of emergency supplies and other relief services in disasters
June 2020	Soka City, Saitama Agreement on provision of cardboard beds and other emergency supplies in disasters
July 2020	Anjo City, Aichi Agreement on accommodation of facilities in disasters / Agreement on provision of cardboard products and other emergency supplies in disasters
July 2020	Taiwa-cho, Miyagi Agreement on provision of emergency supplies in disasters

The Komaki Plant of Tokan Kogyo installed a solar power system in December 2020. The system, combining solar power generation and rechargeable batteries, is a self-sustaining, decentralized energy facility that can enhance disaster preparedness of the region while reducing carbon footprint. Even when the power grid shuts down, electricity will remain available with the combination of solar cells and batteries. The plant has also signed a disaster relief agreement with Komaki City for the use of its canteen as a temporary shelter for residents in the area in the event of a major disaster.

TOMATEC has cooperated with the local community in which its head office and Osaka Plant are located for the area's disaster preparedness, setting up a signboard on a building near the site entrance to indicate the flooded water level in the event of a flood of the nearby river. The water level is estimated to be as high as 3 meters at the point. The signboard, which people will often see in their everyday life, is expected to raise their awareness of preparedness. The company also conducts earthquake and tsunami evacuation drills on a regular basis to confirm contingency procedures and evacuation routes.



Coexistence with Communities

Donation of Partitions to Elementary School

Nippon Tokan Package donated partitions to prevent the infection of COVID-19 for the 33 students of an elementary school near its Sendai Plant in Taiwa-cho, Miyagi.

The partitions made of transparent film framed with cardboard plate are designed to surround the desk of each student on three sides without obstructing their vision, put on the floor usually and placed on the desk when needed. The company has received a thanks letter from the school and messages from students.



With the partitions, they say they can now play the recorder in the music class and enjoy chatting during lunch time, having their school life with more peace of mind.

The company will continue to be engaged in activities to support local communities.

Participation in a "Bell Mark" Project

Since 2016, the Toyohashi Plant of Toyo Seikan has been involved in the "Bell Mark No.1-in-Japan Project" of the city of Toyohashi. By joining the Bell Mark program, which is managed by a Japanese educational support foundation to provide fund for local schools, the plant collects Bell Marks as well as used ink and toner cartridges



that are exchangeable into Bell Marks to help schools buy educational materials. In addition, sorting work of collected Bell Marks provides opportunities of practical training for children with disabilities.

Blood Donation Campaign

As part of our voluntary activities, we have been implementing blood donation campaigns at individual facilities to support stable blood supply. In fiscal 2020, we paid special attention to preventing infection of COVID-19 and other diseases in the activity. Our facilities in Thailand have also been conducting periodic blood donation campaigns in cooperation with the Thai Red Cross Society. We will continue our active contribution in Japan and abroad.

Next-Generation Fostering Support

Toyo Kohan makes donation every year to the Kudamatsu City, Yamaguchi, where its Kudamatsu Plant operates, for next-generation fostering activities. The donation is usually used to hold an art event, such as an ensemble music performance, hosted by the city for students from the first to ninth grades, but there was no such event for fiscal 2020 due to COVID-19. Instead, the donation was used to purchase musical instruments for students of brass bands at elementary and junior high schools in the city to help cultural and art education.

The company has received a letter of appreciation from the city stating that the new instruments have encouraged the students, who have few opportunities to show their performance amid the pandemic.



Joining TABLE FOR TWO

Since February 2018, the Group's head office building has participated in the TABLE FOR TWO initiative. Buying a specific healthy meal at the canteen automatically makes a donation of 20 yen to school lunch programs in developing countries. As of the end of fiscal 2020, we have donated a total of 224,590 yen to the initiative. We are also sending out information about this activity to employees using display panels.

Social Contribution Activities Outside Japan

Three group companies in Thailand (Bangkok Can Manufacturing, Next Can Innovation, and Global Eco-can Stock (Thailand)) joined social support activities, including a donation campaign for a COVID-19 aid fund, rice planting and harvesting, and donation of lunches, stationeries and sports equipment for children. Meanwhile, Toyo Pack (Changshu) in China donated 3,000 face masks to the industrial zone of Changshu City, and Toyo



Filling International in Thailand donated needed goods for students of nearby schools and for patients at hospitals. We will continue our social contribution activities closely linked to local communities.

Respect for Human Rights

e-Learning on Human Rights

To improve understanding of human rights issues, all employees in the Group are provided with opportunities to learn about the Group's Guidelines of Behavior, which prohibit any discrimination, harassment or abuse.

In fiscal 2020, we conducted an e-learning program on business and human rights, following the previous year, for a total of 2,562 members (officers and applicable employees of the group companies stated below) who had not taken the program for the previous year. The program uses an online material co-developed by the Asia-Pacific Human Rights Information Center "Hurights Osaka" and Amnesty International Japan. (The completion rate of the program for fiscal 2020 was 99 percent.)

Group companies joining the program

Toyo Seikan Group Holdings
Toyo Seikan
Toyo Kohan
· Fuji Technica & Miyazu
· KOHAN SHOJI
· KOHAN KOGYO
· TOYO PACKS
· KYODO KAIUN
· TOYO PARTNER
· Kudamatsu Unyu
Tokan Kogyo
· Tokan Takayama
Nippon Closures
· Shin-Sankyo-Pd.
TOYO GLASS
· TOYO - SASAKI GLASS
· Toyo Glass Machinery
· TOHOKU KEISYA
· TOSHO GLASS
· TOYO GLASS LOGISTICS
· ICHINOSE-TRADING
Mebius Packaging
Toyo Aerosol Industry
TOMATEC
Tokan Trading Corporation
Tokan Kyoei Kaisha

Participating in Stakeholder Engagement Program

The Group joined the 2020 Human Rights Due Diligence Workshop (Stakeholder Engagement Program) conducted by non-profit organization Caux Round Table Japan.

Under the influence of COVID-19, the first half session of the program for the year, "Issues raised by citizens and experts," was conducted online using the Zoom platform, while the second half session, "Review of sector-specific human rights issues," was performed as a hybrid conference combining in person and online participation with adequate infection control measures. The participants also discussed the impact of COVID-19 outbreak on human rights in their organizations and supply chains and accompanying challenges, deepening their understanding of human rights issues.

We will continue to engage in human rights-related activities with the knowledge we have gained in the program.



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Human Rights in Labor-Management Relations

The Toyo Seikan Group's Guidelines of Behavior state that "we understand and respect internationally recognized human rights, including freedom of association, the right to collective bargaining and living wages, as well as laws concerning human rights in countries where we operate." We are actively working on sharing information and discussing solutions to various issues with the labor union.

Labor unions have been organized at several group companies. (The union membership rate among the employees of the consolidated group companies is 53.9% as of end of March 2021.)

At labor-management meetings, we actively discuss various themes, such as work style reform, health and safety, and welfare, to build and maintain sound labor-management relations through communication among management, the union and employees.

Respect for Employees

Full text of the Toyo Seikan Group Health Management Declaration is shown on the Group's website. <https://www.tskg-hd.com/en/csr/social/staff/staff01/>

Co-Creation of Diverse Talent

In order for the Toyo Seikan Group to enhance its competitiveness and continue to grow over the long term, each employee needs to make full use of their own abilities for their individual growth and for the Group's development. To this end, it is essential to create a corporate culture in which every one of us accepts both visible diversity, including differences in gender, nationality and disability, and invisible diversity, including differences in perspective.

Focusing on "responding to diversity," one of the two pillars of the Group's Long-Term Vision 2050, we are developing a human talent platform that can create new value.

Promoting Active Engagement of Older Workers

While the mandatory retirement age is set at 60, approximately 70% of workers at the retirement age in the Group have chosen to continue to work under our reemployment program, which secures opportunities to work up to the age 65. (In fiscal 2020, a total of 439 people at the age of 60 continued their employment at Toyo Seikan Group Holdings and six major group companies.)

We are working on the succession of techniques and skills by assigning an educational role to the reemployed, experienced workers. We are also promoting automation in production facilities to reduce a burden of carrying heavy loads so that everyone can continue to work for a long time.

Supporting Sexual Minorities (LGBT)

Our Management Creed states that "we will honor dignity and always strive to be fair and unbiased in every way," while our Guidelines of Behavior emphasizes respecting human rights, accepting diversity, and prohibiting discrimination, harassment and abuse. We are aiming to create a workplace where the human rights and personalities of all workers are respected.

Specifically, the Guidelines of Behavior, established as common standards to be complied with by all officers and employees in our group, clearly states that "we do not discriminate on the grounds of nationality, race, ethnic group, religion, belief, gender, age, disability or sexual orientation," which is shared among the employees. In addition to this ethical approach, we are taking a regulatory approach to prevent discrimination. The work rules of individual group companies prohibit anyone from causing distress or disadvantages for other workers or harming the work environment with words or actions related to sexual orientation or gender identity.

We have also established internal and external whistleblowing systems that allow employees to report or consult on any kind of harassment or abuse and any other subject while remaining anonymous.

Inclusion of People with Disabilities

We aim to create a work environment that allows all employees, regardless of disabilities, to comfortably work. For example, we are working on improving facilities in the head office building, including barrier-free, multi-functional restrooms on each floor, and introducing a voice-to-text app for the hearing impaired.

As for efforts in employment, several group companies and plants are exploring opportunities to recruit people with disabilities through training programs at local special education schools. There is also a group company that provides such people with opportunities to work as its employees on contracted farms to help revitalize local communities.

We as a whole group will continue our engagement, aiming to achieve the mandatory employment rate for disabled workers.

Employing Foreign Nationals

We are recruiting international students, returnee students and other talented individuals who can globally contribute to the development of our overseas operations, without setting any restrictions on application.

We also accept trainees from Southeast Asian nations and other countries for both adding our workforce and providing technical support for developing countries under Japan's foreign technical internship program.

Encouraging More Active Participation of Women

We are implementing the General Employers Action Plan we have formulated under the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children.

Current issues to address

- 1) The percentage of women in the total labor force is still low.
- 2) The retention rate of female workers with 10 years of service is lower than that of male workers.

Difference in retention rate for personnel with 10 years of service⁽¹⁾

	Female	Male	Difference
Total for 7 companies ⁽²⁾	48%	69%	-20%

- 3) The average length of service for women is shorter than for men.

Difference in average years of service⁽¹⁾

	Female	Male	Difference
Total for 7 companies ⁽²⁾	13.2	17.0	-3.8

Note:
 1. As of October 31, 2020
 2. The scope of data includes Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass, Mebius Packaging and Toyo Seikan Group Holdings.

- 4) The results of employee surveys have revealed that there are several organizations with problems in the Group.
- 5) The percentage of female managers is lower than that of female workers in the total employees.

We have set the following targets to address these issues.

Planned period:

Five years from April 1, 2021 to March 31, 2026

Targets:

- 1) 30% or more female recruits
- 2) Reduce the difference between the average length of service for men and women within 3 years
- 3) Achieve 70% or higher retention rates both for men and women who were hired between 9 to 11 years ago.

Actions to achieve the targets:

We will implement specific measures corresponding to individual workers in different career stages, including at the time of joining the company and during maternity and childcare leave, by facilitating information sharing among group companies, especially by personnel departments. We will also develop a scheme to improve communication skills of supervisors and raise career awareness of female workers themselves.

To continue our ongoing initiatives to increase female recruits, we are introducing equipment to reduce workload in production processes and developing and enhancing systems to accommodate diverse work styles.

Female Workers Playing Active Roles in Production Lines

Toyo Kohan employed additional four women as line operators in fiscal 2020, following the previous year, when the company for the first time recruited female shift workers in the production division. To create a better workplace for women and all workers, the company has been improving workers' facilities, such as changing rooms and toilets, and the work environment on the production floor by introducing work assist equipment. In fiscal 2020, there was a free



talk meeting attended by women in their second year in the production line and the new recruits. They enjoyed talking about various topics from valuable work advice to private life matters.

Work Style Reform

Selected as "100 Telework Pioneers" in Government-Led Initiative

In 2019, Toyo Seikan Group Holdings was selected as a "Telework Pioneer" in the initiative led by the Ministry of Internal Affairs and Communications, and in October 2020, it was awarded as one of the "100 Telework Pioneers," which are given to companies who have established a certain level of teleworking conditions.

To achieve work-life balance and increase productivity, the company has been fully implementing its telework system since

fiscal 2017, advancing its work style reform, including streamlining operations, paperless work, widespread use of web conferencing, and setting up satellite offices with group companies. As a result of encouraging all employees to actively use the telework system, the company has also been successfully operating the system as an emergency measure to secure business continuity under the COVID-19 outbreak.



Taking Action Based on the Results of Workplace Environment Survey

In October 2019, Tokan Kogyo conducted a workplace environment survey by questionnaire for all its employees in order to identify the actual status of the work environment and step up efforts for improvement.

In fiscal 2020, after sharing the survey results with the employees by using the company newsletter, the company implemented the following actions.

1. Position specific educational programs

The e-learning programs to prevent harassment and abuse were conducted for managers and for general employees. (February 2021)

2. Stricter compliance with company rules

Since there were many cases of violating rules particularly related to non-smoking hours in the workplace, individual divisions took measures for encouraging self-control by employees for stricter compliance.

3. Training program for the staff operating the internal reporting system

Inviting an external lecturer, a training program was conducted for the staff managing the internal reporting system to acquire necessary skills as well as to learn the points of the internal reporting system, such as confidentiality. (December 2020)

4. Further dissemination of the internal reporting system

The company promoted the dissemination of the internal reporting system by creating posters to encourage employees to use the system to report harassment and other non-compliance in the workplace.

Tokan Kogyo also plans to hold a conference for plant managers and managers of sales offices and other departments to discuss and share opinions to eliminate harassment, during fiscal 2021.

Senior Life Plan Seminars

Amid the declining birthrate and aging population, TOMATEC's head office and Osaka Plant held a Life Plan Seminar for employees aged 55 and over, with the aim of encouraging their active participation after the age of 60 and their preparedness for a post-retirement life. The seminar invited an external lecturer with the cooperation of Tokan Kyoei, to discuss the details of public pension systems and the necessity and effect of life planning, and the participants were able to experience a life plan simulation.

The company will continue to hold such seminars on a regular basis to provide opportunities for employees to learn about life planning methods.

Respect for Employees

Promoting Digitalization

Promoting working from home since the first state of emergency was declared in April 2020, Nippon Closures has recognized digitalizing work processes as an urgent issue and been enhancing infrastructure and developing systems to promote digitalization. In fiscal 2020, the company introduced the Zoom platform as a communication tool, changing the company-owned cell phones to iPhone for Zoom meetings, and purchased additional iPhones and iPad tablets to facilitate meetings online. It has also introduced an electronic fax system to enable sales office workers to work from home, as they handle paper documents with customers, and begun operating an electronic approval system for digitized application procedures without personal seals. There are also plans to start operating an electronic seal system and to replace internal infrastructure systems during fiscal 2021.

Remote Work Skills Training Program

With its management philosophy focusing on valuing all employees and seeking continuous creation and innovation, Nippon Closures recognizes that the development of human resources is one of the most important issues in management. The company conducts educational programs on selected themes several times a year under its talent development system, NCC Learning Support Program, for employees who apply on a voluntary basis. In fiscal 2020, there was a remote work skills training program for employees working from home, inviting an external lecturer who is an expert in online communication with a unique background as a TV announcer. The participants learned about self-management to stay motivated when working from home and online communication skills for higher performance. The total of 28 participants, including new recruits and general managers, vary in age and experience at NCC but are all beginners when it comes to telework. The workshop, a little unique compared to ordinary programs designed for specific ranks, gave them an exciting and valuable experience.

Establishing Group's Common Health Management Indicator

We have set a health management indicator for the entire group based on the health management surveys conducted by the six primary group companies in order to identify health-related issues in the Group. The indicator is used as a target for the three years from fiscal 2021 to implement the Group's personnel policy. The indicator has been determined through the discussion of the Group Occupational Health Committee and approved by the Group Health Management Promotion Meeting. We will promote health management using the PDCA cycle approach to planning, taking measures, evaluating results and reviewing next steps.

FY2021 Group Common Indicator

70% or more of the workers maintain an appropriate body weight for the sake of preventing lifestyle diseases from occurring or becoming serious. (Target for three years to FY2024)

Seminar to Be a Better Sleeper

In November 2020, we invited an external lecturer to hold a webinar on how to sleep better. Approximately 360 employees from across group companies attended and learned points of good sleep, including basic knowledge about sleep and practical methods to have a good night's sleep. The average usefulness score shown in the post-seminar questionnaire was as high as 97%. At a later date, sleep apnea syndrome (SAS) testing was also conducted for 200 voluntary participants for better understanding of their own sleep issues. Based on the test results, they were given sleep counseling and referrals to medical providers as follow-up.



SAS testing

Mental Health Seminar

Mebius Packaging held a mental health seminar (the "self-care" version) in February 2021, which was attended by 110 employees in assistant manager or higher positions.

The seminar was successfully conducted online, connecting all plants and offices, to prevent COVID-19 infection. The lecturer discussed "the importance of mental health measures in the workplace" and "the risk of lifestyle diseases caused by sleep disorders." The participants understood that establishing healthy daily habits with a good rhythm and routine is an important self-care method to have a better sleep.



Seminar on Cervical Cancer Prevention

In October 2020, Toyo Glass held a seminar on the cervical cancer, a health problem specific to women. The program discussed the danger of cervical cancer and provided information on the provision of testing kits to diagnose human papillomavirus infection, which can lead to cervical cancer. The seminar was conducted online, with 51 people attending through a video conference system connecting plants and offices. The cervical cancer is the only preventable cancer, and the right knowledge can help prevent the disease and detect it at an early stage. We will continue to enhance the health literacy of our members through various activities like this seminar going forward.

Group-Wide Quit Smoking Program

In September 2017, as part of our initiatives to maintain and enhance employees' health, we launched a campaign to "achieve a complete smoke-free workplace during work hours for all domestic facilities," and the campaign has been expanding among domestic group companies.

They are actively taking measures to prevent passive smoking and to help employees quit smoking. Such measures include gradual removal of smoking spots in plants and offices and financial aid to use smoking cessation outpatient services. In addition, we provide various useful information through messages from the occupational health nurses using the intranet and the company letters as well as with posters to encourage smokers to stop smoking.

Online Seminar for Stretching Exercises

With the COVID-19 pandemic urging people stay home and working from home, Toyo Seikan held four sessions of an online stretching exercise seminar, with each session setting different objectives, to help employees improve and prevent stiff shoulders and lower back pain caused by staying at home as well as to encourage them to exercise more. Executive directors who joined the program in person learned the points of stretching exercise from the instructor and showed the learners attending online how to do an exercise that is simple and can be done while sitting. For



continuous exercises after the seminar, the video of the seminar is distributed on the intranet. The company will continue to help employees prevent sickness, improve their physical condition and establish an exercise habit.

The full text of the Toyo Seikan Group Health Management Declaration is shown on the Group's website. https://www.tskg-hd.com/en/csr/soc_staff.html

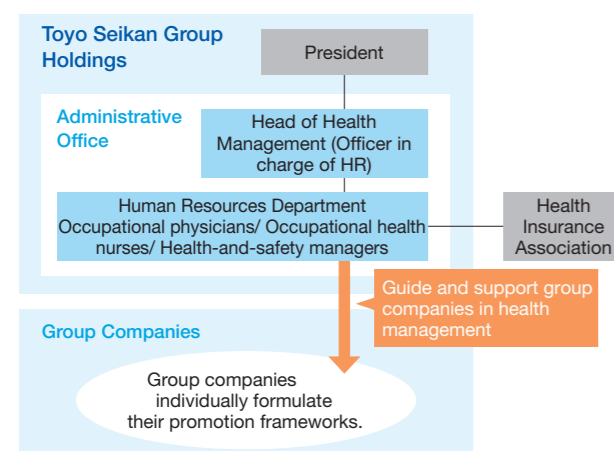
Health and Productivity Management

Under the policy that places a first priority on employees' health, the Group aims to create a workplace where everyone can work in good health and with energy.

Promotion Framework

We implement key measures to maintain and improve employees' health by driving health management under the supervision of the Group's operating officer in charge of human resources, cooperating closely with the occupational health promotion team, which consists of occupational health physicians and nurses and health-and-safety managers.

The Group's Health Management Promotion Framework



2021 Outstanding Enterprise in Health and Productivity Management



In March 2021, six of the group companies (Toyo Seikan Group Holdings, Toyo Seikan, Toyo Kohan, Tokan Kogyo, Toyo Glass and Mebius Packaging) were certified as 2021 Outstanding Enterprises in Health and Productivity Management in the large enterprise category of the certification program managed by the Nippon Kenko Kaigi and the Ministry of Economy, Trade and Industry. Among the six, Toyo Seikan Group Holdings and Toyo Seikan were also recognized as White 500, a certification given to the top 500 enterprises. Meanwhile, Ryukyu Seikan Kaisha was certified in the small and mid-sized business category.

Respect for Employees

Achievement of Self-sustaining Growth (Human Resource Development)

Coordinated Human Resource Development across the Group

We have been engaged in human resource development in a group-wide effort. Our educational programs include the Logical Thinking Training Program for younger generations; the Managers Training Programs for newly assigned general managers, managers and assistant managers; and the Technical Leaders Program (TLP) for younger technical leaders selected based on the perspective of Management of Technology (MOT). Through these cross-company programs, we have been encouraging personal exchanges to cultivate the sense of unity across group members and establish a group-wide human network.

To assist employees in their self-development activities, a financial support system has been established to reimburse those who completed a correspondence course for the full amount of the course fee; in fiscal 2020, there were a total of 3,357 applications (up 208 from the previous year) across the group. We also offer a

financial aid program to pay the full amount of TOEIC test fee to promote language skill enhancement efforts.

Meanwhile, in order to foster our next-generation leaders, we have been implementing a core personnel management system for general managers and managers of key group companies, focusing on “finding, training and allocating” talent. We conduct the Next-Generation Management Training Program designed for general managers and the Toyo Seikan Group Business College (TSGBC) designed for managers. Unfortunately, the programs scheduled for fiscal 2020 have been postponed due to the COVID-19 situation, while we continue to foster future leaders by encouraging them to gain “knowledge” on management and establish the “core” as a leader through these programs.

In fiscal 2021, we started a group-wide periodic recruitment process for new college graduates* (in which all new recruits for key group companies are employed by the holding company). Enhancing cooperation among group companies in fostering talent, we are actively engaged in establishing our human resource base with various opportunities for human resource development.

* The group-wide recruitment process covers seven group companies: Toyo Seikan Group Holdings, Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass and Mebius Packaging.

Group-wide internal training programs (FY2020)

Category	Program	Study period	Participants
Programs for selected candidates	TLP (13th)	8 months (14 days of sessions)	27
Programs for specific positions	Training for new general managers (3 sessions)	2 nights and 3 days (approx. 28 hours) / session	19
	Training for new managers (7 sessions)	2 nights and 3 days (approx. 25 hours) / session	85
	Training for new assistant managers (7 sessions)	2 nights and 3 days (approx. 23 hours) / session	100
	Logical Thinking Training (4 sessions)	2 nights and 3 days (approx. 19 hours) / session	58
			Total number of participants: 289

* The Next-Generation Management Training Program and the TSGBC for fiscal 2020 have been postponed due to the COVID-19 situation.



Scene of discussion at TLP



From TLP attendee Masaki Aoya
Forming Process Section,
Process Engineering Department, Corporate R&D
Toyo Seikan Group Holdings, Ltd.



In the TLP training course, I learned a commercialization method using the fundamentals of technology management. In the team discussion, I worked with members from across group companies on creating new business ideas based on the technologies of individual group companies, taking account of possible major changes and accompanying issues in the future. Finally, we created a new business plan and presented it to management. All activities in this training, except for the interim presentation meeting, were conducted online because of the COVID-19 pandemic. Therefore I felt it took some time for the team members to get closer together, while I believe that there was a benefit of online work because it gave us many opportunities to discuss remotely, allowing us to be strongly united.

Going forward, I hope I will contribute to the Group's development by making the most of the human network I have gained through this training.

Health and Safety Activities

We work on the creation of a workplace where everyone related to our business, including employees and external stakeholders, can work safely and peacefully while staying healthy.

Our group companies have been continuously and actively implementing safety programs, led by their relevant committees, based on their activity plans that include workplace safety patrol, measures to prevent the recurrence of disasters, and danger prediction activities. Meanwhile, they have been promoting hygiene activities, including programs to prevent lifestyle and occupational diseases and measures to maintain mental health of employees, according to their annual plans.

We have also been implementing safety and disaster prevention activities together with contractors and subcontractors working with us at production and other facilities.

Acquired Certification for Health and Safety Management System in Indonesia (SMK3)

In January 2020, PT. TOMATEC INDONESIA received certification under the Indonesian national standards for occupational safety and health management system (SMK3) regulated by the Ministry of Health of Indonesia.

There are 166 criteria in the standards for occupational safety and health management, and fulfilling 60 to 84 percent of the criteria is considered to be at the adequate level and 85 to 100 percent at the fully sufficient level. The company has been certified with a 95.18 percent qualification rate.

The company will continue to enhance its occupational health and safety management system, led by the administration teams of quality assurance, environmental protection, and occupational health and safety.



Introducing VR Simulation System for Hazards

Tokan Kogyo has started a safety training program using a virtual reality simulation system for hazardous incidents at its head office and plants since July 2020.

The system uses the virtual reality technology to create artificial sensory experiences, such as sight, sound and touch, and enables users to safely experience dangerous incidents. Users can learn accidents that they are unable to learn through actual experience, including falling from a stepladder or being caught in a conveyor, not only visually but by sensing the impact with a weak electric



current. The experiences through their senses allow the participants to realize that such risks could happen to themselves and to increase their hazard sensitivity* and safety awareness.

* The hazard sensitivity is the ability to intuitively recognize what is dangerous and what would cause a dangerous condition to immediately perceive the degree and probability of hazardous risks.

Awarded as Excellent Safety Management Workplace

In January 2021, the Chiba Plant of Toyo Glass received an award from the Kashiwa Labor Standards Association as an “Excellent Safety Management Workplace” for 2020. As a result of its active efforts for a better health and safety environment, the plant was awarded the prize for the first time, evaluated for maintaining operations without accidents for years. The company will continue



their engagement in safety on a daily basis, improving the work environment, ensuring the safety of facilities and creating a comfortable work place.

Workshop for Cleaning and Disinfecting Facilities

Preparing for the possible need to disinfect the workplace due to COVID-19 infection, TOMATEC held a cleaning and disinfecting workshop, inviting a lecturer from the cleaning service company that is contracted to clean the head office and the Osaka Plant. The participants were instructed on the right way to wear and take off jackets, gloves, goggles and masks and the procedures to disinfect the workplace while avoiding exposure to the virus.



The workshop was recorded with the permission of the cleaning company, and the video is available on the company's intranet for all employees.

Ensuring Thorough Compliance

Corporate Governance

Our Perspective on Corporate Governance

We believe that the enhancement of corporate governance under the Group's management philosophy, including its management policy, creed, and vision, is one of the most important management issues in improving our corporate value and continuing development and evolution while contributing to the society through our business activities. Based on this point of view, Toyo Seikan Group Holdings (the "Company") has formulated the "Basic Corporate Governance Policy" to continuously address this issue.

Based on Japan's Corporate Governance Code, which came into effect on June 1, 2015, we will strive to further enhance our corporate governance to achieve sustainable growth and increase corporate value.

Structures of Outside Directors and Auditors

The Company's Board of Directors (the "Board") is composed of eleven Directors, of whom five are independent outside Directors, representing more than one-third of the Board. The Board generally meets once a month and holds extraordinary meetings as necessary to make important decisions on management matters. There were 13 board meetings in fiscal 2020 (ended March 2021). The term of office for Directors is set at one year in order to clarify Directors' management responsibility and to flexibly establish a management framework that can promptly respond to changes in business environment. The Audit and Supervisory Board is composed of five auditors, of whom three are independent outside auditors. The Audit and Supervisory Board generally meets once a month and holds extraordinary meetings as needed. There were 13 meetings of the Audit and Supervisory Board in fiscal 2020.

In addition to active discussions at the Board meetings, these outside Directors and outside Audit and Supervisory Board Members conduct monitoring on management from an objective, outsider's perspective, which allows the Company to ensure that surveillance function regarding its management structure works effectively.

Executive Structure

The Company has introduced an operating officer system to ensure management efficiency and flexibility as well as to distinguish and clarify responsibilities for decision-making/supervision and business execution. It conducts on a monthly basis the Management Strategy Meeting, which consists of full-time Directors, Heads in charge of key organizational functions, and Executive Officers. The Company also holds twice a month in principle the Executive Management Meeting, which is attended by full-time Directors, Heads in charge of key organizational functions, Executive Officers, and Presidents of major group companies.

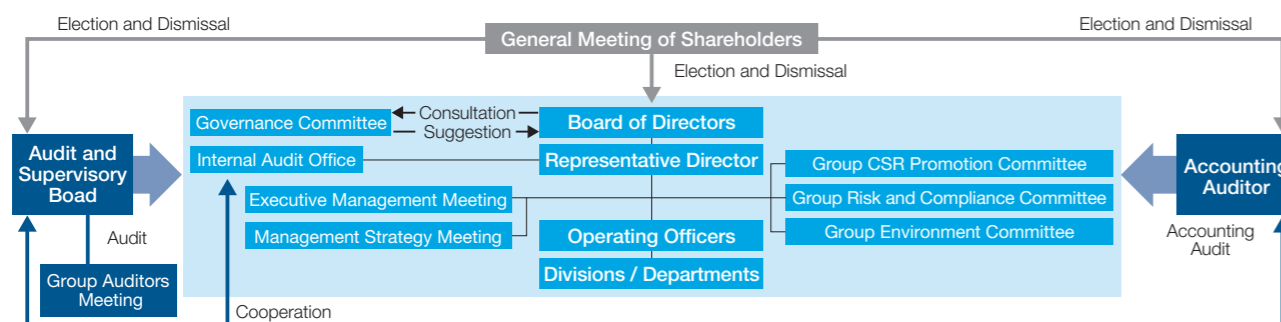
The Company provides its directors and officers with training opportunities as needed to support them in acquiring and continuously updating necessary knowledge for appropriate performance of their duties.

The Company has also established the Governance Committee, a voluntarily established consultative body consisting of the representative director and the five independent outside directors. The committee is designed for more objective, transparent and timely decision-making of the Board of Directors regarding such issues as the appointment of representative directors and director and auditor candidates and the remuneration of directors and officers. In fiscal 2020, the committee held a total of four meetings.

Structure of Internal Control System Operation

The Company and other group companies operate their internal control systems. The Company has set up the Internal Audit Office, which operates directly under the President, to ensure that corporate activities comply with laws and regulations and improve the efficiency of management. The status of development and operation of the systems and law compliance is checked through periodic internal audits conducted by the Internal Audit Office, and if necessary, improvement measures will be taken based on the audit results.

Corporate Governance Structure



Compliance

We value dignity, and are engaged in daily efforts to ensure fairness and equality in all aspects of our business activities in order to meet the expectations of society.

Enhancement of Antimonopoly Act Compliance Framework

We have taken steps to establish a group-wide framework to comply with the Antimonopoly Act.

Internal Regulations to Comply with the Antimonopoly Act

As of April 30, 2020, we established new regulations to comply with the Antimonopoly Act in order to strongly urge the group companies to comply with the Act as well as to ensure that we as the holding company conduct business activities based on fair and open competition. We have been managing our business in accordance with the regulations.

Educational Program for Newly Appointed Assistant Managers

The Legal Department conducted an educational program for newly appointed assistant managers for a total of three days. The program was provided online to avoid the risk of COVID-19 infection, attended by a total of 115 new assistant managers from key group companies, discussing the themes of "how to prepare documents without raising suspicion of violating the Antimonopoly Act" and "effective use of the Group's internal reporting system."

This program will be conducted on a continual basis going forward.

Other Activities

- E-learning course on Antimonopoly Act (Cartel Prevention) conducted with 800 attendees from sales departments across domestic major group companies
- E-learning course on competition laws provided for 390 managers from 33 overseas group companies
- During the month-long group compliance promotion campaign in October 2020, individual departments of Toyo Seikan Group Holdings and its group companies conducted activities to maintain and enhance their compliance frameworks, confirming the details of the Group's regulations to comply with the Antimonopoly Act and the Code of Conduct and Guidelines of Behavior.
- Written pledge to comply with the Antimonopoly Act submitted by all employees in sales departments
- Antimonopoly Act Compliance Card carried by all employees in sales departments at all times

Prevention of Bribery and Corruption

- We have been managing operations in accordance with the Group Regulations to Prevent Bribery Involving Public Officials and the guidelines against commercial bribery, established to prevent bribery and corruption.
- The aforementioned regulations and guidelines have been translated into English, Chinese, Thai and Indonesian to be disseminated to all group members inside and outside Japan.
- We have conducted research on the implementation status of management in accordance with the regulations and guidelines at domestic subsidiaries and major foreign group companies, and confirmed their compliance.

Deepen Understanding of the Group's Code of Conduct and Guidelines of Behavior

- The Group's Code of Conduct and Guidelines of Behavior are available on our website and the company bulletin board to allow the employees to confirm the details at any time. All new recruits of the Group, including both the new college graduates and mid-career recruits, are given the booklet on the Code of Conduct and Guidelines of Behavior for deeper understanding.
- As part of dissemination efforts made on a regular basis, the educational programs for newly appointed officers and for new assistant managers are designed and conducted in line with the Code of Conduct and Guidelines of Behavior.



Month-Long Group Compliance Promotion Campaign (October)

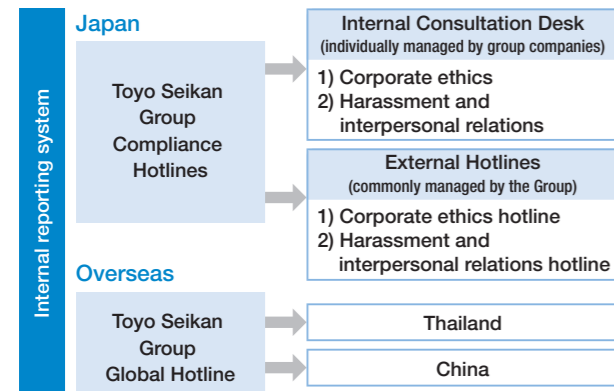
- Activities related to Group's common campaign theme
 - 1) Increasing effectiveness of the internal reporting system
 - 2) Maintaining and enhancing Antimonopoly Act compliance framework
- Group Compliance Training Seminar
- Submission of the written pledge to comply with ethics and laws and regulations



Ensuring Thorough Compliance

Enhancing Whistleblowing and Consultation System (Internal Reporting System)

We have established an internal reporting system that covers all group companies in Japan, Thailand and China for early detection and correction of any non-compliance, including human rights violation, bribery and corruption, and law violation.



In Japan, to allow group members to easily access the reporting system, it is divided into internal and external channels, and each channel has the contact points for reporting on “corporate ethics” and “harassment and Interpersonal relations.”

During fiscal 2020, there were 127 contacts in Japan and overseas, none of which led to material noncompliance or human rights violation.

When there is a contact to the system, we promptly respond to it in accordance with our internal regulations. We also continuously improve the system, revise relevant regulations, and add and change learning menus in our educational programs in order to prevent recurrence.

- We have been promoting employees’ better understanding of the reporting system with posters and self-check cards.
- As of April 17, 2020, Toyo Seikan Group Compliance Hotlines were registered under the self-declared Whistleblowing Compliance Management System Certification managed by the Consumer Affairs Agency.



Educational and Training Programs for Group Members

Various programs and educational activities, including the programs stated below, were conducted for domestic group companies.

Legal Training Program for Newly Appointed Group Officers

In November and December 2020, we invited an external lawyer as a lecturer to conduct a training program designed for newly appointed officers of the Group. The two-day session was attended by 38 new officers.

Theme: Liability and responsibility of operating officers

Group Compliance Training Seminar

On October 13, 2020, the Group Compliance Training Seminar was held by inviting an external professional as a lecturer, with 154 officers from across group companies attending.



**Theme: Absurdity in organization
—Preventing misconduct that is made “rationally”**

Other Training Programs

In fiscal 2020, staff members of the Legal Department gave lectures at the holding company and several group companies on laws and regulations that are related to our operations. There were a total of 31 sessions during the year.

Main themes	
Antimonopoly Act	4 sessions
Subcontract Act	8 sessions
Contract practices	9 sessions

Collect and Transmit Compliance-Related Information

We are working to raise awareness of compliance as a whole group through individual compliance activities by group companies and our efforts to share information on accidents and events occurring in the society.

Preventing Harassment and Abuse

In fiscal 2020, we provided e-learning anti-harassment programs for approximately 15,000 employees (managers, leaders and general employees) from 41 group companies to allow them to recognize the risks and causes of harassment and abuse and to help change their behavior. The program for managers focused on how to deal with harassment that has occurred or been reported and what preventive measures to be taken, while that for general employees focused on learning typical cases and countermeasures. With all employees, regardless of generation, raising their awareness and sharing a common understanding of harassment problems, the Group is aiming to create a corporate culture without harassment and abuse.

Major Activities Planned for FY2021

- Maintaining and enhancing the Subcontract Act compliance framework
- Establishing a management framework for sales confidentiality
- Promoting full understanding of the Group Regulations to Prevent Bribery Involving Public Officials
- Month-long group compliance promotion campaign

Risk Management

Enhancing Risk and Crisis Management Framework

To deal with risks and crises surrounding the Group, we have established the Risk Management Committee to build a solid framework for the entire group’s risk and crisis management as well as the Risk Management Administration Office as a permanent secretariat of the committee.

Addressing the COVID-19 pandemic

Amid the COVID-19 pandemic, we have been concentrating on preventing infection and placing the top priority on securing the health and safety of all stakeholders, including employees and their families, suppliers and customers.

We are also focusing on the continuity of our operations, which are related to socially essential products such as food, beverages and household necessities, while protecting the health of our employees. We are making the utmost efforts to contain infections by steadily implementing preventive measures in all of our operations.

Activities Planned for FY2021

We will place high priority on the following two items in the Group’s risk and crisis management activities for the current year.

- 1) Initiate a three-year plan of group-wide risk management activities
- 2) Formulate and disseminate our risk management policy

Lectures by Occupational Health Physician on Countermeasures against COVID-19

At the Kyushu Plant of TOMATEC, the occupational health physician gave a lecture on countermeasures against COVID-19. The lecture meeting was conducted by taking preventive measures against infection. In addition to attendees at the plant, 43 employees from the head office, the Komaki Plant and other facilities joined the meeting through a video conference system. The physician explained the current status of infection, symptoms of COVID-19, preventive measures, and what to do if someone in the family is suspected to be infected.

The participants confirmed various ways of preventing infection, including boosting our own immunity, wearing a mask properly to make the strings fit well, thorough hand washing and alcohol disinfection, and staying away from crowd.



Fire Drill

The plants of Tokan Kogyo individually conducted a fire evacuation drill, although the drills were conducted at different times of the year compared to normal time due to the COVID-19 outbreak.

Taking measures to prevent infection, including limiting the attendance and securing social distancing, the participants confirmed all procedures from notification to evacuation and extinguishing, as well as the handling of AEDs. The company will continue its efforts to raise safety awareness and to ensure that everyone can promptly take action in an emergency.



Confidential Information Management

Tokan Kogyo has been engaged in education for confidential information management as part of its risk management. In fiscal 2020, the company provided feedback on the results of self-inspections conducted by individual departments to check the status of confidential information handling.

While the company has been discussing and developing a framework for confidential information management taking account of working from home and satellite offices, it has now come to focus more on the prevention of information leakage during teleworking, which has rapidly increased as a measure to prevent COVID-19 infection. From this point of view, the company has newly established the Guidelines for Confidential Information Management at Teleworking by integrating several information management-related rules, which had been stipulated in different regulations of the company, such as the Confidential Information Management Rules. The company also revised the Confidential Information Management Rules, adding “product samples” as confidential information, creating the “confidential information label” and sharing it within the company.

In fiscal 2021, Tokan Kogyo plans to create educational materials on confidential information handling, which will be shared among all employees.

Toyo Seikan Group Holdings, Ltd. Holding Company

Toyo Seikan Co., Ltd.

Manufactures and sells various packaging containers

- **Honshu Seikan Co., Ltd.**
Manufactures and sells 18 liter cans, metal cans and general line cans
- **Nippon National Seikan Co., Ltd.**
Manufactures and sells beverage cans
- **Ryukyu Seikan Kaisha, Ltd.**
Manufactures and sells PET bottles and sells various packaging containers
- **Toyo Seihan Co., Ltd.**
Manufactures and sells printing plates for printing metal and film
- **Fukuoka Packing Co., Ltd.**
Manufactures and sells sealant for metal, plastic and glass containers
- **TM Pack Co., Ltd.**
Contract filling of PET-bottled beverage products
- **Japan Bottled Water Co., Ltd.**
Manufactures and sells bottled water related materials for delivery service
- **TOYO PACK KIYAMA Co., Ltd.**
Contract filling of beverage products
- **Toyo Seikan Group Engineering Co., Ltd.**
Manufactures and sells canning machinery, bottling machinery, packaging machinery and food processing machinery
- **Toyo Mebius Co., Ltd.**
Trucking, warehousing and others
- **T&T Enertechno Co., Ltd.**
Manufactures and sells packaging material mainly for lithium-ion secondary batteries
- **Bangkok Can Manufacturing Co., Ltd. (Thailand)**
Manufactures and sells 2-piece aluminum cans and aluminum ends
- **Next Can Innovation Co., Ltd. (Thailand)**
Manufactures and sells 2-piece steel & aluminum cans
- **Toyo Seikan (Thailand) Co., Ltd.**
Manufactures and sells general plastic products; manufactures and sells beverage PET bottles and provides contract filling; a technical support center and administration of group companies
- **Kanagata (Thailand) Co., Ltd.**
Manufactures and sells molds for plastic products
- **Global Eco-can Stock (Thailand) Co., Ltd.**
Manufactures and sells resin-coated aluminum materials
- **Yangon Can Manufacturing Co., Ltd. (Myanmar)**
Manufactures and sells beverage cans
- **Toyo Pack (Changshu) Co., Ltd. (China)**
Manufactures and sells beverage PET bottles and provides contract filling
- **Toyo Mebius Logistics (Thailand) Co., Ltd.**
Trucking and warehousing
- **Asia Packaging Industries (Vietnam) Co., Ltd.**
Manufactures and sells 2-piece aluminum cans and ends

Toyo Kohan Co., Ltd.

Manufactures and sells tin plates, thin plates, and various surface-treated steel sheets and various functional materials

- **Fuji Technica & Miyazu Inc.**
Manufactures and sells stamping dies for car bodies and various molds
- **KOHAN SHOJI CO.,LTD.**
Sells steel sheets and their processed products
- **KOHAN KOGYO CO.,LTD.**
Manufactures and sells steel bands, automatic binders, hard alloys and manufactures magnetic disk aluminum substrates
- **TOYO PACKS CO.,LTD.**
Manufactures and sells packing materials and packing work
- **KYODO KAIUN CO.,LTD.**
Marine transport and harbor transport services, custom agent services
- **TOYO PARTNER CO., LTD.**
Services related to employee welfare facilities and others
- **Kudamatsu Unyu Co., Ltd.**
Land transport, harbor transport services, custom agent services and warehousing
- **TOYO-MEMORY TECHNOLOGY SDN.BHD. (Malaysia)**
Manufactures and sells aluminum substrates for magnetic disks
- **MIYAZU MALAYSIA SDN. BHD. (Malaysia)**
Auto parts production, and design and production of the dies, and sale
- **TOYO KOHAN SHANGHAI CO., LTD. (China)**
Sells steel sheet related products, hard materials and automatic binders and provides related services
- **TOYO KOHAN JIANGSU CO., LTD. (China)**
Manufactures laminated steel sheet for cans
- **YANTAI FUJI TECHNICA & MIYAZU TRADING INC. (China)**
Trading stamping dies and other products & services for customers in China
- **YANTAI FUJI WILSON ENGINEERING CO., LTD. (China)**
Stamping die and jig design for the body, NC data creation
- **KOHAN KOGYO KOREA CO.,LTD. (Korea)**
Manufactures and sells automatic binders
- **TOSYALI TOYO CELIK ANONIM SIRKETI (Turkey)**
Production and sales of cold rolled steel sheet and surface treated steel sheet
- **Toyo Kohan America Inc. (USA)**
Business management etc. of business company in North America
- **Polytech America, LLC (USA)**
Development and manufactures and sells laminated steel sheet in North America
- **FUJI TECHNICA & MIYAZU AMERICA INC. (USA)**
Die and body technology facilities order intermediation, procurement of a die design, an inspection jig, the proto panel of the order product
- **PT. FUJI TECHNICA INDONESIA (Indonesia)**
Auto parts production, and design and production of the dies, and sale

Tokan Kogyo Co., Ltd.

Manufactures and sells paper and plastic packaging container products

- **Nippon Tokan Package Co., Ltd.**
Manufactures and sells cardboard products and paper container products
- **Tokan Kosan Co., Ltd.**
Manufactures and sells agricultural films
- **Tokan Takayama Co., Ltd.**
Manufactures and sells paper packaging container products and lid products
- **Tokan Logitech Co., Ltd.**
Trucking
- **Sunnap Co., Ltd.**
Plans and sells paper and plastic dishwares
- **Shosando Co., Ltd.**
Manufactures and sells paperwares
- **Shida Shiko Co., Ltd.**
Manufactures and sells plastic and paper products
- **Tokan (Changshu) High Technology Containers Co., Ltd. (China)**
Manufactures and sells plastic products
- **TAIYO PLASTIC CORPORATION OF THE PHILIPPINES**
Manufactures and sells plastic products
- **T.K.G. CORPORATION (Philippines)**
Land leasing
- **TAIWAN TOKAN CORPORATION**
Manufactures and sells paper packaging containers products

Nippon Closures Co., Ltd.

Manufactures and sells metal and plastic closures

- **Shin-Sankyo-Pd.**
Trucking business
- **Crown Seal Public Co., Ltd. (Thailand)**
Manufactures and sells metal and plastic closures and crown closures
- **Riguan Closure (Changshu) Co., Ltd. (China)**
Sells metal and plastic closures
- **NCC Europe GmbH (Germany)**
Sells metal closures
- **PT. INDONESIA CAPS AND CLOSURES (Indonesia)**
Manufactures and sells plastic closures
- **NCC Crowns Private Ltd. (India)**
Manufactures and sells metal closures

TOYO GLASS CO., LTD.

Manufactures and sells glass bottles

- **TOYO-SASAKI GLASS CO., LTD.**
Manufactures and sells glassware
- **Toyo Glass Machinery Co., Ltd.**
Manufactures and sells molds for glass and plastic bottles, and glass bottle manufacturing machinery
- **TOHOKU KEISYA CO., LTD.**
Manufactures and sells silica sand
- **TOSHO GLASS CO., LTD.**
Sells glass products
- **TOYO GLASS LOGISTICS CO., LTD.**
Trucking business, various yard operation contracting
- **ICHINOSE-TRADING CO., LTD.**
Sells glass bottles and accessories

Mebius Packaging Co., Ltd.

Manufacturing and sales of plastic products

Toyo Aerosol Industry Co., Ltd.

Contract manufacturing and sales of aerosol and general filling products

- **Toyo Filling International Co., Ltd. (Thailand)**
Contract manufacturing and sales of aerosol and general filling products

TOMATEC CO., LTD.

Manufactures and sells frit products, complex inorganic color pigment, gel coat and composite micronutrient fertilizer

- **ISHIKAWA INK CO.,LTD.**
Manufactures synthetic resin and sells FRP materials
- **TOMATEC (Shanghai) Fine Materials Co., Ltd. (China)**
Manufactures and sells complex inorganic color pigment
- **TOMATEC (Xiamen) Fine Material Co., Ltd. (China)**
Manufactures and sells frit products
- **TOMATEC America, Inc. (USA)**
Imports and sells complex inorganic color pigment and frit products
- **PT. TOMATEC INDONESIA (Indonesia)**
Manufactures and sells frit products and complex inorganic color pigment

Can Machinery Holdings, Inc. (USA)

Holding Company

- **Stolle Holdings, Inc. (USA)**
Holding Company
- **Stolle Machinery Company, LLC (USA)**
Develops, manufactures and sells can and end manufacturing machines and provides related services
- **Stolle Europe Ltd. (U.K.)**
Sells can and end manufacturing machines and provides related services
- **Stolle Machinery do Brasil Industria e Comercio Equipamentos Ltda. (Brazil)**
Manufactures and sells can and end manufacturing machines and provides related services
- **Stolle Asia Pacific Co., Ltd. (Vietnam)**
Sells can and end manufacturing machine parts and provides related services
- **STOLLE MACHINERY (SHANGHAI) CO., LTD. (China)**
Sells can and end manufacturing machine parts
- **Stolle Machinery (Guangdong) Co., Ltd.**
Manufactures and sells can manufacturing machine parts
- **Stolle EMS Group Limited (U.K.)**
Holding Company
- **Stolle European Manufacturing Solutions Limited (U.K.)**
Manufactures and sells can manufacturing machines and provides related services
- **Stolle EMS Precision Limited (U.K.)**
Manufactures and sells can manufacturing machine parts
- **Stolle EMS Polska Sp. z o.o. (Poland)**
Manufactures and sells can manufacturing machines and provides related services

Tokan Trading Corporation

Sells packaging materials, petrochemical products and food machinery, equipment & parts

Tokan Kyoei Kaisha, Ltd.

Offers insurance products, real estate rental management services, and tourism services