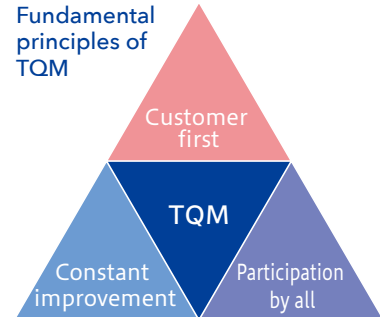


Uniform global quality assurance

Toyota Gosei ensures quality in all business activities, from development to production, based on our basic quality policy. Every one of our plants has obtained certification in the ISO 9001 (JQA QM7318/QMA11826/QMA12841) and IATF16949 (JQA-AU124) international standards for quality management systems. Each plant also sets its own quality control goals for production. These goals are based on the principles of Total Quality Management, or TQM—activities designed to enhance the quality of products, work, and management, and increase the dynamism of individuals and organizations, through constant improvement and the participation of all based on the “Customer First” principle. In addition, all Group companies use our Quality System Global Standards, which incorporate quality improvement with rules and know-how to ensure quality.



Monitoring and responding to manufacturing processes and market quality

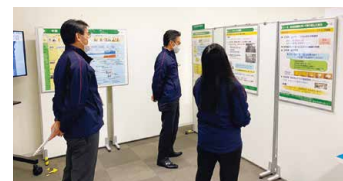
Defect-free process completion is carried out in production and other processes for parts involved in the basic automotive functions of running, turning, and stopping, as these parts are directly linked to safety. We want the Toyota Gosei name to equal quality in the minds of customers worldwide. For this purpose, we advance quality assurance declaration activities at all production locations. This means that all employees make efforts to improve safety and the people in charge of all manufacturing processes improve quality through the development of people and processes. When a mechanism that can ensure the target quality has been completed and is in place, the manager makes an “assurance declaration” to the president or site manager. The president or site manager then conducts a site inspection. Through “*jidoka*,” we

improve quality by creating processes that do not produce or pass on any defects and developing workers with a high sensitivity to safety and to avoiding mistakes. Audits and improvements by certified auditors of production processes for safety-related parts are also carried out.

A system is in place so that whenever a quality problem occurs in the market, we can quickly investigate the causes based on information from automakers and implement prevention measures. When it is difficult to pinpoint the cause of a problem and develop solutions internally, we work with the quality departments of automakers to take precise measures to prevent recurrence based on inspections with test vehicles and other means. In this way we prevent such quality defects from occurring in the next products.

TOPICS Quality Learning Center established to cultivate a quality mindset

All members of the Toyota Gosei Group, including suppliers and international locations, learn repeatedly about quality. We have established a Quality Learning Center to cultivate a mindset of thinking and acting with a customer-first and quality-first approach. In addition to showing examples of past problems, exhibitions convey the company history of placing importance on quality, examples of quality improvements implementing the TG Spirit, and efforts for the future.



Tour of the Quality Learning Center

TQM for a stronger, better company

TQM activities are undertaken across the company to raise product and work quality and individual and organizational vitality, and to create a flexible and resilient corporate character through constant improvement and the participation of all based on the “Customer First” principle.

In addition to past Workplace Management *Kaizen* Activities and Small Group Activities, we are sequentially introducing education to help workers acquire AI and big data analysis skills and ways of thinking to enhance creativity, so that they can deal with a dramatically changing environment. We are also fostering a corporate culture of cultivating data literacy and wide-ranging imagination, and developing people

who can contribute to DX and other transformations and to increased competitiveness.

For global expansion, we are energizing small group activities together with each location with a focus on the China and ASEAN regions. We began a Global Small Group Activity Competition in 2016 to help each other improve.

TQM activities at Toyota Gosei

| Level | Activities |
|---------------------------|--|
| Manager | Workplace management <i>kaizen</i> activities |
| Office, technical workers | Small group activities (group <i>kaizen</i> activities) Activities to improve practical abilities in statistical quality control (SQC) and artificial intelligence (AI) |
| Skilled workers | Small group activities (QC Circle activities) |