

Connect, Communicate and Create

TECHNO ASSOCIE CO., LTD.



CSR Report 2020

CORPORATE SOCIAL RESPONSIBILITY

CONTENTS

Message from the President	01
Corporate Governance	02
Value Creation by Techno Associe	04
CSR Management	05
Toward the Realization of a Sustainable Society and Environment	05
External Communication	07
Evaluation of the company's efforts	08
Compliance	08
Risk Management	09
Respect for Human Rights	10
Occupational Safety and Health	11
Quality and the Environment	13
Quality and Environmental Management	13
Quality Assurance	15
Environmental Conservation	18
Environmental Performance	21
Targets and Results	21
Actual Results of Reduction Activities	23
Stakeholders	27
Working with Business Partners	27
Procurement Policy	27
Cooperation with Business Partners	28
Together with Employees	31
Personnel Policy	31
Diversity and Inclusion/Human Resource Development	32
Achieving a Work-Life Balance	35
Relationship with Shareholders and Investors	37
Relationship with Local Communities	38

Editorial Policy

This CSR Report contains major information on Techno Associe's basic approach to CSR, its fiscal 2019 results, and its future policies and plans.

■ Organizations Covered

All domestic business offices of Techno Associe Co., Ltd., one domestic affiliate (Tobutsu Techno Co., Ltd.), and some overseas offices

■ Period Covered

Fiscal 2019 (from April 1, 2019 to March 31, 2020)

Data on actual results are for fiscal 2019. Activities described include some that pertain to fiscal 2020.

■ Date of Publication

September 2020

■ Next Scheduled Publication Date

August 2021



Creating a Better Future

We will strive to realize a sustainable society under our globally expanding business activities.

We would like to express our sincere gratitude to all of our stakeholders for their understanding and support in promoting our business activities.

In order for a company to grow over the long term and increase its corporate value, it is said that the viewpoint of ESG management that is conscious of the sustainability of society is important. I feel that many of these ideas are common to the "business continuity" and "corporate social significance" that Japan companies have traditionally upheld in their "business policy" and "company creed." The Techno Associe Group's "business policy" (heart-to-heart bonds) also places the following three "hearts" at the root of its business activities and serves as guidelines for all employees.

- Be Creative so that we keep offering original proposals to customers.
- Be Service-minded and willing to help customers.
- Be Grateful to people supporting us.

In order for the Techno Associe Group to contribute to the realization of a sustainable society, from the perspective of this business spirit and ESG management, we believe it is important to engage in sincere efforts to resolve the issues faced by our stakeholders and create economic value. For example, the spread of the new coronaviral epidemic has led to major changes in behavioral patterns and values, and we are trying to create new value by making proposals that are well suited to this transformation in order to solve our customers' problems. And we intend to instill that value in society, which is a broader sphere. The Techno Associe Group will continue its efforts to resolve the issues facing society as a whole, referring to the United Nations Global Compact, SDGs, COP21 Paris Agreement, and other agreements.

Specific environmental initiatives in our business activities include expanding sales of environmentally conscious products and components and strengthening our response to regulations on chemical substances contained in products, such as the equipment of our own inspection machines for the content of "four phthalates," newly regulated by RoHS Directive last year, in order to meet our customers' requests for compliance with environmental regulations. We are also engaged in activities to reduce environmental impact, such as using company cars as eco-cars to reduce CO₂ emissions. We disclose these results on our ESG platforms so that they can be widely confirmed. We are also cooperating in environmental protection and the prevention of global warming through the purchase of green power and donations to the National Land Afforestation Promotion Organization.

Continuing to make proposals to solve new issues is not an easy task, but we will make concerted efforts by employees in Japan and overseas so that they can contribute to society with original proposals while providing employees with opportunities for skill development and creating an environment in which diverse human resources can play an active role.

September 2020

Mamoru Moritani
President

森谷 守

Corporate Governance

Basic Concept

Under our Corporate Principles and Business Policy, Techno Associe has an unwavering commitment to contributing to society through fair business practices. We have also formulated the Charter of Corporate Behavior as a set of basic rules for earning the trust and confidence of society.

Guided by a shared awareness of these principles, we have established a framework for decision-making that ensures sound management as well as legal, appropriate, and efficient execution of business. We are also strengthening our system for monitoring and revising the aforementioned framework in an effort to raise corporate value.

Fully aware of our mission in society as a corporate entity, we will contribute to the sustainable development of society. We will do so through ongoing initiatives aimed at protecting the environment and reducing the environmental burden of our business activities.

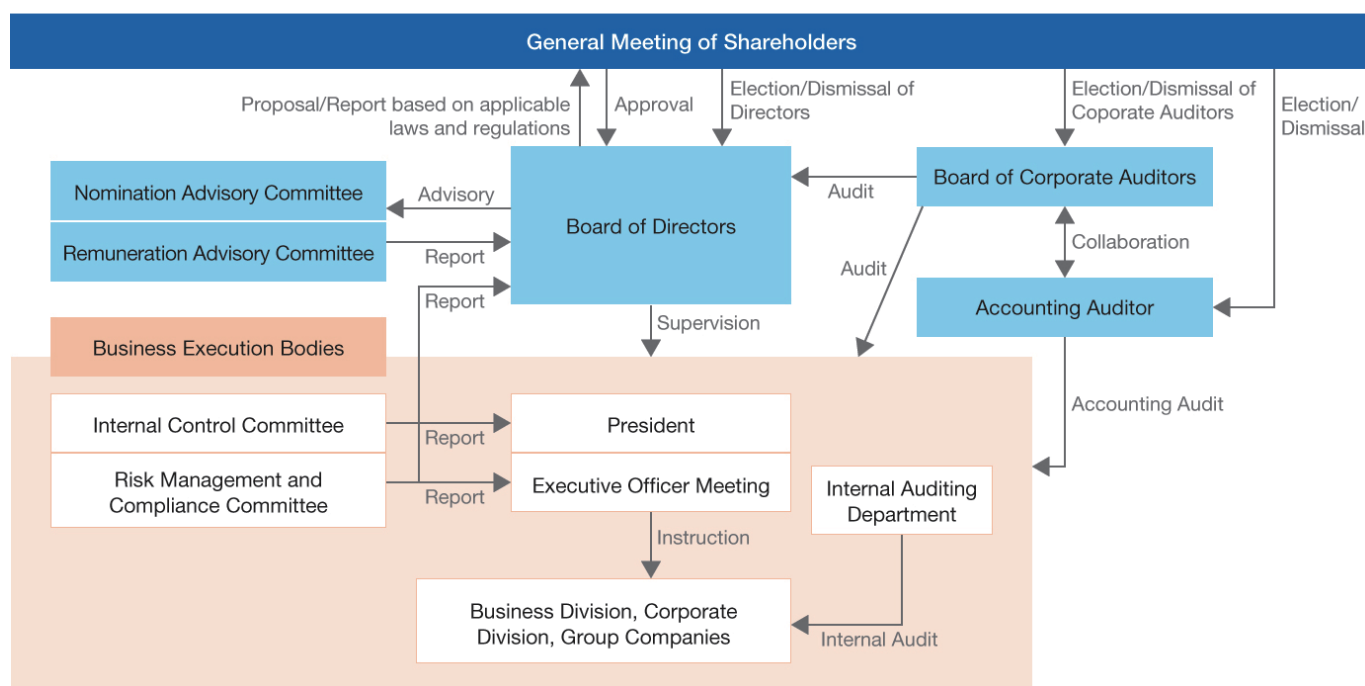
Corporate Governance System

We believe that the objective and neutral oversight of management is important in corporate governance, and an Board of Corporate Auditors with the ability to monitor the directors' execution of duties in detail has been established for this purpose. In addition to two In-house Auditors, three Outside Auditors are appointed to oversee management from a more objective perspective through audits by Outside Auditors.

To further strengthen corporate governance, we have appointed two Independent Outside Directors to manage the company from a variety of perspectives. We have also established two Advisory Committee on nomination and remuneration to ensure transparency and objectivity in management compensation and to ensure accountability. Both Advisory Committee consists of an Independent Outside Director who serves as chairman, and is designed to be made up of more than half Outside Directors. In this way, it provides a system for receiving appropriate advice from these Outside Directors.

The Board of Directors convenes once a month and meets whenever necessary to deliberate and make decisions on matters related to important business plans and sales policies, as well as business reorganization and other matters. For management and business execution decision-making, since Executive Officer meetings attended by Directors, Executive Officers, and Auditors are held prior to the Board of Directors for considering agenda matters, this allows each matter to be thoroughly considered and also achieves an observation function which assures transparency and legality of the decision-making process. In addition, we introduced an Executive Officer System in June 2013, to speed up work execution and strengthen the functions of decision-making, supervision, and business execution.

▼ Corporate Governance System



Board of Directors

Under the supervision of the President, Executive Officers and division managers promptly execute business based on decisions made at the Board of Directors. To ensure checks and balances, our company rules clarify the organizational authority and the persons responsible and set out appropriate business procedures. Once a month, the director of accounting submits a report to the Board of Directors covering matters such as sales, profit, and finances. The board also hears reports from other directors on their respective divisions to ensure that they are meeting their business targets and carrying out necessary actions.

Board of Corporate Auditors

The Board of Corporate Auditors is composed of five members, including three Outside Corporate Auditors, and audits the execution of duties by directors from a multifaceted perspective.

In order to ensure legal and proper management, audits are conducted by Corporate Auditors, the Internal Auditing Department, and Accounting Auditors. In accordance with the auditing policies, plans, and distribution of roles determined by the Board of Corporate Auditors, each Corporate Auditor attends important meetings such as Board of Directors meetings, conducts interviews with Directors, Executive Officers, and the Internal Auditing Department, reviews important approval documents, and conducts visits to major business sites. In addition, they regularly exchange opinions with the representative director and share appropriate information with accounting auditors. They also receive audit reports from other auditors, and regularly report the results of these audits to the Board of Directors.

With regard to internal audits, the Internal Auditing Department makes proposals for improvements to ensure proper and efficient execution of operations through audits of business sites, including those of our group companies. The Internal Auditing Department reports important matters discovered during audits to the Board of Directors and provides guidance and supervision on improvement measures.

Internal Control

The purpose of Techno Associe's internal control system is to ensure that the business philosophies stated in our Corporate Principles, Business Policy, and Charter of Corporate Behavior are embodied in the actions of all Group employees. We have formulated our Basic Policy for System Building of Internal Control and Internal Control System Implementation Guidelines for the purpose of creating and maintaining our internal control system. We review and improve these guidelines as needed with the goal of carrying out our business in the most lawful and efficient manner possible.

And to secure society's confidence in our financial reports, we have an internal control committee that manages and supervises the internal control system to ensure it is working effectively.

Information Disclosure

Techno Associe makes it a policy to disclose the company's financial information in a timely and appropriate manner.

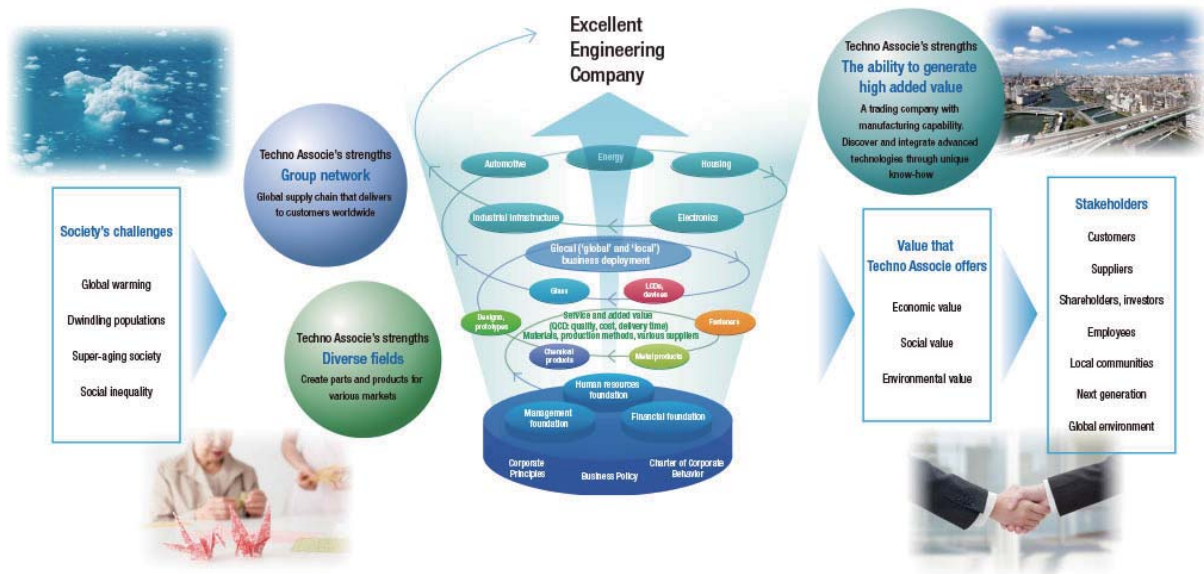
This includes information on finances and operating results. We also actively disclose non-financial information, such as information related to governance. We will continue making improvements to our information disclosure, so that it may provide added value to users.

Along with the globalization of our business, English versions of the company website and various reports are drafted in addition to the Japanese versions, translated English versions are prepared for a portion of convocation announcements, and efforts are in progress for the distribution of information in other foreign languages as well.

Value Creation by Techno Associe

In the major market areas of automotive parts, electronics, housing, industrial infrastructure, and energy, we make the most of our knowledge accumulated over years of business, and our knowledge as an engineering company, to carry out business in a 'glocal' ('global' and 'local') way. We provide in-house developed, high-value-added products and services that solve customers' problems in terms of quality, cost, and delivery time for the core products of fasteners, metal products, chemical products, glass, LCDs, and devices. We strive to expand our business by being customers' first choice.

With a keen watch on demand trends around the world, we are stepping up the pace of our global growth and earnestly studying possible alliances, tie-ups, and joint ventures that will provide business opportunities and expand our market areas.



Management Foundation

The Techno Associe Group has always striven to be sensitive to customers' desires ('needs') and to develop and provide solutions that create new value for them. We do this by utilizing our knowledge of the technologies and products ('seeds') possessed by our wide range of suppliers around the world.

We will continue to use our wide field of vision and our extensive expertise and capabilities to be a reliable partner that provides customers with valuable, satisfying solutions.



Human resources foundation

A Company That is a Source of Pride and Rewarding Work for Employees Amidst the lightning-fast changes of business today, we strive to stay ahead of our competitors by hiring outstanding human resources and by nurturing these employees through hands-on training, on-the-job training, and classroom sessions. This allows Techno Associe's know-how to be passed seamlessly from generation to generation and fosters employees who are capable of conducting business anywhere in the world. We hire a diverse range of employees, regardless of their gender, race, and age, and we emphasize flexible thinking and creativity. Our goal is to create a workplace where employees aggressively seek out new business and pursue their duties with positivity. By providing thorough occupational safety and health, employee benefits, and flexible working options that allow employees to achieve their ideal work-life balance, we continue to build a workplace atmosphere where employees can perform worthwhile, rewarding work with vigor and enthusiasm.

Financial foundation



































Maintaining a Solid and Healthy Financial Base

With a focus on establishing a financial foundation that guarantees flexible business operation well into our future, we strive to maintain healthy finances and to increase shareholder returns.

Toward the Realization of a Sustainable Society and Environment

Priority CSR issues

Techno Associe will strengthen its corporate sustainability initiatives in order to contribute to solving social issues through its business activities and to realize medium-to long-term enhancement of corporate value. As part of this effort, the "CSR Priority Issues" that are addressed on an important and priority basis are as follows.

Core categories	Priority themes	Fiscal Year 2020 Main targets	Relation to SDGs
CSR Management	Compliance	<ul style="list-style-type: none"> ◆ Continue to conduct compliance training for employees of domestic and overseas group companies (Subcontract Law, Anti-cartel, prevent, etc.) ◆ Understand compliance risks and promote prevention activities through audits of domestic and overseas group companies ◆ Effective operation of the internal reporting system established at domestic and overseas group companies 	
	Risk Management	<ul style="list-style-type: none"> ◆ Implementation of risk identification at domestic and overseas group companies ◆ Preparation of manuals for dealing with large-scale disasters and infectious diseases at Group companies in Japan and overseas ◆ Continue to implement information security education ◆ Continued implementation of security export control education 	  
	Respect for Human Rights	<ul style="list-style-type: none"> ◆ Formulation of the "Techno Associe Group Human Rights Policy" and implementation of awareness and enlightenment activities ◆ Promote the eradication of harassment through in-house training (for executives, managers, and employees) 	   
	Occupational Safety and Health	<ul style="list-style-type: none"> ◆ Zero occupational accidents (injuries) and reduction of material damage accidents in forklifts and company cars ◆ Promotion of safety activities by top management and continued implementation of safety patrols ◆ Thorough implementation of the Po-ke-te-na-shi campaign 	  
Quality and the Environment	Quality and Environmental Management	<ul style="list-style-type: none"> ◆ Continued certification of the Quality Management System (ISO9001) ◆ Continue certification of environmental management systems (ISO14001) 	 
	Quality Assurance System	◆ Building a Quality Assurance System to Provide High-Quality Products to Customers	
	Environmental Commitments	◆ Reduce CO2 emissions/CO2 emissions per unit of sales 2.60t/billion yen or less	 
		◆ Sales of environmentally-friendly products/Sales ratio of environmentally-friendly products 16% or more	 
		◆ Reduction of waste and recycling/final landfill rate of waste 3.0% or less	
Stakeholders	Working with Business Partners	◆ Promoting CSR Procurement: Implementing CSR Questionnaires and Collaborating with Promotional Activities (Targeting 35% of domestic procurement, current 27%)	  
	Together with Employees	<ul style="list-style-type: none"> ◆ Creation and promotion of a lively workplace and a workpiece-life balance ◆ "Promotion of women's active participation: 10% of managerial positions occupied by female employees ◆ Promoting Diversity: Continue to invite overseas executives to Japan for training ◆ "Promoting the Employment of People with Disabilities: Achieving the Statutory Employment Rate for Fiscal 2020" ◆ "Develop human resources capable of playing an active role globally <Promote use of overseas trainee system> 	   
	Relationship with Shareholders and Investors	<ul style="list-style-type: none"> ◆ Timely, appropriate, and fair disclosure of information in accordance with the Disclosure Policy ◆ Strengthening Information Provision for Individual Investors 	 
	Relationship with Local Communities	<ul style="list-style-type: none"> ◆ Formulation of "Social Contribution Policy" ◆ Volunteer leave was set up to encourage employees to participate in volunteer activities ◆ Donations to medical workers, etc. as a response to the new type of coronavirus infectious disease 	     

Accession to the United Nations Global Compact

The United Nations Global Compact (UNGC) is a voluntary initiative of companies and organizations participating in the creation of a global framework for achieving sustainable growth. Companies that have signed UNGC will continue to strive to realize the 10 principles that relate to the four areas of "protection of human rights," "elimination of unjust labour," "environmental response," and "anti-corruption." We have been a member of UNGC since 2019.

We are also a member of the Global Compact Network Japan (GCNJ), a local network in UNGC. GCNJ has subcommittees for each theme to promote CSR-related activities by participating companies, and we participate in the Kansai subcommittee. Through subcommittee activities, we participate in forums to share the latest CSR-related trends and case studies of each company. Through these forums, we reflect the knowledge gained in our CSR activities as well.



United Nations Global Compact Ten Principles

Human Rights	
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4:	the elimination of all forms of forced and compulsory labour;
Principle 5:	the effective abolition of child labour; and
Principle 6:	the elimination of discrimination in respect of employment and occupation.
Environment	
Principle 7:	Businesses should support a precautionary approach to environmental challenges;
Principle 8:	undertake initiatives to promote greater environmental responsibility; and
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.



CERTIFICATE OF JOINING THE UN GLOBAL COMPACT

[United Nations Global Compact](#)

[GCNJ Member Companies / Organizations](#)

External Communication

Participation in the United Nations Global Compact Kansai Subcommittee

We are a member of the Global Compact Network Japan (GCNJ), a local network in UNGC. GCNJ has subcommittees for each theme to promote CSR-related activities by participating companies, and we participate in the Kansai subcommittee. The subcommittees share the latest CSR-related trends and examples from each company through lectures by experts, which are used to promote our CSR.



Participation in Osaka Volunteer Association Link-Up Forum

We are a member company of the Philanthropy CSR Link-Up Forum of the Osaka Volunteer Association, a social welfare corporation. In this forum, CSR-related information is exchanged in cooperation with corporate CSR representatives and universities, NPO/NGO, and international organizations.



Joined "Japan Climate Initiative"

In January 2019, Techno Associe joined the "Japan Climate Initiative (JCI)," a domestic network established in 2018 for the exchange of opinions and the dispatch of information with regard to measures against climate change.

By joining the JCI, while sharing information with other participating companies and organizations, we will bolster our commitment to reducing greenhouse gas emissions and other measures against climate change, thereby facilitating a shift towards a decarbonized society as required by the Paris Agreement.



Joined "Environmental Reporting Platform (ESG Dialogue Platform)" *

Techno Associe has joined the "Environmental Reporting Platform Development Pilot Project" hosted by the Ministry of the Environment, aiming to make our environmental activities known to more people.

* For information registered in the "Environmental Reporting Platform (ESG Dialogue Platform)," please access the following URL: <https://envreport-entry.secure.force.com/corplist/>

Registering with Eco Vadis

We evaluate and benchmark global environmental and social performance through Eco Vadis* which is an independent external organization. We use this evaluation tool to ascertain the status of the Group's CSR performance and use it to make improvements.

* Eco Vadis is an international assessment organization for corporate sustainability. It evaluates supplier companies across 198 industries in 155 countries worldwide using 21 CSR indicators. The evaluation methods conform to international CSR standards such as the United Nations Global Compact, Global Reporting Initiatives, and ISO26000, and the evaluation results have been used by more than 55,000 companies.

Evaluation of the company's efforts

Nikkei's First Nikkei SDGs Management Survey 2019

Techno Associe		Score breakdown				*Total evaluation deviation value
		SDGs Strategies Economic Value	Social Value	Environmental Value	Governance	
1st Survey	Itemized evaluation deviation value	40.3	47.6	61.3	44.8	52.2
	*Class	4	5	8	4	★★★

*Total evaluation deviation value ★★★ Between 50 and 55 deviation.

*Class

10 = 70+ deviation. 9 = Between 65 and 70 deviation. 8 = Between 60 and 65 deviation.
 7 = Between 55 and 60 deviation. 6 = Between 50 and 55 deviation. 5 = Between 45 and 50 deviation.
 4 = Between 40 and 45 deviation. 3 = Between 35 and 40 deviation. 2 = Between 30 and 35 deviation.
 1 = Less than 30 deviation.

Compliance

TECHNO ASSOCIE's spirit of legal compliance

Techno Associe requires all of its executive officers and employees of our domestic and overseas group companies to comply with laws and regulations, and distribute "Compliance Manual" in each language, which including such themes as compliance with the Anti-Monopoly Act, etc., prohibition against bribery and corruption, and respect for human rights. In addition, compliance education is carried out while reviewing the content in accordance with revisions to the law, etc., and training on the Subcontracting Law has been conducted as a priority issue since FY2019. During fiscal 2019, 265 participants, or 79% of the participants, participated.

Compliance management system

At Techno Associe, it is our top management issue to be in compliance not only with laws, regulations, and our company's articles of incorporation, but also with social norms and accepted social practices.

Chaired by the president, the Risk Management and Compliance Committee ("RC Committee") is in charge of compliance. It works to identify, analyze, and assess compliance risks across the entire Techno Associe Group.

In addition, we have established a [Charter of Corporate Behavior](#), which is a basic policy for each employee to act with high ethical standards, and we have also established an internal notification desk at each of our Group companies in Japan and overseas as a system for reporting any violations of laws, regulations, or articles of incorporation by our employees, so that appropriate information can be ascertained and necessary measures taken.

Internal Audit

We conduct internal audits from the viewpoint of preventing unauthorized practices and violations of laws and regulations at our head office and all business sites in Japan and overseas, and contributing to the improvement of our organization, and the promotion and rationalization of management efficiency.

In this process, to ascertain compliance risks, we conduct interviews every year with all departments and affiliates in Japan that are subject to audit as part of our business audits to determine whether there are any risks arising from anti-competitive acts, such as bribery risks and subcontracting laws, in the workplace. In the fiscal 2019 internal audits, a total of 466 people, including division managers and managers, were interviewed.

We also distribute the Overseas Management Book, which serves as a guideline for business management, to the heads of overseas bases and management, to stimulate risks related to bribery, anti-competitive behavior, and compliance with trade compliance. We also conduct business audits in each risk area.

Risk Management

Risk management system

The RC Committee plays a central role in risk management and other activities, and basic principles are established, and systems and measures to appropriately manage risks are maintained. Where an emergency response is required with the emergence of a serious risk, such as a natural disaster or information leakage, the president instructs the establishment of a task force, etc., in order to construct a framework for minimizing loss and damage.

Secure Export Control

Based on our Secure Export Control Rules, the Foreign Trade Administration Office leads efforts to implement secure export controls. All personnel in cargo exports and technical assistance are required to participate in e-learning courses related to security export control, and for employees who are highly related to trade-related work, a group training course was held to assess whether or not to assess trade-related work. In FY2019, 166 employees, accounting for 87% of the participants, participated in the course.

Information Security

In order to ensure information security, Techno Associe has established Basic Rules for Information Security that are commonly applied throughout the entire company and govern its business activities. Based on these Rules, each division or department has a set of procedures on the handling of confidential information according to the unique nature of its business in order to implement meticulous information control. As a measure against information leakage, enhancing network security against information leaks from within the company and unauthorized access from outside the company, and all hard disks on company laptops are encrypted so that sensitive information is inaccessible if a laptop is lost or stolen. As well, company data can only be copied onto encrypted USB memory devices provided by the company. We also work to boost employees' awareness of information security by providing e-learning courses on information security on a regular basis, as well as training that simulates targeted e-mail attacks.

Actions against Natural Disasters

In response to the risk of natural disasters, we have formulated disaster response guidelines based on the basic policies of ensuring safety of human life, stable supply of products and services, compliance, and corporate social responsibility.

The Nankai Trough Earthquake, which is expected to occur in the future, is expected to cause massive damages, including the cities of Osaka where our headquarters are located and our bases along the Pacific Ocean. The guidelines include disaster response headquarters, evacuation procedures, hazard maps, etc. to be established at the head office, and the guidelines are also formulated in each site in the same way. In the event of an earthquake with a seismic intensity of 5 or higher, the safety confirmation system automatically sends emails to the seismic center to confirm the safety of the victims.

We will continue to conduct regular disaster prevention drills to verify and review the guidelines.

As a precaution against natural disasters, we regularly update and deploy food, drinking water, and other disaster prevention supplies at each site. We have also introduced emergency magnesium-air batteries, primarily for charging smartphones, at each of our sites as a countermeasure in the event of a power outage, and have deployed emergency storage batteries as backup power sources that allow printers used in operation operations to operate at our headquarters.

Response to Infectious Diseases such as Influenza

We recognize the epidemic of infectious diseases within the company as one of the factors that can cause significant losses to our business. In particular, in winter, when seasonal influenza is epidemic, we have been taking measures such as encouraging immunization and installing humidifiers in our offices. In response to new coronavirus infections, we have established the New Coronavirus Countermeasures Headquarters, headed by the President and Representative Director, and are working to prevent the spread of infections by wearing masks, washing hands, disinfecting alcohol, staggered work hours, and working at home to prevent infections among employees. In addition, special measures are implemented to enable employees who are raising children to take leave for temporary school holidays such as schools.

In responding to various infectious diseases, we will continue to give top priority to ensuring the safety of our employees and all those involved, and will implement countermeasures.

Respect for Human Rights

Human Rights Education

Techno Associe carries out human rights education with the goal of creating a corporate culture in which diversity is valued and employees have respect for each other's human rights.

Preventing Harassment

Techno Associe considers sexual harassment and abuse of authority serious infringements on human rights, and is committed to controlling their occurrences and providing prompt and appropriate solutions through in-house newsletters, hierarchical and promotional compliance training and e-learning. As part of management level training, harassment training has been implemented continuously.

Main enlightenment activities related to human rights

In addition to joining "Osaka City Corporate Human Rights Council", we are enlightening ourselves to participate in the World Human Rights Day event in December every year, and we have positioned "human rights education" as part of our in-house education, and we are providing continuous education through curriculum in new employee training.

Implementation of fair recruitment

Techno Associe hire people in a fair and fair manner, regardless of age, gender, nationality, etc.

Employees in charge of recruitment attend the Fair Recruitment Selection Promoter Confirmation and Basic Training sponsored by Osaka Prefecture, and conduct recruitment activities based on the following principles: "1. opening the door widely to applicants, and 2. not adopting anything other than the aptitude and abilities of the applicant."

Whistleblowing and Counseling Contact

At Techno Associe, we have contacts inside and outside the company to whom fraudulent acts and law violations can be reported and from whom counseling may be sought.

The internal contact is placed under the charge of the Human Resources Group Manager. Whistleblowing support is also assigned to the Manager of the Audit and Supervisory Board Members' Office (who is independent from company management). The external contact is placed under the charge of the company's legal advisor.

Our Regulations for the Whistleblower System ensure that people who report suspected illegal action or who seek counseling will not be subjected to dismissal or other unfair treatment because of their actions.

Occupational Safety and Health

Basic Philosophy on Safety

Like compliance, safety is one of the core issues of operations at Techno Associe.

All those in a management position in the company follow the creed of 'safety above all else'.

They strive to implement occupational safety and health activities with the understanding that safety is critical to all work processes.

Occupational Safety and Health Policy

Employees' occupational safety and health constitutes the basis for a company's existence and a company has a social obligation to guarantee such safety and health. At Techno Associe and its partner companies, we respect each individual employee and put their safety and health at the core of our occupational safety and health philosophy. To put this philosophy into action, we implement the following policies.

1. Continuously improve occupational safety and health in company work processes and in the workplace environment, and build a healthy, productive workplace free of work-related accidents.
2. Comply with legal stipulations of laws related to environmental safety and health, as well as with in-house regulations, standards, and rules.
3. Provide education and drills to all employees (including those of partner companies) in order to boost their sensitivity to and knowledge of occupational safety and health.

This occupational safety and health policy will be periodically revised to ensure its effectiveness and its compliance with laws.

Occupational Safety and Health Slogan

Boost workplace occupational safety and health through resolve and action

Examples of Activities to Raise Awareness of Occupational Safety and Health

1) Safety patrols by top management

Every July, during the National Occupational Safety Week, the top management of Techno Associe tours the company's major bases in Japan. During safety patrols, the top management gives all warehouse staff and office workers "safety lectures" to improve knowledge and awareness of safety and health, and makes efforts to establish a comfortable work environment by patrolling workplaces and offering recommendations and guidance for reduction of risk.

2) Enhancing education

Each year we conduct safety and health training at all levels from new employees to management to improve overall awareness. In particular, the most common occurrence accidents at our company involve traffic accidents during operations; therefore, employees who drive company-owned cars are provided with a "traffic safety and safe driving class" and "Practical Training on Safe Driving" with the purpose of improving the driving skills of young employees who are unfamiliar with driving to eradicate traffic accidents.

When it comes to health, the proceedings of our Safety and Health Committee meetings are relayed to bases and domestic affiliates that employ fewer than 50 employees. These offices and companies are not obliged to have their own safety and health committee. These communications help to raise awareness of health across the entire Techno Associe group.

3) Commitment to mental healthcare

Thinking that it is important for each one of our employees to recognize his or her stress levels and for workplace supervisors to take appropriate action for mental health, we are committed to the following:

1) About self-care

Mental health checks are conducted every year and all employees can use the services including domestic affiliates and small-scale enterprises of less than 50 people under no legal obligations and an “external counseling contact for mental health” that all employees and their families can use at any time has been established to promote self-care.

2) About line care

Emphasis is also placed on the line care of each workplace, and training is provided for supervisors. Workplaces with good ventilation so that people do not get sick have been created and action is being taken in conjunction with personnel managers and industrial physicians.

4) FY2019 Occupational Accident Data (Non-consolidated)

FY2019	
Frequency rate of work-related injuries ^{*1}	0.67
Severity rate of work-related injuries ^{*2}	0.00

*1 Frequency of work-related injuries and fatalities per 1 million total working hours

*2 The number of days lost due to work-related injuries per 1000 total working hours



Safety Lectures by Top Management



Disaster Prevention Drills



AED Lectures

Quality and Environmental Management

Message from the Senior Managing Director

Managing Executive Officer Nobuhisa Nagae



In recent years, the international community has become widely aware of efforts to realize sustainable societies, such as the adoption of SDGs and COP21 Paris Agreement. In addition to compliance environmental regulations and other laws and regulations, we have positioned countermeasures to combat global warming, resource recycling, and biodiversity as priority management issues, and are strengthening the promotion of environmental management. As part of this effort, we have joined the Climate Change Initiative (JCI)*, and are also actively addressing climate change risks in recent years.

We have also established quality control guidelines that summarize our thinking regarding quality control. In order to prevent quality problems from occurring, we systematize and systemize our operations while ensuring that our sales representatives and quality control representatives collaborate from the quotation stage to create quality.

We believe that thorough quality control is not limited to Quality of the products we handle, but also leads to the quality of our work, the quality of our thinking, and the quality of our actions, and if we get to the bottom line, the quality of our company.

In order to ensure that our customers appreciate that we are entrusted with peace of mind to our techno associates, we are committed to contributing to the sustainable development of society as a company that is environmentally friendly and trusted by society. We are committed to "compliance" and work with an awareness of "quality improvement" and "quality first" through the participation of all employees.

* Climate Change Initiative: The abbreviation JCI (Japan Climate Initiative), established in 2018, is a domestic network for exchanging opinions and disseminating information on climate change measures. We participate in this network in January 2019.

Quality and the Environment Policy

Basic Philosophy

At Techno Associe, our top priorities are to improve the level of customer satisfaction and fulfill our corporate social responsibility while at the same time protecting the environment. Techno Associe is dedicated to using its technology and know-how to provide the best products and services possible and thus bridge the needs of customers and suppliers.

At the same time, we continuously strive to reduce our environmental impact and comply with laws and regulations so that we can contribute to the safe and sustainable development of society.

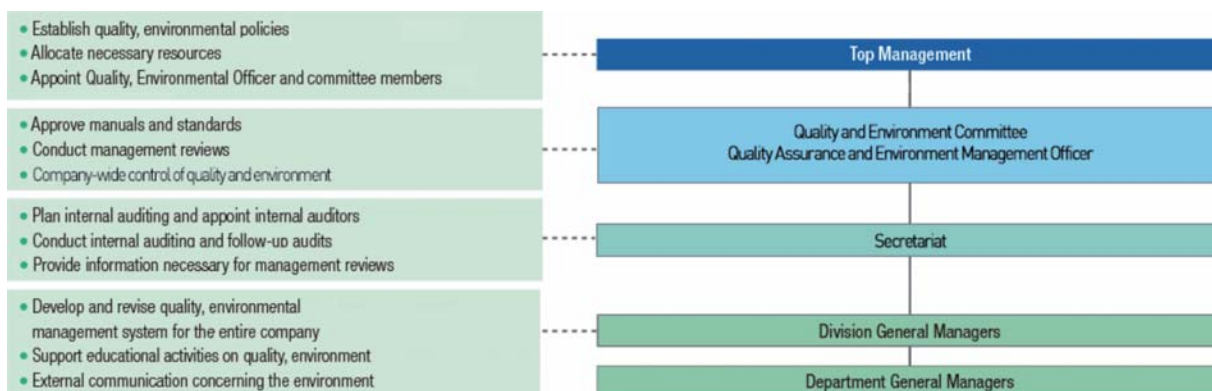
Quality and the Environment Policy

1. As an engineering company that specializes in metal and chemical compound components, Techno Associe strives to promote products and improve distribution activities to meet the quality and environmental requirements of its customers, while ensuring strong quality assurance and reducing environmental impact.
2. Techno Associe sets its goals and targets in conformity with its Quality and the Environment Policy, and conducts its activities in an organized manner. At the same time, it strives to make ongoing improvements to its Quality and the Environment Management System through reassessment and expansion.
3. In the course of its activities, Techno Associe complies with laws, regulations, ordinances, and the Compliance Manual established by the Company in an effort to fulfill its corporate social responsibility and improve customer satisfaction. In addition, it strives to reduce the environmental impact of its business activities by conserving resources and energy, recycling, reducing waste, and protecting biodiversity.
4. Techno Associe ensures that all its employees are thoroughly familiar with its Quality and the Environment Policy, and it educates employees in order to raise their awareness of quality control and environmental preservation.
5. Techno Associe shall disclose its Quality and the Environment Policy to the general public upon request.

Management System

At our company, all Sales Units, the Logistics Department, the Development and Promotion Division and the Quality Assurance & Environmental Management Department have been certified for the ISO 9001 standard for quality management systems. And all bases in Japan have been certified for the ISO 14001 standard for environmental management systems.

Management System Framework



Audit Situation

Techno Associe received conformity audits (which were conducted by JIC Quality Assurance Ltd. at our request) in December 2019 and there were no outstanding non-conformance items.

And internal audits, including quality and environmental audits, were performed and corrective action was taken.

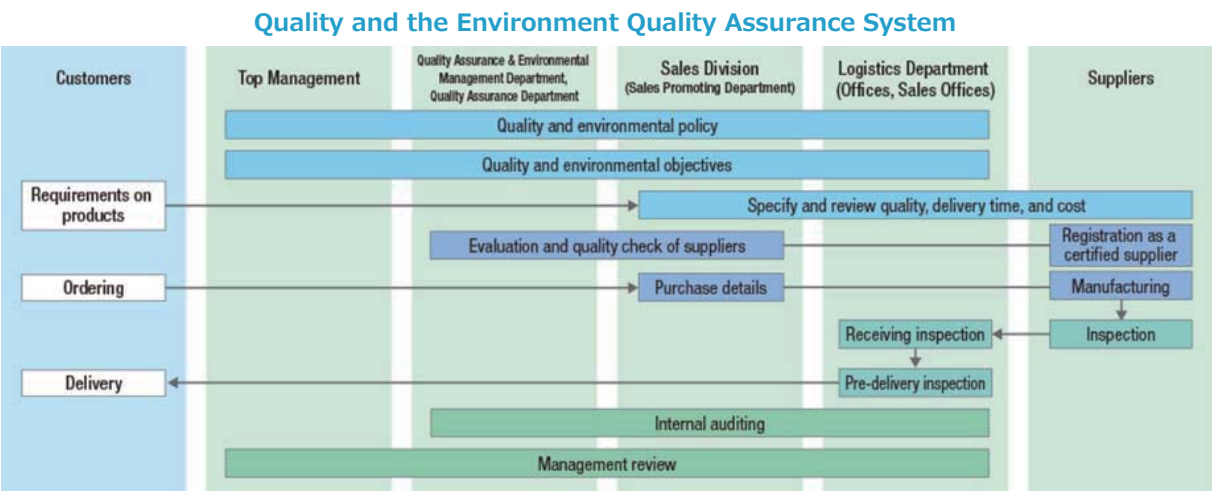
[ISO 9001 Certificate of Registration \(PDF: 904KB\)](#)

[ISO 14001 Certificate of Registration \(PDF: 848KB\)](#)

Quality Assurance

Quality Assurance System

To maintain and enhance the quality of products to be delivered to customers, sales personnel hold discussions with customers, carefully confirm the key aspects of quality management, and relay these to suppliers. When we place a new order from a supplier for the manufacture of products, quality assurance managers conduct a quality inspection at the supplier company to determine whether the supplier is qualified to manufacture the products in question. Group companies that manufacture and process components also have a quality assurance system in place for implementing quality control.



Quality Control Guidelines

The philosophy of Techno Associe's quality control is articulated in the Quality Control Guidelines. Intended as a quality improvement manual for the company and its suppliers, this booklet describes concrete mechanisms, implementation methods, and guidelines of quality assurance.

In January 2018, the content was reviewed and revised.

Collaboration with Suppliers, Quality Conference

We held a quality conference at the Osaka International Conference Hall on November 21, 2019 with the participation of our suppliers. Representatives of suppliers reported on examples of quality improvement activities, posters of quality submitted entries, awards for outstanding quality slogans, and outside lecturers gave lectures on quality control.



Product Quality Assurance

We are constantly striving to help customers improve their designs and achieve greater product functionality.

To achieve this, the products that we supply to them which constitute the material of customers' products must exhibit ever-higher precision. That's why our Quality Control Department conducts tests, measurements, and other assessments of products to ensure that they meet our customers' requirements.

Physical analysis and testing devices



No01

3D coordinate measuring machine

Having independent scales along the X-, Y-, and Z-axes, the machine can obtain X-, Y-, and Z-coordinate values in space. Unlike calipers and micrometers, not only can dimensional measurements be taken but also shapes of things (geometric properties) can be assessed.



No02

Roundness measuring machine

Having a rotating mechanism, the machine measures changes in the circumferential direction or axial direction of a measuring object with the contact-type detector. Geometric properties of a circle or cylinder can be obtained.



No03

Contour shape measuring machine

By tracing the surface of a measuring object with the probe, the measuring machine records its contour on the PC as it is enlarged. Recording the contour enables dimensional measurements.



No04

Screw tightening measuring machine

The machine measures various forces related to screw tightening. (It is mainly used for nuts and bolts compliant with the JIS B 1084 standard. * A torque analyzer is used for tapping screws.) 1) tightening torque 2) axial tightening force 3) thread torque 4) tightening rotation angle 5) bolt elongation



No05

Surface roughness measuring machine

By tracing the surface of a measuring object with the probe, the machine measures the degree of projection and depression. According to the degree of projection and depression, parameter values (Ra, Ry, Rz, etc.) can be measured.



No06

Automatic microhardness testing system

The system measures material hardness. The inspection surface is given a small indentation to calculate hardness, where the press force to give the indentation is small (microforce, approx. 5gf to 1kgf). What is different from common micro Vickers hardness testers is full automation (automatically taking measurements in preset patterns and making the distribution graphically confirmable).



No07

Image dimension measuring system (image measure)

Dimensional measurements of various parts can be taken. Simple placement and push enable collective measurements up to 99 places. No additional positioning jig is needed.



No08

Scanning electron microscope

By using a short electron beam, a nanometer-size structure can be observed, and the structure of the surface of a highly irregular specimen can be observed in three-dimensional image as it is enlarged.

Other testing machines

Rockwell hardness tester Micro Vickers hardness tester PC torque analyzer Digital microscope Dynascope
Tension/compression testing machine

Chemical analysis and testing devices



No01

Fluorescence X-ray spectrometer (EDX)

Types of elements constituting a specimen and their contents can be measured through analysis of the fluorescence X-ray energy (wavelength) and strength generated by irradiating the specimen with X rays. Constituent elements of solids, powders, liquids and other materials can be analyzed in a non-destructive manner (requiring no advance preparations, such as cutting the specimen, etc.).



No02

Fluorescence X-ray film thickness gauge

The plating film thickness on a metal surface can be measured.



No03

Salt spray test chamber

Salt-water is sprayed all over a test object to test corrosion resistance (whether it is resistant or sensitive to rusting).



No04

Combined cycle salt spray test chamber

Results obtained by this corrosion resistance tester are closer to outdoor corrosion (severer than common salt water spray used to test only whether it is resistant or sensitive to rusting).



No05

Thermal desorption mass spectrometer

The equipment screen-tests the "four phthalate esters" that will newly be restricted by the EU RoHS Directive in July 2019.

Other testing machines

Portable fluorescence X-ray analyzer

Constant temperature and humidity chamber

Ultraviolet-visible spectrophotometer

Stepping Up Education and Boosting Quality

Techno Associe holds lectures on quality topics and conducts e-learning courses via the company's intranet. Currently, 16 quality-related e-learning courses are offered. In fiscal 2018, the courses "Overview of 4M change application" and "Overview of past problems checklist" have been added to our curriculum of e-learning courses.

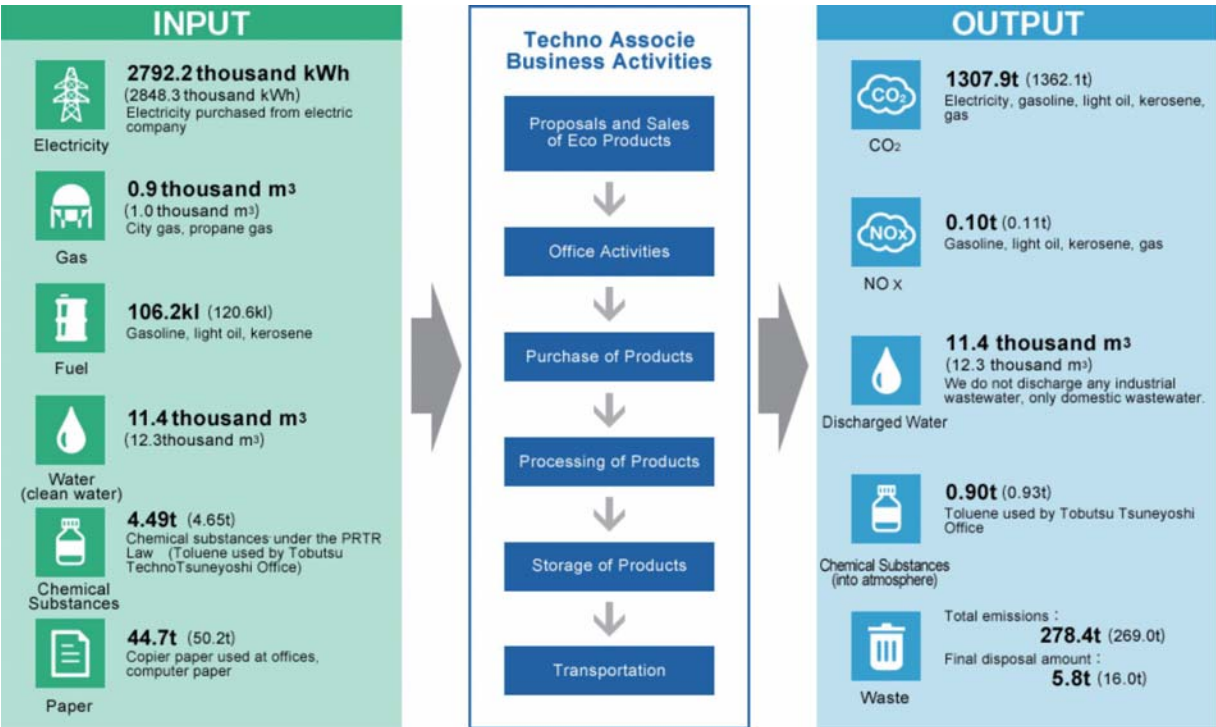
Main quality e-learning	starting fiscal year	Number of participants
Introduction to FTA/FMEA	2016	391
Quality Control Guidelines; 5th edition	2018	344
Introduction to QC process flowcharts	2017	451
Case studies on complaints	2016	516
Outline of self-process guarantee (preventive activities)	2017	275
Overview of 2015 editions of ISO9001 and 14001	2017	750
Complaint report - guidebook for preparation/close examination	2018	320
Overview of 4M change application	2018	449
Overview of past problems checklist	2018	431
New Quality Control Education A (Quality Control means, QC7Tools)	2018	282
New Quality Control Education B (Process Capabilities and Sampling Inspections)	2018	197

* Number of trainees from opening year.

Environmental Conservation

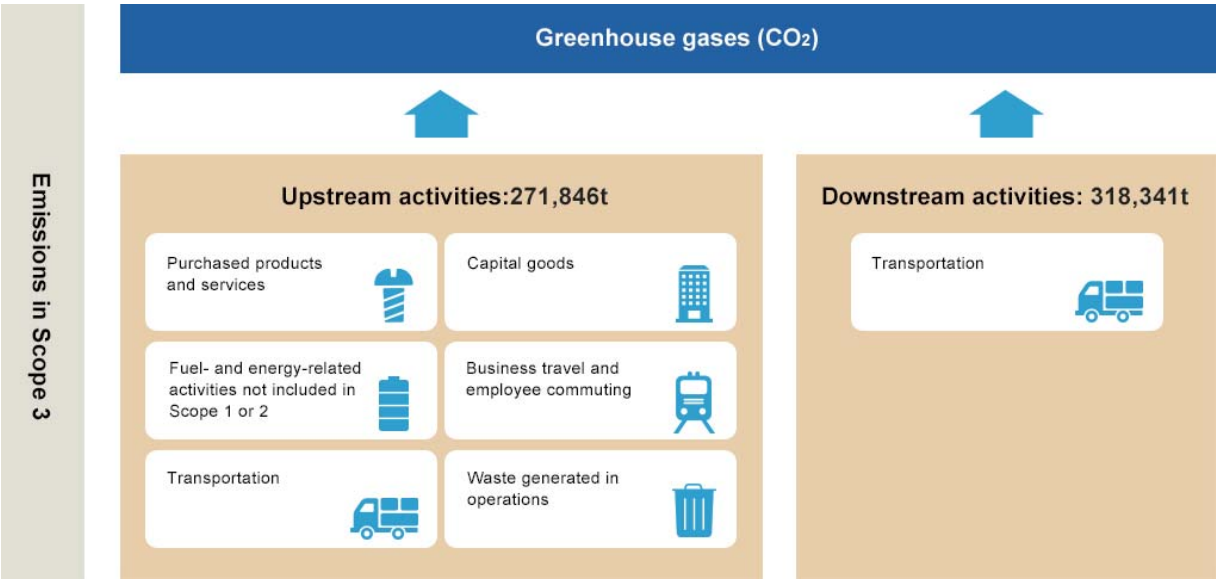
Environmental Commitments

Overview of Environmental Impact (INPUT/OUTPUT)



() shows the results in fiscal 2018

Note: Techno Associe has no SOx emission source.



Strategy on Climate Change

We are addressing climate change risks and opportunities as follows.

Risk	Tightening restrictions on emissions of greenhouse gases, such as the Paris Agreement and the carbon tax
Impact	Carbon taxes, taxes on energy and fuels, and mandatory emissions trading could increase operating costs and possibly impact business management.
Correspondence	Strengthen efforts to reduce electricity and gasoline usage (Use of LEDs for lighting at business sites, introduction of eco-friendly vehicles in sales vehicles, replacement of office automation equipment such as air conditioners and multifunction devices with energy-saving products, etc.)
Opportunity	Rising demand for energy-saving products to meet the stricter emission regulations for greenhouse gases
Impact	As a response to the tightening of emission regulations of greenhouse gases, we have an opportunity to expand the sales of parts for related products because the demand for energy-saving-related products manufactured by our customers increases.
Correspondence	We will actively propose parts that can be supplied through our network to energy conservation-related products manufactured by our customers, and strengthen sales activities that lead to the receipt of orders.

Introduction of “Green Power Ceniicte”

In 2019, Techno Associe purchased a Green Power Certificate for 220,000 kWh. This falls under the purchase of about 10% of the usage of our 12 high-pressure sites.

Moving beyond conventional activities to cut electricity use, Techno Associe will contribute to preventing global warming by making positive use of natural energy.

* “Green power” is environmentally-friendly power generated by renewable natural energy, such as wind power, solar or biomass (biological resources).



Commitment in Response to Environmental Control

Fluorocarbon Emissions

In Japan, as part of efforts to prevent global warming, which has become a global problem, the “Act on Rational Use and Proper Management of Fluorocarbons” went into effect on April 1, 2015, with the purpose of controlling the emissions of CFCs which have high greenhouse effects. In connection with this enforcement, each manufacturer has decided to produce refrigerators and air conditioners using earth-friendly gases. In addition, each company, including us, is required to carry out periodic inspections and dispose of them to specify contractors.

It is not mandatory for us to report to the government because the total number of devices in our possession is small and possible leakage quantities of fluorocarbons are not exceedingly large.

Soil Contamination Countermeasures

Techno Associe has no land on which there is a danger of contamination. If contamination is discovered on or around our land and we are deemed responsible, we will conduct a soil survey (an overview survey or detailed survey).

Biodiversity

We provide education and training on biodiversity conservation as part of our environmental education.

It is intended to provide opportunities for all employees to understand why the preservation of biodiversity and ecosystems is important for the formation of a sustainable society, and to share opportunities to think about what each person should do in order to realize this, and to provide opportunities for self-development.

Also, Techno Associe makes donations to the “[Green Fund](#)” of the National Land Afforestation Promotion Organization. We are engaged in the prevention of global warming by providing cooperation in developing healthy forests through fund-raising activities for biodiversity and ecosystem protection.

Quality and the Environment

Environmental Performance/Targets and Results

Targets and Results of Environmental Conservation Activities <Domestic>

Environmental aspect		Results in fiscal 2018	Targets in fiscal 2019	Results in fiscal 2019	Increase / decrease rate	Self evaluation **	Targets in fiscal 2020
Increase the sale of environmentally friendly products and parts		72.0 billion yen (14.0% of overall sales)	at least 15.0% of overall sales	72.1 billion yen (14.7% of overall sales)	Up 0.7%	😊	Sales of environmentally friendly products and parts account for at least 16.0% of overall sales
CO ₂ emissions ** (Emissions intensity: CO ₂ emissions per 100 million yen of sales)		1362.1t (Emissions intensity: 2.57t/100 million yen)	Emissions intensity: 2.57t/100 million yen or less	1307.9t (Emissions intensity: 2.60t/100 million yen)	Down 3.9%	😊	Emissions intensity: 2.60t/100 million yen or less
Breakdown	Electricity *2	1,076.7t		1,055.5t	Down 1.9%		
	Gasoline, light oil *3	243.1t		200.0t	Down 15.5%		
	Consumption of kerosene and gas	42.4t		52.4t	Up 10.8%		
Final disposal rate (through waste recycling)		5.90%	Final disposal rate of 5.0% or less	2.10%	Down 3.8 points	😊	Final disposal rate of 3.0% or less

*1 Coefficient of CO₂ emissions is in accordance with the "Ministry of the Environment: Draft Ver. 1.6 of Guidelines for Calculation Method of Greenhouse Gas Emission by Entities."

*2 Electricity means the electricity purchased from the electric company.

*3 Gasoline and light oil are used for company vehicles and do not include consumption by consignment to transportation companies

*4 Self-evaluation standards: Environmentally friendly products

😊=Achieved targets 😊=Although targets were not achieved, share increased from previous year

😊=Achieved targets 😊=Although targets were not achieved, emissions reduced from previous year

😊=Targets were not achieved and share decreased from previous year CO₂ emissions and final disposal rate 😊=Targets were not achieved and emissions increased from previous year

List of Environmental Impacts Caused by Overseas Bases <Overseas>

area	base	Electricity consumption	gasoline consumption	Water consumption	waste volume
		2019 unit:thousand kWh	2019 unit:KL	2019 unit:ton	2019 unit:ton
North America	T.A. AMERICA CORPORATION	454.1	45.2	1,370	402.4
Asia	TECHNO ASSOCIE (DALIAN F.T.Z.) CO., LTD.	27.3	3.4	179	3.0
	TECHNO ASSOCIE (GUANGZHOU) CO., LTD.	88.6	27.1	727	10.9
	TECHNO ASSOCIE SHANGHAI CO., LTD.	73.1	28.4	—	—
	TECHNO ASSOCIE HONG KONG CO., LTD.	20.4	—	—	0.7
	TECHNO ASSOCIE TAIWAN CO., LTD.	17.9	3.1	355	—
	TECHNO ASSOCIE VIETNAM CO., LTD.	29.3	10.0	2,160	—
	TECHNO ASSOCIE (THAILAND) CO., LTD.	40.3	31.0	—	0.04
	PT. TECHNO ASSOCIE INDONESIA	10.3	6.2	—	—
	TECHNO ASSOCIE SINGAPORE PTE.LTD.	42.5	3.9	33	—
	*F&T KUNSHAN TECHNO CO., LTD.	96.6	1.6	2,611	8.0
	*NETTFORM TECHNOLOGY (SHANGHAI) CO., LTD.	5,025.9	12.2	16,226	28.9
	*ACCURATE METAL MACHINING CO., LTD.	3,763.3	14.7	7,044	199.0
	*TA AUTOMOTIVE PARTS (THAILAND) CO., LTD.	1,050.3	20.8	3,017	402.8
	*MALAYSIAN PRECISION MANUFACTURING SDN. BHD.	1,991.8	43.6	6,347	47.9
Europe	TECHNO ASSOCIE CZECH s.r.o.	9.1	5.4	52	—
Total		12,740.8	256.3	40,120.2	1,103.6

* Data relating to the amounts of electricity, gasoline and water purchased and the amount of waste disposal were collected by each overseas base and aggregated by the Quality Assurance & Environmental Management Department.

* "-" means that the data has not been collected.

* * Production bases

Results in Fiscal 2019

To minimize the environmental impact of the company's business activities, Techno Associe sets yearly environmental conservation objectives and formulates specific implementation plans. The Quality Assurance & Environmental Management Department plans the introduction of energy-efficient equipment such as LED lighting and fuel-efficient cars. Each base plans and carries out activities such as regular checks of turning off lights when not needed and waste sorting status. Cleanups of areas surrounding bases are also planned and carried out.

Furthermore, in line with the Paris Agreement, Techno Associe has set a long-term CO₂ emissions reduction target for fiscal 2030 of a "30 percent reduction compared fiscal 2013." CO₂ emissions for fiscal 2019 were 1308 tons, which is a 632 ton (32%) reduction from fiscal 2013. As the scale of our business grows, energy consumption is expected to increase in the future and we therefore will continue our efforts to save energy. With regard to our commitment to waste reduction, Techno Associe is taking action to ensure appropriate sorting of waste to facilitate recycling towards a goal of reducing the final disposal rate. In fiscal 2019, we focused on bases with high final landfill volumes and changed to suppliers with high recycling rates. As a result, we achieved a final landfill rate of 2.1% (down 2.9 points from the previous fiscal year) against the target of 5% for the final landfill rate.

We also compile data on the environmental impact of our major overseas sites. In the future, we will further increase the number of overseas bases that conduct data collection, which will lead to the establishment of environmental targets and activities for the Group as a whole.

Target in Fiscal 2020

In fiscal 2020, Techno Associe will continue to focus on CO₂ emissions reductions, promoting waste recycling, and increasing the sales of environmentally-friendly products and parts. With regard to CO₂ emissions reductions to stem global warming, Techno Associe will maintain its current status through efforts to save electricity and aim at a CO₂ emissions intensity of 2.60 t/hundred million yen or less.

With regard to waste, Techno Associe is committed to promoting recycling by ensuring appropriate sorting of waste and reviewing waste disposal contractors, aiming at a final disposal rate of 3% or less.

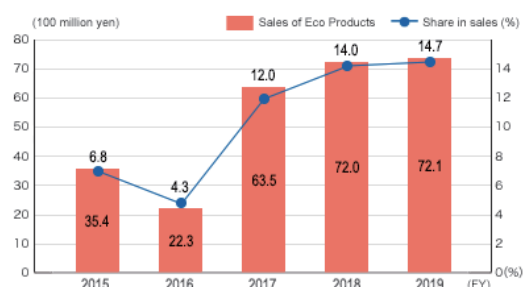
Environmental Performance/Actual Results of Reduction Activities

Actual Results of Reduction Activities <In Japan>

To minimize the environmental impact of the company's business activities, Techno Associe sets yearly environmental conservation objectives and formulates specific implementation plans. The Quality Assurance & Environmental Management Department plans the introduction of energy-efficient equipment such as LED lighting and fuel-efficient cars. Each base plans and carries out activities such as regular checks of turning off lights when not needed and waste sorting status. Cleanups of areas surrounding bases are also planned and carried out.

Sales of Environmentally-Friendly Products

Techno Associe strives to expand the sales of environmentally-friendly products and parts (eco-products) as an environmental contribution by business activities. In fiscal 2019, we targeted sales of eco-products as parts for products and products that contribute to the five defined items below, with sales at least 15% of the company's total sales. The result was almost the same as last year's sales amount of 7.21 billion yen, which accounted for only 14.7% of net sales.

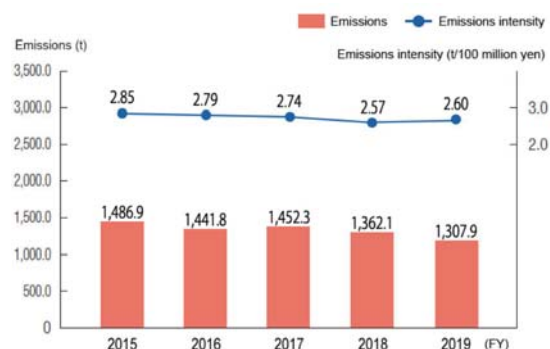


Definition of environmentally friendly products

Code	Environmental aspect	Definition (examples)
1.	Resource-efficient products (make effective use of resources)	Using resources effectively by reducing the amount of raw materials and packaging or by extending the service life of parts
2.	Reusable/recyclable products (reduce waste)	Reducing waste by using recycled materials or by reusing a part of or all of the product and packaging
3.	Energy-efficient products (reduce CO ₂ emissions)	Reducing CO ₂ emissions and energy consumption during manufacture, transport, and use
4.	Products that use non-toxic chemicals (prevent environmental pollution)	Preventing environmental pollution and minimizing the effect on ecosystems by eliminating or reducing the use of toxic chemicals
5.	Products that contribute to energy conservation when used	Products used in eco-friendly vehicles, high-efficiency water heaters, LED light-related products, fuel cell installations, battery storage for natural energy, and eco-houses

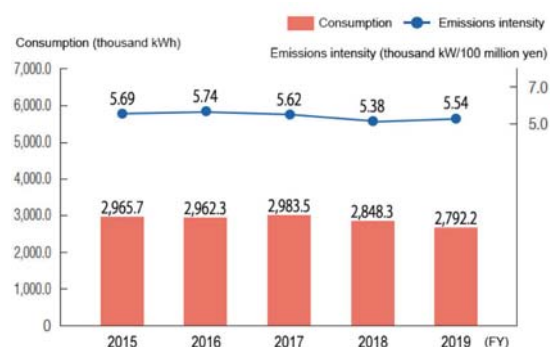
Reducing CO₂ Emissions

The use of electricity and gasoline by Techno Associe accounts for about 95% of the company's total CO₂ emissions. We are therefore focusing efforts on use reduction the use of these. In fiscal 2019, setting a CO₂ emissions target at a unit value of 2.57 t or less (per hundred million yen in sales), Techno Associe was actively involved in conserving electricity and also in cutting gasoline use. As a result, our annual emissions were 1307.9 tons (a 3.9% decrease from the previous fiscal year). The unit value was 2.60 t/hundred million yen.



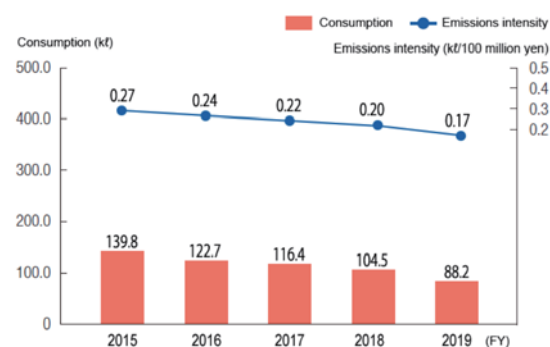
Reducing Electricity Consumption

Techno Associe strives to save energy by turning off lights during employee break times, managing air conditioner settings, and improving operational efficiency in reducing overtime, including the scheduling of 'no overtime' days. The target for fiscal 2019 was to reduce electricity consumption by 2.0% from the previous fiscal year. As a result, it decreased by 56.1 MWh (a 2.0% decrease) from the previous fiscal year, but the unit value was 5.54 MWh/hundred million yen, which was a 2.9% increase from the previous fiscal year.



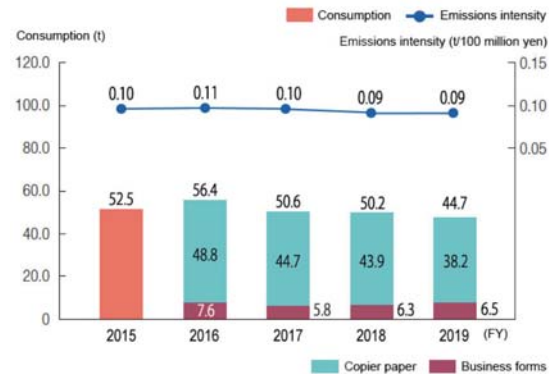
Reducing Gasoline and Light Oil Consumption

Techno Associe approximately halved the number of commercial vehicles in its possession, which was 237 in 2009, to 111 in March 2020 by reviewing surplus vehicles, sharing company-owned vehicles, using rental cars or car-sharing, promoting the use of public transportation, and so on. As a result, gasoline consumption was 88.2 kl, which was a 15.6% decrease from fiscal 2018. In addition, the ratio of cars that meet the Eco Standards (Fuel Efficiency Standards for FY 2020) in the number of cars owned was 88.6% in FY 2018 to 92.8% in March 2020.



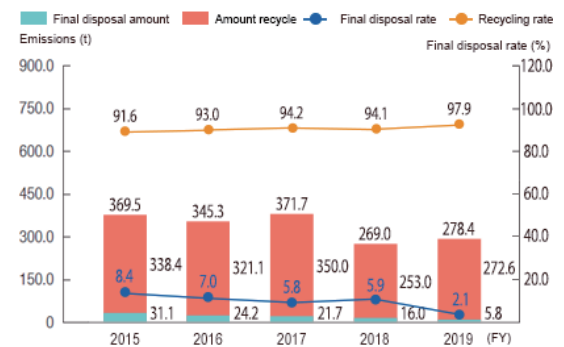
Reducing Paper Consumption

By using the reverse side of copy paper and going paperless with use of projectors at meetings, Techno Associe has reduced the amount of copy paper it uses. In fiscal 2019, the consumption of paper, including forms and slips, was 44.7 tons (a 10.9% decrease from the previous fiscal year), in which copy paper was 38.2 tons (a 13.0% decrease from the previous fiscal year).



Increasing Recycling and Reducing Waste

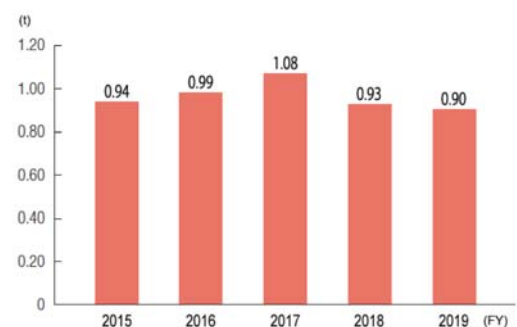
Techno Associe strives to reduce waste it generates in offices by separating paper garbage as much as possible, and in warehouses by reusing cardboard boxes for packaging and using returnable boxes. Our fiscal 2019 target for the final disposal rate was 5.0% or less. By switching to industrial waste disposal contractors capable of higher recycling rates, we were able to reduce final disposal to 5.8 tons, down by 63.8% from the previous fiscal year. The final disposal rate was also 2.1%, which was exceeded. The total amount of waste discharged was 278.4 tons (up 3.3% from the previous fiscal year), an increase from the previous fiscal year.



Managing and Reducing Chemical Substances

The Tsuneyoshi Office of group company Tobutsu Techno Co., Ltd. uses toluene, a substance restricted under PRTR*, for manufacturing locking of bolts (fastener adhesive). We have installed activated charcoal filter devices to reduce toluene emissions into the atmosphere.

Toluene emissions in fiscal 2019 were 0.90 tons, a 3.2% decrease over the previous fiscal year.



* PRTR: Under Japan's PRTR (pollutant release and transfer register) system, businesses handling a certain amount of any of the 354 substances designated by the authorities are obligated to report on the amounts of these substances that are released and/or transferred.

CO₂ Emissions in Scope 3

In order to realize a low-carbon society, we grasp not only CO₂ emissions in Scope 1 and 2, but also emissions throughout the entire value chain.

Total CO₂ emissions in fiscal 2019 were 591,496 (t-CO₂).

The breakdown is as follows:

Scope 1 . . . 286 (t-CO₂)

Scope 2 . . . 1,077 (t-CO₂)

Scope 3 . . . 625,382 (t-CO₂),

and Techno Associe recognizes that Scope 3 has a considerable impact on CO₂ emissions, and Category 4 (transportation and delivery: 56.5%) and Category 1 (purchased products and services: 42.7%), in particular, account for large fractions.

Techno Associe will continue to review the calculation methods and data extraction methods to improve accuracy.

Category		CO ₂ emission amount (t)	Proportion	Calculation method of Scope 3 (reason if not calculated)
Emissions from the Company				
	Scope 1 (direct emissions)	252	0.04%	
	Scope 2 (energy-derived indirect emissions)	1,056	0.18%	
Scope 3 (other indirect emissions)				
1	Purchased products and services	252,679	42.72%	Emissions = CO ₂ emissions of purchased goods = Monetary value for purchased products × Emissions unit value * Calculated by classifying the purchased products into five groups and applying each "emissions unit value based on the inter-industry relationship table."
2	Capital goods	2,460	0.42%	Emissions = Amount expended by acquiring tangible fixed assets × Emissions unit value * Using the "emissions unit value per price of capital goods"
3	Fuel- and energy-related activities not included in Scope 1 or 2	99	0.02%	Emissions = Annual use of electricity × Emissions unit value * Using the "emissions unit value per use of electricity/heat."
4	Transportation and delivery (upstream)	334,256	56.51%	Emissions = (Logistic ton-kilometers transported when products are purchased × Emissions unit value) + (Ton-kilometers transported for delivery to client companies × Emissions unit value) * Using the emissions factor (ton-kilometer method) related to [transportation] in "the Mandatory Greenhouse Gas Accounting and Reporting System based on the Act on Promotion of Global Warming Countermeasures." (Emissions from our own trucks are calculated under Scope 1.)
5	Waste generated in operations	82	0.01%	Emissions = Amounts of waste generated × Emissions unit value * Using the "emissions unit value by type of waste."
6	Business travel	444	0.08%	Emissions = Business travel expenses paid (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
7	Employee commuting	168	0.03%	Emissions = Transportation expenses paid for commuting (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
8	Leased assets (upstream)	0	0.00%	Not calculated: Emissions from leased assets (commercial vehicles, PC, etc.) are calculated under Scope 1.
9	Transportation and delivery (downstream)	0	0.00%	Not calculated: Emissions from our warehouse activities are calculated under Scope 1. For commissioning to external warehouses, the calculation method will be considered in the future.
10	Processing of sold products	0	0.00%	Not calculated: Determines that it is outside of our control.
11	Use of sold products	0	0.00%	Not calculated: Because most of the sold products are processed/assembled (applicable to Category 10).
12	Disposal of sold products	0	0.00%	Not calculated: Sold products, if disposed of by returning to us, are calculated under Category 5. If disposed of due to the expiration of useful life after processing, sold products shall not be subject to calculation because they are outside of our control.
13	Leased assets (downstream)	0	0.00%	Not calculated: Not applicable
14	Franchises	0	0.00%	Not calculated: Not applicable
15	Investments	0	0.00%	Not calculated: Not applicable
	Others			

Working with Business Partners/Procurement Policy

It is only with the outstanding technicals, services and cooperation of our business partners that we can carry out our business smoothly. We are committed to ensuring fair transactions and appropriate procurement, and to working together to resolve various social issues.

Message from the Executive Officer

Deputy Chief General Manager in charge of Product Technology & Innovation Unit Takeshi Takahashi

Promoting CSR Procurement with Business Partners

Expectations among stakeholders for corporate social responsibility (CSR) initiatives are rising year by year, and CSR activities throughout the supply chain, including those of business partners, are becoming increasingly questioned. Under such circumstances, the Techno Associe Group has formulated the Techno Associe CSR Procurement Guidelines and is promoting activities from a global perspective.

In addition, our group is committed to activities that emphasize the principles of the United Nations Global Compact, which we signed in 2018. In order to ensure stable business operations, we are promoting environmental considerations, human rights, and compliance risk responses across the Group and globally in the supply chain with the cooperation of our business partners.

We ask our business partners for their continued understanding of the Group's initiatives and for their further guidance and understanding.



Procurement Policy

Techno Associe Group Procurement Policy

1. Optimal procurement activities to support business activities and the sustainable development of society

Our group contributes to the development of the economy and society by expanding our business globally, providing superior products and services, and responding to the needs of our customers. In addition to continuing to support our business, we will conduct optimal procurement activities from a global perspective that comprehensively takes into account factors such as quality, cost, delivery time, development capabilities, continuous supply capacity, and CSR initiatives in order to contribute to the sustainable development of society.

2. Fair, transparent, and appropriate procurement activities

Our group will conduct fair, transparent, and appropriate procurement activities by providing open and fair business entry opportunities and selecting business partners based on reasonable processes and judgments.

3. Compliance

Our group complies with relevant laws and regulations and carries out procurement activities based on social norms as well.

4. Partnership

Our group believes that collaboration based on mutual understanding and mutual trust with our business partners is essential to providing customers with socially useful, safety, and superior products and services in terms of quality, cost, etc. We will conduct procurement activities that strive to improve the satisfaction of not only our customers but also our business partners so that we can continue to be a good partner trusted by our business partners.

5. Consideration for the global environment

In order to contribute to the development of a sustainable society by acting positively on the protection of the global environment, our group will conduct procurement activities with consideration given to the reduction of environmental impact in accordance with our Quality and Environmental Policy.

Working with Business Partners/Cooperation with Business Partners

CSR Procurement Guidelines

These guidelines deal with CSR items that are commonly demanded by society, and clarify matters that we ask our suppliers to do.

With the purpose of contributing to the sustainable growth of society, we are promoting CSR procurement that extends our CSR initiatives to the entire supply chain in cooperation with our business partners.

Implementation of CSR Procurement Briefings

In fiscal 2019, we held a CSR procurement briefing for domestic suppliers. We explained the importance of the entire supply chain and deepened the understanding of the promotion of responsible procurement activities in accordance with the Techno Associe Group CSR Procurement Guidelines.



CSR procurement questionnaire survey

In fiscal 2019, we conducted a CSR Procurement Questionnaire Survey with the purpose of ascertaining the status of CSR-related efforts of suppliers who participated in the CSR Procurement Briefing Session and translating these efforts into action to resolve issues.

Survey overview

Target companies

34 in Japan

Six survey items

1. Quality and safety
2. Environmental Initiatives
3. Ethics and compliance
4. Social Contribution Activities
5. Human Rights and Labor
6. Information Security

Large item	Small item
1. Quality / Safety	1-1 Pursuit of product safety 1-2 Quality Management System
2. Environmental Conservation Efforts	2-1 Environmental Management System 2-2 Reduction of greenhouse gas emissions 2-3 Management and reduction of substances with environmental impact and control of noise 2-4 Chemical substances control of the product 2-5 Protection of resources 2-6 Efforts to preserve biodiversity
3. Ethics / Compliance	3-1 Compliance with Laws and Regulations 3-2 To comply with competition laws and conduct fair business 3-3 Anti-corruption 3-4 Export Control Management 3-5 Respecting Intellectual Property Rights 3-6 Exclusion of Antisocial Activities 3-7 Responsible Raw Material Procurement
4. Social Contribution Activities	4-1 To contribute to society and the local community
5. Human Rights / Labor	5-1 Prohibition of Discrimination 5-2 Respect for human rights 5-3 Prohibition of child labor 5-4 Abolition of trafficking in persons, prohibition of forced labour, violation of laws and regulations, or non-voluntary labour recruitment 5-5 Appropriate wages 5-6 Work hours management 5-7 Dialogue and consultation with employees 5-8 Safe and Comfortable Workplace
6. Information Security	6-1 Strengthening Information Security 6-2 Appropriate management of confidential and personal information

Method

Answers to the questionnaire (three-step selection method)

Fill in the answer column for each item (1. What you are doing 2. What you are doing 3. What you are not doing) with the corresponding number.

Distributed materials:

1. Techno-Associates CSR Procurement Survey
2. Techno Associe Group CSR Procurement Guidelines Guide for Suppliers



* handout 2

Survey period

March 17, 2020 to April 30, 2020

CSR Procurement Questionnaire Results (2019)

As a result of the CSR Procurement Questionnaire Survey, we received responses from all target companies.

By survey item, we confirmed that all target companies are positively engaged in risk reduction activities in the areas of "Ethics and Compliance" and "Labor and Human Rights," which are highly responsive in terms of "Quality," "Environment," and "Information Security," and which are required to be dealt with as risks in the supply chain in recent years.

The survey results are fed back with the scores of each company and our comments, and the survey data collected and analyzed will be used to promote our responsible procurement activities in the future.

Management of Chemical Substances Contained in Products

Techno Associe Environmental Standards

In order to respond to regulations on chemical substances contained in products, such as the EU RoHS Directive, ELV Directive and REACH Regulations, we have established "Techno Associe Environmental Standards" and released the environment standards on our website, and we request understanding and compliance from our suppliers.

Transmission of chemical substances contained in products

For response to regulations on chemical substances contained in products, it is absolutely necessary to procure and transmit accurate information on chemical substances contained in products throughout the supply chain. In order to comply with various domestic and international regulations and to meet customer needs, Techno Associe gains the cooperation of suppliers for surveys on chemical substances contained in products using chemSHERPA* and other communication tools.

In fiscal 2019, we received 388 surveys from customers on chemical substances contained in products, and answered 15,379 items in cooperation with 812 suppliers.

* ChemSHERPA is a scheme for communicating information on chemical substances contained in products, and aims to reduce the burden on both the providers and recipients of information. It has been operated by the article management promotion council since April 2016.



Analytical verification of substances subject to environmental regulations

We are expanding a lineup of devices to analyze contained chemical substances. We verify that no hazardous substances are contained through periodic analysis of parts with use of a "fluorescence X-ray spectrometer" to determine whether prohibited substances are contained in a non-destructive manner and an "ultraviolet-visible spectrophotometer" to quantitatively analyze the amount of hexavalent chromium eluted.

In FY2019, 29 analyses were conducted for confirming the content of "four phthalate esters."

Responsible Mineral Procurement

In 2012, the Amendment to the U.S. and Financial Regulatory Reform Act, Article 1502, aimed at cutting off the financial resources of armed groups violating human rights in the Democratic Republic of the Congo and its neighboring countries, entered into force. This mandates U.S. Listed Companies using disputed minerals (gold, tantalum, tin, and tungsten) to report to the U.S. Security Commission (SEC). In response, the Techno Associe Group, including its business partners, conducts ongoing investigations and confirms that none of them are involved in disputes. In recent years, there have been concerns about human rights issues such as child labor in the mining of cobalt, and we will continue to deal with these issues in good faith.

* We use the Conflict Mineral Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) issued by the Responsible Minerals Initiative (RMI) as research tools.

Together with Employees/Personnel Policy

Techno Associe believes human resources are its most important asset. We aim to provide our employees with rewarding work and be a company they are proud to work for. Our goal is to improve employees' level of knowledge and ability and achieve personal growth and company growth so as to contribute to society.

Message from the Senior Managing Director

Senior Managing Director in charge of HR & Administration Department Jun Ito

A company is a ship sailing on the ocean, so we all need to work together to move forward.

Last autumn, we decorated a painting in the 16th floor conference room at the Techno Associe headquarters. "This is ""THE NORTH AMERICA"" drawn by the British painter Montague Dawson (Montague Dawson: 1890-1973)." The original is owned by our parent company, Sumitomo Electric Industry Co., Ltd. (Sumitomo Denko), but since copyrights remain for 50 years after the painter's death, we received permission from the inheritors of Sumitomo Denko and Dawson and asked the Amagasaki city art and craft manufacturers to produce "reproduction paintings."

The sailing ship boldly advancing through the rough seas is truly a company itself, and I can see that everyone, from the master to the sailor, is working with a sense of tension, securely protecting their places and places of possession, and carrying out their duties.

"There is a sailor's proverb, ""There is hell under this one board"" but corporatemanagement is also ""same as this."" It's pleasant whensailing under a good wind, but also encounter days when itdoesn't blow at all, dark nights when the moon doesn't evencome out, and storms. Against this backdrop, in order to getto the destination properly, it is vital that we examine ourroutes, formulate plans, and have each person settle downand fulfill their daily duties. In addition, while we must notbe overjoyed and overjoyed by small incidents, it is alsoimportant to be sensitive to the attitudes and changessurrounding us, respond flexibly, and avoid collisions withstorms, reefs, and passing ships. This is also true ofcorporate management.

What is most important is that companies, like ships, dotheir jobs with the feeling of "We are a Team!" with a strongsense of trust. In addition to "leadership" and "boldchallenge," senior executives and department managers arerequired to be "considerate of employees and stakeholders."From this, trust and confidence in the company emerge. Inthis conference room on the sixteenth floor of the headoffice, important meetings such as boards, managementmeetings, and sales meetings are held every day. We willcontinue to look at the paintings of Dawson hanging on thewall in between the discussions, and attend these meetingswith the "A company is a ship sailing on the ocean, so we allneed to work together to move forward."



Major Initiatives in Fiscal Year 2020 (CSR-related at the Human Resources & General Affairs Department)

- Creation and promotion of a lively workplace and a work-life balance
- Continued implementation of compliance training for employees of domestic and overseas group companies
- Effective operation of the internal reporting system (hotline system)
- Develop human resources capable of playing an active role globally
- Promotion of CSR procurement (including training for employees and cooperation with suppliers)

Together with Employees/Diversity and Inclusion/Human Resource Development

Respect and Utilize Each Employee's Uniqueness

We recognize that the most important asset for the company is "people" based on "heart-to-heart bonds," which are part of our "business spirit." We place top priority on creating an environment in which employees can work safely and with confidence, and we are working to make the most of the capabilities that each employee possesses. As we may even be involved in manufacturing by customers while offering proposals and solutions to challenges, the practice of thinking outside the box and creating an organizational culture conducive to new ideas directly relates to boosting our corporate value and competitive strength.

To this end, we believe we must hire a diverse range of people - regardless of gender, nationality, age, educational background, and workstyle - and recognize and maximize their unique talents.

Introduction of Regional limited course

From fiscal 2018, we introduced "regional limited course." Under this system, existing employees are also provided with support systems in the event that they are unable to transfer due to personal circumstances.

Maximizing Talents of Women

Under the "General Employer Action Plan" established under the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in Japan in April 2016, Techno Associe has made efforts to create a structure and systems amenable to working women.

As a result, the number of women in managerial positions has increased, and in fiscal 2017, we were certified as a Leading Company for Women in Osaka City and Aichi Women's Brilliance Company.

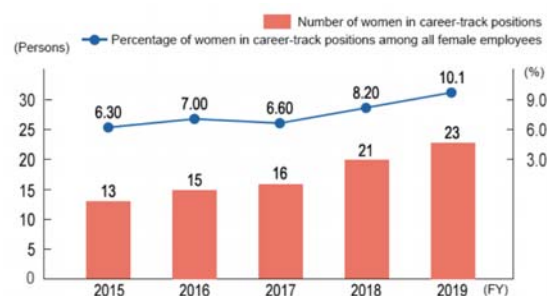
As of March 31, 2020

Number of Women in Career-Track Positions:23

Percentage of women in career-track positions among all female employees:10.1%



Number of Women in Career-Track Positions, Percentage of These Women among All Female Employees



Commitment to Human Resource Development

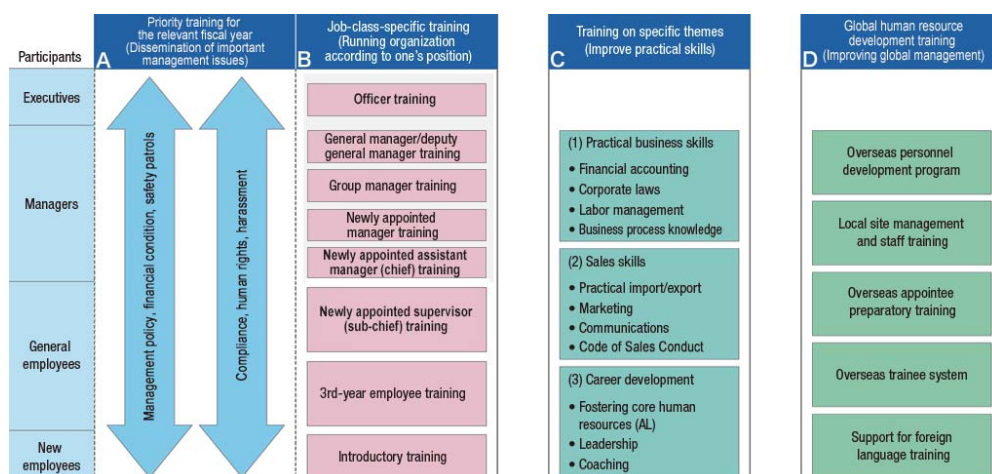
In-house training system

Our in-house training system consists of the following four training:

- A) "Priority training for the relevant fiscal year" (Dissemination of important management issues);
- B) "Hierarchical training" (Organization management according to one's position);
- C) "Training on specific themes" (Improving practical skills); and
- D) "Global human resource development training."

We also focus our energies on raising the levels of employees' business skills and human skills.

Training System



The curriculums for hierarchical training, thematic training, and training for overseas personnel incorporate practical business-related content and matters to learn about CSR and other risks, and provide continuous education.

In addition to preventing anti-competitive actions, including anti-bribery measures and subcontractor laws, as examples, we hold lectures for executives and in each curriculum, such as education on the prevention of insider transactions. Through these lectures, we strive to curb the occurrence of problems by making employees aware of them, and at the same time, to ensure that appropriate solutions are sought.

* Education (overall) Educational times: 8,110h 9.8h per person

Training for Overseas Personnel Development

This training was started in fiscal 2016, and a total of 46 employees, including 21 students in the first period, 11 students in the second period, and 14 students in the third period, have already taken part in the training, and 21 employees have already been assigned overseas.

It is a program to learn the skills required for overseas sales, such as the acquisition of practical knowledge required for overseas sales and practical training in English.

Overseas trainee system

As part of our global human resource development training program, we dispatch trainees to overseas subsidiaries to improve the attitude and awareness of future overseas assignments while actually experiencing local work.

Themes have been set up at the destination of the dispatch, and they perform their duties based on them and learn their jobs in the process.

Action Learning (Core Human Resource Development)

In fiscal 2015, we launched our Action Learning (core human resource development program) to provide managers with opportunities to consider management issues. In addition to fostering a belief and a sense of responsibility as "future leaders of the company," this program allows participants to acquire the ability to analyze, consider, and make policy decisions regarding problems and challenges while maintaining an appropriate perspective.

In fiscal 2019, 12 selected students addressed two themes: "Countermeasures to Improve Performance at Overseas Sites" and "Toward Realizing Synergies with the Sumitomo Electric Group." In February 2020, a briefing was held on these themes in the form of "Recommendations to the Company," and these were implemented over a period of about five months.

Overseas trainee system

Sales Group 2, East Japan Sales Department Electronics Products Sales Unit Kaito Igarashi

Since I joined the company, I had hoped to work abroad in the near future.

In 2019, the fifth year since joining the company, I was given an opportunity to go to MPM and TAT as overseas trainees for a total of three months.

Until now, I had not experienced business trips abroad, but was my first trip abroad. However, I was able to experience a variety of things with the support of many people, mainly job follow-ups, from the Fukuoka Office, Human Resources Development Group, MPM, and TAT, who were at that time enrolled in the office.

I was usually busy with my day-to-day duties, and rather than learning, I was filled with my hands with "handling operation," which strengthened my feelings of inferiority and insistence on my own way of thinking about my lack of knowledge.

Therefore, through this overseas trainee, I was hoping that I could spend my time acquiring knowledge and skills, learn how to proceed with various tasks and their values, and broaden the scope of my work.

As a result, although it was a short period of three months, I visited two countries, Malaysia and Thailand, where I was able to talk to various people and learn a lot about working abroad.

Among them, I felt that the most important thing was to form personal connections. Overseas, of course, we have to talk to foreigners, and if we are Japanese, the management of local staff is one of our duties. Given that languages and cultures differ, I am more required than to work in Japan to determine how I can act with consideration for others and win trust based on my own knowledge and judgment.

In order to understand the other party, I first became interested in the other party, worked on understanding the language and culture, and in my private life, I went out all the time to make myself interested.

These valuable experiences can also be utilized in our current sales activities, leading to an increase in the frequency of face-to-face meetings and the number of conversations as a departure from the "processing of work" at the beginning. In addition, I think that it is also helping to increase the number of inquiries and prevent problems from occurring, as we are now able to better understand the other party's requests.

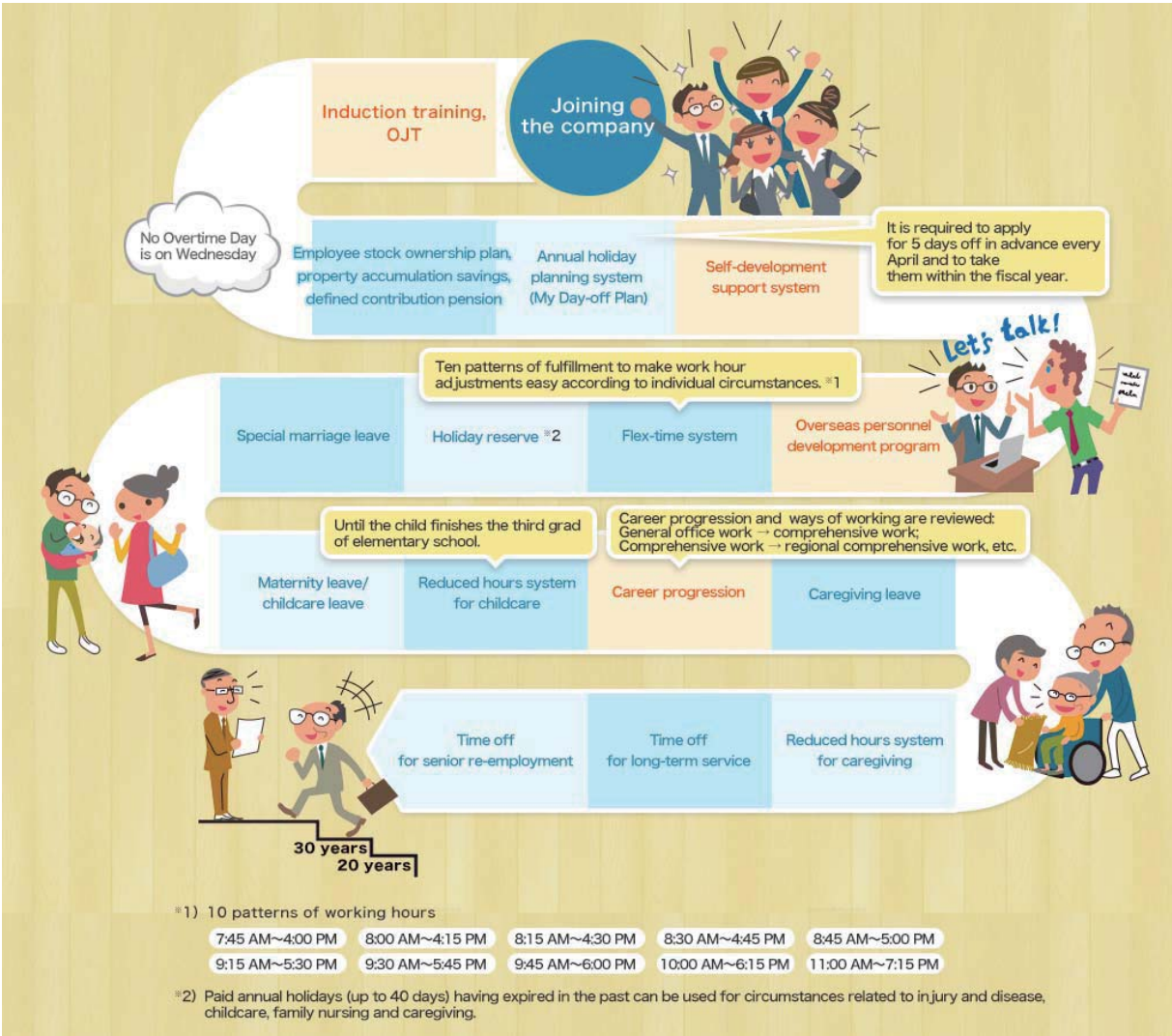
We will continue to devote ourselves day by day, keeping in mind that what cannot be done in Japan can't be done overseas as well.



Together with Employees/Achieving a Work-Life Balance

TA Career and Life Assistance

Techno Associe have various support systems for employees to enhance and keep a healthy work-life balance.



Systems to Promote a Work-Life Balance

We have promoted the introduction of systems that allow each employee to work with peace of mind. As a measure against the new type of coronaviral infectious disease, we approved the implementation of telecommuting, and for employees who have no choice but to go to work, we worked to ensure safety by allowing them to commute to work by car. Employees who are unable to work due to unified holidays at elementary schools, nursery schools, etc. were also given special holidays, which are separate from annual paid holidays.

We will continue to flexibly and promptly review and review our systems in response to changes in the times and emergencies such as this time.

Commitment Related to Working Hours

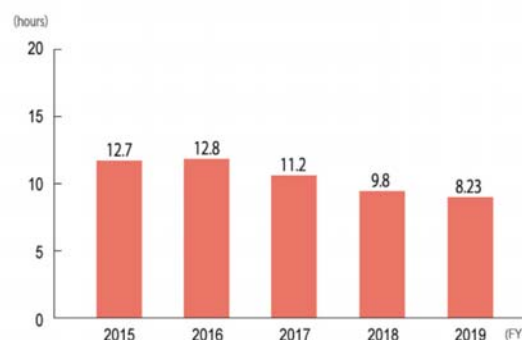
Since fiscal 2017, we have improved our system in which employees facing family circumstances, such as childcare or caregiving, and employees who experience chronic overtime work as a result of work related to overseas base operations and time zone differences can realize a more efficient and reasonable work schedule.

By promoting the use of this system to avoid commuting rush, we were able to make effective use of it as a measure against the new type of coronaviral infectious disease.

- Reduced hours system for childcare: preschool →→ up to the third grade of elementary school
- Flex-time system: 3 patterns →→ 10 patterns

Also, we have set every Wednesday as “no overtime day” to encourage all employees to leave the office on time. Through these efforts, we were able to reduce the average overtime in fiscal 2019 to 8.23 hours/month.

Per-capita average overtime work hours



Commitment Related to Leave Privileges

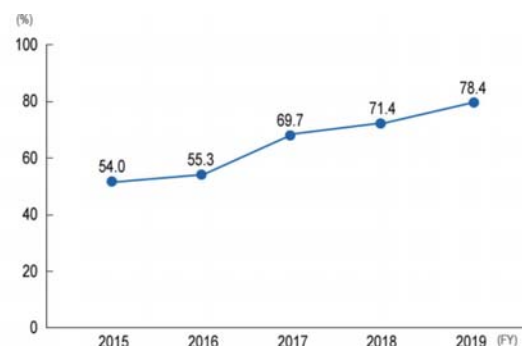
In order to maintain a comfortable work environment, employees must be able to take a leave of absence with peace of mind to refresh his or her mind and body.

In April 2019, the Labor Standards Law was revised to require employees to take five or more annual paid holidays.

In anticipation of this revision of the law, we introduced an annual holiday planning system “My Day-off Plan,” from April 2019, which allows employees to take 5 days off out of their annual paid holidays granted each fiscal year during any time of the year they choose based on planning.

Also, since fiscal 2017, Techno Associe has implemented a “holiday reserve” system, in which paid annual holidays having expired due to employee regulations and company policies can be accumulated so that these days can be used for reasons of childcare, caregiving, and nursing (and non-occupational injuries and diseases, etc.). These efforts have undoubtedly raised the rate of employees taking annual paid holidays.

Per-capita average rate of taking paid holidays



Communication with Employees

Our group respects the freedom of association and the right to collective bargaining based on the laws and regulations of each country. We hold discussions on working conditions, welfare, and other issues on an equal footing between labor and management.

In fiscal 2019, we conducted a questionnaire on a lively workplace targeting 680 employees in order to find out improvement measures to create a more rewarding and vibrant workplace. Issues are identified from the results of awareness surveys on workplace atmosphere, human relations, work load conditions, etc., and the best measures are taken accordingly.

Relationship with Shareholders and Investors

Information Disclosure

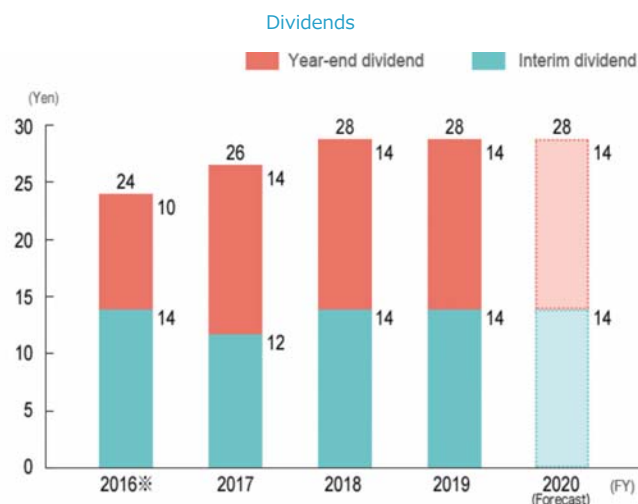
Techno Associe has stipulated in our Charter of Corporate Behavior that we will disclose information to shareholders and other stakeholders in an appropriate manner, thereby striving to promote communication with society.

In accordance with the Techno Associe Group Disclosure Policy established based on this Charter of Corporate Behavior, we will comply with applicable laws, regulations and rules, including the Financial Instruments and Exchange Act and rules established by the Tokyo Stock Exchange, and will disclose information in a timely, appropriate and fair manner.

Profit Distribution

A key focus of Techno Associe is to steadily grow and progress as a company by making the sharing of profits with shareholders and the raising of corporate value important management policies. Our basic stance is to continue paying all shareholders stable dividends while considering our business environment and performance prospects.

The board of directors is the decision-making body for decisions on the interim dividend, and the general meeting of shareholders is where the year-end dividend is decided on.



* The interim dividend of 14 yen for fiscal 2016 includes a commemorative dividend of 4 yen to celebrate the 70th anniversary of the foundation.

Open General Meeting of Shareholders

Early dispatch of convocation notice

Techno Associe dispatches a convocation notice of the annual general meeting of shareholders 16 days prior to the meeting and discloses on our website 5 days before dispatch.

Avoidance of heavy concentration shareholder meeting days

For fiscal 2018, Techno Associe held an annual general meeting of shareholders on June 15. We schedule shareholder meetings to avoid conflicts with heavy concentration shareholder meeting days of other companies so that as many shareholders as possible can attend.

Commitment to proceedings

In order to present our shareholder meetings in an easy to understand and easy to listen to explanation format, business performance is reported by PowerPoint presentation with narration.

Relationship with Local Communities

Community Service Activities in Japan

In fiscal 2019, we, as part of community service activities, support and make donations through various organizations as shown in the following table.

Community Service and Support in Fiscal 2019

Charity activity	Number of times	Amount
Support for development of the next generation	3	2,120,000 yen
Support for culture and the arts	1	751,000 yen
Support for regional activation	18	453,000 yen

Donations to the Osaka Prefecture New Coronavirus Assistance Fund

In May 2020, Osaka Prefecture donated one million yen in support of the new Coronavirus Aid Fund, which was established by Osaka Prefecture to support health professionals. We will continue to consider contributions to solving social issues.



Letter of appreciation from
Osaka Prefecture

Participating in TABLE FOR TWO

We participate in "TABLE FOR TWO" as an employee-participatory social action program starting with the employee cafeteria. This is an activity in which 20 yen, the equivalent of one school lunch for children in developing countries, is added to the cost of the menus in the employee cafeteria and used to make donations to support food. The donated menus are also limited to low-calorie healthy menus, which also help to promote employee health. We are engaged in donation activities for "TABLE FOR TWO" at the cafeteria on the 15th floor of our head office. Currently, about 10,000 yen per month is donated, which is equivalent to 500 meals per month in terms of the number of meals served in developing countries.



Example of eligible lunch



Food ticket vending machine

Support for Environment/Nature Protection Organization

National Land Afforestation Promotion Organization [Green Fund]

For the protection of biodiversity and ecosystems, we make donations to the National Land Afforestation Promotion Organization's "[Green Fund](#)." Through this donation, we are cooperating in the development and growth of healthy forests and helping to curb global warming.



Interact with Communities

Support for Local Summer Festival

As a member of the local community, we offer the public a space on the premises of the head office for the "Goryo-jinja Shrine summer festival," an event held by the residents' association in the community where the head office is located. The space is used as a place to rest during the Mikoshi Togyo Parade.



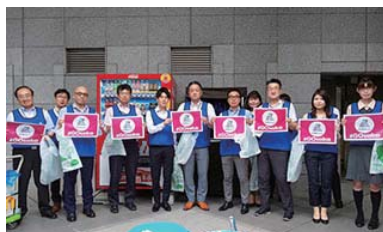
Clean-up activities

The Head Office conducts neighborhood cleanup activities once a month. The G20 Osaka Summit "Clean Up" Campaign was held between May 24 and June 6 to welcome the meetings of the various countries to the G20 Summit, the first G20 Summit in Japan, held in Osaka in June 2018. Employees of the Head Office also participated in this activity.

In November 2017, we also received the mayor's award in the "Award for Meritorious Service in the Road, River and Park Beautification Campaign" presented by Osaka City to "those who have contributed to the town beautification campaign."

Clean-up activities in fiscal 2019

Number of participants	Time required	Annual performance	Total
209	30 min	12 times	104 hrs



The G20 Osaka Summit "Clean Up" Campaign participants



Certificate of Appreciation for the Beautification Campaign