

Toyoda Gosei's Management Capital

Management capital cultivated over more than 70 years of history

* This data is current as of March 2023 (the number of locations only is current as of July 31, 2023).

Management capital is an important source of sustainable enhancement of corporate value. Toyoda Gosei builds management capital through repeated cycles of value creation based on our management philosophy, and invests capital at the appropriate time in business opportunities and risks that we foresee.



Human Capital

Number of employees

38,942

Transformation into a dynamic “polymer-like organization” that supports corporate evolution and growth

Toyoda Gosei operates in 16 countries and regions around the world with 62 Group companies. We aim to achieve sustainable evolution and growth by becoming a dynamic polymer-like organization that brings out the individuality and power of employees with diverse values and talents from different nationalities, genders, ages, and lifestyles, and generates new creativity and power through organic linkups.

- Ratio of overseas employees: 75.7%
- Ratio of local executives: 32%
- Women in management positions (non-consolidated): 33
- Ratio of mid-career hires in management positions (non-consolidated): 31.3%

Diversity & Inclusion [P.62](#)



Social and Relationship Capital

Number of suppliers (non-consolidated)

773

Building strong relationships with stakeholders through careful dialogue

The auto industry is undergoing a major transformation with the conversion to electrification and automated driving. In order to realize our management vision, smooth cooperation with various stakeholders is important. Through repeated and careful dialogue with stakeholders and by providing value to society, we will build and maintain strong relationships of mutual trust and continue to evolve steadily while flexibly adapting to a challenging business environment.

- Joint university research (Nagoya University, Osaka University, Tohoku University)
- Individual meetings for analysts and institutional investors: 109

Social Initiatives [P.60](#) IR Activities [P.99](#)



Manufacturing Capital

Number of locations

62

(July 31, 2023)

Providing safety, comfort, and decarbonization to customers around the world by leveraging our global network and knowledge of rubber and plastics

In order to meet the needs of our customers around the world in a timely manner, we have established sales and technical structures that are closely linked to each region and an optimal global production and delivery system. In addition, we are enhancing our manufacturing capabilities by innovatively evolving our manufacturing methods and production facilities based on our knowledge of rubber and plastics, a strength we have cultivated for more than 70 years. We have adopted Internal Carbon Pricing (ICP) and make investment decisions based on the balance between the global environment and economic activities.

- Capital investment cost: 48.8 billion yen
- CO₂ emissions reduction (non-consolidated): -32.2% (compared to FY2015)

Competitive Advantages [P.15](#)



Natural Capital

Total energy input

2.311 million GJ


* Gigajoule = 1,000,000,000 J

Initiatives for climate change and resource recycling utilizing the environmental technologies and knowledge we have developed

In 1993, we launched our full-scale environmental initiatives with the First Environmental Action Plan, and have been vigorously implementing various initiatives for about 30 years. Natural capital is the source of materiality (key issues) and outcomes, and by further advancing the knowledge and technologies for environmental conservation, which we have cultivated, and the knowledge in the rubber and plastics fields, which are our competitive advantages, we aim to efficiently invest natural capital in resources and reduce environmental impact, thereby achieving both conservation of the global environment and resources and the creation of economic value.

- Total material input: 38,935 t
- Water resource input: 1.05 million m³
- Renewable energy input: 34,000 GJ
- Acquisition rate of ISO 14001 for production sites: 100% (environmental management system)

Materiality [P.18](#) Environmental Initiatives [P.54](#)



Intellectual Capital

R&D expenses

34.2 billion yen

Pursuing the possibilities of polymers and refining our one-of-a-kind R&D capabilities to further enhance our competitiveness

It is important for us to anticipate the needs of society and our customers, and to have the technological capabilities to offer solutions that focus on the future changes with the changing automobile industry. R&D capabilities are the source of our corporate growth, and we have invested approximately 100 billion yen in R&D over the past three years to conduct R&D for new and existing businesses that pursue the potential of polymers. We are further enhancing our competitive advantages by utilizing IP landscaping and other techniques to improve the accuracy and speed of our decision-making process for new business development.

- Development and engineering staff (non-consolidated): 2,293
- Number of patents held: 4,835

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 Research and Development [P.30](#) Intellectual Property Strategy [P.36](#)



Financial Capital

TG-ROIC*

8.2%

(FY2022)

Sound financial management to support sustainable growth and enhance corporate value

Continuous investment in machine equipment, R&D, and alliances is necessary to achieve sustainable growth and enhance corporate value. We maintain the stability of our financial base through healthy financial management and achieve sustainable growth by effectively using financial capital when necessary. We will practice more multifaceted financial management by adopting new management indicators such as TG-ROIC and evaluating the creation of corporate value.

$$* \text{ TG-ROIC} = \frac{\text{Operating profit}}{\text{Non-current assets} + \text{Inventories}}$$

- ROE: 3.6% (March 2023)

Financial Policy: Message from the Chief Financial Officer [P.43](#)
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