



Tokai Rika Report 2020

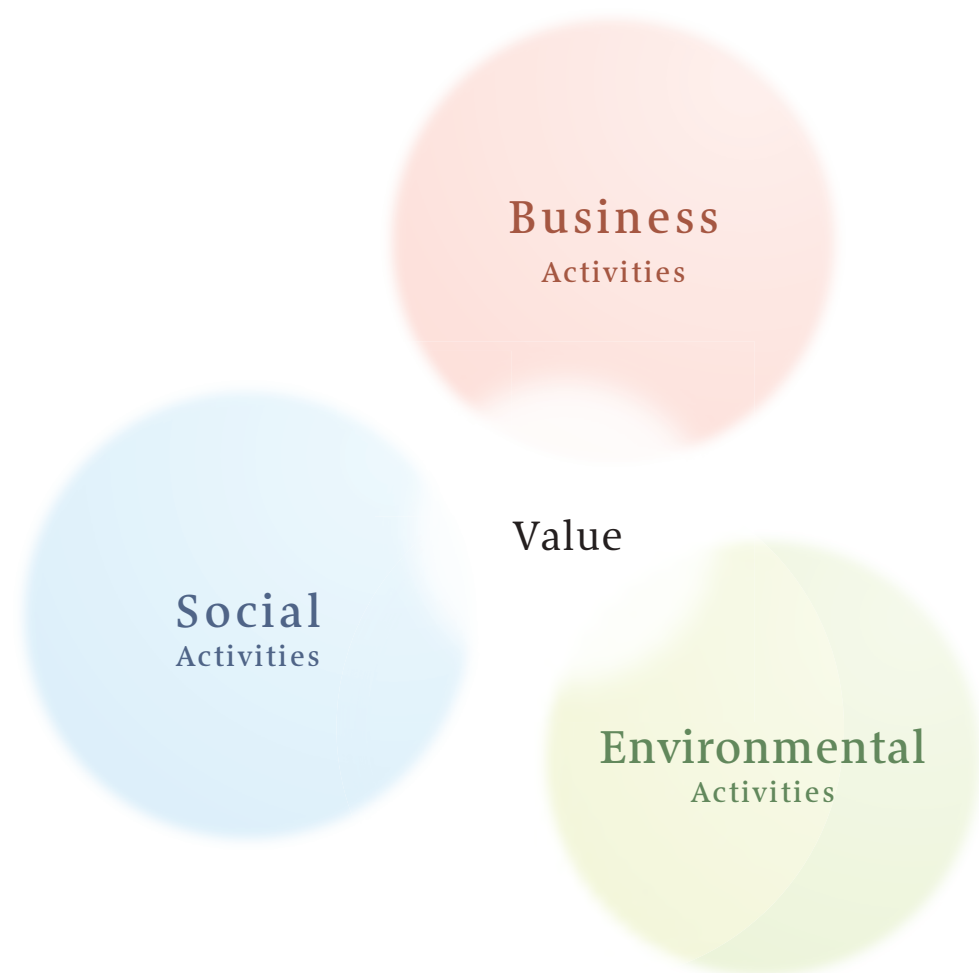


## Create new value through comfort, security, and safety technologies that put people first.

We want to provide tactile and visual experiences that make communication with your vehicle more comfortable and abundant.

We here at Tokai Rika always put people first. Focusing on the themes of comfort, security, and safety, we manufacture user-friendly products and are committed to creating new value in an abundant society with cars.

 <p><b>Comfort</b></p> <p>Building human interface systems that convey the driver's intent to the vehicle</p>	 <p><b>Security</b></p> <p>Protecting one of your most valuable assets, your vehicle with our advanced security systems</p>	 <p><b>Safety</b></p> <p>Protecting the lives of you and your occupants-safety products you can trust</p>
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## 6 Message from the New President

We as a company love our customers, local communities, employees and their families, and we are loved by them in return.



President

**Hiroyoshi Ninoyu**

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### The Tokai Rika Report's definition process for applicable scope, content, and items

The scope, content, and items described in this report were defined using the following steps:

<p><b>STEP1</b> Grasp and extract posted issues</p> <p>Issues that were posted were grasped and extracted with reference to economic, environmental, and social conditions, the GRI "Sustainability Reporting Standard 2016,"<sup>1</sup> and SDGs "Sustainable Development Goals."<sup>2</sup></p>	<p><b>STEP2</b> Specify posted information</p> <p>With regard to the issues extracted in STEP 1, posted information was specified based on "management policy, management environment and issues to be handled (stated in the securities report)," information from each division, and requests from stakeholders.<sup>3</sup></p>	<p><b>STEP3</b> Confirm the priority order of posted information and its validity</p> <p>The issuing department, including each division, confirmed the priority order and validity of the posted information.</p>
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<sup>1</sup>: GRI "Sustainability Reporting Standard 2016"  
GRI (Global Reporting Initiative) is an NGO that formulates international standards regarding organizations' non-financial information reports. "GRI Standard" is a standard index used in reports regarding impacts on the economy, the environment, and society.


<sup>2</sup>: SDGs "Sustainable Development Goals"  
These are the 17 international goals and 169 targets for achieving the "Agenda 2030 for Sustainable Development," to stand as the successor of the Millennium Development Goals (MDGs) that were adopted at the UN summit held in 2015.

<sup>3</sup>: Requests from stakeholders  
Please refer to page 28 "Communication with Stakeholders" in regard to the approach with stakeholders.



We have been developing and manufacturing a variety of user-friendly products for over 70 years. We have been and are still are working to develop manufacturing that will turn new delights between people and their vehicles into reality.

Domestic plants & Overseas associated companies

1950s	1960s	1970s	1980s	1990s	2000s	2010s
The post-war reconstruction period	The high economic growth period	The oil crisis	The bubble economy	The collapse of the bubble economy	The Heisei depression	2010s to the present
<ul style="list-style-type: none"> <li>1948 The company was established in Nishibiwajima Town, near Nagoya</li> </ul>  <p>The Nishibiwajima Plant at the time of foundation</p>	<ul style="list-style-type: none"> <li>1964 Began operations at the Toyota Plant</li> <li>1966 Began operations at the Otowa Plant</li> </ul>		<ul style="list-style-type: none"> <li>1980 Moved the head office to Oguchi-cho, Niwa-gun</li> <li>1986 Established TRUSA (currently <b>TRAM</b> and <b>TRMI</b>) in the United States</li> <li>Established QSS (currently <b>TRQSS</b>) in Canada</li> <li>1987 Established <b>RICA</b> in Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>1991 Established <b>TAC</b> in the United States</li> <li>1994 Began operations at the Hagi Plant</li> <li>Established <b>TSB</b> in Thailand</li> <li>1995 Established <b>TRP</b> in the Philippines</li> <li>1997 Established <b>TRIN</b> in the United States</li> <li>Established <b>TRT</b> in Thailand</li> <li>1998 Established <b>TRB</b> in the United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>2001 Established <b>TRCT</b> and <b>TRCW</b> in China</li> <li>Established <b>TRCZ</b> in the Czech Republic</li> <li>Established <b>TRBR</b> in Brazil</li> <li>2003 Established <b>TRBE</b> in Belgium</li> <li>2004 Established <b>TRCF</b> in China</li> <li>2008 Established <b>TRA</b> in Thailand</li> <li>Established <b>TRMN</b> in India</li> </ul>	<ul style="list-style-type: none"> <li>2011 Established <b>TRI</b> in Indonesia</li> <li>2012 Established <b>TRSI</b> in Indonesia</li> <li>2015 Established <b>TRMX</b> in Mexico</li> <li>2018 Established <b>TRCJ</b> in China</li> </ul>

The founding spirit, "Do what other people don't do."  
"With a switch I picked up..."

In 1948, three years after the end of the War, our founder Kato came up with the idea of expanding business into the automobile industry on the basis of the belief: "The recovery of Japan depends on the development of industry." When he visited a parts warehouse belonging to Toyota Motor Company (currently Toyota Motor Corporation) through an introduction by an acquaintance, he found an automotive part abandoned in a corner. He asked, "What is this?" and got the reply, "It's a switch."  
It was explained to Kato that manufacturing switches took a lot of trouble and nobody wanted to do it. He thought, "Even if nobody wants to do it, somebody has to. This is just the field that we should expand into." He decided to produce switches and established "Tokai Rika Co., Ltd." in Nishibiwajima Town.



Founder  
Yoshio Kato

Business domain

**Human Interface Systems**

- Power Window Switch
- Shift Lever
- Multi-Function Switch
- Cluster Switch
- Steering Pad Switch
- Power Window Switch with Anti-Pinch Function
- Shift by Wire Selector
- Electrostatic Touch Heater Control Switch
- Remote-Control Device (Touch Pad)

**Security Systems**

- Light Switch
- Engine Starter Switch
- Steering Lock Assembly
- Reversible Key
- Wireless Key
- Inner Groove Key
- Immobilizer Key
- Entrance Smart Key
- Smart Entry & Start System
- Entrance Immobilizer

**Safety Systems**

- Two-Point Seatbelt
- Three-Point Seatbelt
- Seatbelt with Dual Locking System
- Steering Wheel
- Child Car Seat
- Seatbelt with Pretensioner
- Seatbelt with Force Limiter
- Real Wood Steering Wheel
- Seatbelt with Selectable Force Limiter
- Bamboo Steering Wheel

**Exterior Parts, Etc.**

- Ornament
- Resin Wheel Cover
- Outer Mirror
- Electrochromic Automatic Anti-Glare Outer Mirror and Interior Mirror
- Outer Mirror with Blind-Spot Monitoring Function and Glare Protection
- Digital Outer Mirror

\*Tokai Rika works in cooperation with Toyoda Gosei Co., Ltd. in the steering wheel business.



*Tokai Rika's Value Creation Process*

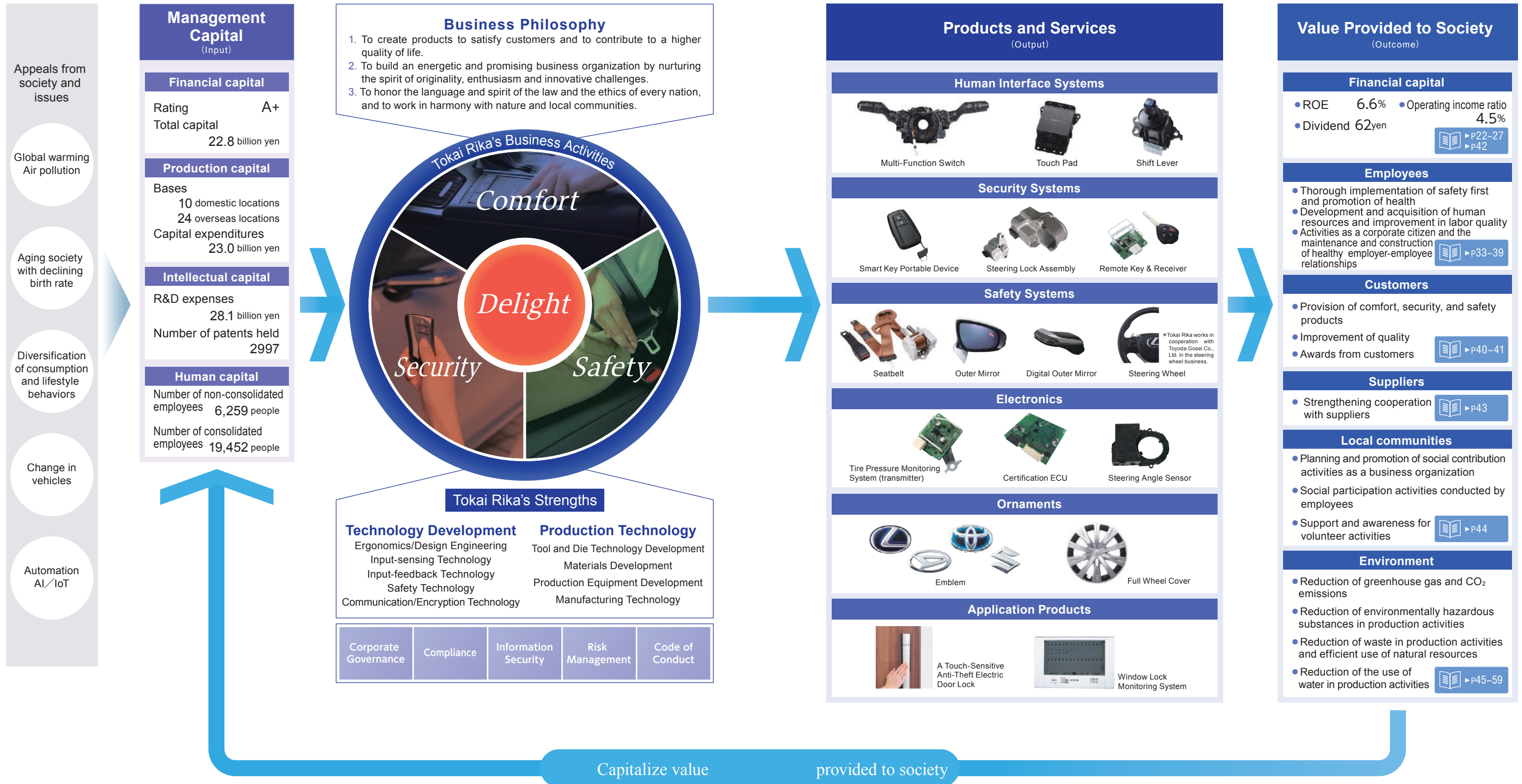
Tokai Rika is contributing to the creation of an abundant society with vehicles through the manufacturing of products that create interaction and communication between people and vehicles, such as secure security parts that protect vehicles as assets, safety products that protect people's lives safely, and human interface parts that comfortably

communicate people's intentions to their vehicles.

Furthermore, we declare our business philosophy of working in harmony with nature and society, and also place great importance on initiatives aimed at the environment and society.

With "Speed, Action & Follow-Through" as its motto,

the Tokai Rika Group is striving to increase its corporate value by fulfilling its social responsibilities, for example with regard to legal compliance and social contribution. At the same time, each and every one of us is striving for higher quality and more advanced technology.



*Message from New President*

We as a company love our customers, local communities, employees and their families, and we are loved by them in return.

My name is Hiroyoshi Ninoyu. I took office as the President on June 10, 2020. Throughout the more than 70 years of our company history we have kept pace with the growth of the automobile industry by ensuring closeness to our customers, creating user-friendly products that are easy to see and touch. We aim to make broad contributions to society, including in the mobility field, by adding new value to and advancing the wide range of businesses and products we inherited from our predecessors. We will make the utmost efforts to live up to the trust and expectations of our stakeholders.

President

二之夕裕美  
Hiroyoshi Ninoyu





Looking back on my days at Toyota

**“The center of improvement is people,” something I learned at the Motomachi Plant.**

I am from Toyota Motor Corporation. Before joining Tokai Rika as Executive Vice President in January 2020 I was in charge of overseas production and production control fields at Toyota for many years. Among these experiences are two that have proved particularly important turning points in my life.

The first turning point was learning the Toyota Production System (TPS) in the Operations Management Consulting Division. As members of the Operations Management Consulting Division, we visited plants both inside and outside the company and worked to support improvement activities that enable them to manufacture products of reliable quality more efficiently. We are proud of our ability to detect “Unreasonableness, Inconsistency, and Waste” and see how they should be improved, even in plant we are visiting for the first time. I feel that the thorough learning of the Toyota Production System (TPS) and the experience of supporting various companies and workplaces form the core of what I am today.

The second turning point was serving as the Plant General Manager of the Motomachi Plant. The Motomachi Plant, which started its operations in 1959 as Japan’s first plant dedicated to passenger cars, has great significance

in Toyota’s history. As the first Plant Manager was Mr. Shoichiro Toyoda (currently Honorary Chairman of Toyota Motor Corporation) and the second Plant Manager was Mr. Taiichi Ohno (former Executive Vice President of Toyota Motor Co., Ltd.), I think you can understand the historic value and the importance of the plant manager position. I was the 24<sup>th</sup> plant manager, facing considerable pressure to succeed the great seniors. As plant manager, I learned through experience that fundamentally, “the center of improvement is people”.

I think “the company is home, employees are family”. Safety and security should be prioritized first. A deep bond with each person should be developed. Such thoughts were strongly cultivated during the five years that I served as the Plant General Manager of the Motomachi Plant.

I am strongly motivated to make the most of my strengths by using what I learned in my Toyota days for the development of Tokai Rika.

Tokai Rika’s strengths

**Our founding spirit that is still passed down.**

Tokai Rika has a founding spirit: “Do what other people don’t do”. Yoshio Kato, the founder of the company, visited Toyota’s parts warehouse, saying, “I want to help with something,” and happened to find an automobile part abandoned in a corner of the warehouse. “What’s this?” he asked, and was told that “It’s a switch. Manufacturing switches was a lot of bother and nobody wanted to do it.” “Even if nobody wants to do it, somebody has to. This is precisely the field that we should expand into,” he thought, and that led him to the foundation of Tokai Rika.

I believe that the “don’t do” part in “Do what other people don’t do” is important. If Mr. Kato had decided that “manufacturing small switches that nobody wants to do is not a business,” there would be no Tokai Rika today. The fact that “We did what other people” “don’t do” became our great strength, and we were able to develop our company. This spirit is wonderful, and I think we should keep it in our minds no matter how the times change.

I feel that even today’s employees have inherited the founding spirit. At our production sites there is a deep-rooted culture in which we continue to work honestly for improvement. Even if an improvement may not always be effective, we will work on it with the “Do what other ...” spirit. I think the accumulation of these efforts leads to the competitiveness of our products. As a manager, it is very encouraging.

At the time of the current coronavirus catastrophe

**Opportunity obtained due to a time of emergency.**

After joining Tokai Rika in January 2020, I immediately started visiting each base of the Tokai Rika Group. However, the situation changed drastically due to the influence of the novel coronavirus COVID-19. I was unable to visit domestic bases and had to cancel all planned business trips to overseas bases. Instead, we were forced to hold online countermeasure meetings aiming at maintaining employment and retention of suppliers each and every day.

It was regrettable that I was unable to meet with the people I was planning to; but conversely, due to this emergency, I had the opportunity to talk to many employees at once, including the top of each overseas base. In this way, I can view it positively. I think that I was able to close my distant perspective with many members of the Tokai Rika Group in a short time.

In addition, I was very impressed by the mobility and cooperation of our employees in their efforts to prevent infections within the company. With the desire to do something useful for the community, we quickly realized the idea of making face shields, and we were actually able to donate them to medical and social welfare facilities. We have a corporate culture in which once we decide to do something, we will unite and accomplish it at once. I feel that this is also one of our strengths.

Toward a transformational period

**What should Tokai Rika products be like in the age of autonomous driving?**

The automobile industry is facing a once-in-a-century transformational period, including the development of “connected”, “autonomous”, “shared & service”, and “electric” car. There is no doubt that the types of products we are currently developing will also change significantly.

One example is seat belts. Even if autonomous driving becomes widespread in the future, it will be necessary to protect occupants in the event of a collision or sudden braking, so seat belts will not disappear from the car. However, their form should change significantly from the present.

Current seat belts are designed with the assumption that occupants sit facing the direction of travel. However, when it comes to autonomous driving, the occupants are not always facing the direction of travel. It is possible to arrange the seats so that the occupants in the front seats are seated backwards, face-to-face with the occupants in the rear seats to have a conversation, or sitting sideways to enjoy the scenery. Assuming these various cases, we began to study what kind of seat belt structure can contribute to creating a safe and comfortable moving space in the era of autonomous driving.

At the “Tokyo Motor Show 2019”, we exhibited a “Future Cockpit Mockup” that demonstrates an interactive interface between people and mobility. In addition, Toyota Boshoku Corporation, Aisin Seiki Co., Ltd., Denso Corporation, and Toyoda Gosei Co., Ltd. have collaborated with us to produce a near-future model of the interior space for the autonomous driving era, which was exhibited at Toyota Boshoku booth.

I think it will be even more important in the future for the efforts of multiple specialized manufacturers to combine their wisdom toward a future in which the way people drive cars will change dramatically.

Challenging new fields

**Make digital key business a new pillar.**

We would like to improve our sensitivity within the company as a whole to grasp the needs of society, returning to our founding spirit of “Do what other people don’t do.”, and boldly take up the challenge of developing new fields.



In particular, we are currently actively working to make the business that makes use of one of our strengths,





“digital key” technology, one of the pillars of our next-generation operations.

A digital key is a technology that sends a digital cipher to a smartphone etc. to use it as a key. We are advancing various projects to see if this technology can be used not only for locking and unlocking cars but also for a wider range of applications, and furthermore whether it can be applied to fields other than cars.

For example, in collaboration with Kimura Unity Co., Ltd., which has a proven track record in vehicle management services, we are aiming to commercialize services for company vehicles. Also, in fields other than automobiles, we are conducting research activities and finding new allies (partners) to find out where digital keys can be used in people’s lives, such as homes, delivery boxes, station lockers, and shared motorcycles.

Strengthening existing businesses

**The important thing is to hone your proposal ability.**

Focusing on developing new fields does not mean aiming to shift away from existing fields. In order to take on new fields, it is important to continue to make steady profits from existing businesses.

Tokai Rika is a “Monozukuri company” that manufactures automobile parts. This axis will continue to be maintained. However, it will not be possible to maintain simply with the intention of “maintenance”. If we continue to make the

same products as we do today, we will be left behind by the transformational period surrounding the automobile industry.

In the future, I think it will be even more important to improve our abilities to make proposals. Merely making products that meet the demands of automobile companies is not “professional” in the true sense, and we cannot say that we are a manufacturer specializing in automobile parts in the true sense. We need to study how cars are used around the world. And, ideally, we should be able to propose that “there is a possibility that a car will be used in this way overseas, so we need to change the structure of our product like this.” That’s what automobile companies want, and we want to concentrate our efforts on it more than ever. I also think that this kind of proposal ability means having love and responsibility for our products.

View of human resources

**Not only “respect for human beings” but “respect for humanity”.**

In March 2020, we received “White 500” certification under the “Certified Health and Productivity Management Organization Recognition Program” jointly awarded by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. Our efforts to maintain and improve our health have been recognized and can be said to be the result of our respect for human beings.

Respect for human beings literally means valuing employees as people. What I would like to work on throughout the company is “respect for humanity.” These are Taiichi Ohno’s words.

“Humanity” here means the power of thinking that humans have. If something is hard to do, people want to make it easier, and if there is something bad, people want to make it better. It is “respect for humanity” to value such basic instincts that only humans have.

We want to improve our product. We want to make it easier to work. We want to be more productive. If everyone can draw out such thoughts, as a result, for example, if 70 people can complete the work that previously required 100 people, 30 people can focus on new jobs. In this way, I would like to apply the idea of respect for humanity to the development of our company.

Consideration for suppliers

**The supplier and our company are practically inseparable.**

When the Great East Japan Earthquake struck in 2011, as a Toyota employee I checked the status of the supply chain and carried out activities to support the recovery of each supplier. Then I learned about the depth of the supply chain. I realized that our Monozukuri (manufacturing) is supported not only by the first and second-tier suppliers but also by the third and fourth-tier suppliers.

Tokai Rika is also supported by many suppliers. We made “retention of suppliers” one of the basic pillars of our efforts to deal with the reduction in production due to the impact of COVID-19. If either our suppliers or us are gone, we cannot make and deliver our products. I believe that our suppliers and our company are practically inseparable.

The company we aspire to be

**As a company that makes industrial products accompanied by “love”.**

Just as we call our own car our “beloved car,” the car is an industrial product accompanied by the word “love”. Always have the pride, humility, and gratitude to create such products - President Akio Toyoda of Toyota Motor Corporation often taught us this when I was at Toyota. That is why I value the word “love” very much.

The company I aspire to be is “a company that loves our customers, communities, and employees.” If we as management don’t love our employees, they won’t love our company. Also, if all employees do not love our local communities, Tokai Rika cannot become a company which is loved by those communities.

However what’s important is not to love just in order to be loved back, but to love from within ourselves. We aim to be a company that loves our customers, local communities, and employees, keeping in mind the spirit of give and give, not give and take.

From here on out, we would like to continue to work as one with the Tokai Rika Group, including our suppliers, and make every possible effort to provide new value to society through manufacturing with love and pride.

▶ Career/Profile

April	1984	Joined Toyota Motor Corporation
November		Assigned to the Overseas Production Group
March	1998	Seconded to TMCA (Australia)
January	2003	Transferred to Operations Management Consulting Division
January	2006	Seconded to TSAM (South Africa)
January	2015	Appointed General Manager, Global Production Center
April		Appointed Executive General Manager
		Appointed Plant General Manager of the Motomachi Plant
April	2016	Appointed Field General Manager of Logistics Field of Production Control Group
		Appointed Plant General Manager of the Takaoka Plant
April	2017	Appointed Managing Officer
		Appointed Chief Officer of Production Planning Group
		In charge of production at the Company’s GAZOO Racing Company
January	2020	Appointed as Executive Vice President of Tokai Rika Co., Ltd.
June	2020	Appointed as President of Tokai Rika Co., Ltd.





## Key Initiatives for Growth

### Exhibited at Tokyo Motor Show 2019

Under the theme, “Bridging the human experience and mobility,” we exhibited at the 46<sup>th</sup> Tokyo Motor Show 2019, showcasing proposals for the forthcoming mobility society through a future cockpit mockup and some of our latest products.

In addition, the near future model “MX191”, which adopts our “Armrest integrated touch pad” and “Comfort & safety seatbelts”, was displayed at the Toyota Boshoku booth in collaboration with five Toyota Group companies\*.

\*Five Toyota Group companies: Toyota Boshoku Corporation, Aisin Seiki Co., Ltd., Denso Corporation, Toyoda Gosei Co., Ltd., and Tokai Rika Co., Ltd.



Tokai Rika booth

#### Main exhibits

At stage shows and experience events we introduced the future cockpit mockup “X-SENSE INTERFACE”, which allows you to experience the next generation of mobiles by interacting with the car based on the UX\* that conveys/transmits using your five senses.

In addition, we exhibited the “Digital key distribution system”, our new business, and “Integrated camera monitor system for autonomous vehicles” installed in Toyota Motor Corporation’s e-Palette (Tokyo 2020 Olympic and Paralympic specifications), and had visitors experience them.

\*UX: User Experience



Future cockpit mockup “X-SENSE INTERFACE”



Integrated camera monitor system for autonomous vehicles



Armrest integrated touch pad

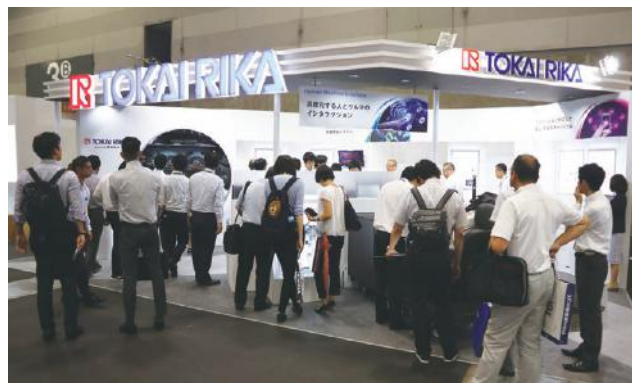


Comfort & safety seatbelts

### Exhibited at Automotive Engineering Exhibition 2019 Nagoya

We exhibited at the “Automotive Engineering Exhibition 2019 Nagoya,” a specialized exhibition of automotive technology for engineers and researchers active on the front lines of the automobile industry.

We exhibited under the themes of “furthering human and evolving car interactions”, “a key system that supports cloud society and offers relief and safety”, and “advanced safety system that looks ahead to the future of autonomous driving”, introducing them with mockups and panels which visitors could experience through touch.



### New business “Digital Key System”

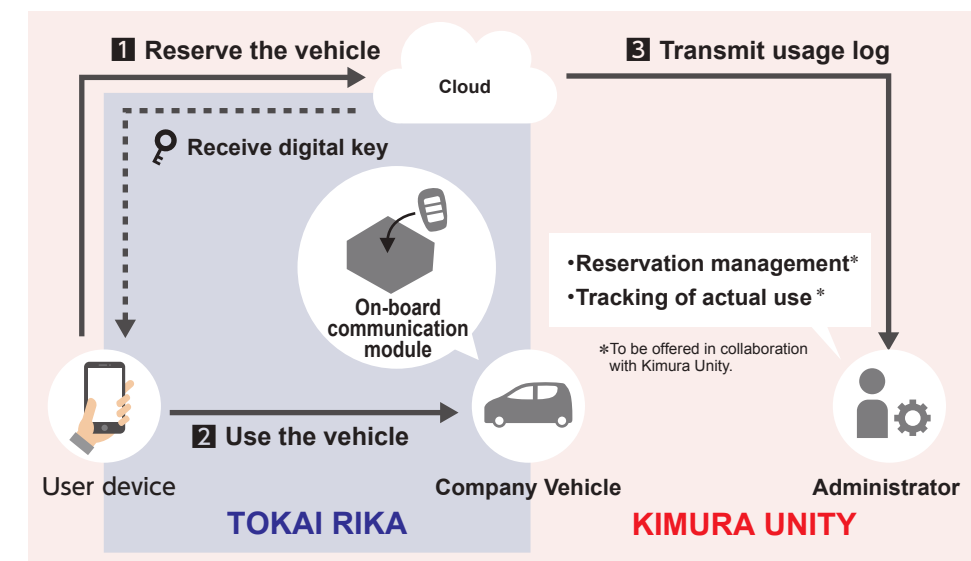
We are focusing on expanding our business domain to various sharing services such as parking lots, bicycles, coin lockers, home doors, and hotels, leveraging our key security technology (users can lock and unlock a key and start the engine with their own smartphones, and can rent and borrow things comfortably, safely, and securely) cultivated in automobiles.

We concluded a joint development agreement with Datatec Co., Ltd. on May 13, 2019, and started joint demonstration tests of a digital key system-based service for company vehicles with Kimura Unity Co., Ltd. on March 17, 2020.



Digital key system

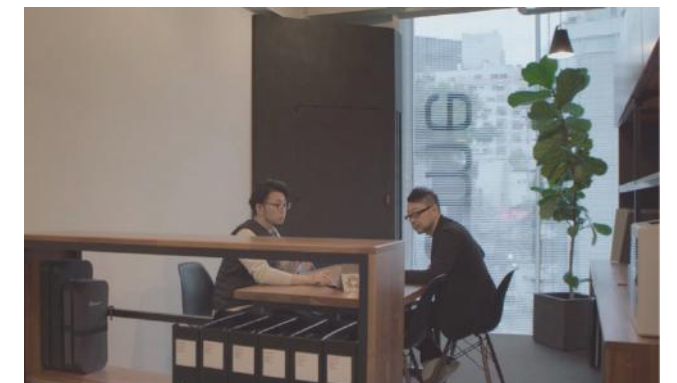
#### Visualization of Demonstration Test



### Established new design office TRXi in Tokyo

We established a new office in Shibuya Ward, Tokyo, in a bid to strengthen our design planning capability.

Our new office will leverage the power of diversified thinking based on actual experiences in real time to present compelling proposals that cannot be conceived through the functions at the head office, in an effort to create new value.





# Business Domain and Products Introduction

We will contribute to the development of a society in which people and vehicles exist together through the creation of tactile and visual products.

Tokai Rika's products, such as human interface systems that communicate people's intentions to their vehicles, security systems that protect your precious vehicles, and safety systems that protect people's lives, are the fruits of user-friendly technology that is considerate of people.

Tokai Rika will contribute to the development of a society in which people and vehicles exist together, with the keywords "comfort, security, and safety."

## Comfort

### Human Interface Systems

Our interface products achieve high-performance, high levels of usability, and functional beauty, smoothly conveying the driver's intentions to the vehicle.



Multi-Function Switch

Push Start Switch



Power Window Switch



Shift Lever



Touch Pad



Heater Control Switch

## Security

### Security Systems

We offer advanced security products you can trust, preventing auto theft and other threats to your vehicle - one of your most important assets. Our products are also user-friendly and convenient.



Smart Key Portable Device



Steering Lock Assembly



Remote Key & Receiver

## Safety

### Safety Systems

We offer products that improve the safety of your vehicle in a number of ways - making your steering accurate, maintaining a clear view to the rear, and safely restraining vehicle occupants. Our products provide not only superior performance but also combine outstanding usability with attractive styling.



Seatbelt



Steering Wheel

\*Tokai Rika works in cooperation with Toyoda Gosei Co., Ltd. in the steering wheel business.



Digital Outer Mirror

### Non-Vehicle Field

#### Electronics



Tire Pressure Monitoring System (transmitter)



Certification ECU



Steering Angle Sensor

#### Ornaments



Full Wheel Cover



Center Cap



Emblem

#### Application Products



A Touch-Sensitive Anti-Theft Electric Door Lock



Window Lock Monitoring System



Connector



# Tokai Rika's Strengths

► **Technology Development** *Six core technologies support the development of Tokai Rika products. High-level harmonization of each core technology creates new value for our customers.*

► **Production Technology** *We are developing the in-house production technologies needed for our world-class manufacturing systems.*

## Ergonomics

We conduct quantitative analyses and evaluations on how the human body functions physically, physiologically, and psychologically while operating the controls of an automobile. By incorporating these results into our designs, we believe we can offer HMI (Human Machine Interface) products that are more user-friendly, more intuitive, and more comfortable, and bring out the warmth in the technology.



## Design Engineering

Our products are designed so that joy and attractiveness are added to the ergonomics and each of our technological initiatives. We continuously seek out simple, user-friendly, logical modeling from an engineering point of view.



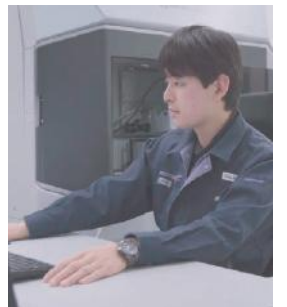
## Tool and Die Technology Development

We have achieved high-quality product manufacturing thanks to highly-refined mold technology developed from many years of in-house mold production.



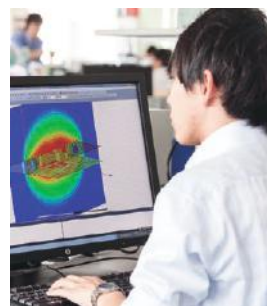
## Materials Development

We continually engage in analysis, development, and application from a variety of angles in order to identify the material characteristics that will be required in next-generation vehicles.



## Input-sensing Technology

The driver's intentions and actions are read as information, which is then incorporated into our development of advanced sensor technologies. This great variety of sensing technologies, such as touchpads that make intuitive operation possible via electrostatic sensor technology and gear shift levers that utilize magnetic sensor technologies, are allowing us to expand the range of communications between occupants and their vehicles.



## Input-feedback Technology

We are developing input feedback technologies that respond to the driver's operations. This is allowing us to realize secure and comfortable HMI (Human Machine Interface) products that can provide a different tactile sensation to the operator's fingertips in accordance with the type of operation being performed, and thereby make intuitive operation possible.



## Production Equipment Development

We produce our own production equipment, which combines automation, high speed, and high quality. We support best-in-class manufacturing throughout the world.



## Manufacturing Technology

We have achieved world-class manufacturing with many advanced manufacturing technologies, such as mounting our in-house manufactured semiconductor on a printed circuit board.



## Safety Technology

We are continuously improving the safety of seat belts for all vehicle occupants from children to the elderly, and developing rearward visibility support devices for enhanced safe driving. We will passionately devote ourselves to improving occupants' safety, anticipate the trends of active safety, and lead the world in safety support technologies.



## Communication/Encryption Technology

We are continuously developing security measures in order to protect your vehicle from automobile theft. Our advanced product development is built on the EMC (Electro-Magnetic Compatibility) evaluation in one of Japan's largest anechoic chambers and our excellent analysis ability.





# Tokai Rika Profile



## Corporate profile

(As of the end of March 2020)

<b>Company name</b>	TOKAI RIKA CO., LTD.		
<b>Founded</b>	August 30, 1948		
<b>Business description</b>	Manufacturing/distribution of automotive parts		
<b>Capital</b>	22.8 billion yen		
<b>Group companies</b>	Consolidated subsidiaries	10 domestic companies	29 overseas companies
			Total 45 companies
<b>Stock listing</b>	Affiliated companies	2 domestic companies	4 overseas companies
			Total 45 companies
<b>Stock listing</b>	Tokyo Stock Exchange 1st section, Nagoya Stock Exchange 1st section		
	Securities code: 6995		

## Main subsidiaries & affiliated companies

● Consolidated subsidiary companies ● Affiliated companies

### Europe

- TRBE**
  - Tokai Rika Belgium N.V. (Belgium)
- TRB**
  - TRB Limited (United Kingdom)
- TRCZ**
  - TRCZ s.r.o. (Czech Republic)

### East Asia

- TRCJ**
  - Tokai Rika (Jiangsu) Automotive Parts Co., Ltd. (China)
- TRCT**
  - Tianjin Tokairika Automotive Parts Co., Ltd. (China)
- TRCW**
  - Wuxi Risho Technology Co., Ltd. (China)
- TRCF**
  - Foshan Tokairika Automotive Parts Co., Ltd. (China)
- RICA**
  - Rica Auto Parts Co., Ltd. (Taiwan)

### Southeast Asia

- TRA**
  - Tokai Rika Asia Co., Ltd. (Thailand)
- TRT**
  - TOKAI RIKA (THAILAND) CO., LTD. (Thailand)
- TSB**
  - Thai Seat Belt Co., Ltd. (Thailand)
- TRP**
  - TRP, Inc. (Philippines)
- TRI**
  - PT. TOKAI RIKA INDONESIA (Indonesia)
- TRSI**
  - PT. TOKAI RIKA SAFETY INDONESIA (Indonesia)

### South Asia

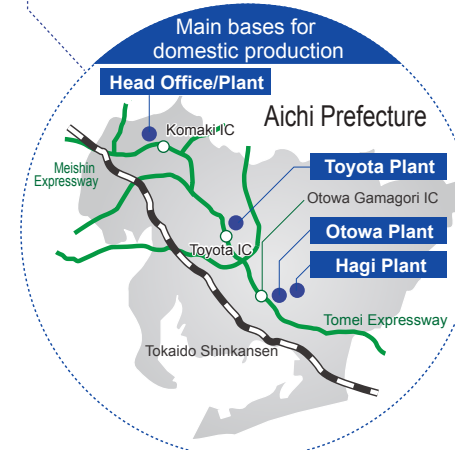
- MR**
  - MINDARIKA PRIVATE LIMITED (India)
- TRMN**
  - TOKAI RIKA MINDA INDIA Private Limited (India)

### North America

- TRAM**
  - TRAM, Inc. (U.S.A.)
- TRMI**
  - TRMI, Inc. (U.S.A.)
- TAC**
  - TAC Manufacturing, Inc. (U.S.A.)
- TRIN**
  - TRIN, Inc. (U.S.A.)
- TGRTC**
  - TGR Technical Center, LLC (U.S.A.)
- TRQSS**
  - TRQSS, Inc. (Canada)
- TRMX**
  - TOKAI RIKA MEXICO, S.A. DE C.V. (Mexico)

## TOKAI RIKA

- TOKAI RIKA ELETEC CO., LTD.
- ENA TOKAI RIKA Co., Ltd.
- RIKASEIKI Co., Ltd.
- NSK Co., Ltd.
- TOKAI RIKA SERVICE Co., Ltd.
- SANZENSAISHA CO., LTD.
- Tokai Rika Create Corporation
- TOKAI RIKA ADVANCED Co., LTD.
- MIROKU TECHNO WOOD Co., Ltd.



### South America

- TRBR**
  - TRBR INDUSTRIA E COMERCIO LTDA. (Brazil)

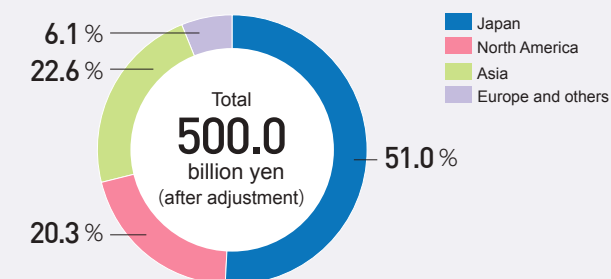
## Main consolidated data for fiscal year 2020 (Year ended March 2020)

Net sales	Operating income (Operating income ratio)	Profit attributable to owners of parent	Total equity
<b>500.0</b> billion yen	<b>22.5</b> billion yen (4.5%)	<b>15.0</b> billion yen	<b>241.0</b> billion yen
Total assets	Capital expenditures	Depreciation	R&D expenses
<b>378.4</b> billion yen	<b>23.0</b> billion yen	<b>19.8</b> billion yen	<b>28.1</b> billion yen

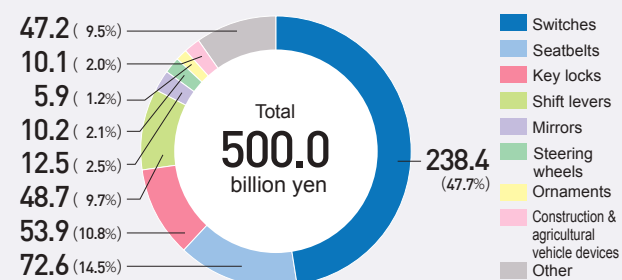
## Sales by region for fiscal year 2020 (Year ended March 2020)

Japan	North America
<b>304.6</b> billion yen	<b>102.2</b> billion yen
Asia	Europe and others
<b>132.5</b> billion yen	<b>30.8</b> billion yen

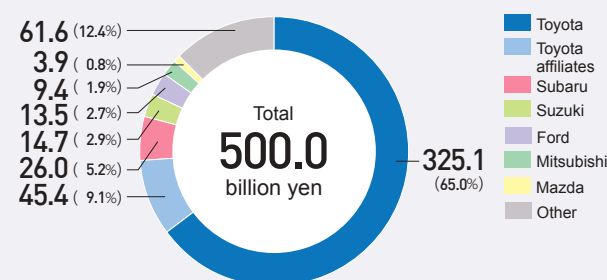
## Net sales composition ratio



## Net sales by product category (Year ended March 2020)



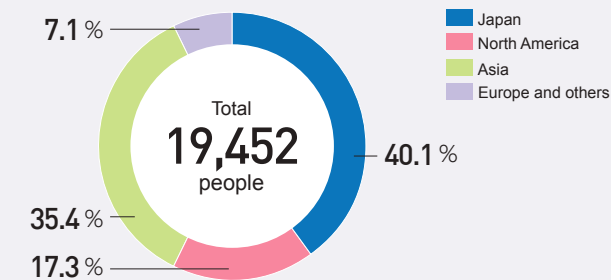
## Net sales by customer (Year ended March 2020)



## Number of employees by region (As of the end of March 2020)

Japan	North America
<b>7,809</b> people	<b>3,371</b> people
Asia	Europe and others
<b>6,893</b> people	<b>1,379</b> people

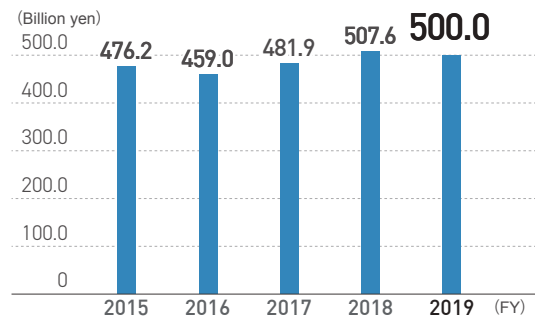
## Number of employees composition ratio



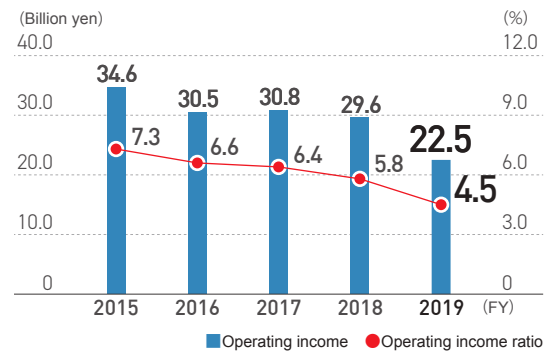
For details of each product, see the summary of quarterly financial statements on our website (<http://www.tokai-rika.co.jp/en/investors/>)

► Financial Highlights

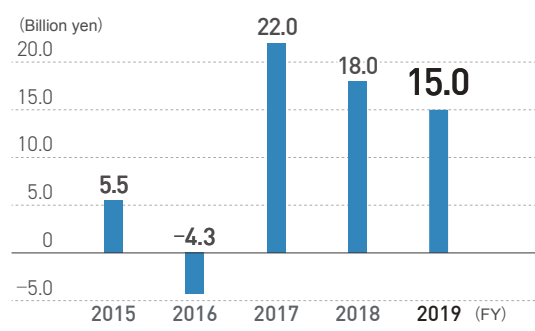
► Net sales



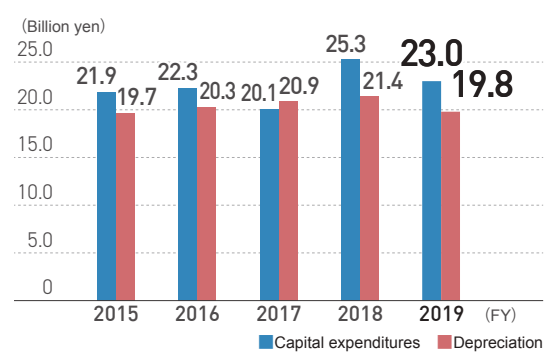
► Operating income/Operating income ratio



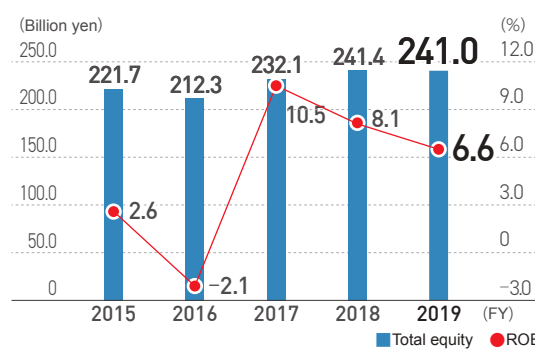
► Profit attributable to owners of parent



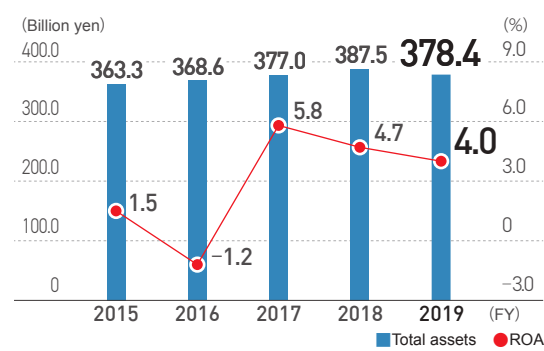
► Capital expenditures/Depreciation



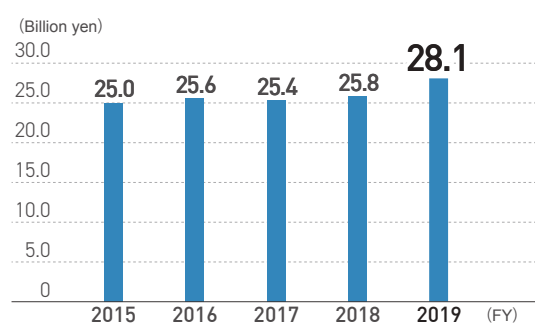
► Total equity/ROE



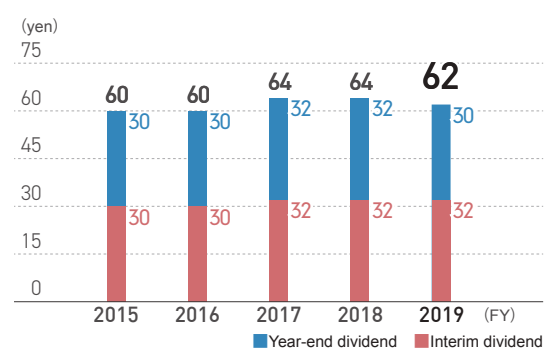
► Total assets/ROA



► R&D expenses

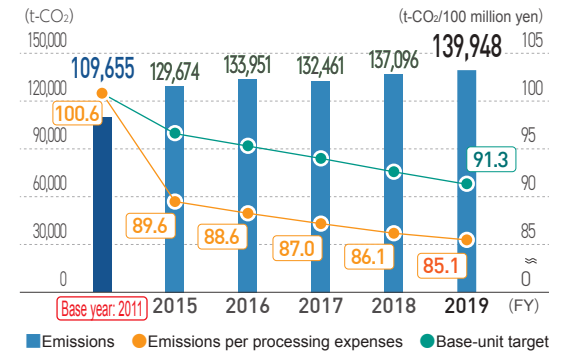


► Dividend per share

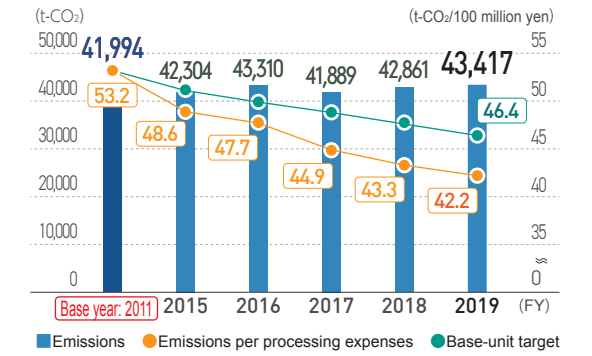


► Non-Financial Highlights

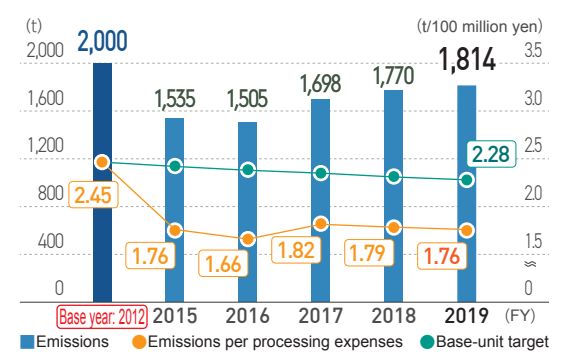
► Amount of CO<sub>2</sub> emissions (Tokai Rika Group)



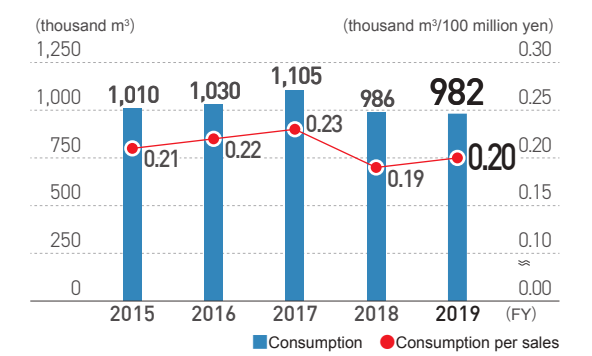
► Amount of CO<sub>2</sub> emissions (Tokai Rika)



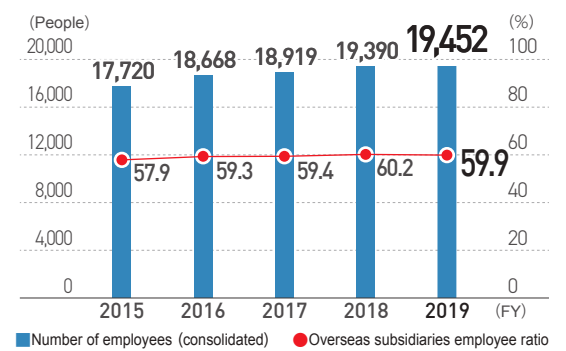
► Discharge of waste materials (Tokai Rika)



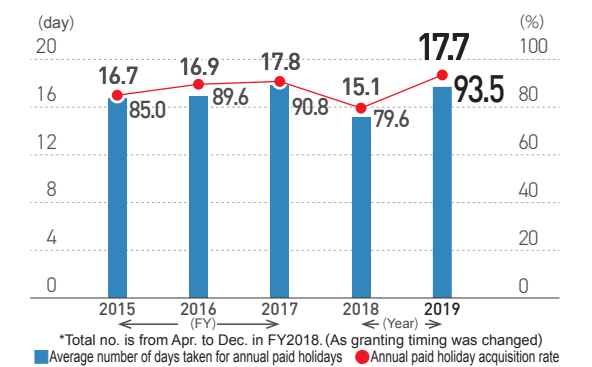
► Use of water (Tokai Rika Group)



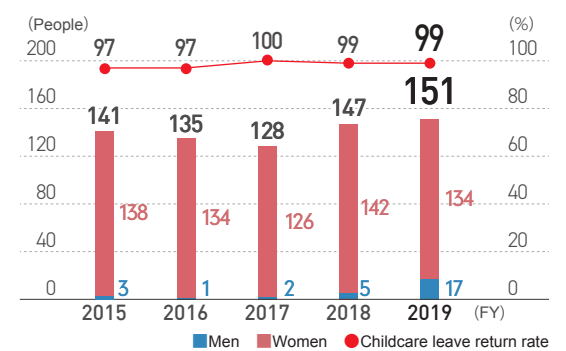
► Number of employees (Tokai Rika Group)



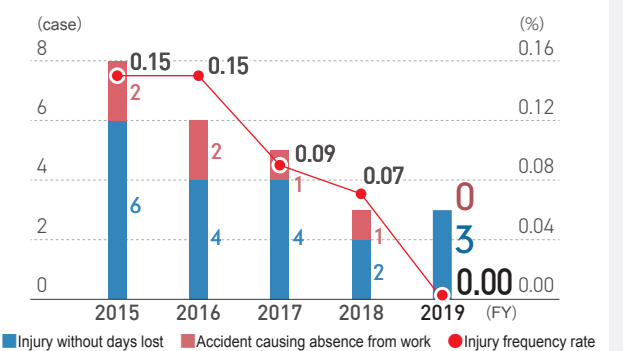
► Annual paid leave taken (Tokai Rika)



► Acquisition of childcare leave (Tokai Rika)



► Industrial accidents (Tokai Rika)





## ▶ Analysis Related to Management Performance

### 🕒 Business progress and results

With regard to the world economy for this consolidated accounting year, until January the overall economy was on a gradual recovery trend, but from February onwards the world economy, including Japan, the United States, Europe, China, and ASEAN, has slowed sharply due to the spread of the novel coronavirus COVID-19.

In the automobile industry as well, the number of vehicles sold worldwide fell below the previous year due to the rapid economic slowdown that accompanies the spread of infectious diseases.

Our group continued to commit to “thorough implementation of safety first,” “assuring manufacturing quality at Group-level,” “development and acquisition of human resources, and improvement in labor quality,” “steadily enhancing global Monozukuri and supply structures,” “developing next-generation products,” “establishing a strong revenue base,” and “activities as a corporate citizen and the maintenance and construction of healthy employer-employee relationships.”

In the development of new products, we exhibited a future cockpit (experience type) at the 46<sup>th</sup> Tokyo Motor Show with the concept of “Bridging the human experience and mobility”, showcasing proposals for the forthcoming mobility society through experience.

Furthermore, we started joint demonstration tests of a digital key system-based service for company vehicles with Kimura Unity Co., Ltd. (Head Office: Nagoya, Aichi, Japan) with the aim of further expanding our business domain. By leveraging our communication and encryption technologies, we will contribute to improving user convenience and creating new value by collaborating with sharing services.

In addition, the “integrated multi-function switch” (Daihatsu Motor Co., Ltd.), which we proposed, has reached the stage of mass production. And “La Lock II” (Toyota Housing Corporation) has been highly evaluated for its contribution to improving product appeal.

Furthermore, we established a new design office in Shibuya Ward, Tokyo. Our new office will leverage

our thinking based on actual experiences in real time to freely present, cutting-edge, and compelling product proposals like never before in an effort to create new value.

In March 2020 our efforts to maintain and improve our company health were recognized when we received “White 500” certification under the “Certified Health and Productivity Management Outstanding Organization Recognition Program” jointly awarded by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

Through these activities, we have been striving to strengthen our management structure for further growth.

On the other hand, since the spread of infectious diseases began in February, to prevent this spread we have implemented measures such as working from home and promoting Web conferences, ensuring social distancing, distributing masks to employees, and wearing them in order to reduce contact between employees. In addition, our group has also been engaged in activities to contribute to communities, such as donating money to the Red Cross Society of China.

With regard to the business performance for this consolidated accounting year, the net sales were 500,002 million yen, which was a decrease of 7,643 million yen (a decrease by 1.5%) in revenue compared to the previous consolidated accounting year. With regard to profit for this consolidated accounting year, the consolidated operating income was 22,597 million yen, which was a decrease of 7,021 million yen (a decrease by 23.7%) in revenue compared to the previous consolidated accounting year. The consolidated ordinary income was 22,914 million yen, which was a decrease of 7,196 million yen (a decrease by 23.9%) in revenue compared to the previous consolidated accounting year. The Profit attributable to owners of parent attributes to the shareholders of the parent company was 15,067 million yen, which was a decrease of 3,023 million yen (a decrease by 16.7%) compared to the previous consolidated accounting year.

## ▶ Analysis Related to Financial Status

### 🕒 Assets, liabilities, and total equity status

#### ■ Assets

Assets were 378,489 million yen, which was a 9,067-million-yen decrease from the end of the previous consolidated accounting year. This is mainly due to a decrease in accounts receivable.

#### ■ Liabilities

Liabilities were 137,466 million yen, which was an 8,655-million-yen decrease from the end of the previous consolidated accounting year. This is mainly due to a decrease in accounts payable.

#### ■ Total equity

Total equity was 241,023 million yen, which was a 412-million-yen decrease from the end of the previous consolidated accounting year. This is mainly due to an increase in retained earnings and a decrease in foreign currency translation adjustments.

As a result, the equity ratio changed from 59.0% at the end of the previous consolidated accounting year to 60.3%.

### 🕒 Cash flows status

Cash and cash equivalents (hereinafter referred to as “funds”) for the consolidated base at the end of this consolidated accounting year were 65,429 million yen, which was a 9,702-million-yen increase from the end of the previous consolidated accounting year.

#### ■ Cash flows from operating activities

Funds acquired as a result of operating activities were 40,346 million yen, an increase of 2,427 million yen compared to the previous consolidated accounting year. This is mainly the result of the collections accounts receivable having increased by 15,305 million yen.

#### ■ Cash flows from investing activities

Funds acquired as a result of investing activities were 22,289 million yen, a decrease of 9,644 million yen compared to the previous consolidated accounting year. This is mainly the result of an increase of 8,300 million yen in proceeds from sales and redemption of marketable securities.

#### ■ Cash flows from financing activities

Funds acquired as a result of financing activities were 6,772 million yen, a decrease of 1,261 million yen compared to the previous consolidated accounting year. This is mainly the result of a net increase of 1,574 million yen in short-term borrowings.

## ▼ Consolidated Financial Statements

### ▶ Consolidated Balance Sheet

(Unit: Million yen)

As of March 31, 2019

As of March 31, 2020

Assets	As of March 31, 2019	As of March 31, 2020
Current assets		
Cash and deposits	60,698	68,512
Notes and accounts receivable	65,608	55,856
Electronically recorded monetary claims-operating	15,861	13,296
Marketable securities	11,606	2,491
Finished goods	15,933	15,582
Work-in-process	22,536	23,937
Raw materials and supplies	6,723	6,882
Other current assets	11,355	10,408
Less: Allowance for doubtful accounts	(58)	(76)
Total current assets	210,265	196,892
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	89,654	88,673
Accumulated depreciation	(54,347)	(55,865)
Buildings and structures (net)	35,307	32,808
Machinery and vehicle	149,980	155,375
Accumulated depreciation	(116,643)	(120,219)
Machinery and vehicle (net)	33,336	35,156
Tools and furniture	129,232	128,997
Accumulated depreciation	(119,695)	(118,954)
Tools and furniture (net)	9,536	10,043
Land	13,067	12,741
Tangible lease assets	737	2,486
Accumulated depreciation	(203)	(1,329)
Tangible lease assets (net)	534	1,157
Construction in progress	7,164	6,727
Total tangible noncurrent assets	98,947	98,634
Intangible noncurrent assets		
Software	1,978	2,188
Others	291	82
Total intangible noncurrent assets	2,269	2,270
Investments and other assets		
Investments securities	29,901	37,508
Long-term loans	372	331
Net defined benefit asset	22,223	19,395
Deferred tax assets	3,614	3,598
Others	20,074	19,965
Less: Allowance for doubtful accounts	(112)	(106)
Total investments and other assets	76,074	80,691
Total noncurrent assets	177,291	181,597
Total	387,556	378,489

(Unit: Million yen)

As of March 31, 2019

As of March 31, 2020

Liabilities and Equity	As of March 31, 2019	As of March 31, 2020
Current liabilities		
Notes and accounts payable	41,247	37,521
Electronically recorded obligations-operating	10,982	9,845
Short-term borrowings	297	—
Short-term lease liabilities	91	234
Accrued expenses	25,833	24,681
Income taxes payable	3,243	1,837
Accrued bonuses to employees	8,756	8,878
Accrued bonuses to directors	283	294
Provision for accrued product warranty	10,105	7,837
Others	8,539	9,272
Total current liabilities	109,381	100,405
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term lease liabilities	314	694
Deferred tax liabilities	685	611
Retirement allowances for directors and corporate auditors	343	331
Net defined benefit liability	25,054	25,329
Long-term asset retirement obligations	121	73
Others	220	18
Total noncurrent liabilities	36,739	37,060
Total liabilities	146,121	137,466
Equity		
Shareholders' equity		
Capital	22,856	22,856
Capital surplus	25,864	25,887
Retained earnings	181,796	191,023
Treasury common stock at cost	(5,369)	(5,369)
Total shareholders' equity	225,147	234,397
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	2,889	1,113
Foreign currency translation adjustments	(279)	(5,783)
Remeasurements of defined benefit plans	1,077	(1,351)
Total accumulated other comprehensive income	3,687	(6,022)
Non-controlling interests	12,600	12,648
Total equity	241,435	241,023
Total	387,556	378,489



## Consolidated Financial Statements

(Unit: Million yen)

### Consolidated Statement of Income

	Year ended March 31, 2019	Year ended March 31, 2020
Net sales	507,645	500,002
Cost of sales	436,242	435,663
Gross profit	71,402	64,338
Selling, general and administrative expenses	41,784	41,741
Operating income	29,618	22,597
Non-operating income		
Interest income	511	479
Dividend income	458	457
Share of profit of entities accounted for using equity method	397	230
Foreign exchange gain	176	—
Other	670	1,700
Total non-operating income	2,213	2,867
Non-operating expenses		
Interest expenses	78	78
Foreign exchange loss	—	2,246
Custom duties for prior periods	1,518	—
Other	124	224
Total non-operating expenses	1,721	2,550
Ordinary income	30,110	22,914
Extraordinary loss		
Loss on sales and retirement of non-current assets	98	—
Impairment loss	3,738	—
Total extraordinary loss	3,836	—
Income before income taxes	26,273	22,914
Income taxes current	6,855	5,337
Income taxes deferred	236	1,577
Total income taxes	7,092	6,915
Profit	19,181	15,999
Profit attributable to non-controlling interests	1,090	931
Profit attributable to owners of parent	18,090	15,067

(Unit: Million yen)

### Consolidated Statement of Comprehensive Income

	Year ended March 31, 2019	Year ended March 31, 2020
Profit	19,181	15,999
Other comprehensive Income		
Net unrealized gain on available-for-sale securities	(2,780)	(1,825)
Foreign currency translation adjustments	112	(5,762)
Remeasurements of defined benefit plans	(2,792)	(2,450)
Share of other comprehensive income of entities accounted for using equity method	(82)	(107)
Total other comprehensive income	(5,542)	(10,145)
Comprehensive income	13,638	5,853
(Breakdown)		
Comprehensive income attributable to owners of parent	12,466	5,357
Comprehensive income attributable to non-controlling interests	1,172	495

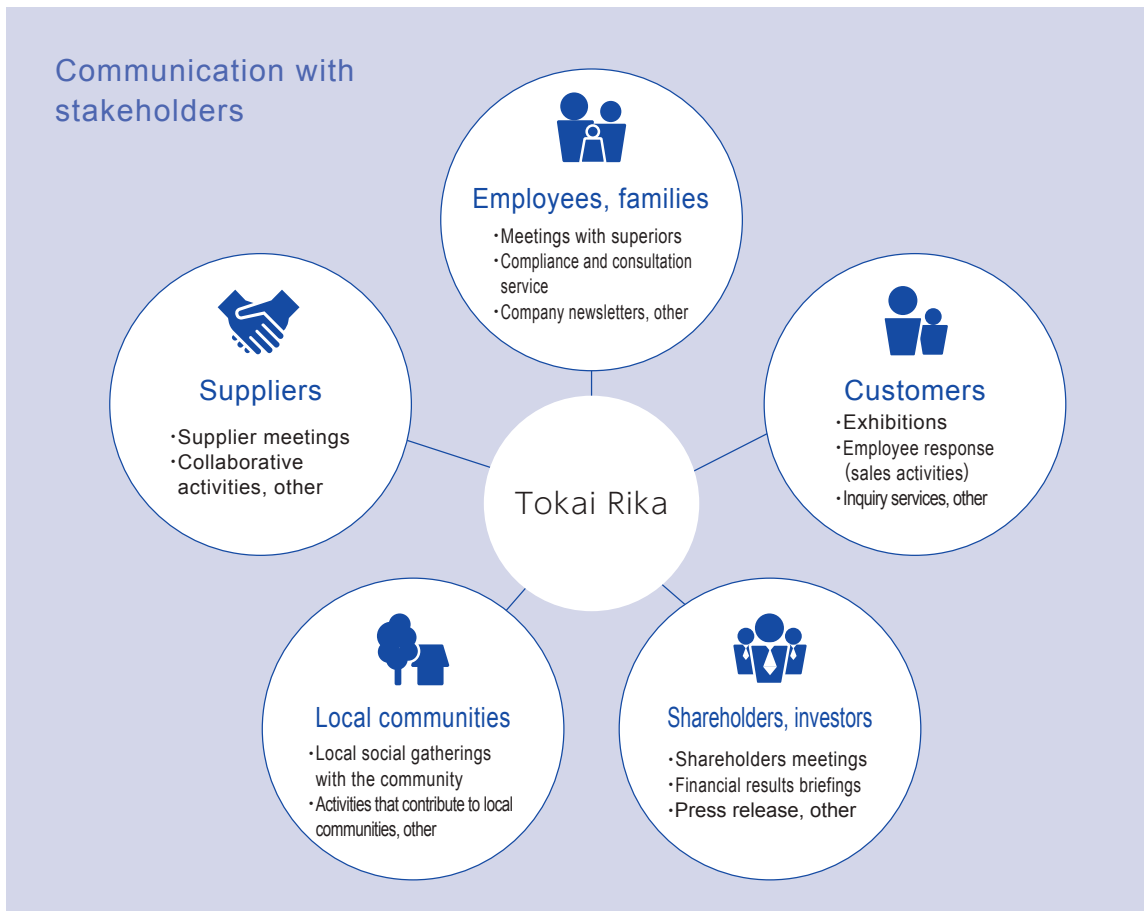
(Unit: Million yen)

### Consolidated Statements of Cash Flows

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities		
Income before income taxes	26,273	22,914
Depreciation	21,387	19,875
Impairment loss	3,738	—
Amortization of goodwill	32	—
Increase (Decrease) in allowance for doubtful accounts	(12)	14
Increase (Decrease) in accrued bonuses to employees	392	190
Increase (Decrease) in accrued bonuses to directors	29	10
Increase (Decrease) in provision for accrued product warranty	2,258	(2,239)
Increase (Decrease) in retirement allowances for directors and corporate auditors	(14)	(11)
Increase (Decrease) in net defined benefit liability	2,578	1,020
Increase (Decrease) in net defined benefit asset	(1,840)	(1,480)
Interest and dividend income	(969)	(936)
Interest expenses	78	78
Equity in earnings of affiliated companies	(397)	(230)
Foreign exchange gain or loss	261	2,058
Gain on sales of property plant and equipment	361	85
Increase (Decrease) in notes and accounts receivable	(5,044)	10,261
Increase (Decrease) in inventories	(4,396)	(2,128)
Increase (Decrease) in notes and accounts payable	605	(2,751)
Increase (Decrease) in consumption taxes payable	(191)	(82)
Others, net	(2,987)	(1,130)
Sub-Total	42,143	45,520
Interest and dividend income received	1,043	1,047
Interest expenses paid	(79)	(72)
Income taxes paid	(5,187)	(6,150)
Net cash provided by operating activities	37,919	40,346
Cash flows from investing activities		
Purchases of marketable securities	—	(500)
Proceeds from sales of marketable securities	3,300	11,600
Purchases of tangible fixed assets	(25,207)	(22,377)
Proceeds from sales of tangible fixed assets	128	59
Purchases of investment securities	(8,200)	(12,208)
Proceeds from sales of investment securities	2	66
Disbursement for originating loans	(260)	(367)
Proceeds from collections of loans	268	264
Others, net	(1,965)	1,174
Net cash used in investing activities	(31,933)	(22,289)
Cash flows from financing activities		
Increase (Decrease) in short-term borrowings, net	(1,864)	(290)
Lease liabilities paid	(60)	(243)
Dividends paid	(5,838)	(5,839)
Dividends paid to non-controlling interests	(250)	(395)
Purchases of treasury stock	(0)	(0)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(19)	(2)
Others, net	0	—
Net cash provided (used in) financing activities	(8,033)	(6,772)
Effect of foreign currency translation adjustments on cash and cash equivalents	(96)	(1,581)
Net increase (decrease) in cash and cash equivalents	(2,143)	9,702
Cash and cash equivalents, beginning of period	57,870	55,727
Cash and cash equivalents, end of period	55,727	65,429

# ESG and SDGs Initiatives

We will contribute to the realization of a sustainable society in the fields of governance, society, and the environment on the basis of our business philosophy: "to honor the language and spirit of the law and the ethics of every nation, and to work in harmony with nature and local communities" together with our stakeholders.



## Tokai Rika's SDGs initiatives



*Governance*

Corporate Governance  
P.29-P.32

*Social*

Social Activities  
P.33-P.44

*Environment*

Environmental Activities  
P.45-P.59

## ▶ Corporate Governance



Tokai Rika is striving to increase its corporate value. The basic philosophy guiding our business practice is to earn the trust and keep meeting the expectations of all stakeholders, especially shareholders. On the basis of a healthy corporate culture, we are committed to further enhancing our corporate governance in order to increase our competitiveness as a global company even further.

### Description of company organizations, and development status of the internal control system

We hold a meeting of the board of directors, chaired by the president, once a month in principle, in order to decide on statutory and important matters and to supervise business execution. In addition, the number of directors has decreased by clarifying the division between management and business execution, and as a result the ratio of external directors and external Audit & Supervisory Board Member has increased. As an activity for enhancing the transparency and corporate health of the board of directors meeting, we implement the following:

- 1 We explain topics to be discussed in advance to external directors and external Audit & Supervisory Board Members, and ask them to attend the meeting after deepening their understanding of the topics.
- 2 We regularly hold meetings between external directors, external Audit & Supervisory Board Members, our President and Executive Vice Presidents, and exchange opinions regarding, for example, management of the board of directors.
- 3 In relation to matters that are discussed by the board of directors (mainly capital investment), they actually observe and assess the facility, the production line, and more as necessary.

We also hold management meetings chaired by the President and corporate officer at least twice a month in principle, which make decisions about and reports on business execution, as a subordinate body of the board of directors.

The board of directors has established the Nominating Committee and the Compensation Committee as advisory bodies in order to increase the independence and transparency of the appointment and dismissal of directors and corporate officers, and the process of determining compensation. These committees are chaired by external

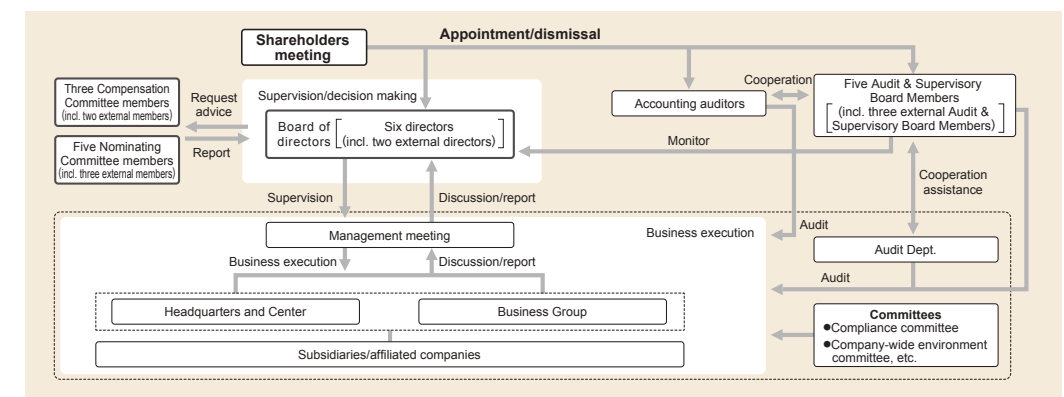
directors and the majority of the members are external directors and external Audit & Supervisory Board Members.

Our basic attitude toward internal control is for directors and corporate officers themselves to set an example and comply with laws and ordinances and corporate ethics, so that they permeate throughout the company through the behavior of directors and corporate officers, and business is conducted in an appropriate manner.

Moreover, we have made it a principle to integrate internal control into the process of business execution, so that we personally verify the appropriateness of the business conducted in each process and correct things ourselves. We adopt group management through common policies, such as the business philosophy, mid-term management policy, and group policies, as a system for ensuring the appropriateness of the business conducted in the corporate group consisting of our company and subsidiaries. Furthermore, with regard to the management of subsidiaries, we maintain control by stipulating matters for approval, reporting, etc., while respecting their independence. In addition, we have our subsidiaries establish a compliance system that is suitable for themselves, and we have also made our internal reporting system available to each of them. Our response to environmental issues, which is one axis of ESG, is discussed and decided by the "Company-wide Environment Committee" attended by the president and related officers.

Please refer to the Annual Securities Report, the Corporate Governance Report, and Business Activities Report for information in regard to directors and corporate officers.

Corporate governance system diagram



\*As of June 10, 2020

### Audit system (Threefold audit)

We have established an annual audit plan and perform audits in accordance with the Audit & Supervisory Board Member auditing standards and the regulations of the board of Audit & Supervisory Board Members. Specifically, we attend important meetings and committees, including the board of directors, and present our opinions to them, exchange views with management through audits conducted by visiting affiliated companies, and inspect forms, in order to confirm the governance status of our corporate group.

The actual audit work, such as administrating the board of Audit & Supervisory Board Member office, revising rules and planning visiting audits are handled full-time by one Audit & Supervisory Board Member employee. We hold meetings periodically between internal auditing departments and accounting auditors as necessary, in order to exchange a wide range of information regarding each other's audit policies and audit plans, summaries of audits performed during the term, future tasks, and more.



▶ Corporate Governance



Compliance

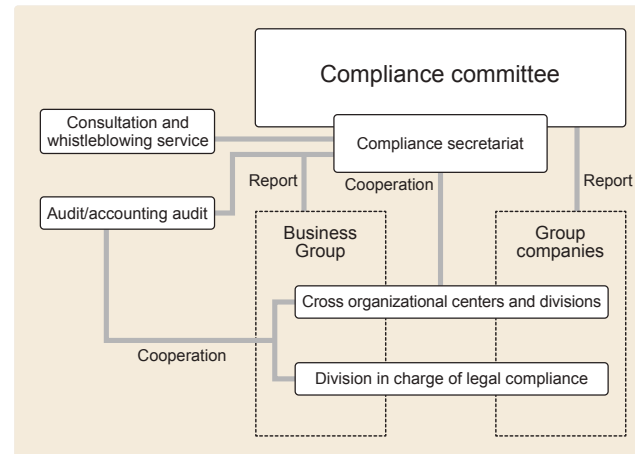
In line with our basic philosophy, we declare: "By honoring the spirit of the law and ethics, the company aims to be a corporate citizen that coexists with nature and the local community." We conduct our compliance activities aiming not only to ensure compliance with the laws and regulations, but also to meet social expectations.

Promotion system and structure

We have established a compliance committee chaired by the President, in order to deliberate on important measures regarding compliance. Furthermore, in order to support daily activities, we are working to ensure that activities suitable for the workplace can be conducted continuously through not only the compliance management division, but also by appointing a compliance general manager/compliance manager in each department.

	Prevention	Discovering and taking measures
General Manager, Business Group	Culture/climate and policy	Investigation/recurrence prevention measures development
General Manager, Division	Communication, education and policy	Monitoring, investigation/recurrence prevention measures development
Cross organizational centers and divisions, division in charge of legal compliance	Policy support and education in each department	Monitoring support, investigation/recurrence prevention measures development

Organization and system diagram



Specific activities

Compliance Highlight Month activities

In the "Compliance Highlight Month activities" implemented in October every year, we aim to maintain and raise awareness regarding compliance. Besides opportunities to debate compliance matters in workplaces, things like messages when starting up PCs, company newsletters, officers' lectures, DVD screenings and so on are also included in the activities.

Education and awareness

We believe that in order to be a business organization which will live up to the expectations of society and earn its trust, it is essential for each of our employees to act with awareness and dignity, and therefore we carry out training categorized by rank and theme (Antitrust Law, Product Liability Law, etc.). We also periodically present actual compliance examples that can arise on a daily basis through the company newsletter and news, in order to promote awareness.

Commitment to group compliance

With the compliance management division and divisions in charge of legal compliance as our core, our domestic and overseas subsidiaries have been jointly organizing systems and carrying out awareness activities in accordance with the status and circumstances of each company.

Employee code of conduct

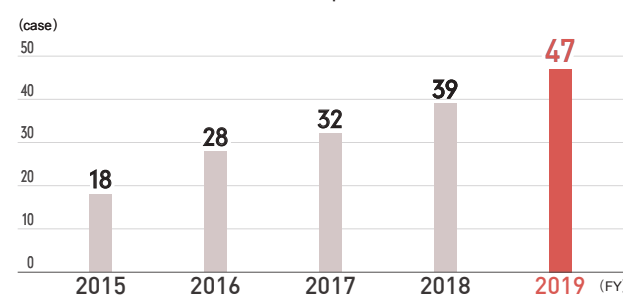
We are using the employee code of conduct that stipulates respect for individuals and compliance with social rules to raise awareness of compliance among employees.

Consultation reporting

In order to detect and solve internal problems at an early stage, we have established a consultation and whistleblowing service inside and outside the company. Inside the company, a consultation and whistleblowing service has been established at the Head Office, in each plant and at labor unions, in order to collect knowledge of problems from a broad range at an early stage as far as possible. We have also named the service "Nandemo Soudan Madoguchi" ("Consult us on Anything Service"), so as to make the service more easily accessible. Furthermore, we have established a whistleblowing service in an external law firm as a "compliance call" service so that employees who feel apprehensive about using the internal consultation will feel more at ease. Confidentiality will be strictly maintained in order to assure that the consuler will not be specified.

As shown in the following graph, there are a certain number of consultations every year, and the service is bringing early resolutions to problems.

Number of consultations and reports



Information Security

We consider the prevention of confidential information leakage and defense against external attacks on information as indispensable for business activities. We have an information security system on the basis of the recognition that not only our company's information, but also our clients' information is property which needs to be appropriately controlled and handled.

Fundamental way of thinking

We are striving to increase awareness regarding confidentiality control by stipulating, "We will strictly control confidential information in compliance with the rules and endeavor to prevent disclosure" in the "Employee Code of Conduct," appointing confidential information management supervisors and confidential information handlers in each department and conducting

meetings and self-checks in workplaces.

In addition to the existing confidentiality, we have established information security policies and regulations to ensure integrity and availability.

We reviewed the existing rules, procedures, and guides.

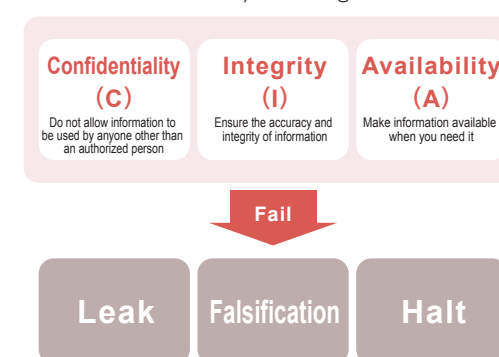
Five measures

Physical and technological defenses		Psychological checks		Development of a work environment that is safe and easy to work in
<b>Access checks</b>	<b>Making it difficult to take out</b>	<b>Securing visibility</b>	<b>Improved awareness regarding confidential information</b>	<b>Sustainment and improvement of trusting relationships</b>
<p>1 </p> <p>Measures that make it difficult to get close to confidential information</p> <ul style="list-style-type: none"> <li>•Restrictions of access rights</li> <li>•Lock control</li> <li>•Paperless</li> </ul>	<p>2 </p> <p>Measures that make it difficult to take out confidential information</p> <ul style="list-style-type: none"> <li>•Prohibition of using/bringing in private USB memory sticks</li> <li>•Encryption of electronic data</li> <li>•Restrictions on uploading to places outside the company</li> </ul>	<p>3 </p> <p>Creating an environment in which leakage is easily detected</p> <ul style="list-style-type: none"> <li>•"No admittance except for authorized persons" signboards</li> <li>•Keeping the workplace neat and in order</li> <li>•Computer operation log records</li> </ul>	<p>4 </p> <p>Improved awareness regarding confidential information</p> <ul style="list-style-type: none"> <li>•"Confidential" indication</li> <li>•Conclusion of non-disclosure agreement</li> <li>•Conducting training</li> </ul>	<p>5 </p> <p>Raise awareness of employees</p> <ul style="list-style-type: none"> <li>•Promotion of communication</li> <li>•Notification of leakage cases</li> </ul>
*Created on the basis of the "Protection and Use of Trade Secrets" published by the Ministry of Economy, Trade and Industry in June 2016				

Establishment of information security policy

In March 2020 we established an information security policy under the name of CISO (Chief Information Security Officer).

Information security CIA diagram



Information security policy



Security gate installation

Since April 2020, a security gate has been installed at the main gate of the Head Office, which has the most entrances and exits, and the entrance and exit methods have been tightened.



Security gate



► Corporate Governance

**Risk Management**

With regard to the risks surrounding the company, including natural disasters, we are working at a company level to reduce and prevent any impact in the event that they manifest themselves. With the assumption that a large-scale earthquake will occur (something which is expected to happen in the near future), we place substantial importance on various activities for the purpose of "the safety of our employees' lives," "support for the recovery of our local community" and "prompt production recovery."

**Conducting preventive activities against risks (including natural disasters) and initial action drills**

We are working to develop human resources involved in disaster prevention by conducting a variety of disaster prevention drills throughout the year, including company-wide disaster prevention months in March and September. We are also working with all employees in order to raise their awareness of emergencies.



CPR and AED training    Evacuation drills    Firefighting drills

**Awareness tools for all employees**



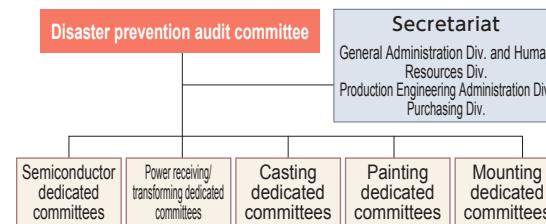
**Knowledge of a large-scale earthquake**



Disaster prevention dojo

**Risk management**

We implement periodic disaster prevention audits through specialized committees for each process (five main fields), consisting of officers and relevant departments; we are striving to increase awareness of disaster prevention by conducting practical drills, holding study sessions, and more. We also prevent recurrence of accidents that occur in Tokai Rika Group so that they will never occur again.



Semiconductor dedicated committees    Power receiving/transferring dedicated committees    Casting dedicated committees    Painting dedicated committees    Mounting dedicated committees

**Business continuity plan (BCP)**

Since 2012, in anticipation of the occurrence of a large-scale disaster such as the Nankai megathrust earthquakes, we have been promoting a business continuity plan that puts the highest priority on "protecting our employees' lives." In our annual production recovery trial, we continue to improve our level by simulating the procedure for recovering from a disaster in cooperation with each department in the event of a disaster. In addition, even if there is a possibility that the supply from the cooperating company will be stagnant due to a disaster etc., we were able to establish a system in which each department takes the initiative by recognizing the tasks that fall under their department and executing them.

We will continue to develop human resources who have the ability to adapt to disasters and improve the level of our overall business continuity plan (BCP).



A scene of a production recovery trial

**Topics**

**Measures against the novel coronavirus (COVID-19)**

In response to the spread of the novel coronavirus, we place the highest priority on the safety of our employees and persons related to our company, and are taking measures to prevent the spread of the infection. We have stipulated "Responses when a novel coronavirus pneumonia case (including suspected) occurs", and employees who have symptoms such as fever are allowed to rest at home, and their health check for 14 days is performed according to the prescribed procedure.

**[Countermeasure examples]**

- Enforce coughing etiquette (wearing a mask), hand-washing, etc.
- Prohibit unnecessary and non-urgent business trips to Japan and overseas (switch visits to outside companies, including other plants, to telephone meetings etc.)
- Postpone outside parties (welcome party, farewell party, etc.)
- Avoid crowds even in private life
- Postpone internal events of 50 or more people, if there are participants from outside our company
- Recommend working from home

► Social Activities

**Relations with Employees**

Nurturing originality and the spirit of innovation, we aim to create energetic workplaces where dreams abound by stimulating our workplaces and raising the level of organizational capabilities through improvement activities.

**HR function policy**

We are promoting development of human resources who can play active roles in widely changing environments, developing work environments where

each and every one of our employees can work safely and healthily, and building various systems to bring out employees' abilities and enthusiasm toward work.

**Thorough implementation of safety first**

- Promotion of risk assessment activities toward zero industrial accidents
- Creation of workplaces where major industrial accidents will not occur

**Development and acquisition of human resources, and improvement in labor quality**

- Construction of a human resources development system that can nurture people (Creation of a framework for human resources development)
- Construction of a mechanism that constantly produces the next generation's successors
- Development of work environments for new value creation (Work-style reforms)

**Activities as a corporate citizen and the maintenance and construction of healthy employer-employee relationships**

- Promotion of activities for preventing violation of legal compliance obligations and corporate scandals
- Strengthening of the labor foundation which contributes to the stable operation of overseas companies

**Creating workplaces where people can work with peace of mind**

With keeping employees safe and healthy and aiming to achieve comfortable workplace environments as our basic principles, we are promoting health and safety activities and are working to create safe and secure workplaces.

With the aim of achieving "zero industrial accidents," we are implementing continuous initiatives under our basic policy on health and safety.

**Basic policy on health and safety**

- ① Safety takes priority over everything
- ② Following the rules is the basis of safety
- ③ Our health is a treasure we protect by ourselves
- ④ Our wish is to achieve "0 (zero) accidents"

**Health and safety activities**

- Inspection activities to ensure safety
- Activities to raise safety awareness
- Activities to create comfortable workplaces
- Environmental improvement activities for workplaces where toxic substances are handled
- Activities for building mental and physical health

**Slogan**

With safety taking priority over everything, our wish is to achieve "0 (zero) accidents"

**Safety Awareness Dojo**

In order to prevent industrial accidents involving employees of and persons related to our company, we conduct experiential and participatory health and safety training. Together with having them learn about how frightening the dangers are, about the dangers that lurk nearby, how necessary the idea of health and safety is, and how to reflect and deploy these in safe daily work, we improve their skills with regard to health and safety.



Training for new employees on KY (hazard prediction)



Safety convention for constructors



Safety Awareness Dojo

Safety Awareness Dojo trainees (FY 2019 results)	
Head Office	Head Plant
287 people	212 people
Toyota Plant	Otowa Plant
214 people	196 people



Relations with Employees

Health and Safety Committee

We have appointed a Health and Safety Committee on the basis of the Industrial Health and Safety Act. Our Central Health and Safety Committee meeting is held twice a year and our Regional Health and Safety Committee meeting is held once a month. At these meetings, we discuss labored-related accidents, confirm operations related to health, improvement activities, and more. We strive to create a workplace that is safe and pleasant.



Health and Safety Committee

Building mental and physical health

In April 2019 we issued the “Tokai Rika Group Health Declaration,” and are proactively implementing measures to maintain and improve employees’ health; we have also acquired the certification as a Health and Productivity Management Outstanding Organization (White 500).

Physical health initiatives

We implement various measures to maintain and improve employees’ health so that employees can work healthily and vigorously.

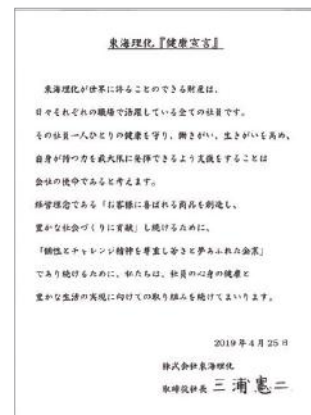
Main health activities

- Health Challenge 10: An activity that encourages each employee to practice more of the 10 health habits.
- Workplace challenges: An activity to promote health at the workplace level.
- Physical fitness measurement
- In-house relay marathon event

Mental health initiatives

We carry out mental health training by job grade to improve the awareness and knowledge of employees regarding mental health.

We also conduct stress checks on all employees and feedback the results of organizational analysis to their workplaces to promote improvements in the workplace environment.



Tokai Rika Group Health Declaration



In-house relay marathon event



White 500 mark



Health challenge 10

Human resources development initiatives

We have built a personnel system in which each employee can participate actively and grow. We firmly implement the “cycle of active participation and growth” by having an interview twice a year between superiors and subordinates and conducting training consisting of three pillars: training by job grade, function, and workplace.

Cycle of active participation and growth



Training system chart (Summary)

	Training by job grade (Implemented by Human Resources Div.)			Training by function (Implemented by division in charge of each type of training, company-wide training)	Training by workplace (Implemented in each workplace)	Global training
	Recognition of roles	Human resources development	Problem solving			
Managerial position	Training for new general managers Training for new deputy general managers Training for new section managers			<ul style="list-style-type: none"> <li>Health and safety training</li> <li>Labor management training</li> <li>3E activities</li> <li>Legal affairs training</li> <li>Information security training</li> <li>Accounting fraud prevention training</li> <li>Cost management training</li> <li>Quality training</li> <li>Quality and technical management training</li> <li>Technical development training</li> <li>Production engineering training</li> <li>Technical training on high-pressure gases</li> <li>Environmental training</li> <li>TPS training</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety training</li> <li>Production engineering skills training</li> <li>Language training</li> <li>Legal affairs training</li> <li>Statutory training related to general affairs</li> <li>CATIA_V5 training</li> <li>CAE training</li> <li>Quality and technical management training</li> <li>Quality training</li> <li>Technical development training</li> <li>Production engineering training</li> <li>Technical training on high-pressure gases</li> <li>Environmental training</li> <li>Production control training etc.</li> </ul>	<ul style="list-style-type: none"> <li>Training for overseas expats</li> <li>Different cultures</li> <li>Management</li> <li>Labor management</li> <li>Language training</li> <li>Specialized knowledges</li> </ul>
Assistant manager	Training for TWI-JJ/JP instructors Training for new assistant managers					
Instructional position	Training for new team leaders Training for instructors of new employees	TWI-JJ/JP training	<ul style="list-style-type: none"> <li>Problem-solving training for team leaders at plant divisions</li> <li>Training for instructors of new employees</li> </ul>			
Staff / new employee	Training for new employees		<ul style="list-style-type: none"> <li>Problem-solving training for second-year employees</li> <li>Problem-solving training for new employees</li> </ul>			
				Training to fulfill the expected role of each qualification	Training to fulfill the expected role in each workplace	Training to fulfill the expected role of overseas subsidiaries

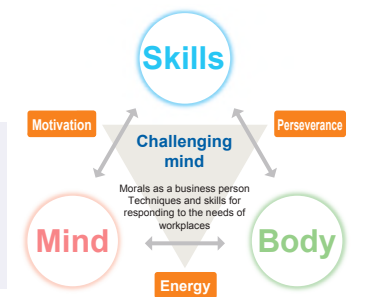
Main training conducted in 2019

Training name	Timing of implementation	Training period	Number of participants	Eligible employees
Training for new employees	April 2019	One month	170 people	New employees
Training for new general managers	June 2019	One day	12 people	New general managers
Problem-solving training for second-year employees	May-Dec. 2019	Four days	78 people	Second year employees
Training for instructors of second-year employees (Problem-solving)	July-Dec. 2019	Four days	78 people	Instructors of second-year employees
Language training for overseas expats	Year round	Up to 80 hours	39 people	Overseas expats
OJT for overseas employees	June-Oct. 2019 and Dec. 2019-April 2020	Five months	46 people	Overseas employees

Cultivating human resources to be the core of production workplaces

Tokai Rika Academy Training Policy

Cultivate rational and scientific ideas, basic knowledge, and skills. Cultivate the joy of working and a humanity full of creativity and vitality. Train discerning, bright, and healthy minds and bodies through learning and experience.



Tokai Rika Academy training

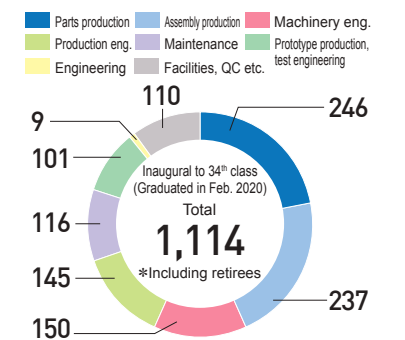
We develop human resources who are outstanding in terms of their minds, skills, and physical condition, and who simultaneously possess the attributes of “a challenging mind,” “morals as a business person,” and “the techniques and skills required to be able to respond to the needs of workplaces,” in order for them to become the “core” of Tokai Rika in the future.

In addition, in order to meet a wide range of needs, in addition to the existing Faculty of Machinery Processing, and Faculty of Electronics we established the Faculty of Electric Machinery from FY2019.



Training scene

List of divisions graduates belong to



## Relations with Employees

### Production employee training

We aim to pass on and raise the level of the "TR Core Skills" required to provide outstanding specialized skills, achieve the top level in the industry and the same quality around the world, and support the development of human resources who will function as an axis in their workplaces.

■ Number of participants (FY2019)

Japan	371 people
Domestic affiliated companies	90 people
Overseas subsidiaries	4 people
Total	465 people



Training scene

### Topics

#### Employee skills awards, Prefectural "Aichi no Meiko" ("Master craftsperson of Aichi") Award

In order to raise general awareness of certified skilled workers, their place in society, and the advancement of technical standards, those who have excellent skills that work within the prefecture and have contributed to society with their skills are awarded the "Aichi no Meiko" ("Master Craftsperson of Aichi") award. Six employees from our company received an award in FY 2019.

#### Award winners

Division	Name
Production Engineering Administration Div.	<b>Toshiyuki Yamamoto</b>
Die & Machinery Engineering Div.	<b>Naomitsu Sakai</b>
Die & Machinery Engineering Div.	<b>Makoto Goto</b>
Facility & Machinery Engineering Div.	<b>Koji Ishii</b>
Security Production Engineering Div. Production Engineering Administration Div.	<b>Toshihito Koyama</b>
Human Resources Div.	<b>Tomohisa Hasegawa</b>

Here we introduce six employees who received awards and recognition this fiscal year.



(From the left) Yamamoto, Goto, Hasegawa, Aichi Prefectural Governor Mr. Omura, Ishii, Koyama, Sakai

\*Formerly belonged to P. E. Div.

\*Concurrent assignment

### Topics

#### The National Trade Skill Test & Certification (NTSTC)

In FY2019, 117 people passed in 17 tasks of 15 trades. 15 people were commended as combined skilled workers.

	Advanced	5 people	Certified skilled worker for multiple skills
The National Trade Skill Test & Certification (NTSTC)	Grade 1	27 people	<b>15 people</b>
	Grade 2	91 people	<b>Certified skilled worker</b>
	Non-classified grade	1 person	<b>117 people</b>

#### In-house trade skill test

In FY2019, 24 people have passed in 10 tasks. In FY 2020, we will launch new skill test for the task of housing position indicator to increase the variety of the tests.

	Advanced: 5 people	Certified skilled worker: 24 people
In-house trade skill test	Intermediate: 19 people	

### Voice

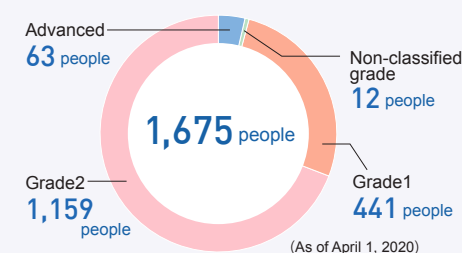
This time, I was able to pass the special grade of machine maintenance.

As I have been also involved in maintenance work in my workplace, I would like to make use of my knowledge in my work, study more, and pass on the skills and knowledge I have cultivated to future generations.



Security Production Engineering Div. Maintenance Engineering Sect. Kiyotaka Imaizumi

■ Total number of people who passed NTSTC



## Contribution to local communities and development of young technicians

### Accepting junior internship interns

We accepted 17 first- and second-year students from the Aichi Sangyo University Mikawa High School in the Faculty of Electrical Engineering and Information Processing on a three-day schedule. We carried out PLC control and low-voltage electrical handling training at Tokai Rika Academy.



Internship

Intern  
**17 people**

### Project of local craftsperson utilization

Through the initiative of Toyokawa City, which dispatches local technicians to local technical high schools for the purpose of developing the human resources responsible for the next-generation manufacturing production and rooting them in the community, we have dispatched our certified skilled workers (electronic equipment assembling) to Toyokawa Technical High School for three consecutive years from FY2017.



Project of local craftsperson utilization

Dispatched certified skilled worker  
**1 person**  
No. of instructed people  
**6 people**

### Craftsperson III

This is an educational program in which 17 industrial high schools in the prefecture collaborate with local manufacturing companies to acquire practical skills that meet the needs of local industries with a hands-on approach. We have been accepting students from FY2017. In FY2019, second-year students in the Faculty of Electrical Engineering and Information Systems at Toyokawa Technical High School used the summer vacation period to practice electronic equipment assembling for five days at Tokai Rika Academy.



Craftsperson III

No. of students  
**6 people**

## Tokai Rika's work-style reforms

The purpose of our work-style reforms is for each employee to experience self-growth and to work in a way that makes them happy to work at Tokai Rika, and to improve the company by accumulating these employees' self-growth and satisfaction. We are preparing our workplace environments as a company so that we can respond to changes in the environment with a sense of speed, and realize the feelings of each employee.

### Tokai Rika's ideal work-style -image diagram-



### Activities for reducing working hours

Since April 2017, we have striven to reduce working hours in order to correct long working hours. We have been promoting a work style that considers working hours and the improvement of work efficiency, and this has been bringing us good results. To further reduce working hours, we will promote work efficiency centered on indirect operations.

	Number of overtime workers over 540 hours (People)
FY 2016	195
FY 2017	5
FY 2018	7
FY 2019	0

### Work-style reform activities

	Revision of meeting	Effective use of IT tools
Revision of meeting	Each division brought issues to light at their meetings and realized efficiency according to the purpose of each meeting. (Review of attendees, holding time, frequency)	
Effective use of IT tools		By freely carrying PCs we reduced the preparation time (material printing) and meeting time (material distribution) of the meeting.

### Avoiding cutting of annual leave

Labor and management carried out leave-taking promotion activities toward "Avoiding cutting," (to take annual paid leave as planned to eliminate the expired annual leave) in order to refresh minds and bodies, reduce total working hours, and improve planning and efficiency. Specifically, we develop an annual acquisition plan for each individual at the beginning of the year when annual paid leave is granted, and conduct follow-ups on the status of annual leave acquisition. We also recommend using the annual paid leave system for three consecutive days, with the goal of achieving "cutting out zero."

### Achievement status of avoiding cutting of annual paid leave.

	Number of target people	Number of achievements	Achievement rate (%)
FY 2017	4,765	4,371	91.7
FY 2018*	4,909	4,320	88
FY 2019	4,874	4,494	92.2

\*Total no. is from Apr. to Dec. in FY2018. (As granting timing was changed)



Relations with Employees

Work-life balance

We have created an environment where each employee can choose their own work-style according to their life stage, and we are supporting them to work with motivation while balancing job and family. In 2019 we established a new “welcome back system” for employees who are compelled to retire due to spouse transfer, nursing care, or self-development.

Support for balancing work and childcare

We continue to work on balancing work and childcare by, for example, establishing a childcare leave of absence system that goes beyond what is legally required (until the child turns two years old, regardless of the childcare situation), and a shortened working hours for childcare system (until end of the first grade of E.S.). Since FY 2018 we have been offering childcare for employees’ children (up to third grade of E. S.) in our Head Plant, Toyota, and Otowa Plants on holiday working days. We are working to create an environment in which employees during the childcare period, who used to have a hard time working on holidays, can work with peace of mind by reducing absences due to childcare and can work according to their intentions.

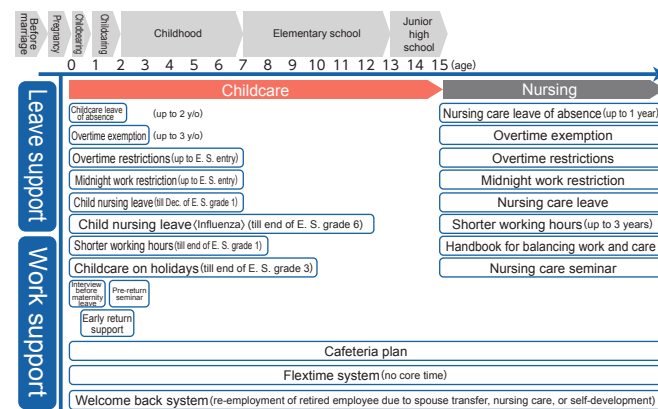
We also have an interview seminar before maternity leave to allow employees who take maternity leave to understand the support system of the company during childcare, share their work-styles after returning with their manager, and return to the workplace with peace of mind.

Support for balancing work and nursing care

We provide support to balance work and nursing care by, for example, establishing a nursing care leave of absence system that goes beyond what is legally required (within 365 days, no limitations on the number of times it can be taken), and providing a short working hours system for nursing care (within three consecutive years starting from the date of using the system, no limitations on the number of times it can be taken). We held a nursing care seminar, which was requested by many employees, and an information exchange meeting regarding nursing care among employees. In 2018, we also distributed a “Support handbook for balancing work and nursing care” to employees who were over 40 y/o to let them know about the systems and raise awareness at each workplace.

\* E. S. = Elementary School

Tokai Rika’s work-life balance support systems

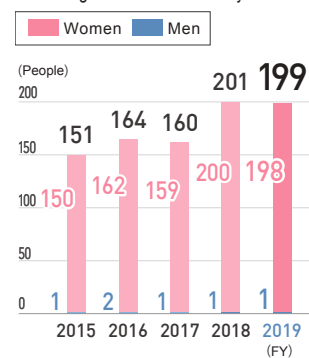


Childcare on holidays



Interview seminar before maternity leave

Number of people who used the shortened working hours for childcare system

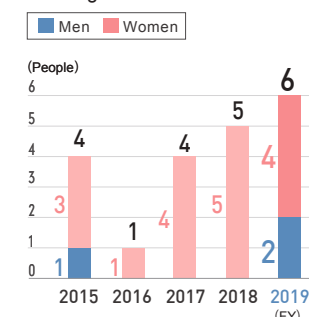


“Kurumin,” a certification mark for the “Act on Advancement of Measures to Support Raising Next-generation Children”



Nursing care seminar

Number of people who used the nursing care leave of absence system



Support handbook for balancing work and nursing care

Diversity activities

Promotion of women’s active participation

We deal with many small and delicate parts, including switch products. Our production sites, in particular, have become a place of active participation for women, who are good at delicate jobs. We actively hire female employees through regular recruitment.

We will also listen to the difficulties and opinions of female employees, work to create environments where they can work comfortably, and support them with the aim of employees to play their roles proactively and grow regardless of gender.

In 2017, we received the “Eruboshi” certification based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (also called the Act on Promotion of Women’s Active Participation).

Employment of people with disabilities

We have clarified the jobs that employees with disabilities can engage in, and are hiring them systematically. They are playing an active role in various workplaces from the production site to the administrative divisions.

Reemployment after retirement

We have established a “reemployment after retirement system” to ensure that all applicants are reemployed in compliance with laws and regulations so that they can work with peace of mind even after retirement.

Healthy employer-employee relationships

We have built a good employer-employee relationship with the Tokai Rika Labor Union, on the basis of the idea of “mutual trust and mutual responsibility between employer and employees.” Respecting each other’s standpoints, we have established work councils, health and safety committee meetings, etc., and periodically hold discussions with the aim of creating workplaces that are easy to work in.

Contribution to local communities, development of youth and promotion of sports events

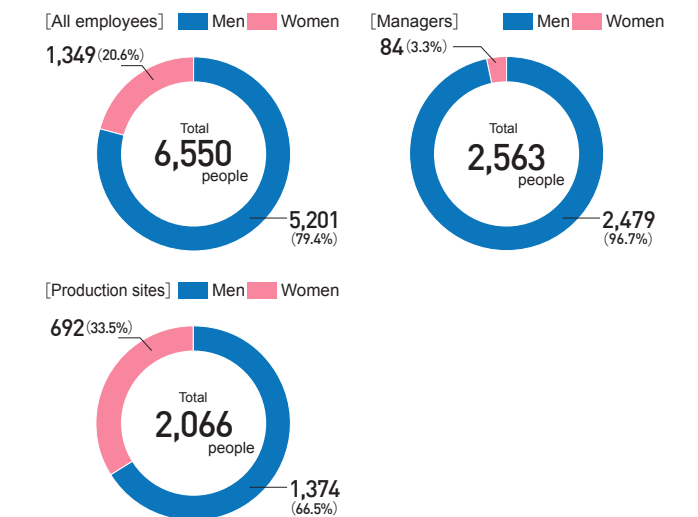
Holding sports lessons

Sport clubs owned by our company, namely our Baseball Club and Softball Club, not only boost the unity of the company and the morale of employees, but also actively take part in volunteer activities to become a bridge between local communities and the company.

Open House 2019 (Employee families visit our workplace)

Holding an open house, where we invite our employees’ families to the company, plays a role in improving family communication by raising the children’s interest in society and work by getting to know about their family member’s company and workplace. Furthermore, we aim at a company level to promote a good balance between work and life (work-life balance) by creating an atmosphere in workplaces that values employees’ families.

Employee ratio by gender (as of March 31, 2020)



Eruboshi mark



Aichi Josei Kagayaki Companies (Certification of companies supporting women’s career success)



Central Health and Safety Committee



Employer-Employee Committee



Softball lesson (Softball Club)



Baseball lesson (Baseball Club)



Business card exchange



Facility tour



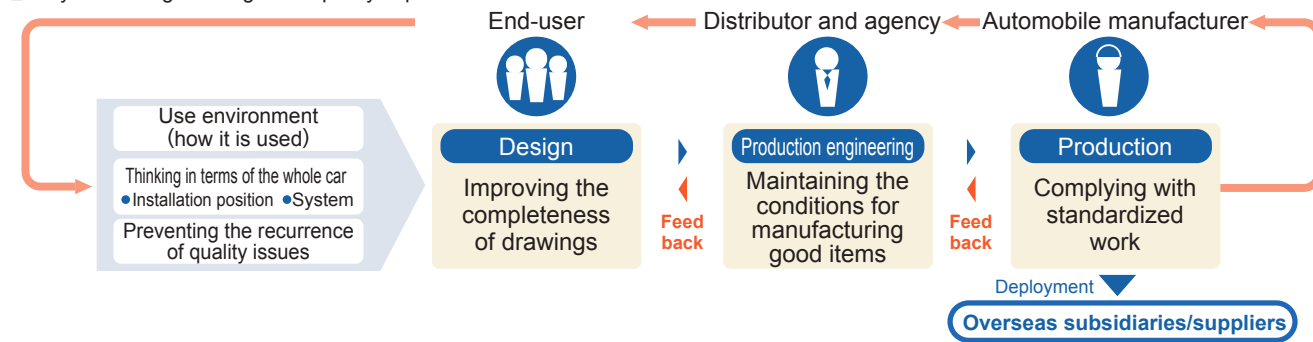


## Relations with Customers

We promote “the creation of safe, secure, and comfortable products” so that cars will become safer and more comfortable vehicles, and will remain an indispensable presence in a social system in which they support people’s lives, as well as industrial and economic activities. We are also committed to improving quality activities, by stipulating a quality function policy and pulling the whole group together in order to deliver products that our customers can use with peace of mind.

### Quality policy for the Tokai Rika Group

#### Way of thinking with regard to quality improvement activities



- Assuring manufacturing quality
- Assuring product safety for new products
- Constant improvement of work processes by learning from failures as “treasures”

### Assuring manufacturing quality

We deploy the creation of standardized work that is easy to follow for workers and improvement activities with regard to “changes” and “abnormality handling” (which interfere with standardized work) to overseas subsidiaries and suppliers, and work on improving in manufacturing quality.

#### Global deployment map



### Assuring product safety for new products

We are working to ensure that we provide safer products to customers, by obtaining market information from around the world and conducting our own original tests and evaluations for “ways the products are used” that we were unaware of, in addition to customer requirements.

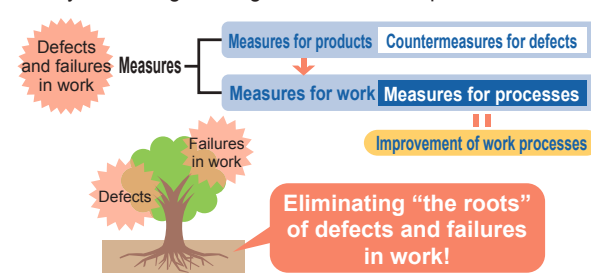


Water resistance test simulating high-pressure cleaning of power window switch

### Constant improvement of work processes by learning from failures as “treasures”

We are improving both work quality and productivity by considering defects and failures in work as “treasures,” and improving work processes by investigating the root causes for omissions regarding how we carry out work.

#### Way of thinking with regard to recurrence prevention



## Topics

### Main awards

Our technological and manufacturing capabilities have received high recognition from customers, and we were awarded across a broad range of fields.

### Received the Smart Standard Promotion Excellence Award from Toyota Motor Corporation

Toyota Motor Corporation commended the suppliers who made a great contribution in FY 2019, and we received the “Smart Standard Promotion Excellence Award” as we have contributed greatly to the promotion of activities to optimize the quality and performance standards that customers really want.

We have carried out “SSA<sup>\*1</sup>, working with our suppliers: Searching for usable materials from disposal of suppliers”, and worked with the second and third-tier suppliers to confirm the actual products in the field. Also, by asking customers to make decisions while checking the actual materials, we have been able to discover proposals while taking initiatives and simplify the proposal process, and have reduced disposal by approximately 59%.

<sup>\*1</sup> Smart Standard Activity



### Received new model quality award from Dongfeng Nissan<sup>\*2</sup>

Dongfeng Nissan commended suppliers who made great contributions at the “2019 Quality Forum”. Our subsidiary, TRCF (China), received the “New Model Quality Award”.



<sup>\*2</sup> Dongfeng Nissan Passenger Vehicle Company

### Toyota Motor East Japan Inc. presented us a certificate of appreciation

We received a certificate of appreciation from Toyota Motor East Japan Inc. for our endeavor to improve the quality of our products in FY 2019 by actively engaging in our quality control activities.



### Received “Best Cost Performance” from TKM<sup>\*3</sup>

TKM held a Supplier General Meeting, and commended suppliers who made great achievements in FY2018. TRMN (India), our subsidiary, received “Best Cost Performance” award for its proactive activities such as VA/VE, localization, and improvement activities. It also received the “Delivery” award given to suppliers who have achieved 100% compliance with delivery.



<sup>\*3</sup> Toyota Kirloskar Motor Pvt. Ltd.

### Received the Product Development Award from Toyota Housing Corporation

At the policy briefing session of its Oval Association, Toyota Housing Corporation commended suppliers with excellent results, and we received the Product Development award for contributing to the improvement of Toyota Housing’s product strength by commercializing “La Lock II”, based on our unique advanced technology development.







## Relations with Shareholders and Investors

We are committed to fair, timely, and appropriate disclosure of information to our shareholders and investors.

### IR activity policy

We provide necessary information through a timely disclosure system and our website. In addition, we strive to enhance communication through various briefings

and facility tours for shareholders, institutional investors and analysts. We are actively working to make ourselves better understood to them.

#### Main IR activities schedule

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Announcement of financial results		● Whole year results		● Q1 results				● Q2 results			● Q3 results	
Financial results briefing		● Briefing on financial results for the whole fiscal year						● Briefing on financial results for the interim of the fiscal year				
Dividend			● Payment of year-end dividend						● Payment of interim dividend			
Shareholders meeting			● General shareholders meeting									
Facility tours			● Facility tour (for individual shareholders)						● Facility tour (for institutional investors and analysts)			

### Measures for return to shareholders

The Company regards the interest of shareholders as an important management policy, and has a basic dividend policy of determining the amount of dividends by comprehensively considering revenue condition and financial condition, etc. as well as a consolidated target dividend payout ratio of 30% as a guide, while striving to maintain stable dividend payment.

We give first priority to paying dividends as a measure for return to shareholders, and have made it our basic principle to return the surplus through two dividends: an interim dividend and a year-end dividend.

As of the end of March 2020, we have set the annual dividend to ¥62 per share.

### Communication with investors

We hold financial results briefings for institutional investors and analysts twice a year to report on our work with regard to improving business performance and quality, and our work on the development of new products for the future.

In addition, we conducted a facility tour in December 2019, in which we invited institutional investors and analysts to our company. They confirmed our main initiatives for future growth and for design development.



Financial results briefing



Facility tour (Introduction of vehicles with digital key distribution system)

### Purchase of ESG bonds

By purchasing green bonds and sustainability bonds, we contribute to the realization of a sustainable society through global warming countermeasures and environmental projects.



## Relations with Suppliers

Seeking opportunities for business activities all over the world, we procure parts, materials, equipment and so on that are the absolute best in terms of quality, quantity, and cost, from regions all over the world. Furthermore, as a good corporate citizen, we aim to achieve "Optimized Global Procurement" that will also meet social requirements such as environmental preservation, through cooperation with suppliers on the basis of proper and fair business.

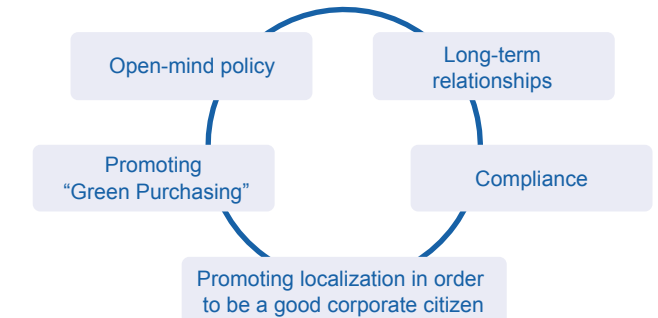
### Basic purchasing policy

Tokai Rika is developing global purchasing of parts, materials and equipment which are superior in terms of quality, cost, and delivery, on the basis of the following 5 principles for purchasing.

We have stipulated that we will provide fair trade opportunities, no matter what nationality or company size, and develop good and long-term cooperative relationships with our suppliers. We carry out our activities in accordance with this.

Upon selecting suppliers, we periodically review order policy on the basis of a comprehensive evaluation for each fiscal year.

#### Basic purchasing stance



### Strengthening cooperation with suppliers

In order to present the business environment that surrounds us and the direction we should take, and to enable people to understand our annual purchasing basic policy for the fiscal year on the basis of that, we hold a Supplier meeting in April each year.

We invite our main suppliers of products, processing, materials, equipment, and molds to the supplier meeting, and deepen cooperation with suppliers by giving a briefing on cooperation with regard to safety, quality, cost, technology, business development, and various activities as a "Tokai Rika Group Policies" and "Purchasing Policy." We also praise and present awards to suppliers who have achieved outstanding results with regard to safety, quality, cost, and so on.



#### FY 2019 Supplier meeting

On April 12, 2019, we held a Supplier meeting at our Head Office. With about 130 suppliers from among our main suppliers in attendance, including 49 suppliers of Tokai Rika Kyouryoku-kai among 400 parts suppliers, we explained our group policies, purchasing policy, and also our policy regarding quality, initiatives with regard to environmental activities, and more.



FY 2019 Supplier meeting

#### Cooperation activities

With a view to also achieving cross-industrial exchange, we have been conducting section meeting activities every other month for 49 suppliers of the Tokai Rika Kyouryoku-kai, with "safety," "quality" and "personnel and labor affairs" being the three pillars. Through these activities we are working toward mutual improvement in each field, by introducing actual examples from both within and outside our company. These examples include ones related to "safety," "quality," and "personnel and labor affairs," and we introduce things such as information on changes to laws and ordinances pertaining to "environment," and actual examples of environmental near-misses.



A scene at Tokai Rika Kyouryoku-kai Quality improvement exhibition

#### Disaster prevention activities

Our Purchasing Div. positions painting processes, casting processes, substrate mounting processes, semiconductor processes, and power receiving/transforming facilities as the main areas for disaster prevention, and conducts joint inspections of facilities in cooperation with suppliers and in-house dedicated committees. In FY 2019, as well, we conducted joint inspections on the status of management at a total of 60 suppliers in the field of painting processes, casting processes, substrate mounting processes, semiconductor processes, and power receiving/transforming facilities management on the basis of the activity plan.



Joint study session with suppliers

#### Initiatives in FY2019

Safety/disaster prevention	<ul style="list-style-type: none"> <li>Realization of "0 (zero) accidents"</li> <li>Promotion of risk assessment</li> <li>Disaster prevention audit and fire prevention</li> </ul>
Assuring quality	<ul style="list-style-type: none"> <li>Reduction of customer delivery defects</li> <li>Audit and improvement of important parts suppliers</li> </ul>
Stable supply	<ul style="list-style-type: none"> <li>Initiatives for BCP</li> <li>Business succession issues and countermeasures</li> </ul>
Secure competitiveness	<ul style="list-style-type: none"> <li>Accelerating our global competitiveness</li> <li>Strengthen competitiveness by improving on-site capabilities</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Compliance with various laws and regulations</li> </ul>





## Relations with Society

Under our business philosophy, "Coexisting with nature and the local community," we actively engage with stakeholders, are committed to continuous activities to contribute to the local community, and also promote independent and voluntary participation by employees in volunteer activities and community involvement, through opportunities for exchange and interaction that everyone can take part in easily.

### Social contribution activities policy

With regard to our policy for activities in relation to social contribution, firstly, among our initiatives as a business organization we conduct activities that focus on four pillars: "local communities," "social welfare," "development of youth," and "environmental preservation." As another initiative, we are also committed to support for and awareness of various social contribution activities and volunteer activities conducted by employees.

#### Policies for activities in relation to social contribution

Planning and promotion of social contribution activities conducted by Tokai Rika as a business organization

##### Fields of activity

- Local communities**  
Contributing to regional development and safe and secure town development
- Social welfare**  
Contributing to achieving a barrier-free society
- Development of youth**  
Contributing to the development of children, who will carry the society of the future on their shoulders
- Environmental preservation**  
Conduct that takes into consideration a better relationship with the global environment, for the sake of the future

Support for and awareness of social participation activities and volunteer activities conducted by employees

### Co-sponsorship and management cooperation for Aichi Ekiden (marathon relay race)

We have been co-sponsoring the Aichi Prefecture Municipal Opposition Ekiden Race (Aichi Ekiden), which is attended by all municipalities of Aichi Prefecture, for the 14th consecutive year, ever since the first time.

In addition, since the first time we have dispatched employee volunteers, such as course assistants, to continuously support the operation in the hope that it can be implemented safely and securely. Many of the participants from our company are motivated by the hard-running athletes and cheering spectators, and are happy to be involved in an event co-sponsored by our company.



Appearance of start line

Activity scene 1



Activity scenery 2

Award ceremony: presenting a trophy

### Hosting of local social gatherings

At each office in Japan, we hold an annual local social gathering by inviting representatives in neighboring regions. We explain our business activities such as social contribution, environmental maintenance, and volunteer activities conducted by employees.



Local social gatherings with the community at our Head Office

### Topics

#### Other global activities

##### North America



##### Stuff the Bus

Donate to local schools by stuffing supplies (stationery etc.) necessary for school.

##### South America



##### Warm clothing donation campaign

An activity to collect clothes from our employees and donate them to people in need in the area.

##### Europe



##### Business introduction for local schools and students

Participants will have an experience of assembling and will take an interest in manufacturing automobile parts.

##### Asia



##### Supporting school attendance for students in poverty

Supporting tuition for students (middle school to high school) who have difficulty attending school.

# Environmental Activities

### Environmental Slogan

We are reducing the environmental burden of our corporate activities while achieving harmony between people and their vehicles.

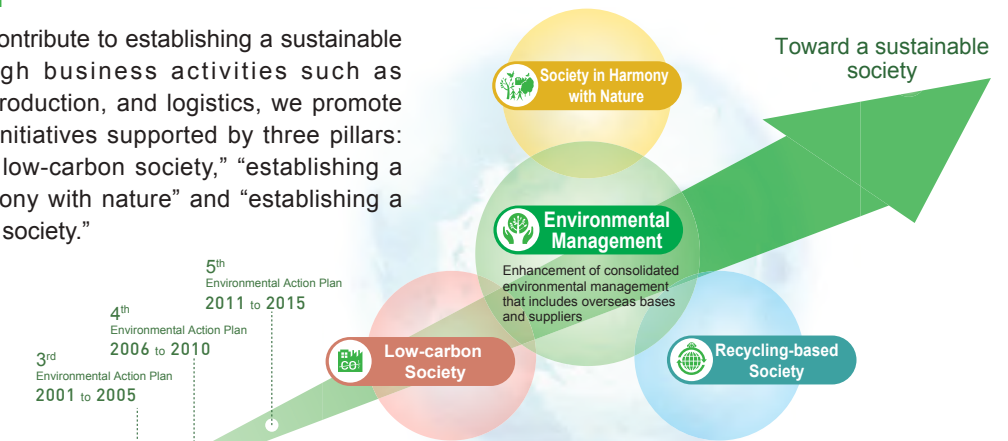
### Environmental Policy

- 1 We promote environmental efforts based on our management philosophy and code of business conduct.
  - Main initiative details: Global warming prevention, resource saving, recycling, waste reduction, chemicals management, active use and development of new eco-friendly technology, promotion of LCA, biodiversity conservation, etc.
- 2 We comply with laws, act responsively toward customers and local communities, and set voluntary targets to prevent pollution.
- 3 We are continuing to increase environmental efforts by forming an environment committee.

### 6th Environmental Action Plan

2016 to 2020

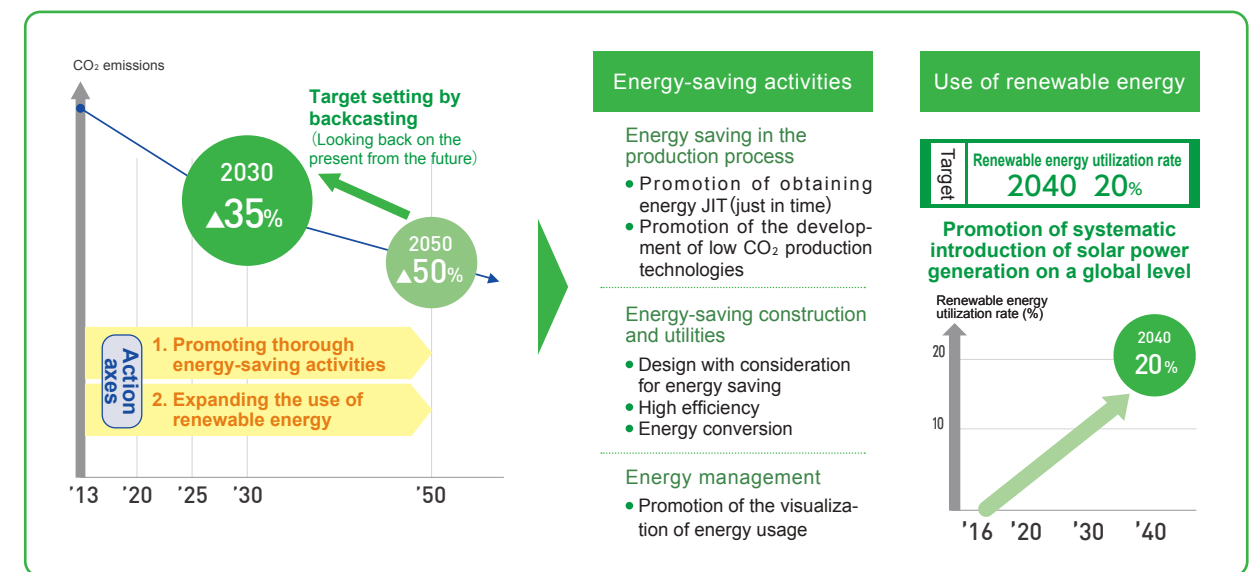
In order to contribute to establishing a sustainable society through business activities such as development, production, and logistics, we promote environmental initiatives supported by three pillars: "establishing a low-carbon society," "establishing a society in harmony with nature" and "establishing a recycling-based society."



### Long-term vision for CO<sub>2</sub> reduction

In the Tokai Rika Group, we have set 2050 as the target for long-term reduction to reduce CO<sub>2</sub> by half, with a mid-term target of 35% to achieve an ideal situation in 2030 in order to contribute to solutions

for climate change. While promoting CO<sub>2</sub> reduction through thorough energy-saving activities, we are shifting to renewable energy in a planned manner to achieve the target.





FY 2019 Environmental Activities Summary Results for the 6<sup>th</sup> Environmental Action Plan (2016 to 2020)

Tokai Rika has established the “6<sup>th</sup> Environmental Action Plan” to guide its environmental activities, has set specific figures as its targets, and is working toward achieving them. We successfully achieved all of our targets in FY 2019.

	Action items		FY 2019 activities results	FY 2019 target value	FY 2019 results	Assessment	Reference page
Establishing a Low-carbon Society	Promotion of more compact and lightweight designs for products	<ul style="list-style-type: none"> <li>Promotion of more compact and lightweight designs</li> <li>Development of new products / technologies in response to new energy trends</li> <li>Understanding and visualization of CO<sub>2</sub> emissions in the life cycles of principal products</li> </ul>	<ul style="list-style-type: none"> <li>More compact and lightweight</li> </ul>	—	—	○	▶ P.48
	Reduction of CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Use or development of low- CO<sub>2</sub> production engineering</li> <li>CO<sub>2</sub> reduction by daily improvement activities</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of production equipment through an Energy Saving Subcommittee</li> <li>Horizontal development for energy-saving improvement</li> <li>Horizontal development for example cases of Karakuri mechanisms</li> <li>Awareness activities (Exhibitions, Outstanding Example Award)</li> <li>Introduction of renewable energy</li> </ul>	Tokai Rika Group <b>91.3</b> t-CO <sub>2</sub> / 100 million yen	Tokai Rika Group <b>85.3</b> t-CO <sub>2</sub> / 100 million yen	○	▶ P.48
	Reduction in greenhouse gases	<ul style="list-style-type: none"> <li>Management of non-energy related greenhouse gases</li> <li>Reduction in emission of SF<sub>6</sub> gas used in magnesium alloy casting</li> </ul>	<ul style="list-style-type: none"> <li>Substitution for SF<sub>6</sub> in magnesium alloy casting processes</li> </ul>	—	—	○	▶ P.51
	Pursuit of efficient transportation in logistics activities and reduction of CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Promotion of CO<sub>2</sub> reduction activities by further improving transportation efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of transportation efficiency by reviewing the routes</li> <li>Improvement of transportation efficiency by improving the packaging</li> </ul>	Tokai Rika <b>1.261</b> t-CO <sub>2</sub> / 100 million yen	Tokai Rika <b>1.178</b> t-CO <sub>2</sub> / 100 million yen	○	▶ P.51
Establishing a Society in Harmony with Nature	Reduction of environmentally hazardous substances in production activities	<ul style="list-style-type: none"> <li>Continuous management of PRTR Law substances and promotion of reduction activities</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in consumption of PRTR substances</li> <li>Reduction in emission of VOCs</li> </ul>	—	—	○	▶ P.52
	Enhancement of the management of chemical substances in products	<ul style="list-style-type: none"> <li>Enhancement of the management of chemical substances contained in products based on regulatory trends in each country and region, and promotion of switch to substances with a lower environmental load</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of lead-free soldering</li> <li>Switch to products that do not contain regulated substances</li> </ul>	—	—	○	▶ P.52
	Promotion of environmental preservation / conservation of biodiversity	<ul style="list-style-type: none"> <li>Promotion of environmental preservation / conservation of biodiversity in accordance with the biodiversity guidelines shared by All Toyota and the needs of each region</li> <li>Implementation of education that is rooted in the local community and makes use of offices and in-the-field locations in each region</li> </ul>	<ul style="list-style-type: none"> <li>Tree-planting, conservation activities of Satoyama, and elimination of alien species</li> <li>Participation in All Toyota cooperative activities</li> </ul>	—	—	○	▶ P.53
	Promotion of social contribution activities that will assist the establishing of a society in harmony with nature	<ul style="list-style-type: none"> <li>Active social contribution through links with local communities, and promotion of volunteer activities</li> <li>Enhancement of grants to environmental activities</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution and volunteering through links with local communities</li> </ul>	—	—	○	▶ P.53
Establishing a Recycling-based Society	Promotion of product designs and technological developments to make recycling easy	<ul style="list-style-type: none"> <li>Promotion of more recyclable product designs and the use of more recyclable materials</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of ease of disassembly by reviewing design</li> <li>Promotion of the use of recycled materials</li> </ul>	—	—	○	▶ P.54
	Reduction of waste in production activities and efficient use of natural resources	<ul style="list-style-type: none"> <li>Waste reduction by daily improvements, and use or development of waste reduction production engineering</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of production yields</li> <li>Promotion of 3R (reduce, reuse, recycle) activities</li> </ul>	Tokai Rika <b>2.28</b> t / 100 million yen	Tokai Rika <b>1.76</b> t / 100 million yen	○	▶ P.54
	Reduction of the use of water in production activities	<ul style="list-style-type: none"> <li>Promotion of continuous reduction activities for water consumption, taking into consideration the situation regarding the aquatic environment in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Use of recycled water (semiconductors, plating processes)</li> <li>Risk assessment of water</li> </ul>	—	—	○	▶ P.55
	Effective use of resources and reduction of packaging and wrapping materials in logistics activities	<ul style="list-style-type: none"> <li>Promotion of improvement centered on making wrapping materials returnable and lightweight</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of packing and wrapping materials by reviewing packing methods</li> <li>Making packing materials reusable</li> </ul>	Tokai Rika <b>0.596</b> t / 100 million yen	Tokai Rika <b>0.535</b> t / 100 million yen	○	▶ P.55
Environmental Management	Enhancement and promotion of consolidated environmental management	<ul style="list-style-type: none"> <li>Enhanced environment committee activities of different countries and regions for environmental performance improvement</li> <li>Compliance with the environment-related laws of different countries and regions, and strengthening of environmental risk prevention activities</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement and promotion of consolidated environmental management</li> <li>Acquisition of EMS external certification at production bases</li> <li>Appropriate treatment of PCBs</li> </ul>	—	—	○	▶ P.56
	Promotion of environmental activities in cooperation with business partners	<ul style="list-style-type: none"> <li>Enhancement of further cooperation with suppliers and promotion of global activities to improve the environment together</li> </ul>	<ul style="list-style-type: none"> <li>Deployment of environmental information to partner companies</li> <li>Actual-location study activities with partner companies</li> </ul>	—	—	○	▶ P.57
	Enhancement of global employee education / awareness activities	<ul style="list-style-type: none"> <li>Promotion of awareness regarding environmental preservation, through global environmental education</li> </ul>	<ul style="list-style-type: none"> <li>Environment for training key persons through education</li> <li>Development of awareness activities during environment month</li> </ul>	—	—	○	▶ P.58
	Improvement of the urban air environment in each country and region	<ul style="list-style-type: none"> <li>Expansion of the introduction of low-emission vehicles in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the introduction of low-emission vehicles</li> </ul>	—	Tokai Rika <b>56.7%</b>	○	▶ P.58
	Proactive disclosure of environment information and enhancement of communication activities	<ul style="list-style-type: none"> <li>Further enhancement of the content of information disclosure related to environment</li> <li>Enhancement of environmental communication activities in each region</li> </ul>	<ul style="list-style-type: none"> <li>Issuance of the Tokai Rika Report and Eco Data File</li> <li>Hosting of local social gatherings</li> </ul>	—	—	○	▶ P.59





## Establishing a Low-carbon Society

While the worldwide movement of decarbonization has accelerated amid growing concern about global warming, the Tokai Rika Group has been enhancing activities we consider to be the responsibility of a global company, and has been promoting CO<sub>2</sub> reduction activities within the whole group. These activities include downsizing and reducing the weight of products, which contribute to the improvement of fuel efficiency of vehicles, and improving the efficiency of the use of energy in production and transportation.

### Promotion of more compact and lightweight designs for products

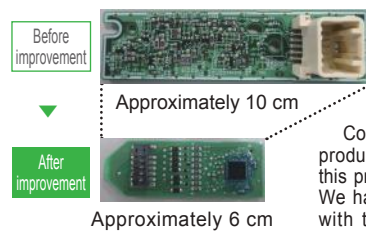
We are promoting more compact and lightweight designs for products, which will lead to the improvement of the fuel efficiency of vehicles, in anticipation of the need to respond to next-generation eco-friendly cars.

### More compact shift indicator substrate

By converting part of the circuit board mounted on the shift indicator into an IC (integrated circuit) and changing the connection method from a normal connector to a pin header terminal, we achieved more compact and lightweight boards and products.



Shift indicator



Product weight reduced by **50%**



Personnel at 1st Electronics Engineering Division from the left:  
**Yoshihisa Seino, Daiki Yasunaga, Makoto Itatsu, Masahiro Inoue**

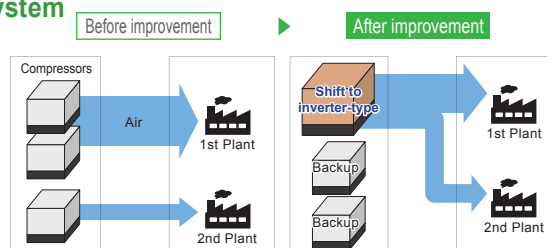
Collaboration with other divisions was essential for this product development. We were able to commercialize this product in cooperation with many related divisions: We have proceeded with IC conversion in cooperation with the Electronics Device Division, carried out a design review with the Production Engineering Division for pin header mounting, and discussed the structural requirements with the product business-related divisions.

### Reduction of CO<sub>2</sub> emissions

By performing activities such as thorough elimination of wasteful energy consumption in production processes, horizontal deployment of energy-saving improvements on a global scale, and the introduction and expansion of renewable energy, we have achieved both Tokai Rika's and the Tokai Rika Group's basic-unit targets for CO<sub>2</sub> emissions for FY 2019.

### Energy saving by reviewing the air supply system

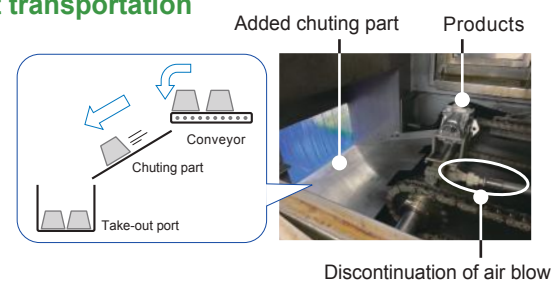
At the Semiconductor 1st and 2nd Plants, air used to be supplied by the compressors at each plant, but by integrating the air supply system and shifting the main compressors into inverter-types we could achieve efficient operation according to the load, resulting in significant reduction of power consumption.



Reduction in amount of CO<sub>2</sub>  
**95.9**  
t-CO<sub>2</sub> / year

### Discontinuation of the use of air for product transportation

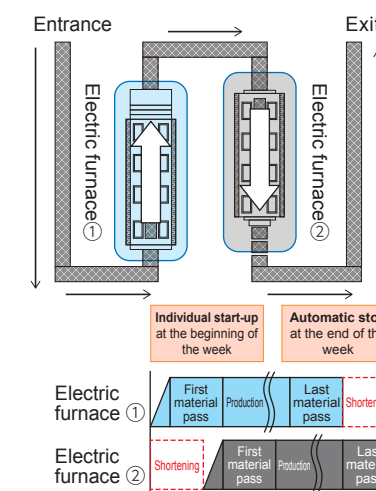
In the casting process of TRT (Thailand), the product was taken out by air blow, but by creating a chute that discharges the product using its own weight and installing it at the take-out port, the use of air blow was discontinued and the energy required for taking out the product was reduced.



Reduction in amount of CO<sub>2</sub>  
**12.3**  
t-CO<sub>2</sub>/year

### Obtaining JIT for start-up/down of the heat-treatment furnace

The heat-treatment furnace for seatbelt parts consists of two electric furnaces with different temperatures. As the power sources of the heat-treatment furnaces are managed collectively, one of the furnaces burned empty at both the start of the week and the shutdown at the end of the week, wasting power. Therefore, we changed the control circuit and improved the power management so that each electric furnace can be controlled independently, resulting in obtaining energy JIT (Just In Time).



Reduction in amount of CO<sub>2</sub>  
**31.5**  
t-CO<sub>2</sub>/year



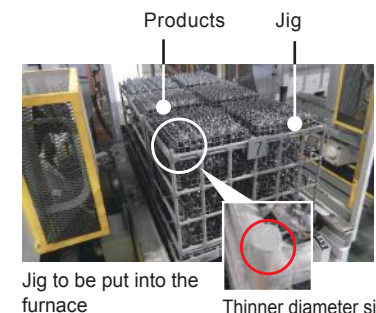
Security Production Engineering Division  
**Yosuke Kawahira**



In addition to optimizing the operation time, we have improved the control method to prevent parts from entering the unheated furnace to prevent defects due to process skips. I am glad that we have shared our wisdom with the people around us, and have been effective in terms of both CO<sub>2</sub> and cost.

### Higher cycle due to lightweight jig

In the quenching/tempering furnace of the heat treatment process, the product is set in the jig and put in, but there is a limit to the weight that can be put in at one time. Therefore, we made it possible to increase the number of products that can be input by 1.5 times and reduce the number of furnace operations by making the jig enclosure thinner and lighter.

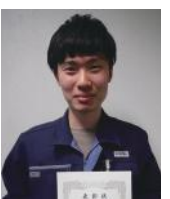


Jig to be put into the furnace  
Thinner diameter size

Reduction in amount of CO<sub>2</sub>  
**11.7**  
t-CO<sub>2</sub> / year



Safety Production Engineering Division  
**Tomoaki Nakamura**



We had a hard time applying the jig to each heat-treated part with a different shape, while maintaining product quality and jig's durability. In cooperation with related divisions, we were able to improve the cycle by devising jigs instead of modifying the equipment.

### Outstanding Example Award for CO<sub>2</sub> Reduction

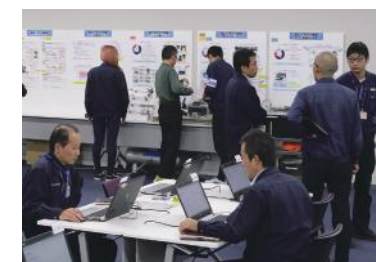
Tokai Rika has established a system for commending examples of energy-saving improvements showing excellent application and focus carried out by each division. In order to help improve energy saving at each division, we exhibit the outstanding examples selected at each plant at the Energy Saving Exhibition, and decide the best examples through voting by the employees who visit.

#### FY 2019 Outstanding Examples

Award	Example	Division
Gold Award	Higher cycle due to lightweight jig	Safety Production Engineering Division
Silver Award	Intermittent air blower for connector molding machine	Security Production Engineering Division
	Low-temperature metal plating resin process	Safety Production Engineering Division
Bronze Award	Energy saving by reviewing the air supply system	Oguchi Plant Administration Division
	Inverter for cooling water pump for compressor	Oguchi Plant Administration Division
	Obtaining JIT for start-up/down of the heat-treatment furnace	Security Production Engineering Division

### Energy Saving Exhibition

Tokai Rika organizes an Energy Saving Exhibition every year with the concept of increasing the number of employees who are interested in energy saving and wish to improve the situation, and expanding our horizons on energy efficiency. We provide an opportunity for employees to raise their energy-saving awareness by exhibiting panels that show the perspective of energy-saving improvement, exhibiting examples of CO<sub>2</sub> reduction within the company, and exhibiting demonstration machines that allow you to experience energy-saving performance.



Energy Saving Exhibition



Energy-saving experience corner



▶ Establishing a Low-carbon Society

■ Use of renewable energy

The Tokai Rika Group aims to achieve renewable energy to account for more than 20% of power consumption by 2040, and is introducing solar power generation systematically.

In FY 2019, we introduced 1.0 MW in total at Hagi Plant, TRP (Philippines), and Ena Tokai Rika Co., Ltd., a domestic subsidiary. As a result, we introduced 3.5 MW in the entire Group and the renewable energy rate was improved to 1.9%.



Hagi Plant, Tokai Rika: 0.3 MW



Ena Tokai Rika: 0.5 MW



TRP (Philippines): 0.2 MW

Renewable energy use rate  
Improvement of  
**0.6 %**

■ Green power certificate

Green power is being used at the office building of the Head Office by making use of the Green Power Certificate\* system with an annual biomass generation of 100,000 kWh.



Green power certificate

\*The Green Power Certificate is issued by a third-party agency and certifies the amount of environmental added-values of power generated by means of natural energy.

Topics

Initiatives for reducing CO<sub>2</sub> emissions at TSB (Thailand)

In TSB (Thailand), in order to significantly reduce the total amount of CO<sub>2</sub> emissions, members elected from each division launched a new CO<sub>2</sub> reduction project, prioritizing and taking countermeasures for the issues that were brought up among the members. In FY2019 they worked to lower the air supply pressure, investigated the required pressure of air equipment and the end pressure of the air piping, and reduced the excessive supply pressure of the compressor by 0.2 MPa. Also, on holidays they carry out energy-saving patrols at their plant and take thorough measures against air leaks.

Reduction in amount of CO<sub>2</sub>  
**13.0**  
t-CO<sub>2</sub> / year



Progress follow-up meeting, CO<sub>2</sub> emissions reduction project

Reduction in greenhouse gases

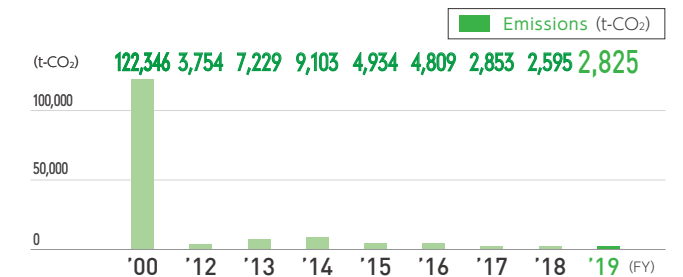
The Tokai Rika Group is working to reduce emissions of not only CO<sub>2</sub> that accompanies energy use but also greenhouse gases (five gases), by taking measures for emission control such as replacing and detoxifying the target gases.

■ SF<sub>6</sub> emission reduction activities

We had been using SF<sub>6</sub>\* for the shielding gas to prevent melted materials from burning when exposed to air in the magnesium casting process, but because the greenhouse effect is so high with SF<sub>6</sub> we promoted a changeover to FK (fluorinated ketone) gas, which has a smaller greenhouse gas effect, and changeover to FK in all casting processes in Japan was completed.

\*SF<sub>6</sub> has high global warming potential, 23,900 times greater than that of CO<sub>2</sub>, our standard (IPCC guideline No. 2), so it has been specified as one of the targets of emission control.

■ Greenhouse gas (five gases\*) emissions

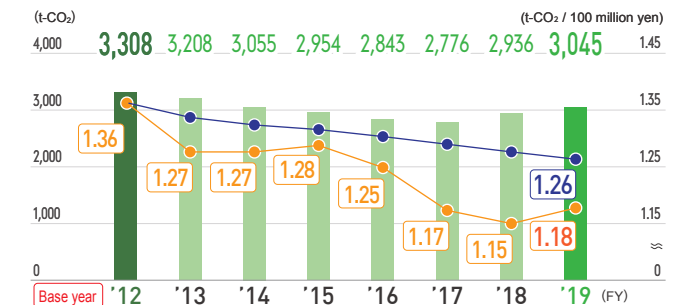
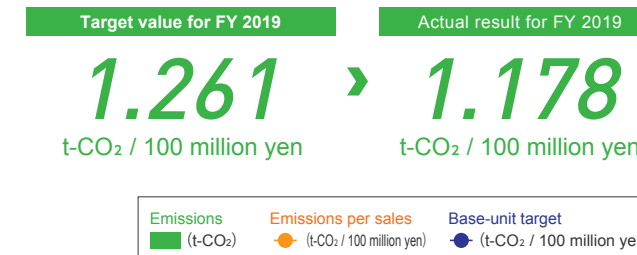


\*Five gases: Methane (CH<sub>4</sub>), dinitrogen monoxide (N<sub>2</sub>O), hydrofluorocarbon (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>)

Pursuit of efficient transportation in logistics activities and reduction of CO<sub>2</sub> emissions

We are working to reduce CO<sub>2</sub> emissions in the transportation process by improving packaging that leads to higher storage efficiency and loading ratio, and reviewing efficient transportation routes.

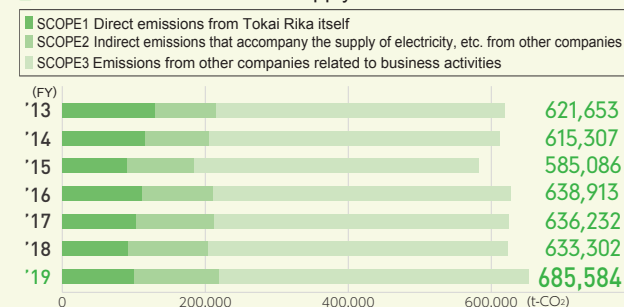
■ Trends in CO<sub>2</sub> emissions for logistics activities per sales



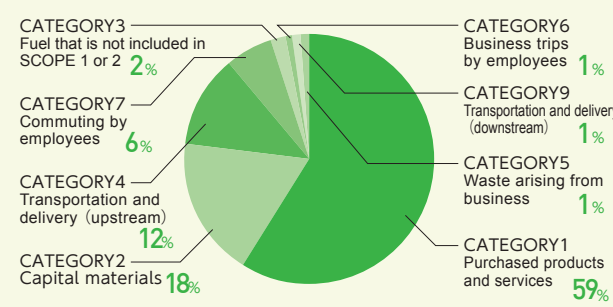
CO<sub>2</sub> emissions in the supply chain

The Tokai Rika Group recognizes that in order to control global warming, it is necessary to reduce not only CO<sub>2</sub> emitted through activities conducted by the company, but also emissions throughout the life cycle. We have been monitoring the amount of CO<sub>2</sub> emissions throughout the supply chain, including upstream and downstream, and are promoting activities for reduction.

■ Trends in emissions in the supply chain



■ Breakdown for SCOPE 3 in FY 2019



Reduction of transportation load by reducing container size

We have devised an efficient storage method and partition while taking into account the quality assurance and workability of storage / removal, and have reduced the container size by 25% without changing the amount of storage. As a result, we were able to reduce the load equivalent to 41 large trucks annually.



Reduction in amount of CO<sub>2</sub>  
**6.0**  
t-CO<sub>2</sub> / year

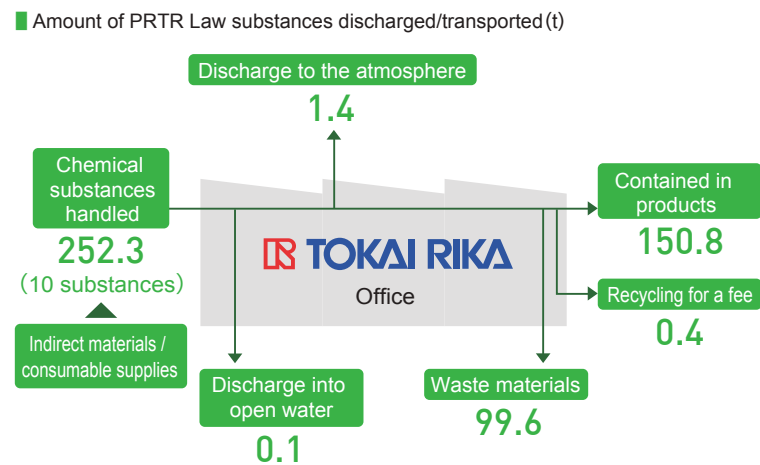
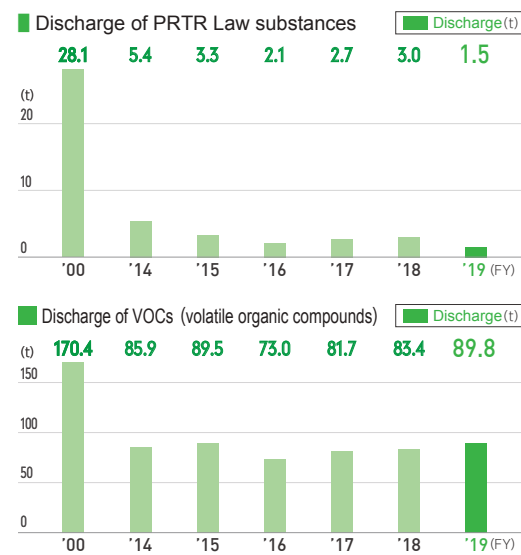


## Establishing a Society in Harmony with Nature

While responding to the tightening and creation of laws and regulations that deal with chemical substance management within and outside Japan, we are working to reduce environmentally hazardous substances in both product development and production processes. We are also deploying activities toward the achievement of a society that is in harmony with nature, through biodiversity conservation activities and cooperative activities performed with the local community.

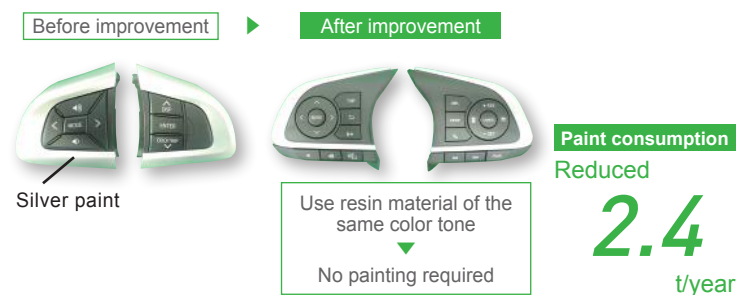
### Reduction of environmentally hazardous substances in production activities

In order to reduce risk to the environment and people, we are working on the reduction of VOCs (volatile organic compounds) and substances subject to the PRTR Law used in production processes, for example by switching materials and improving painting processes.



### Reduction of organic solvents by decoration with silver color material

The operation part of the steering wheel switch was painted with silver paint to improve the design, but by molding with a resin material of the same color tone, the use of paint is no longer necessary and the consumption of organic solvents has been reduced.



### Enhancing the management of chemical substances in products

The Tokai Rika Group understands the trends in regulations on chemicals in each country, and designs from the development stage in consideration of the chemical substances contained in products.

### Promotion of switch from nonylphenol ethoxylates

As the adhesives used in switch products and design panels contain nonylphenol ethoxylate, which is the subject of the REACH Regulation, we have switched to non-containing adhesives.



### Promotion of environmental preservation / conservation of biodiversity

Aiming for a society with sustainable development and in harmony with nature, we have established initiative guidelines and are pressing forward with initiatives across the whole of the Tokai Rika Group.

#### Biodiversity initiative guidelines

Guidelines	Action items	Guidelines	Action items
1 Working together with society to foster nature	<ul style="list-style-type: none"> <li>Building a society that nurtures biodiversity, through cooperation with local communities and All Toyota</li> <li>Raising employees' awareness by means of education, and encouraging them to take action</li> </ul>	3 Promoting business activities that are in harmony with nature	<ul style="list-style-type: none"> <li>Preserving water areas, reducing CO<sub>2</sub>, circulating resources, reducing environmentally hazardous substances</li> </ul>
2 Introducing eco-friendly technologies	<ul style="list-style-type: none"> <li>Lightweight / recyclable product designs, management of chemical substances</li> </ul>	4 Actively disclosing information on the content of initiatives	<ul style="list-style-type: none"> <li>Transmitting information</li> </ul>

### Biodiversity initiatives that contribute to communities

The Tokai Rika Group conducts biodiversity initiatives such as tree planting and eliminating alien species in cooperation with local communities and governments. In FY 2019, at the Head Office/Plant we carried out activities to eliminate lanceleaf tickseed, an invasive alien species, in collaboration with neighboring companies. In addition, TRT (Thailand) launched a tree-planting project in which 300 employees planted 5,800 trees of native species in the region. Furthermore, we are making efforts to contribute to the region at each base, such as the conservation of the wetlands of Yanami registered in the Ramsar Convention, and the Shiokawa tidal flats.



Activities to eliminate lanceleaf tickseed Tree-planting activities of native species (Thailand) Wetlands and Satoyama preservation activities Cleanup activity at the Shiokawa tidal flats

### Promotion of social contribution activities that will assist the establishing of a society in harmony with nature

Under our business philosophy of "working in harmony with nature and the local community," we conduct initiatives to contribute to environmental preservation through continuous social contribution activities for local communities.

### Cleanup activities for the local community

Tokai Rika continues to carry out local cleanup activities at each base. Toyota Plant cleans the area from their plant to the nearest station, and Ena Tokai Rika cleans the parks and roads within the industrial park. The Head Office/Plant, Otowa Plant, and Hagi Plant have registered with Adopt Programs, collaborative activities with local governments, and cleaned the public space around their sites.



Cleanup activities at the Toyota Plant Cleanup activities at Ena Tokai Rika Cleanup activities at the Head Office / Plant Cleanup activities at the Otowa Plant





## Establishing a Recycling-based Society

To make effective use of limited resources, the Tokai Rika Group is promoting the cyclical use of various resources such as resins, metals, and solvents used in the production of products.

### Promoting product designs and technological developments to make recycling easy

We are manufacturing products that will contribute to the formation of a recycling-based society by improving our products' ease of disassembly and using recycled materials.

### Use of recycled materials

To support the effective use of natural resources, we actively promote the use of recycled materials. In power window switches we are using resin materials which contain recycled materials that are made from crash-processing after resin molding.



Power window switch

### Reduction of waste in production activities and efficient use of natural resources

We are working on reducing the discharge of waste materials and using limited resources efficiently by improving production yield, reducing the rate of defects, and thoroughly implementing 3R.

### Effective use of edge loss in the casting processes

#### Development of regenerative technology

At the Otowa Plant we have developed a technology to turn the aluminum edge loss generated during the production of casting parts into high-quality recycled material, so that recycled materials can also be used for casting products that undergo heat treatment.



Aluminum edge loss



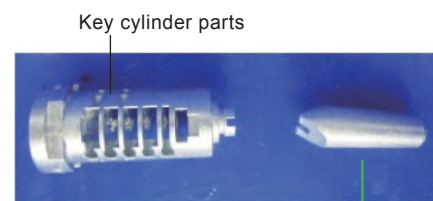
Melting furnace

#### Reuse by changing process

At TRI (Indonesia), the edge loss of key cylinder parts was cut and discarded at the same time as deburring, but by changing the process and cutting before deburring, edge loss can now be reused.



Cutting edge loss



Key cylinder parts

Edge loss ▶ Melted

### Recycling of plastic waste materials

The Head Plant crushes waste materials from resin molding for thermal recycling, and by introducing a crusher that can handle larger waste materials, now it is also possible to recycle defective molded products that were previously disposed of as industrial waste.



Resin molding product (defective product)



Waste material after crushing (combustion improver material)

### Reduction of the use of water in production activities

At the Tokai Rika Group we are conducting a water risk assessment using the amount of precipitation and water withdrawal at each production base, and working on reduction of the use of water by increasing the efficiency of use and adopting reuse.

### Reduction of the use of water

In the plating process, part of the waste water is treated in the ion exchange tower and then reused in the process.

We also reuse the concentrated waste water, produced in the pure water manufacturing process, needed for removing the smallest particles of dirt in the semiconductor manufacturing process and some pure water used in dirt removal, to reduce the water consumption and amount of waste water.



Ion exchange tower



Water purification apparatus

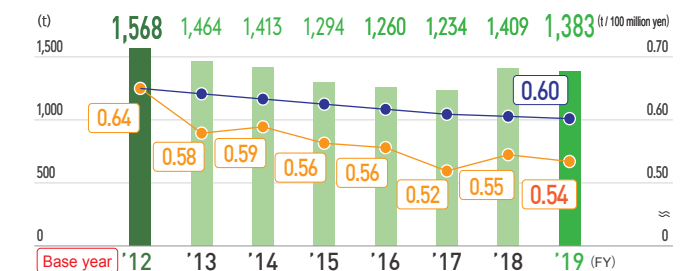
### Effective use of resources and reduction of packaging and wrapping materials in logistics activities

In order to reduce the consumption of wrapping and packaging materials, we are working to improve the packaging and make packaging and wrapping materials returnable.

#### Trends in the amount of packaging and wrapping materials per sales

Target value for FY 2019: **0.596** t/100 million yen  
Actual result for FY 2019: **0.535** t/100 million yen

Consumption (t) Consumption per sales (t / 100 million yen) Base-unit target (t / 100 million yen)



### Reduction of the use of cardboard by reviewing packaging

The spare parts for wheel covers had been delivered in cardboard boxes, which were then discarded by customers. By changing the packaging from cardboard to resin boxes and using them repeatedly, we were able to reduce the annual cardboard usage of 34,000 boxes.

Before improvement After improvement



Packed one by one in a cardboard box



Multiple individually packaged products in one box



This proposal will also lead to customers' reduction of waste materials. We will continue to work on improvements such as eliminating, thinning, and reducing packaging materials, and find the best way so that we can contribute to establishing a recycling-based society.

Toyota Plant Administration Division  
**Yusuke Teshima**

Reduction of materials

**13.7** t/year



## Environmental Management

Positioning environmental preservation as an important challenge in management, the Tokai Rika Group establishes an Environmental Action Plan that constitutes our mid-term action plan every five years, and we are developing activities based on the environmental policy, aiming at harmony between people and their vehicles.

### Enhancing and promoting consolidated environmental management

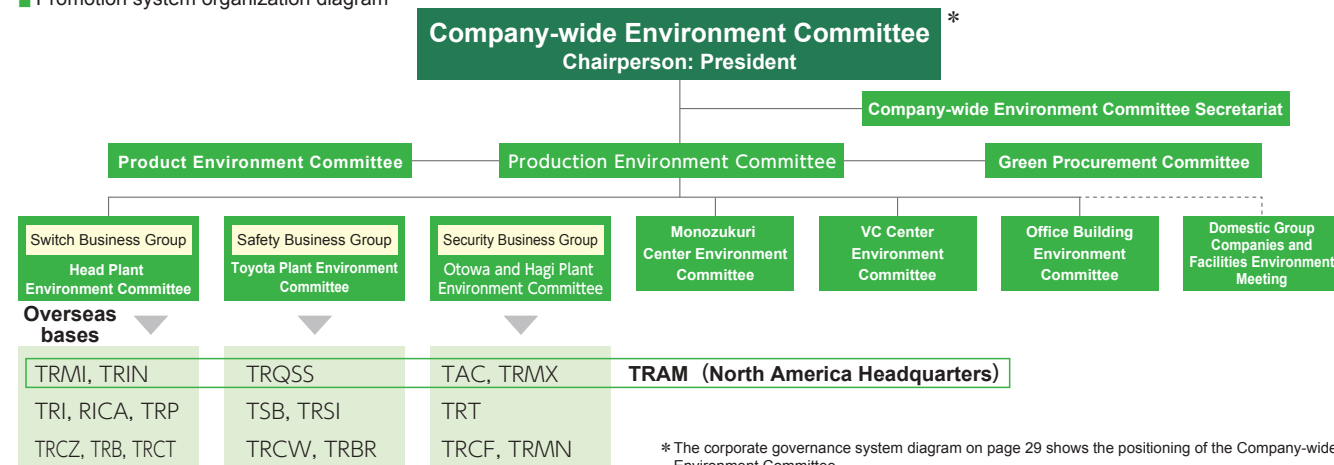
As a response toward global environmental challenges, we capture future environmental risks including climate change and promote consolidated environmental management under organizational structures built in cooperation with our group companies and suppliers.

### Promotion system

Policy for activities in relation to environmental preservation, mid-to-long-term targets, and actions toward important challenges are discussed and decided by the Company-wide Environment Committee, which is chaired by the President. As its lower-level organizations we have

the Production Environment Committee, the Product Environment Committee, and the Green Procurement Committee. They are promoting initiatives in each field on the basis of matters decided by the Company-wide Environment Committee.

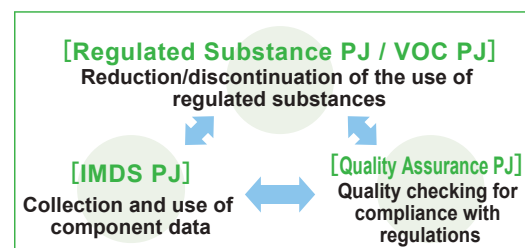
Promotion system organization diagram



#### Activities of each committee

##### Product Environment Committee

In order to make the chemical substances used in our products comply with the laws and regulations of each country and the requirements of customers, we are grasping the trends of regulations and reflecting them in product design through four projects.



##### Production Environment Committee

We are working to reduce CO<sub>2</sub> and waste generated in our production. We have established subcommittees to improve our performance from a more professional point of view, such as energy saving and logistics, and deployed initiatives of each plant horizontally and to our group companies in Japan and overseas.



Production Environment Committee

### Establishment and implementation of an environmental management system

Situation regarding acquisition of EMS external certification at production bases



In order to continuously improve environmental performance, we are setting up Environmental Management Systems (EMS) in each base and acquiring external certifications. Tokai Rika and all overseas production bases have acquired ISO14001 certification, and domestic group companies have acquired the Eco Action 21 certification in addition to the ISO14001.

### Reduction of environmental risks

We evaluate environmental risks regarding production equipment and work done on our premises, and conduct practical drills periodically for anticipated emergencies. In addition, at the Toyota Plant we have newly installed an emergency storage tank to prevent the outflow of abnormal wastewater to the outside.



Drills for emergencies



Toyota Plant's emergency storage tank

### Topics

#### TRBR received the "Green Award 2019"

TRP (Philippines) is deploying environmental activities such as tree-planting activities, introduction of solar power generation, and participation in light-off activities of EARTH HOUR\* sponsored by the World Wide Fund for Nature. In addition to these activities, the Sustainable Management Vision was awarded the Green Award 2019 by the City of Santa Rosa for being recognized as an exemplary company.



Green Award 2019 Certificate



TRP (Philippines)  
**Dan Joseph Marquez**

We are proud to have received this kind of recognition for energy-saving improvement at our production site, introducing solar power generation, and continuing tree-planting activities. As corporate citizens, we will continue to make concerted efforts to contribute to the environment.

\*The world's largest environmental event where people all over the world show their intention to prevent global warming and protect the environment by turning off the lights at the same time on the last Saturday of March.

### Promotion of environmental activities in cooperation with business partners

We are promoting the strengthening of environmental management that includes supply chains to reduce environmental loads and risks throughout a whole life cycle in cooperation with suppliers.

#### Cooperation with suppliers

We have established Green Procurement Guidelines to understand the concept of environmental conservation, build a cooperation system with our suppliers, and develop collaborative activities. In FY 2019, we also established Green Procurement Guidelines at overseas bases. In addition, we share information such as revisions to environment-related laws, examples of energy-saving improvements, and environmental near-miss incidents with member companies of Kyouryoku-kai organized by suppliers at the regular meetings to improve the levels of both the Tokai Rika Group and our suppliers.



Green Procurement Guidelines



## Environmental Management

### Enhancing global employee education / awareness activities

We are expanding a training curriculum and awareness-raising activities. We have established an education system to not only acquire expert skills, but also to create a culture in which each and every one of our employees works on environmental preservation as “their own problem”.

### Initiatives during Environment Month

During the Environment Month of June, we hold events such as asking for the submission of environment posters and environment lectures to raise the environmental awareness of our employees. Ms. Sumiko Takeuchi of the International Environmental and Economy Institute was invited to speak at the environmental lecture. She presented under the theme of “Social trends and energy issues in Japan”. Many employees, including management, learned how companies should respond to energy issues.



Environment lecture



Environment poster award (left: adult category, right: children category)

### Enhancement of environmental education

We are implementing systematic environmental education programs, using e-learning among other things. These programs include training by job grade for new employees and promoted employees, training by job function in which specialized knowledge, skills, and more are acquired, such as environment laws and energy saving. Systematic training by workplace in accordance with the characteristics of each workplace is being carried out.



Environment laws education



Energy-saving education (e-learning)

### Topics

#### SDGs study session

In order to deepen our understanding of the SDGs, which is expanding globally, a study session was held, recruiting participants centered on young employees from related divisions. Through the card game “2030 SDGs”, each participant thought about what we should do in the workplace and at home.

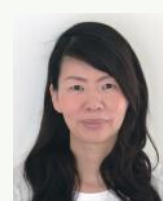


SDGs study session



Design Division  
**Tomomi Ishiwatari**

Amid the drastic changes in the environment surrounding companies, I felt the importance of deepening our understanding of the SDGs and planned the study session. Some participants commented that they understood the necessity of SDGs through the game in an easy-to-understand manner, and it was a meaningful opportunity.



### Improvement of the urban air environment in each country and region

In order to reduce VOC emissions in painting processes and reduce the impact of automobile gas emissions to the air, which is the main cause of urban air pollution, we are proceeding with a changeover to low-emission company cars.

#### Expansion of the introduction of low-emission vehicles

Name of business office	Total number of company cars (vehicles)	Number of introduced HVs and FCVs (vehicles)	Low-emission vehicle introduction rate (%)
Head Office/Plant	132	83	62.9
Toyota Plant	15	10	66.7
Otowa and Hagi Plants	39	11	28.2
Others	8	6	75.0
Total	194	110	56.7

FY 2019 results

**56.7**  
%

### Proactive disclosure of environment information and enhancement of communication activities

In response to increasing interest toward non-financial information, we are promoting proactive disclosure of information as one of our corporate social responsibilities. We are also working to further enhance communication with stakeholders, for example by holding community meetings.

### Disclosure of environmental data

Detailed data on our Group's environmental activities is published in a separate Eco Data File. The items listed refer to the GRI “Sustainability Reporting Standard 2016” and include data on raw materials, energy, water, waste water, emissions to the atmosphere, and waste. We will continue to proactively disclose information with the aim of enhancing communication.



2020 Eco Data File

### Input resources and emission to environment in business activities

We are trying to reduce the environmental load by understanding the whole picture regarding the energy and resources that are used and the discharge from our business offices, such as CO<sub>2</sub> and waste, and using them as indicators of the environmental load of our business activities.

INPUT		TOKAI RIKA	OUTPUT		
<b>Raw materials</b>	<b>Energy</b>		<b>Products</b>	<b>Waste</b>	<b>Discharge water</b>
Resin materials 9,467t	Purchased power 89,201MWh		Plants Head Office, offices	Direct landfill Waste 0.75t	Sewage 122 thousand m <sup>3</sup>
Urethane 290t	City gas 4,631,069m <sup>3</sup>				Intermediate treatment Waste 749t
Zinc 1,729t	Butane gas 120t				<b>Discharge to the atmosphere</b>
Aluminum 1,486t	<b>Other</b>			CO <sub>2</sub> (Originating from energy) 43,417t-CO <sub>2</sub>	
Magnesium 1,913t			Chemical substances [regulated by law] 252t	CO <sub>2</sub> (5 gases) 3,186t-CO <sub>2</sub>	
Iron 7,873t	Paper 14.82 million sheets		CO <sub>2</sub> (logistics) 3,045t-CO <sub>2</sub>		
Copper 2,704t	Packing and packaging materials 1,383t		<b>RECYCLE</b>		
Nickel 31t	<b>Water</b>		<b>Recycling</b>		
Soldering materials 10t			City water 237 thousand m <sup>3</sup>	Recycling (including recycling for a fee) 10,965t	
Silver 17t		Industrial water 114 thousand m <sup>3</sup>			
	Underground water 201 thousand m <sup>3</sup>				

\* For data details, see the “2020 Eco Data File (<http://www.tokai-rika.co.jp/society/report/2020/index.html>)” on our website.

## ▶ Corporate Data

Company name	TOKAI RIKA CO., LTD.
Head Office location	3-260 Toyota, Oguchi-cho, Niwa-gun, Aichi 480-0195, Japan
Establishment	August 30, 1948
Employees	19,452 (Consolidated, as of March 31, 2020)
Capital	¥22.8 billion (as of March 31, 2020)
Net Sales	¥500.0 billion (Consolidated, Year ended March 31, 2020)
	¥271.4 billion (Unconsolidated, Year ended March 31, 2020)
Ordinary income	¥22.9 billion (Consolidated, Year ended March 31, 2020)
	¥21.2 billion (Unconsolidated, Year ended March 31, 2020)

Total number of shares authorized to be issued	200,000,000 shares
Number of shares issued and outstanding	94,234,171 shares (Including 2,984,471 treasury stocks)
Number of shareholders	7,334
Listing stock exchanges	Tokyo Stock Exchange 1st section, Nagoya Stock Exchange 1st section Stock code: 6995
Audit corporation	Deloitte Touche Tohmatsu LLC
Transfer agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Handling Office	3-15-33 Sakae, Naka-ku, Nagoya, Aichi, Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department

## Major shareholders

Shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
Toyota Motor Corporation	29,367	32.18
Denso Corporation	8,873	9.72
The Master Trust Bank of Japan, Ltd. (trust account)	4,805	5.26
Japan Trustee Services Bank, Ltd. (trust account)	2,521	2.76
The Dai-ichi Life Insurance Company, Limited	2,275	2.49
Tokai Rika Employee Shareholding Association	1,326	1.45
State Street Bank and Trust Company 505001	1,297	1.42
SSBTC CLIENT OMNIBUS ACCOUNT	1,096	1.20
The Bank of New York Treaty Jasdec Account	1,076	1.17
Japan Trustee Services Bank, Ltd. (trust account 5)	1,069	1.17

Note: The shareholding ratio is calculated by deducting the number of treasury stocks from the total number of issued stocks.

## Executive Management

### Members of the Board

President	Hiroyoshi Ninoyu		
Representative Directors	Koki Sato	Kazuhiko Noguchi	
Directors	Hiroshi Nishida	Yasushi Yamanaka* <sup>1</sup>	Kei Fujioka* <sup>1</sup>

\*<sup>1</sup> Outside board members

### Audit & Supervisory Board Members

Isaki Sugiura	Masato Hotta
Tadashi Yamashina* <sup>2</sup>	Minoru Chida* <sup>2</sup>
Yoshinori Yamada* <sup>2</sup>	

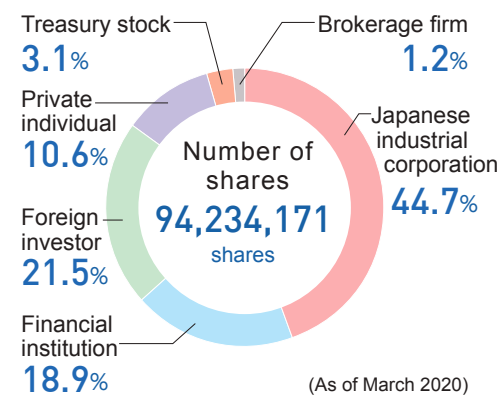
\*<sup>2</sup> Outside Auditors

### Operating Officers

President	Hiroyoshi Ninoyu		
Executive Vice Presidents	Koki Sato	Kazuhiko Noguchi	
Corporate Officers	Yoshihiro Tanaka	Hideki Ono	Shigeru Hayashi
	Kazuhiro Ikai	Toshiki Nogami	Toshiki Akita
	Koki Imaeda	Hiroshi Nishida	Yoshihiro Kondo
	Masahiko Sato	Taketoshi Sakurai	

(As of June 10, 2020)

## Status of distribution of shares, by holder



## ▶ About Tokai Rika Report

### Tokai Rika Report 2020

#### Editorial policy

In this report we are reporting business activities, financial information, activities related to the environment, and the social responsibility of the Tokai Rika Group. In order to further achieve better communication with all stakeholders we have posted a URL, shown on the right, for your access to our public relations/IR information.

Also, with regard to our company's activities, sections considered important in the previous year's report have been modified and restated in this report.

#### Applicable scope

This document reports the activities of Tokai Rika Co., Ltd. and the Tokai Rika Group.

#### Target period

From April 1, 2019 to March 31, 2020

\*Some activities and plans for April 2020 and onward are also introduced, in order to give a deeper understanding of our activities. The job titles and positions stated are those that were held at the time of the activities.

#### Situation of the report

Issuance date: July 2020

(Next planned issuance date: July 2021)

Report cycle: Annual (previous issue: July 2019)

#### Reference guidelines

- Ministry of the Environment "Environmental Reporting Guidelines (Fiscal Year 2018 Version)"
- GRI "Sustainability Reporting Standard 2016"

The data published in this report has been revised to the latest data (as of the end of FY 2019). (It may vary from the data published in previous reports.)

#### [Note regarding future prospects]

This report contains plans and strategies regarding the company's future and forecasts, and prospects regarding business performance. These descriptions are expectations based on assumptions and beliefs that are founded on judgments made from the information available to us at the present time. Please understand that they may vary from the actual results as a result of changing circumstances, and actual business performance may differ from the company's expectations.

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"Tokai Rika Report 2020"

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### Public relations / IR tool

#### <Tokai Rika Website>



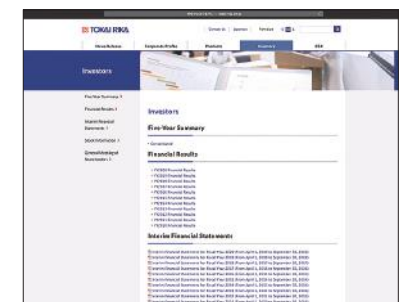
<http://www.tokai-rika.co.jp/en/index.html>

#### <Company profile>



<http://www.tokai-rika.co.jp/company/profile/pdf/companyprofile.pdf>

#### <Shareholders, investors information>



<http://www.tokai-rika.co.jp/en/investors/index.html>



# **TOKAI RIKA CO., LTD.**

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