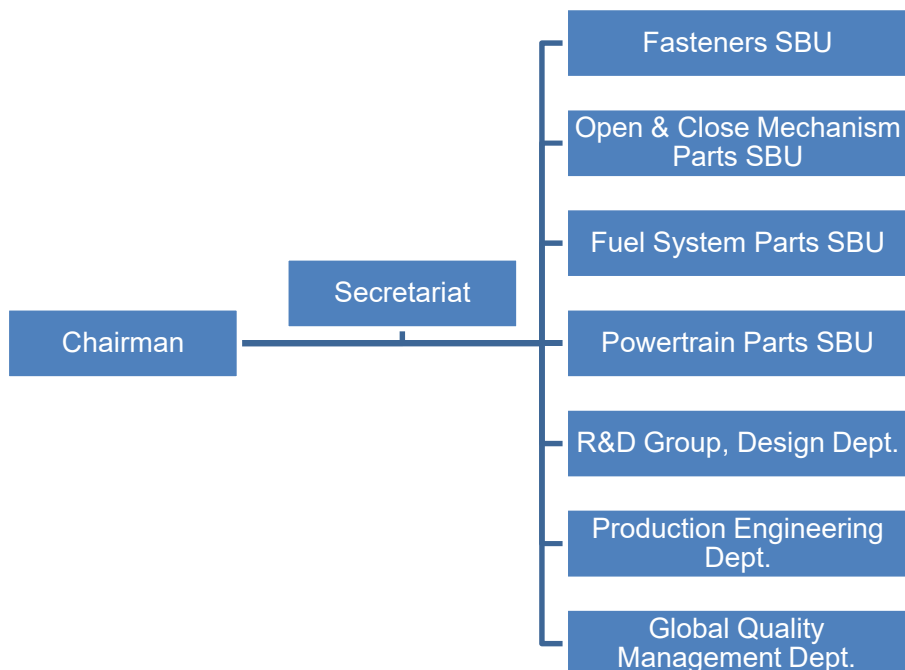


## [Value Chain Engagement]

### <Global Engineering Standards>

Since 2006, Piolax has been establishing the Piolax Engineering Standards (P-ES) based on the idea of the Japanese Industrial Standards (JIS) with a view to build and specify expertise.

For its operation, Piolax Engineering Standards Committee and seven working teams are set up. They create new standards and review the existing standards annually. So far, 148 standards have been prepared.



### <Education for Next-generation Engineers>

Design Department holds a monthly education program to develop young engineers in all departments related to products. The education curriculum covers a wide range of themes, including design support tools, quality engineering, automotive structures, environmentally hazardous substances, the latest automotive technologies, and laws and regulations.

In FY2020, 12 lectures were given online, and a total of about 1,600 people from Japan and overseas attended.



### <Yamabiko Kaizen Activity>

The Yamabiko Kaizen Activity is a general term for monthly improvement activities that have continued since 2007 at Moka and Fuji Plants. This activity is named hoping that improvements will be made at the speed of sound, not the speed of light, and that the effects will propagate like mountain echoes ("yamabiko" in Japanese). In this activity, employees report production site improvement and production management status, and the Chief Quality Officer, the Deputy Chief Quality Officer, and Board Members in charge review the report on the spot. The employees can get quick and appropriate responses, which raises their motivation. This activity has been expanded to group companies in Japan, and overseas production sites are also making similar improvement efforts to improve on-site capabilities and quality. In FY2020, this activity was conducted online in Japan and on worksites in overseas companies with measures taken against infectious diseases.

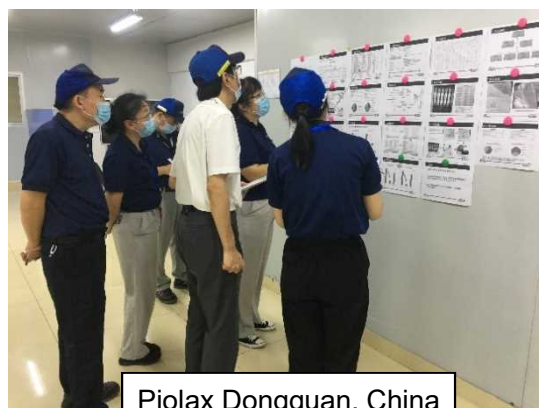


Moka Plant

(Due to the COVID-19 pandemic, no field tour was conducted, and training was held in multiple meeting rooms to avoid close contact and crowded places.)



Piolax Wuhan, China



Piolax Dongguan, China



Improvement of 100% inspection at Piolax Thailand

### <Global Production Meeting>

The Piolax Group holds an annual technology-exchange meeting for manufacturing sections of production sites in Japan and overseas. It aims to increase the levels of quality and technologies through activities such as providing advice for equipment design (e.g. labor saving, automation), giving on-site guidance for process improvement methods, and conducting an injection molding skill test for overseas members. In FY2020, the exchange meeting was delayed and held online on May 28, 2021, with a participation of a little under 60 people in Japan, China, Indonesia, India, South Korea, Thailand, etc. For overseas sites that were unable to participate due to time differences, we will separately hold follow-up meetings and distribute videos of the meeting.



Report from participants



On-site lecture for improvement with actual items



On-site explanation for improvement



Mold disassembling training



Injection molding skill test  
(Practical test)



Injection molding skill test  
(Written test)



### <Global Report Meeting of Small Group Activity>

Since 1979, Piolax has continued to hold an annual report meeting for improvement activity led by each workplace. It provides employees with opportunities to report their improvement activity directly to the management and thereby raises their awareness for improvement. It works as employee training and contributes to enhance the level of on-site capabilities. Overseas subsidiaries have joined this meeting since 2012, and the name of meeting has been changed to the current one. This is a meaningful activity where overseas participants can directly experience Japanese “kaizen” and take it back to their workplaces to make further “kaizen”.

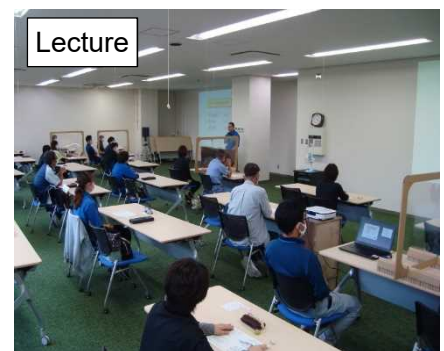
In FY2020, the annual meeting, which usually takes place in January, was held in July and August 2021, and a reporting method was changed from a conventional presentation style to a review style of materials with audio.

### <Supplier Engagement>

For suppliers from which we purchase products and materials, we hold an annual policy meeting (in March) and an interim report meeting (in November). These meetings include an explanation of the Piolax President’s policies and purchasing policies as well as lectures about quality and provide a forum to have a dialogue about annual activity plan and its progress and to strengthen the relationship of trust. In the annual policy meeting, excellent suppliers according to the annual QCD evaluation system are awarded. In FY2020, both meetings were canceled due to the COVID-19 pandemic.

### <Quality Control Standards>

Purchase Department provides each supplier with the “Quality Evaluation Standards for Suppliers” that reflect the requirements of the IATF16949: 2016 in order to clearly indicate our quality control standards. As an example of our efforts, we have established an inspector certification system for inspectors engaging in the suppliers’ final shipment inspection with an aim to enhance product assurance. As of 2020, 457 people of 49 suppliers are registered as certified inspectors.



**<Working with Suppliers to Comply with Environmental Regulations>**

We annually distribute the latest version of the Piolax Engineering Standard (P-ES) summarizing the requirements for environmentally hazardous substances, and we conduct surveys of such substances and conflict minerals in regard to deliveries to Piolax, such as materials and parts.

The results of the FY2020 survey of environmentally hazardous substances are all in compliance with the in-house standards. Concerning the survey of conflict minerals, we cooperate with suppliers to improve the response rate and investigation accuracy for minerals of concern.