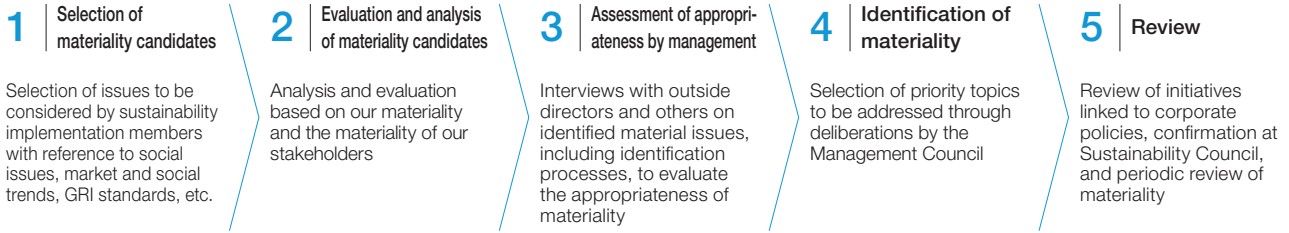










Materiality (Key Issues)

Materiality Identification Process



	Key Sustainability Issues (Materiality)	Main Initiatives (Social Issues/Opportunities and Risks to be Addressed)
	<ul style="list-style-type: none"> Responding to the transformation of the automobiles Reducing traffic fatalities for realizing a safe, secure, and comfortable mobility society Creating new businesses utilizing core technologies 	<ul style="list-style-type: none"> Development of new products for BEVs P.26 Expanding sales to BEV leading markets and OEMs P.25 Development and sales expansion of airbag products to deliver safety and comfort to all P.27 P.48 Expanding new businesses by leveraging experience in new business development P.34 Deployment of corporate venture capital (CVC) P.37 Realization of smart factories (double productivity) P.38
	<ul style="list-style-type: none"> Creating a decarbonized society by reducing CO₂ emissions and greenhouse gas emissions Creating a recycling-oriented society through waste reduction and water risk reduction 	<ul style="list-style-type: none"> Creating environmentally-friendly businesses by leveraging our knowledge in the rubber and plastics fields P.29 P.33 Globally integrated operations to achieve carbon neutrality P.54 Contribution to a recycling-oriented society (Car to Car recycling) P.58
	<ul style="list-style-type: none"> Living together with local communities Use of diverse human resources and respect for human rights 	<ul style="list-style-type: none"> Initiatives rooted in local communities (local self-reliant management, Center of Excellence) P.42 Diversity & inclusion P.62 Safety and health management P.68 Strengthening quality and supply chain to support sustainability management P.65 Responding to geopolitical and economic risks P.82
	<ul style="list-style-type: none"> Corporate governance as a company with integrity Ensuring compliance 	<ul style="list-style-type: none"> Strengthening of BCP resilience P.84 Enhancing of internal controls P.70

KPIs and Medium- to Long-term Targets (FY2030)	Relevant SDGs Most Important Areas
<ul style="list-style-type: none"> ● BEV-related share of revenue: 40% <p>Target Setting Formula BEV production volume/Car production volume * Based on S&P Global Information</p>	 <p>Achieving a safer, more secure, and more comfortable mobility society</p>
<ul style="list-style-type: none"> ● Airbag production volume: +1.5 fold increase (compared to FY2022) 	 <p>Solving social issues by creating innovations</p>
<ul style="list-style-type: none"> ● Based on cash allocation (Allocating funds mainly for R&D, human resources, and strategic investments with the aim of expanding fields that contribute to safety, comfort, and decarbonization) 	   <p>Realization of a decarbonized, recycling-oriented society</p>
<ul style="list-style-type: none"> ● Scopes 1 and 2: Carbon neutral ● Waste volume (total) [non-consolidated]: -50% (compared to FY2012) ● Scope 3: -27.5% (compared to FY2019) ● Waste volume (unit) [overseas]: -55% (compared to FY2015) ● Renewable energy adoption rate: 100% 	  <p>Sustainable growth through diverse workforce</p>
<ul style="list-style-type: none"> ● Percentage of employees receiving training on human rights: 100% ● Employee engagement affirmation rate [non-consolidated]: 75% ● Ratio of local executives (vice presidents and above) at overseas locations: 60% or more ● Number (ratio) of female managers [non-consolidated]: 100 (8.8%) ● Ratio of mid-career hires in management positions [non-consolidated]: 30% or more ● Number of serious accidents: 0 ● Percentage of suppliers implementing sustainability activities: 100% 	 <p>Fair and transparent corporate governance system</p>