

## Evaluation of the Effectiveness of the Board of Directors

Effective functioning of corporate governance is essential for the Company's sustainable growth, to enhance corporate value, and to contribute to the sustainable development of society. Therefore, to ensure the effectiveness of the roles and responsibilities of the Board of Directors, evaluations and opinions are heard every year from members of the Board. The Board of Directors then analyzes, evaluates, and deliberates on measures for improvement. In FY2021, debriefings with all nine directors and all five Audit & Supervisory Board members were conducted to assess their performance. As a result, Toyoda Gosei found no material deficiencies across any of its assessments and concluded that the Board continues to function effectively.

Of particular note, the Board received high ratings for its openness and candid discussions, its agenda that focused heavily on key issues, and its support

for outside officers. However, the Board's discussions on medium- to long-term policies, which have been regarded as an issue for some time, were evaluated as needing further improvement. Outside directors stated their opinions on ensuring greater opportunity for face-to-face discussions among directors, and for having the chance to once again make on-site visits to understand the actual situation on the front line, both of which had been suspended due to the pandemic. Accordingly, Toyoda Gosei is now taking measures to improve communication through direct, on-site visits by conducting tours of business sites and arranging roundtable discussion-type meetings to exchange views. Opinions were also expressed with an eye on the future, addressing the need to add more diversity to the Board. As such, Toyoda Gosei will continue to strive to ensure diversity by highlighting the experience and expertise required for the growth of the Company in a skills matrix.

### Board Effectiveness Evaluation Process

<p><b>Evaluation Method</b></p> <p>Interview: Nine directors and five Audit &amp; Supervisory Board members</p> <p>Evaluation process: Analysis of interviews and debriefing results to ensure anonymity</p>	<p><b>Debriefing Items (Main Items)</b></p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of directors</li> <li>• Oversight function of the Board</li> <li>• Deliberations within the Board</li> <li>• Support for outside officers</li> </ul> <p>More detailed sub-items are laid out under the main items of the debriefing to allow for a well-rounded survey.</p>
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### FY2021 Board Effectiveness Evaluation Results

Issues Identified	Measures
Enhancing discussions on medium- to long-term plans and future visions	Further increase opportunities for discussion and reporting at the Board of Directors' meetings on initiatives to improve corporate value and medium- to long-term management strategies in response to changes in the business environment
Discussions on measures to respond to environmental changes (CASE, electrification, etc.)	
Explanations on the background of individual investments and their relationship with medium- to long-term strategies	Discuss individual projects at an executive level after indicating the direction of capital investment to make projects easier to understand
Ensuring time for outside officer liaison meetings	Extend time given for officer liaison meetings for further exchange of ideas and discussions
Ensuring further diversity of the Board	Continue selection of diversity- conscious candidates by arranging experience and expertise required for the growth of the Company in a skills matrix

### Issues Evaluated in FY2020 for Board Effectiveness and Status of Initiatives in FY2021

Main Feedback (Issues) in FY2020	Initiatives in FY2021
Insufficient discussion on medium- to long-term issues such as core competencies and carbon neutrality that will serve as future growth strategies	Reported and discussed long-term business strategies beyond 2025 at Board meetings and at outside officer liaison meetings
Ensuring further diversity of the Board	Considered to be an ongoing issue so that appropriate candidates continue to be selected (ongoing in FY2022)