

TOYODA GOSEI REPORT 2019



We are a global company that delivers satisfaction to customers worldwide through safety, comfort, well-being and the environment

The Toyota Gosei Group continues to meet the needs of society through the provision of automotive and other products using rubber and plastic technology.



Management Philosophy

Boundless Creativity and Social Contribution

Good corporate citizenship

We, as a good corporate citizen, contribute to the economy and society through community-based business activities and social action programs.

Proper business operation

We promote business operations with integrity through the establishment of a system founded on thorough compliance and corporate ethics.

Sustainable growth

We aim to build up the TG Group's collective strength through an open and fair relationship with suppliers, through a mutually strengthened corporate structure and innovative management response to change.

Customer satisfaction

We aim to provide products and services with satisfying quality and price in a timely manner, through forward-looking R&D and production engineering.

Conservation of global environment and resources

We aim to conserve the global environment and resources in order to hand down a greener world to our children through every business activity, which includes cooperation with society and the development of an environment-friendly product and manufacturing process.

Respect for the individual

We aim to establish a vibrant corporate culture through respect for individuality and the value of enhanced teamwork, based on shared responsibility and mutual trust between employees and management.

Editorial policy

This report was compiled with the aim of providing shareholders, investors, and all other stakeholders with a deeper understanding of the Toyoda Gosei Group. It describes the fiscal 2018 business performance of the Group and explains the Group's strategy and efforts for creating medium- and long-term value.

Since the 2018 report issued last year, the Toyoda Gosei Report has been compiled as an integrated report. We have tried to make it straightforward and understandable, with reference to the International Integrated Reporting Framework (International Integrated Reporting Council (IIRC)) for the IR section and the GRI Standards (Global Reporting Initiative) for the ESG section.

Period covered by report

April 1, 2018 to March 31, 2019

This report principally covers the period above, but content related to other periods may be included as needed.

Scope

Toyoda Gosei Group

The scope is outlined individually for some items.

Date of issue

September 2019

(Last published in November 2018; issued once a year)

Disclaimer

Careful attention was paid to the content of this Report, but accuracy and the timing of updates is not guaranteed and Toyoda Gosei shall bear no responsibility for trouble, loss, or damage resulting from updates or errors in the information herein.

Reference guidelines

- International Integrated Reporting Framework (International Integrated Reporting Council (IIRC))
- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines, 2018 Edition (Ministry of the Environment, Japan)
- Environmental Accounting Guidelines, 2005 Edition (Ministry of the Environment, Japan)

*Environmental data/ examples is available on our website.

For CO₂ emissions we received third-party verification.

<https://www.toyoda-gosei.com/csr/environmental/report1/>

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History of Toyoda Gosei

Since its founding, Toyoda Gosei has provided new value to the world through manufacturing that meets the needs of the times with original technology in the fields of rubber and plastics.



Early years [1949~1979]

- 1949 Nagoya Rubber Co., Ltd. is established as a spin-off of the rubber research division of Toyota Motor Industry Co., Ltd.
- 1957 Haruhi Plant begins operation
- 1967 Inazawa Plant begins operation
- 1973 Company name is changed to Toyoda Gosei Co., Ltd.
- 1976 Morimachi Plant begins operation
- 1977 US Office is established in Illinois
- 1978 Company is listed on the Nagoya Stock Exchange



Expansion [1980~1999]

- 1980 Headquarters is relocated to present location (Kiyosu, Aichi Prefecture)
- 1982 Bisai Plant is completed and begins operation
- 1985 Capital participation in Tai-yue Rubber Industrial Co., Ltd.
- 1985 Company wins Deming Prize for Total Quality Management
- 1986 TG Missouri Corporation is established
- 1997 Company obtains ISO 9001
- Present Kitajima Technical Center is completed
- 1999 Company is listed on the Tokyo Stock Exchange
- Toyoda Gosei North America Corporation is established



Development history of technologies and products

Automotive Parts

Rubber



1953 Brake hoses



1961 Piston cups



1977 Constant velocity joint boots



1983 Nylon fuel hoses



1950 Weatherstrips



1963 Flocked glass runs



1982 Sound insulating glass runs

Plastics



1954 Plastic injection steering wheels



1960 PP steering wheels



1974 Instrument panels



1982 Plastic fuel filler caps

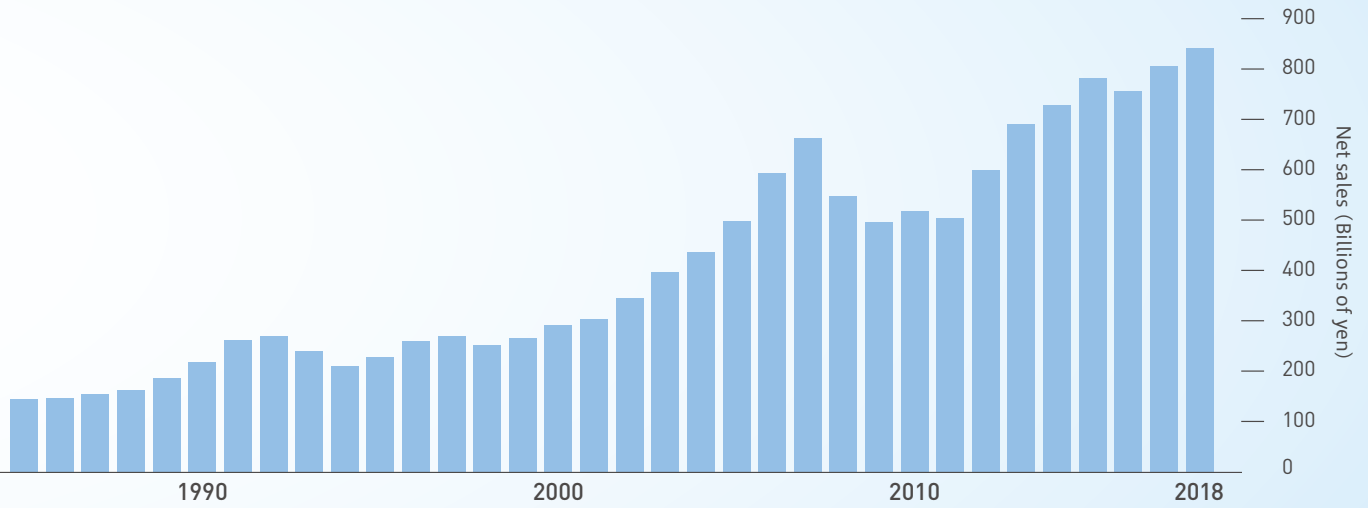


1989 Driver-side airbags

New Fields



1986 Start of R&D for blue LEDs



Becoming a global corporation [2000~2009]

- 2000 Toyoda Gosei Europe N.V. is established
- 2001 Toyoda Gosei Asia Co., Ltd. is established
- 2005 ISO / TS16949 certification
- 2006 Toyoda Gosei (Shanghai) Co., Ltd. is established
- 2008 Toyoda Gosei Minda India Pvt. Ltd. is established
- 2009 Miwa Technical Center is established



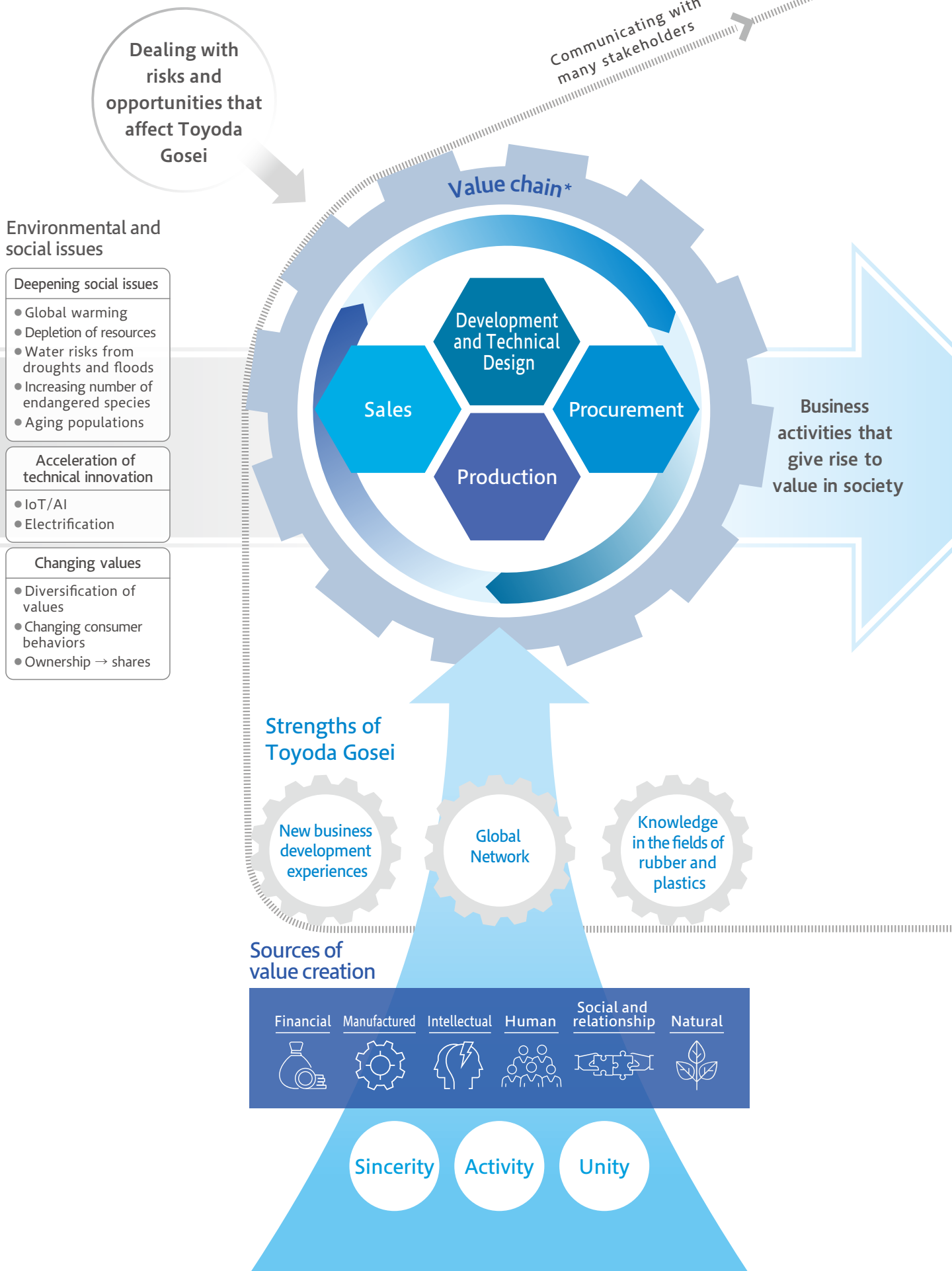
Providing new value [2010~]

- 2013 Toyoda Gosei East Japan Co., Ltd. is established
- GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda. is established
- 2014 Toyoda Gosei Irapuato Mexico, S.A. de C.V. is established
- 2016 Toyoda Gosei Minda India Pvt. Ltd. Completion of Bawal Plant and start of operations
- 2018 Toyoda Gosei Minda India Pvt. Ltd. Completion of Gujarat Plant and start of operations.
- 2019 Hubei Toyoda Gosei Zheng Ao Rubber & Plastics Sealing Science and Technology Co., Ltd. is established



- 1991 Success in development of blue LEDs is certified
- 1998 Curtain airbags
- 2000 Noise absorbing air intake ducts
- 2003 Two-color molded opening trims
- 2008 Rear-end impact airbags
- 2008 Plastic fuel filler pipes
- 2010 Start of R&D for e-Rubber
- 2010 Start of R&D for GaN power semiconductors
- 2011 Lightweight radiator hoses
- 2010 Lightweight opening trim weatherstrips
- 2014 Plastic water pipes
- 2015 Capless fuel fillers
- 2017 Steering wheel with grip sensor / new type of side airbag
- 2017 Large radiator grilles
- 2017 Conclusion of exclusive license agreement with Advanced Softmaterials, Inc. for the main material (supramolecules) in e-Rubber
- 2017 Glass run for flush surface door
- 2018 Air conditioner register with LED lighting
- 2018 Development with EBM Corp. of a prototype of the "SupeR BEAT" heart surgery simulator that uses e-Rubber
- 2019 Plastic turbo ducts
- 2019 World-class current operation achieved on a vertical GaN power semiconductor

Toyota Gosei's Value Creation Process



A society of well-being, safety and comfort



*Toyota Gosei's value chain



- Commercialization in new fields utilizing core technologies
- Development of new technologies and products coping with CASE
- Strategies of modularization and system products

- Globally standardized know-how and processes
- Further promotion of TPS
- "Jidoka" and manpower saving utilizing IT
- Reduction of environmental burden by production engineering reform

- Anticipating customer needs and introducing high value-added products
- Shift of resources to key fields through selection and concentration
- Pursuit of economies of scale and thoroughgoing efficiency and cost reduction activities

Letter from the President



N. Miyazaki

President

Achieving sustainable growth by responding flexibly and rapidly to a dramatically changing environment

I would first like to extend my gratitude to our shareholders, investors and all other stakeholders.

Massive business environment change

The world economy is facing increasing uncertainty as tariffs rise between the USA and China, the North American Free Trade Agreement (NAFTA) is reviewed, and the UK is leaving the EU. Effects are being felt in the form of a slowing economy in China, the world's largest automobile market, and fears of an economic slowdown in the USA. Toyoda Gosei has established a management system to deal with these risks and to respond flexibly and swiftly to changes in the external environment with the aim of achieving sustainable growth.

In the automobile industry, companies are intensifying efforts to strengthen competitiveness through business tie-ups and joint development with other industries. Toyoda Gosei is moving boldly to meet new challenges without being constrained by the ways and customary practices of the past. In this way we will contribute to society by delivering to the market at the earliest date new technologies and products that provide the highest levels of satisfaction through safety, comfort, well-being and the environment.

A look back on fiscal 2018

Last year, while continuing to refine our strengths as an expert in the fields of rubber and plastic with a global network, we also joined forces with suppliers, business partners, and startup ventures.

In May we issued the 2025 Business Plan, our medium- and long- term business plan, which highlights our

aspiration to grow as a “global company that acts flexibly and swiftly in today’s dramatically changing business environment, delivering the highest levels of satisfaction to customers worldwide through safety, comfort, well-being and the environment.” We have established three pillars of activity to achieve our FY2025 business targets of sales exceeding ¥1 trillion, an operating profit ratio of 8%, and ROE of 10%.

	FY2017 (J-GAAP)	FY2025 (IFRS)
Revenue	¥807 billion	¥1 trillion
Operating profit ratio	5.1%	8%
ROE (Return on equity)	6.6%	10%

Pillar I is “Venture into innovation, new mobility.” One example of this in product development is our new air conditioner register with LED lighting, which uses resonant wireless power transfer technology for the first time in an automotive product. This is a modular product that incorporates electronics technology in an automotive product using our core technologies in rubber and plastics.



Working together with a startup venture for the past year and a half, we have also developed a prototype for the “Super BEAT” surgical training simulator that uses e-Rubber

to reproduce the beating of the heart with great accuracy. e-Rubber is an artificial muscle material that functions with electricity. We have also set up a corporate venture capital department to facilitate searches for new technologies that complement our existing technologies.



Pillar II is “Strategy for growing markets/fields,” in which we aim to further grow our business globally. In China, we have merged two production subsidiaries and made one company a wholly-owned subsidiary to establish the best production network for the nation as a whole. For rapid business decisions and efficient operations, we have changed the regional headquarters into a holding company and invested for the first time in a location in central China.

In India, we established a new technical and sales office in Gurgaon, a suburb of Delhi, to enhance local product development. Operations have also started at the Gujarat Plant, expanding our local production network.

In Indonesia, we established a new company to meet the huge increase in demand for airbags as safety regulations become stricter.

Pillar III is “Innovative manufacturing at production sites.” In addition to activities to raise productivity at our manufacturing sites based on the Toyota Production System (TPS), we have begun new efforts to increase efficiency using IT. Data are collected in manufacturing processes and big data analysis is used to quickly identify and resolve bottleneck processes.

To strengthen the business foundation that supports activities in these three areas, we held the TG Global Summit 2018 in November. About 130 leaders from 65 group companies in 17 countries attended to discuss specific efforts to achieve business targets and share strategies for each region and field of business.



FY2019 is a year of business execution with overwhelming speed

One of the key efforts in our 2025 Business Plan is to execute business activities with “overwhelming speed.” We will improve efficiency in all aspects of our work for greater speed in every activity, without being constrained by previous ways of doing things and customary practices. Specifically,





Pillar I: We are increasing the speed of development of new technologies, such as e-Rubber and power devices, and new products for use in CASE and modularization. We will also strengthen tie-ups with startup ventures through corporate venture capital.

Pillar II: In China and India, where sales growth is anticipated, we are conducting activities to grow while ensuring profitability. In product development, we will increase the added value of exterior and interior products with things such as millimeter-wave compatible emblems, and optimize the global supply system for airbag parts.

Pillar III: Raising profitability is an issue we must consider in working toward our business targets. We will seek to improve consolidated performance centered on the Americas, where profitability is high, and accelerate restructuring of our business in the entire European region while keeping an eye on changes in the business environment.

ESG (environmental, social, governance) efforts

These ideas were already reflected in our Management Philosophy, which was amended last year, but the ESG way of thinking has attracted global attention recently. At Toyoda Gosei we have been focusing energy in each of these fields since before the ESG concept gained prominence.

In the field of environmental preservation, Toyoda Gosei ranked third in the corporate ranking of the 22nd Environmental Management Survey (manufacturing category) of the Nikkei Shimbun, up from tenth last year. This was in recognition of our efforts to promote biodiversity by planting trees and creating biotopes on plant grounds, to

recycle resources through reuse of things such as wastewater generated in production, and to reduce the weight of products by making them with plastic instead of metal through concerted activities with domestic and international group companies and suppliers.

In the field of social activities, we strive to put down local roots and grow with our communities. Social contribution activities by employees are actively pursued in all parts of the world, and will continue. We also make efforts to develop people and workplaces that can support our business, nurturing professional staff who can thrive globally and promoting two-way communication between superiors and subordinates.

In the field of governance, we have developed and operate an internal control system to ensure that work is done properly and efficiently. With the appointment of Mayumi Matsumoto as a Director, we have raised the level of management monitoring and supervision by outside directors and audit and supervisory board members.

Towards sustainable growth

Toyoda Gosei celebrated its 70th anniversary on June 15, 2019. This would not have been possible without everyone's support, and we are deeply grateful.

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs) for 2030, and in recent years there is rising momentum for their achievement. We support the SDGs and are endeavoring to solve social problems through our business activities. We will intensify and expand these activities and raise our corporate value with the aim of achieving sustainable development into the new Japanese era of Reiwa.

Medium- and Long-Term Business Plan, "2025 Business Plan"

In Toyota Gosei's 2025 Business Plan, our medium- and long-term business plan, we lay out three key areas that take advantage of the Toyota Gosei Group's cultivated strengths.

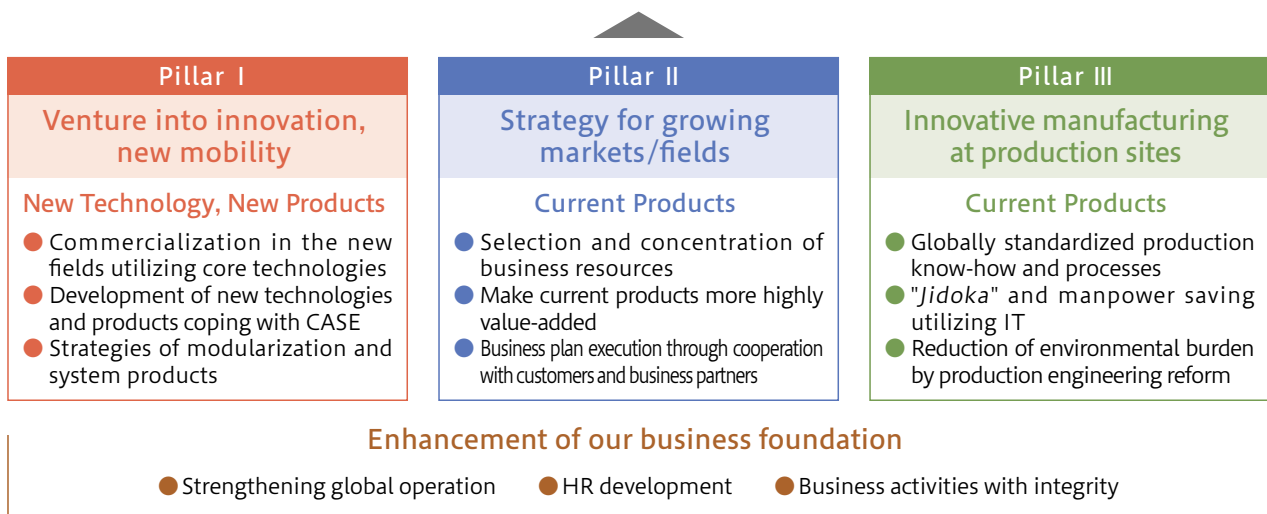
This shows not only numerical targets or how we seek to expand the scope of our business, but also new efforts to contribute to society and to grow sustainably.

What we aspire to be

Toyota Gosei aims to grow as a global company that acts flexibly and swiftly in today's dramatically changing business environment, delivering the highest levels of satisfaction to customers worldwide through safety, comfort, well-being and the environment

Financial objectives

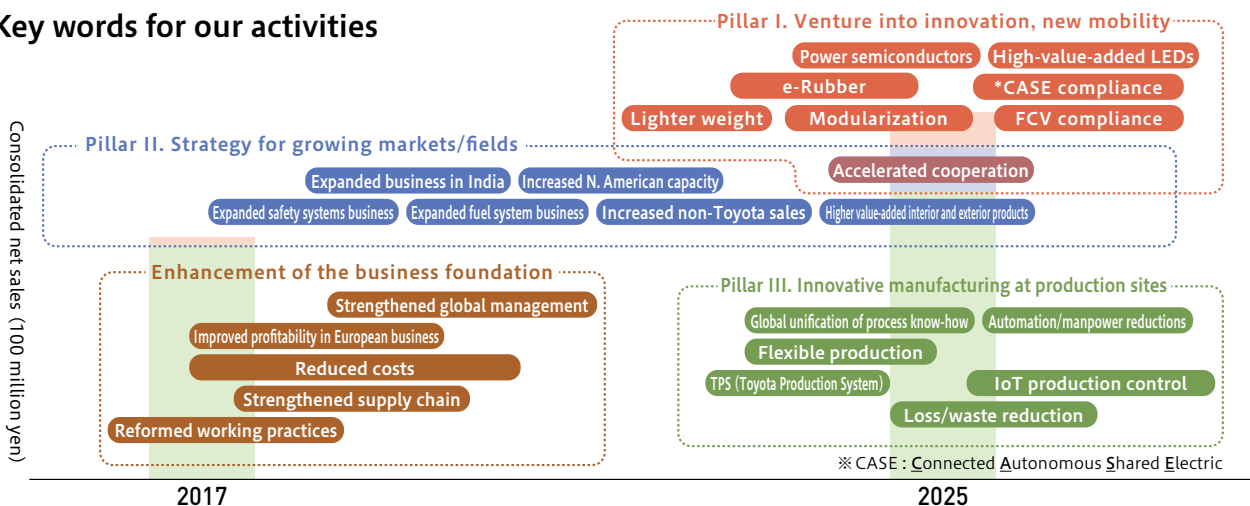
	FY2017 (J-GAAP)	FY2025 (IFRS)
Revenue	¥807 billion	¥1 trillion
Operating profit ratio	5.1%	8%
ROE (Return on equity)	6.6%	10%



Financial Policy

Shareholder returns	In terms of immediate shareholder returns, we have set a consolidated dividend payout ratio of at least 30%, and we will work to make a return to shareholders in various other forms as well from a comprehensive perspective.
Capital investment	We will secure ¥50 billion per year by fiscal 2025 as funds for capital investment for growth.
Cash on hand	In light of our operating environment, we will secure cash and deposits (excluding short-term borrowings) of around ¥30 billion above consolidated monthly sales, including risk-response funds.

Key words for our activities



Pillar 1

Venture into innovation, new mobility

Course of action

- **Early realization of new business through innovative technology**
 - Innovation derived from TG core technologies (rubber & plastic materials/LED)
 - Contribution to near future needs of relief (environment and health), safety, and comfort through differentiated technologies
- **Development of new technologies and products responding to drastic changes of the car itself (CASE)**

Key action items

Early realization of new business through innovative technology

- Develop and establish e-Rubber business and cultivate its market (innovative soft-robot)
- Develop and commercialize power devices (High-frequency power source, wireless power supply)
- Develop high-value-added LEDs and their applications

Development of new technologies and products responding to drastic changes of the car itself (CASE)

- Create new values/new products for the next generation (Autonomous driving/vehicles, electrification)
- Enhance added-value of conventional products (Modularization, systemization)
- Develop technology to sustain new products (Light weight, innovative manufacturing processes)

Key points for implementation

In “Venture into innovation,” we are looking toward the early establishment of the new businesses that will be our next pillar. Crucial here will be to launch new technologies and business plans with consideration of the company’s business and value chain, and to accelerate innovations with partners with whom we can carve out businesses together, without insisting on doing everything ourselves. Of course, we must not neglect to improve our own technology when working together with good partners.

In “Venture into new mobility,” we are working to develop new technologies and products compatible with the drastic changes that are occurring in automobiles themselves (CASE). For example, by continuing to develop new products and raise the added value of existing products (modularization), we will be able to meet the new expectations of customers worldwide.

PICK UP

Venture into innovation ①

“e-Rubber,” a next-generation material that functions with electricity and mechanical force

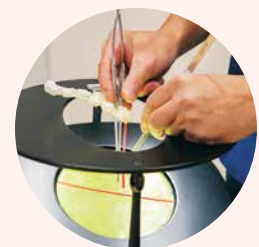
e-Rubber is a next-generation material developed with the combination of a material patented by Tokyo University and the rubber technology cultivated by Toyoda Gosei over 70 years. It can serve two functions: as a lightweight, soft artificial muscle (actuator), and as a sensor that can detect subtle pressure. We are working for practical applications in fields of anticipated growth in aging societies, such as industrial robots or medical devices.

In a collaboration with EBM Corporation, a startup out of Waseda University, we have developed a prototype heart surgery training simulator, Super BEAT. It has earned high praise, and we are aiming to launch a commercial version soon.

In May 2019 we began a joint project with Nagoya University and the city of Shinshiro to help extend healthy lifespan. Sensors using e-Rubber are inserted into the soles of shoes to gather data on changes in the walking posture of elderly people. The aim is to detect weakening of the legs so that preventive measures can be taken before people reach a state of requiring care assistance.



Super BEAT is a training simulator for coronary artery bypass surgery. Using e-Rubber, which expands and contracts in quick response to electricity switching on and off, it can also faithfully reproduce the irregular heartbeats that occur during surgery.



In off-pump surgery, a heart-lung machine is not used and the heart continues to beat as the surgeon sews the bypass graft into place. Off-pump surgery reduces the burden on the patient, but requires great skill as surgeons must quickly sew a vessel with a diameter of only 2 mm onto the surface of the beating heart.

Promising areas of use

Robots



Medicine



Automobiles



IoT/haptics



Elder care/ welfare

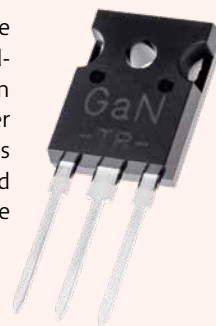


Venture into innovation ②

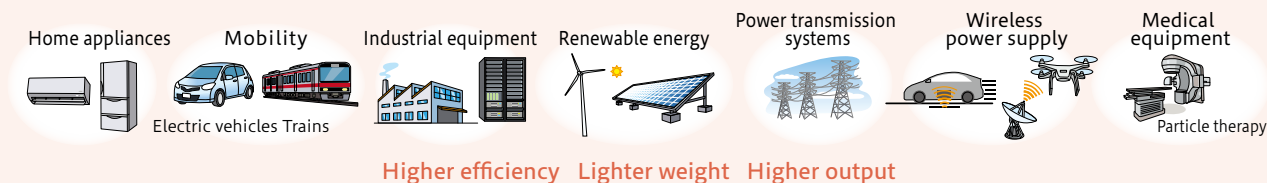
Vertical GaN power device

The LED technology we have developed over more than 30 years is used in the development of the power devices, electronic components used in power conversion. Gallium nitride (GaN), a key material in blue LEDs, has superior properties, such as high breakdown voltage, for use in power devices. The application of our GaN crystallization technology together with a “vertical structure” in which current flows perpendicularly to the substrate has greatly improved the performance over that of conventional silicon power semiconductors.

In FY2018, by modifying the structure of the GaN crystal, we achieved world-class current flow of 100 amperes on a single chip. We are working together with semiconductor and electronics manufacturers to raise performance and reliability for a practical high-performance power semiconductor device.



Promising areas of use



Venture into new mobility

With advances in autonomous technology, we expect to see an increase in parts equipped with sensing functions to perceive the surrounding environment, including other vehicles, pedestrians, and road shape, and human-machine interface (HMI) functions for communication between vehicles and humans. We are integrating sensors and other

electronic components into front grilles, cockpits, steering wheels and other interior and exterior products that we have developed and manufactured over many years. These modular products offer both functionality that supports safety and comfort and attractive design.

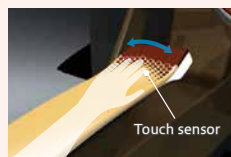
Next-generation cockpit module



Next-generation cockpit module



- Smart steering wheels
Drivers' physical status sensed with built-in cameras and sensors



- Multifunctional console
· Movable console to accommodate relaxation mode (posture changes)
· Handier, more intuitive operation with touch panel



- Display instrument panel
External and warning information displayed on instrument panel

In December 2018, we announced an air conditioner register with LED illumination that uses resonant wireless power transfer technology for the first time in an automotive product. This register is currently used on the Lexus UX. The wireless technology employed allows for greater freedom in the placement of electronic components and design.



Next-generation front module

In January 2019, we established a new Corporate Venture Capital Department to accelerate open innovation efforts for the rapid development of new products by combining external knowledge with in-house technology. The first case in which it was involved came in March 2019 with investment in IMUZAK Inc., a Yamagata, Japan startup specializing in optical design and assessment. Incorporating the knowledge of that company in the field of optics, we are developing exterior and other products that are transparent to the infrared light of optical sensors (LIDAR).



- Cameras and sensors that do not detract from attractive appearance.
- Car's direction and other information communicated to people nearby with LED lights

Pillar II

Strategy for growing markets/fields

Course of action

- Prioritized global sales expansion and securing profit (selection and concentration of business resources)

Key action items

Redefine the strategy by business field

- Weatherstrips: Noise reduction, profit reform in prioritized regions
- Functional Components: Focus on fuel systems (weight reduction)
- Interiors and Exteriors: Increase value of products (decoration, millimeter-wave radar compatible emblem)
- Safety Systems: Regional strategy focusing on profitability

Prioritize regions for sales expansion

- North America: Enhance production capacity for major customers' production increases, sales expansion to non-Toyota/non-JPN OEMs
- China: Sales expansion of global link cars (Toyota, non-JPN OEMs) and new customers
- India: Sales expansion to catch up with the growth of the market (mainly J-OEMs)

Key points for implementation

Looking at markets and trends for existing products by product field, we see much potential for growth including modularization and higher added value in IE products and increased business in SS products with the favorable conditions of increasing safety regulations. We are now making solid preparation for this. On regional axes, we need to ensure competitiveness in China, India and other emerging markets where automobile production is increasing, as well as in the major markets of North America and elsewhere. There are many possibilities for expanding sales to major customers, actively cultivating new customers, and increasing future profits.

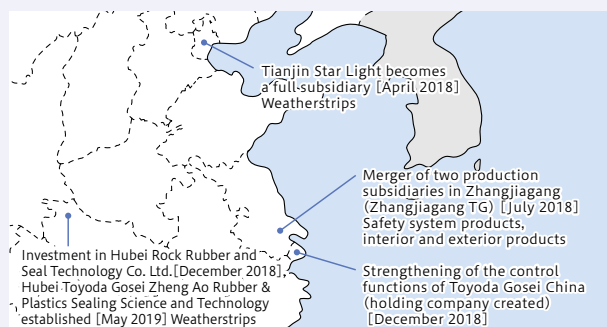
To ensure that this potential growth in existing products leads reliably to sales and profits, we will deploy a focused strategy, selecting and concentrating management resources, pursuing economies of scale, and thoroughly increasing efficiency.

PICK UP

Building our network in China, the world's largest market

Toyoda Gosei has established a business network that can meet the needs of customers in China, the world's largest market. In FY2018, we made Tianjin Star Light, a wholly-owned subsidiary. This has increased the speed of management decisions. In July, two subsidiaries in Foshan- were merged to increase management efficiency. In December, functions were strengthened by changing the regional headquarters into a holding company. With these moves, we have a system in place that can speed management decisions in the China region. We have also invested in a weatherstrip manufacturer in central China.

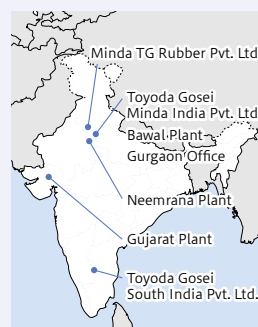
Key business moves in FY2018



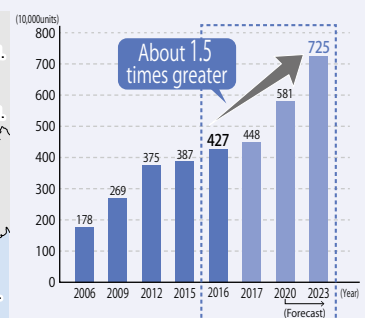
Active investment in the rapidly growing Indian market

In India, the demand for airbags is expected to increase with both the rapidly rising number of automobiles manufactured and regulations making safety equipment mandatory. In FY2018, we established a sales and technical office near the headquarters of Maruti Suzuki, a major customer. In addition to speeding up our business activities, this strengthens local development capabilities. In November, operations began at a production plant that supplies airbags and steering wheels to automakers.

Production network in India

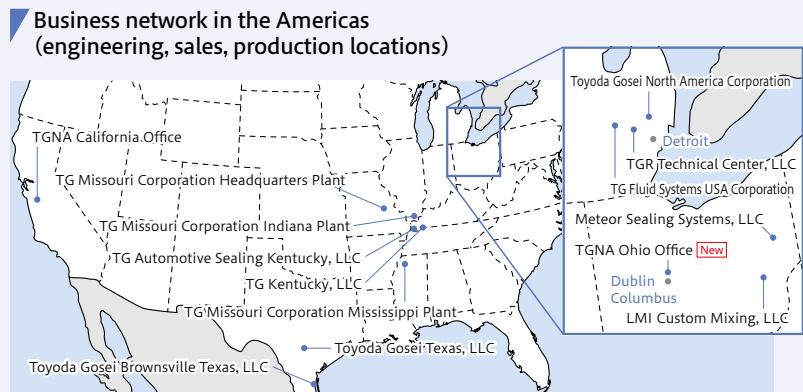


Automobile production in India



Engineering, sales functions enhanced in USA

The USA is a major market. To respond rapidly to the product development needs of customers there, an engineering and sales office of our regional headquarters was established in the state of Ohio. It is located near the Ohio office of Honda R&D Americas, Inc., a major customer. Having design and sales capabilities for interior and exterior products and airbags at this location will speed up development work.



Pillar III

Innovative manufacturing at production sites

Course of action

- Realizing highly value-added factories through innovative manufacturing at production sites

Key action items

- Globally standardize production processes and know-how
- Develop compact and lean production lines, TPS promotion (1/n process, consolidation of supply parts, flexible process with multiple products)
- Promote manufacturing, “Jidoka” and manpower saving utilizing IT (IoT, AI)
- Reduce environmental burden through production engineering innovation and recyclable energy

Key points for implementation

In the coming years existing products will need a further competitive edge. To achieve that edge, we will need to make processes more efficient and versatile, standardize effective new practices, knowledge and techniques across the company, and create mechanisms so that these things can be shared and spread rapidly and globally to Group companies and vendors. We will also make efforts to allot resources to new fields and introduce automation and labor-saving processes in aging societies with fewer workers. Processes will be carried out on compact, low-investment lines to improve productivity.

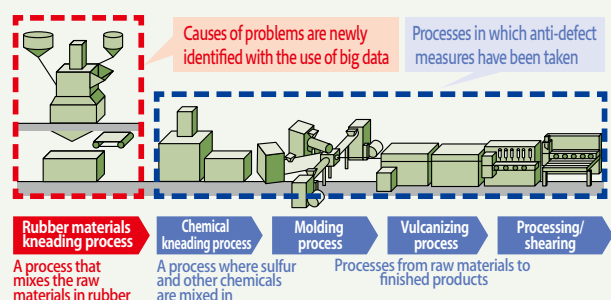
The key to all this will be IT. Utilizing IoT and AI, we will improve production and work efficiency and develop, from among engineers with knowledge in rubber and plastics, core data science personnel who can utilize big data to steadily innovate in production floor manufacturing.

PICK UP

Process kaizen with the use of big data

We are increasing competitiveness with the utilization of big data that differs for structure or type and is generated in real time. At our Morimachi Plant (Shizuoka Prefecture, Japan), we have made improvements to reduce defects in the appearance quality of weatherstrips using technology to analyze this big data. Added to the experience accumulated by veteran workers, we are increasing the speed and accuracy of our process kaizen with the use of big data.

Weatherstrip production process kaizen



Skills Competition

A Mold Maintenance Skills Competition was held at the Nishimizoguchi Plant with the aims of improving the company's manufacturing level and creating an atmosphere of respect for technical skills. Ten skilled workers selected from departments that perform mold maintenance for interiors/exterior, weatherstrips and other products competed in the category of "Mold Finishing." The goal was to produce work

with the highest accuracy using files and measuring instruments. We will continue to raise the competitive ability of our production sites by improving and passing on these skills.



Skills competition

Basis for Action

Enhancement of our business foundation

Course of action

- Strengthen global management, HR development, and perform/undertake business activities with integrity

Key action items

Enhance global business management

- Self-sustainable overseas affiliates and governance by HQ
- Globally optimized production layout and logistics reform
- Cooperation with global business partners
- Strengthen supply chain (production and supply system)
- Strengthen quality assurance systems (cope with emerging countries and new technologies/products)

HR development

- Development of global HR, professional HR
- Diversity, work style reform

Business activities with integrity

- Thorough compliance and enhancement of internal controls as a company of integrity

Key points for implementation

Today, TG's international locations account for more than half of company profits, and it is important that we strengthen global governance with independence in each region and location and the head office in Japan serving as the global headquarters. These days it does not take much to shake the foundations of a business, and we need to focus efforts on thorough compliance and risk management. At the same time, we are reforming cost structures to improve profitability in key business areas, including radically changing previous ways of doing things.

Developing our people is also important in achieving our goals. Whatever the challenge, human ability is what allows us to overcome it. We are conducting business activities with integrity, and promoting diversity and reform in the way we work.

PICK UP

Global Summit

The TG Global Summit 2018 was held with the aims of sharing business conditions and issues and building Group solidarity. Leaders from all domestic and international group companies were brought together. It was the first such summit in three years. Efforts were made to thoroughly familiarize the participants with specific efforts needed to achieve the management targets in the 2025 Business Plan, so that they are known throughout the Group. Business plans and employee education programs for each region internationally were also shared. In addition, participants inspected the latest production lines at the Morimachi Plant, the mother plant for weatherstrip products, to learn about manufacturing technology in Japan.



Inspection of Morimachi Plant

Management training for each management level

Management training for different management levels is held at various locations with the aim of improving the leadership and management skills of managers in domestic and international Group companies.

In FY2018, middle management training was held in Europe. Over three days, the participants learned the roles of management and methods to resolve problems that occur in the workplace.



Participants in middle management training held in Europe

Message from the Officer in Charge of Finance



In this time of change, finance departments must take on the ever more important role of ensuring greater capital efficiency and profitability.

Masaki Oka

Director, Corporate Officer
Chief of Finance and Accounting Headquarters /
Chief of Audit Division / Chief of IT Headquarters

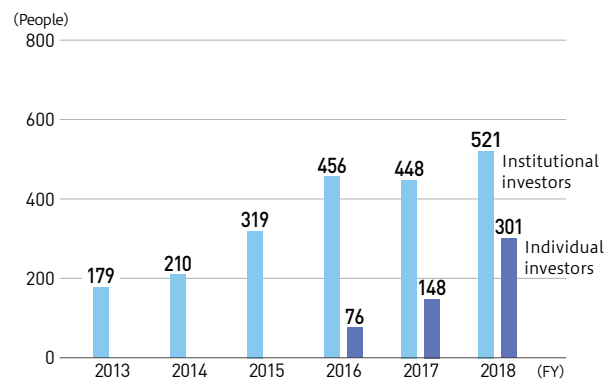
Bolstering Our IR Activities

As a listed company, Toyoda Gosei is accountable to investors regarding its business administration, and is expected to disclose appropriate information and enhance such disclosure. In addition, we see it as an important part of investor relations (IR) to lower our capital cost by winning proper valuation through constructive dialogue with the capital market. We also believe that we can share the fruits of our corporate growth by making use of stakeholders' opinions and ideas in our business management. In line with this thinking, we have set a major policy of our company: obtaining proper valuation from the capital market and society through dialogue with investors.

Under top management leadership, we are committed to strengthening our IR activities. In addition to the basic approach of holding results briefings, including conference calls, participating in conferences for overseas investors, and visiting investors in Tokyo, we take part in more IR events such as information sessions on our medium- and long-term business plan, small meetings at which the president speaks, plant tours, business briefings, and technology briefings. We are also aware that conveying the voice of investors to executives is another important role of IR. Accordingly, we have improved our system of feeding information back to officers and senior management in a timely and appropriate manner.

In recognition of such efforts to strengthen our IR activities, the Securities Analysts Association of Japan selected Toyoda Gosei as an excellent company that made "remarkable improvement in corporate disclosure" in fiscal 2018. Going forward, we will continue to make IR activities a company-wide effort.

Total number of contacts with institutional investors (including sell-side analysts) and individual investors



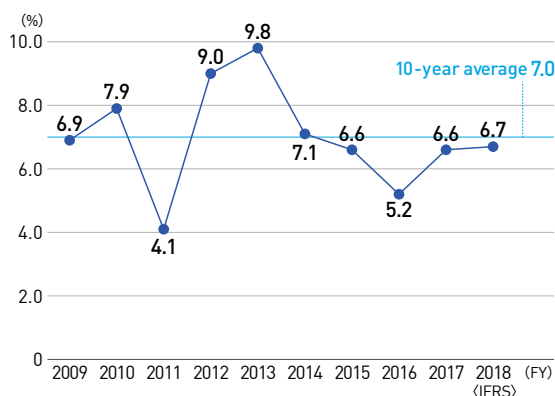
Capital Cost

For several years now, our cost of equity capital and return on equity (ROE) have remained at roughly the same level, indicating that we face a challenge in terms of creating shareholder value. Our 2025 Business Plan, which we announced in May 2018, set out a target ROE of 10%. This target was established with the goals of increasing shareholder value by achieving ROE that stably exceeds our cost of equity capital and of achieving the capital efficiency needed for Toyoda Gosei to excel in the current capital markets. The finance department will seek to create shareholder value by reducing our cost of equity capital in addition to increasing ROE.

To secure an appropriate and stable share price and reduce our cost of equity capital, it is important to give shareholders and investors a proper understanding of Toyoda Gosei and get diverse shareholders and investors to invest in our company. Leaving major shareholders

such as Toyota Motor Corporation aside, our shareholder composition includes about 5% individual investors, 20% foreign investors, and 15% Japanese institutional investors. As the percentage of individual investors is low, the first step toward cultivating a diverse shareholder and investor base and securing share liquidity is to increase the number of individual investors. Accordingly, we have started to boost IR efforts for individual investors. At present, we are working to increase individual investors by actively holding company information sessions targeting individual investors in regions where recognition of Toyota Gosei is low. The finance department is determined to create shareholder value by continuing to reduce our cost of equity capital.

Return on equity (ROE)



Toward Achieving ROE of 10%

We recognize that raising profitability is our prime necessity. In addition to ROE of 10%, our 2025 Business Plan includes the targets of revenue of ¥1 trillion and an operating profit ratio of 8%. While revenue has been growing steadily, however, our profitability has plateaued over the past several years. No matter how much our sales expansion bears fruit, we will not garner high valuation in the capital market as long as profits remain static. As the officer in charge of finance, I keep in mind that we, as a listed company, are expected to produce profit growth consistent with sales growth, and I will attend to revenue management for the Group accordingly.

Our 2025 Business Plan sets out balanced global sales expansion and securing of profits as one action policy. To improve our business portfolio, we will rethink unprofitable business and actively shift resources to priority fields.

Financial policy

Financial policy underpinning the 2025 Business Plan, our medium- and long-term business plan

Shareholder returns

In terms of immediate shareholder returns, we have set a consolidated dividend payout ratio of at least 30%, and we will work to make a return to shareholders in various other forms as well from a comprehensive perspective.

Capital investment

We will secure ¥50 billion per year by fiscal 2025 as funds for capital investment for growth.

Cash on hand

In light of our operating environment, we will secure cash and deposits (excluding short-term borrowings) of around ¥30 billion above consolidated monthly sales, including risk-response funds.

Our Financial Policy

Our ratio of equity attributable to owners of parent to total assets is 50.0%. Even as profitability struggles to grow, we have continued to accumulate stable earnings, and so we see this as adequate in terms of security. In terms of financial leverage, on the other hand, we are aware that a certain amount of control is needed to achieve ROE of 10%. Based on this awareness, in November 2018 we announced the financial policy underpinning our 2025 Business Plan.

First, in terms of shareholder returns, we have set a consolidated dividend payout ratio of at least 30%, after securing funds to invest for growth, remaining aware of the financial balance to achieve ROE of 10%. Additionally, we aim to make a return to shareholders in various other forms as well from a comprehensive perspective.

As for capital investment, we plan to secure around ¥50 billion per year as funds to invest for growth. This ¥50 billion will be our largest-ever capital investment amount, and we see it as necessary to ensure continued growth in the automotive industry, which has entered a period of transformation.

Regarding cash on hand, we have made public the approach we had adopted internally, and have made an external disclosure, which is to secure a level of funds that will allow us to conduct immediate operations even in the event of a financial crisis or natural disaster. When disclosing our financial policy, we have stated this point explicitly.

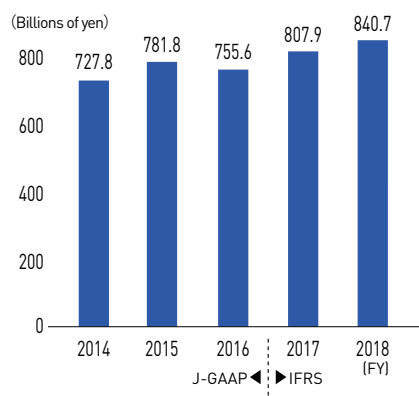
The establishment of this financial policy has allowed us to organize our thinking regarding our shareholder composition and balance sheet, and helped to ratchet the finance department up a level. With a view toward our major IR policy—obtaining proper valuation from the capital market and society through dialogue with investors—I hope to convey our initiatives and thinking to as many stakeholders as possible.

Financial and Non-Financial Highlights

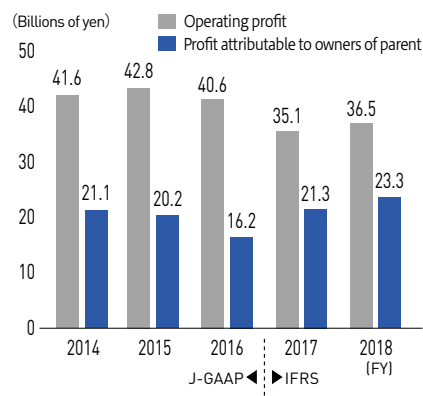
Financial Data

The Group adopted International Financial Reporting Standards (IFRS) effective from the first quarter of fiscal 2018, ended March 31, 2019.

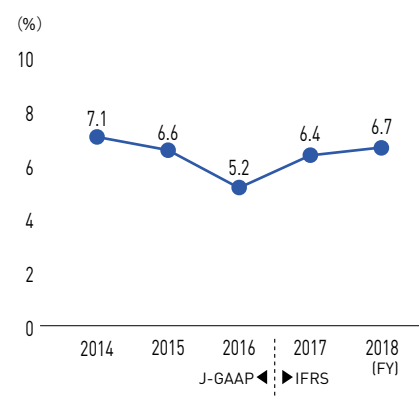
Revenue



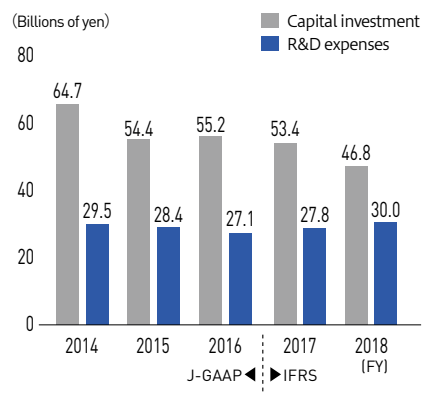
Operating profit / Profit attributable to owners of parent



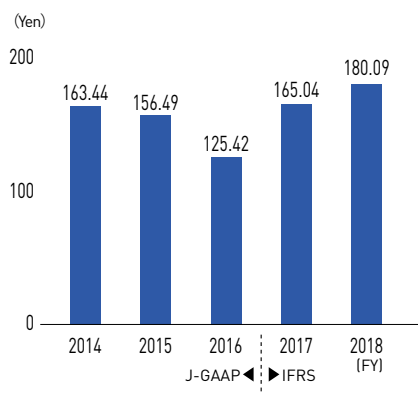
Return on equity



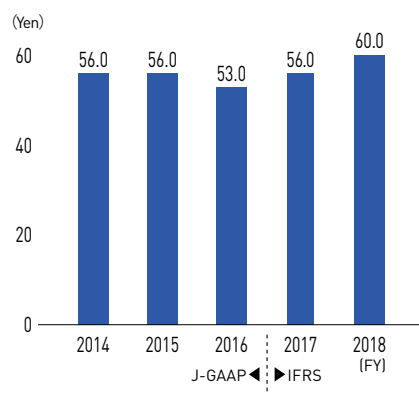
Capital investment / R&D expenses



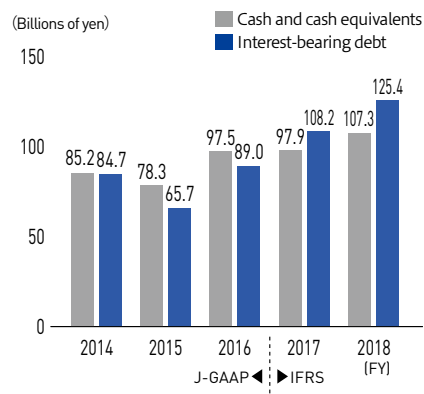
Basic earnings per share



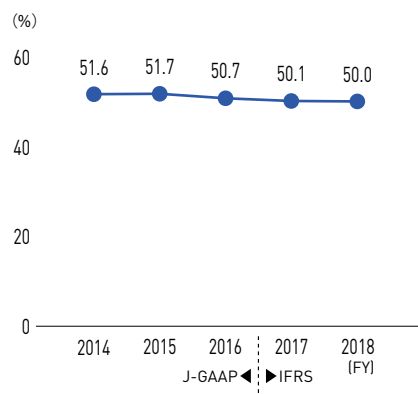
Annual dividends per share



Cash and cash equivalents / Interest-bearing debt



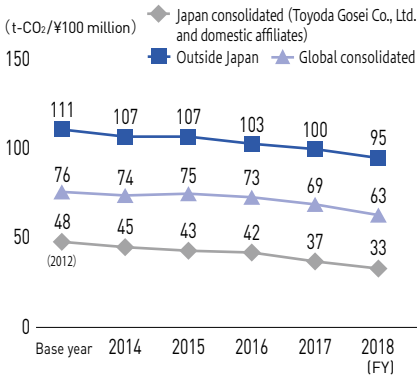
Ratio of equity attributable to owners of parent to total assets



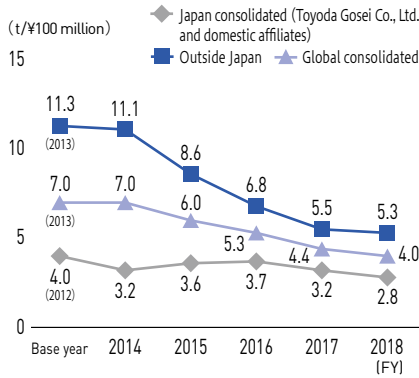
Non-Financial Data

Environment

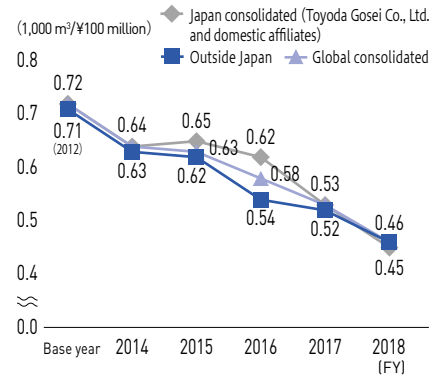
CO₂ emissions per sales unit



Waste volume per sales unit

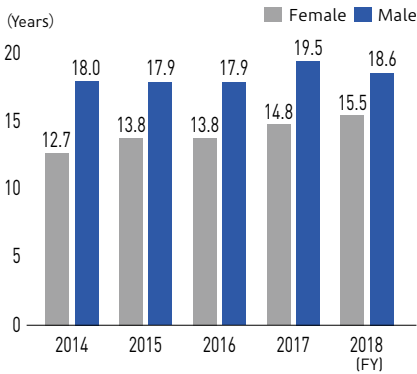


Water use per sales unit

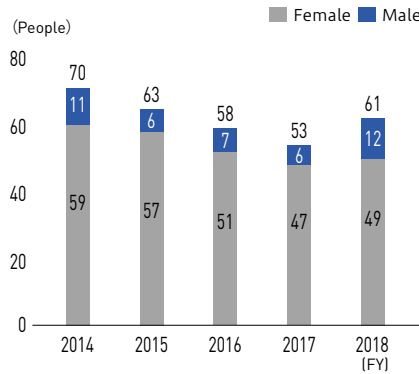


Social

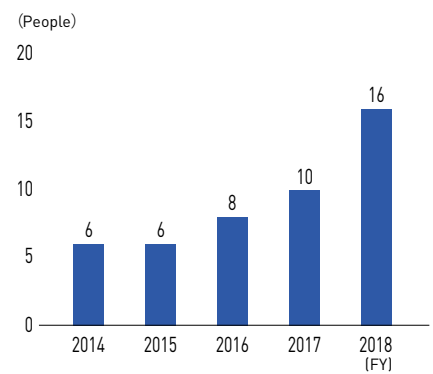
Average years of service for male and female [Toyoda Gosei Co., Ltd.]



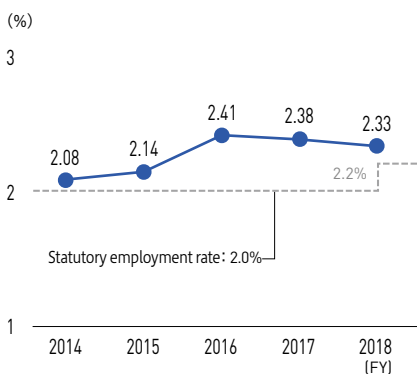
No. of parental leaves taken [Toyoda Gosei Co., Ltd.]



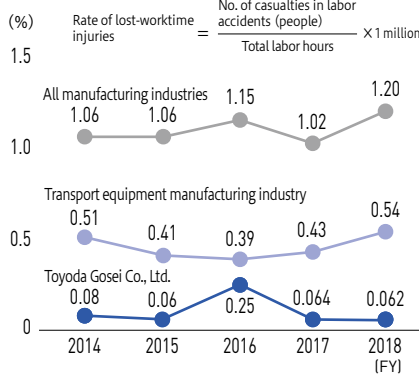
No. of female managers [Toyoda Gosei Co., Ltd.]



Employment rate of people with disabilities [Japan]

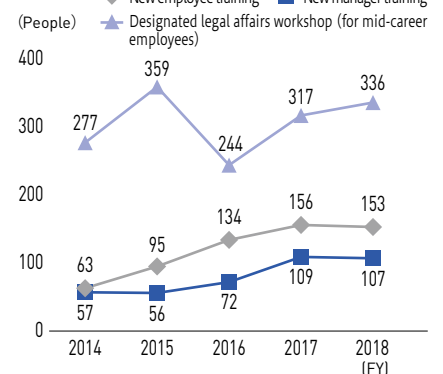


Labor accident rate (rate of lost-worktime injuries) [Japan]



Governance

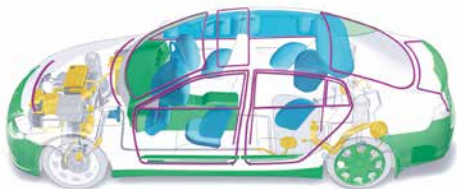
No. of people who have taken compliance training [Japan]



Overview of Business

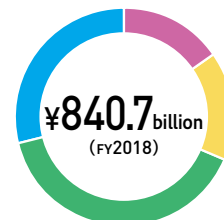
We supply automotive parts that use rubber and plastic polymer technology globally

Product field



Sales revenue by product area

Weatherstrips ¥129.4 billion (15.4%)	Interiors and Exteriors ¥334.1 billion (39.7%)
Functional Components ¥136.2 billion (16.2%)	Safety Systems ¥240.8 billion (28.7%)



Automotive Parts



Weatherstrips



Door glass runs



Opening trim weatherstrips



Functional Components



Plastic fuel filler pipes



Plastic turbo ducts



Brake hoses



Interiors and Exteriors



Instrument panel modules and components



Radiator grilles



Console boxes



Safety Systems



Airbags



Steering wheels (with built-in airbags)



Pop-up hood actuators

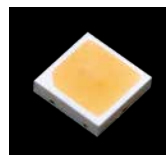
Other Products



e-Rubber



GaN power devices



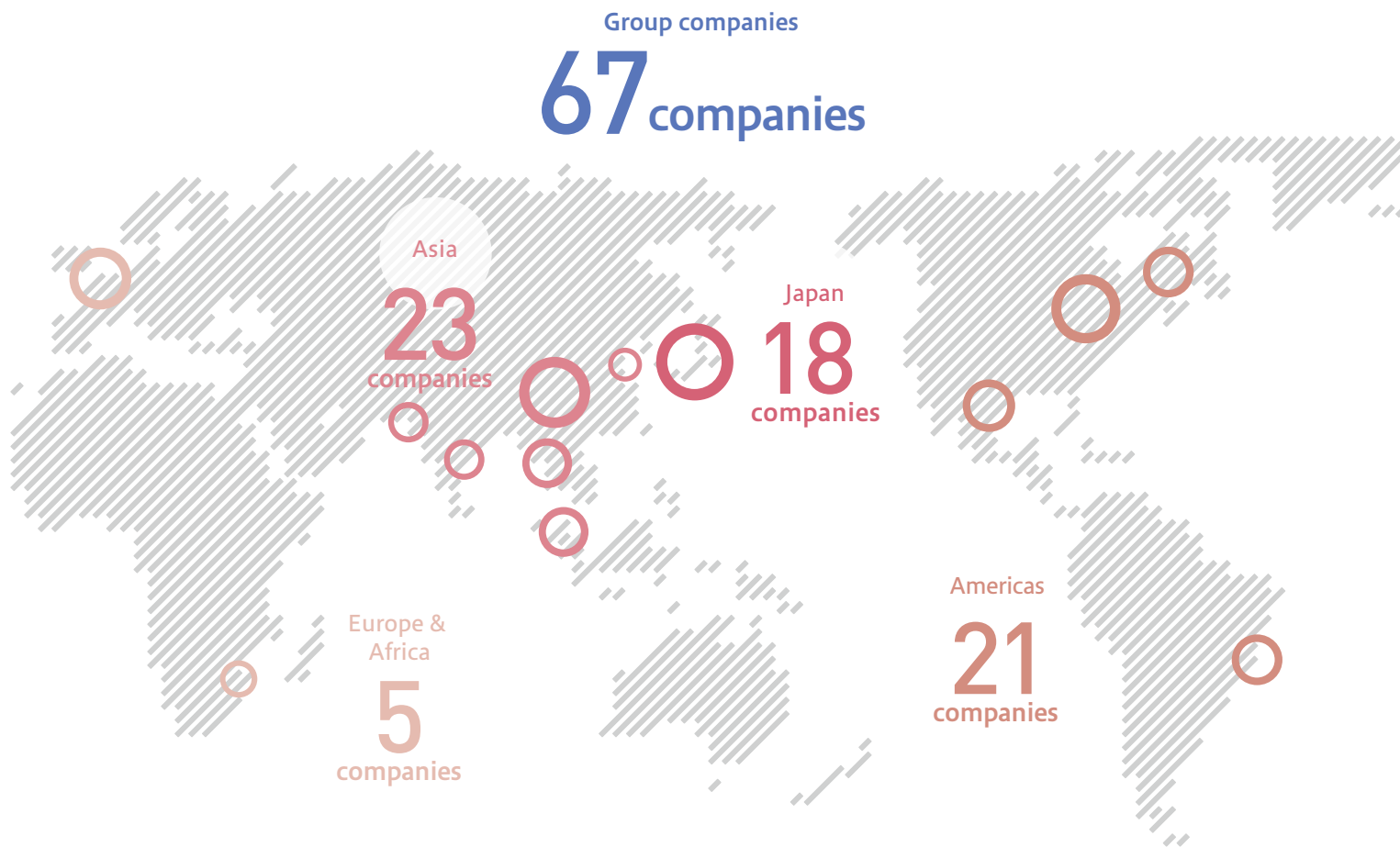
LEDs



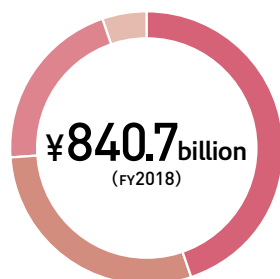
General Industry Products
(Air purifiers, interior and exterior products for agricultural, construction, and industrial machines)

Global Network

With 67 group companies in 17 countries/regions, Toyoda Gosei swiftly meets the needs of customers around the world. We have established sales and engineering systems that are customer-oriented and community-based with globally optimal systems of production and delivery.

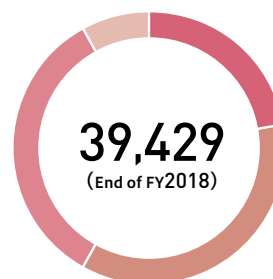


Sales by region



Japan	¥377.9 billion
Americas	¥245.4 billion
Asia	¥173.3 billion
Europe & Africa	¥43.9 billion

Employees by region



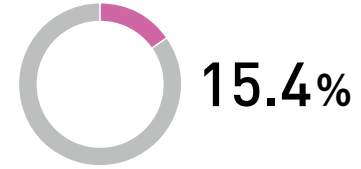
Japan	8,828 (22.4%)
Americas	14,091 (35.7%)
Asia	13,420 (34.0%)
Europe & Africa	3,090 (7.8%)

Note: Sales by region includes amounts for internal transactions within the Group, and so does not match the total value for consolidated sales.

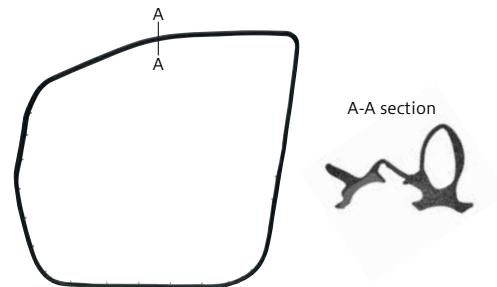
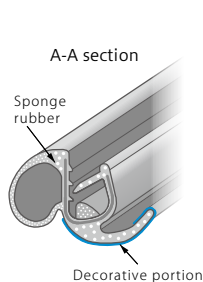
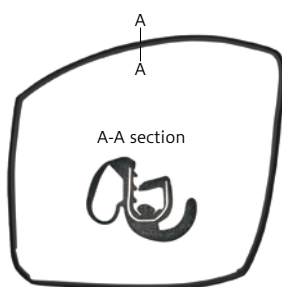
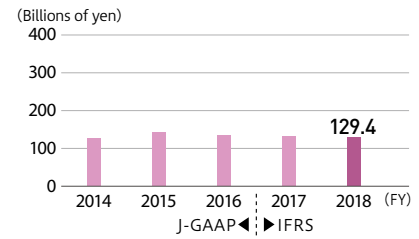
Weatherstrips

Weatherstrip products serve many functions. In addition to protecting the passenger cabin from rain, wind, and noise, they ensure the smooth functioning of doors and windows and give doors a satisfying sound when they close. We enjoy a top market share with global supply from 24 production sites worldwide and integrated manufacturing from materials development to in-house kneading of materials, product development and design, production preparations, and molding and processing. We continue to improve our product planning and production technology abilities, and actively propose new ideas to customers. We will also make further efforts for lighter weights and recycling.

Proportion of sales by product field



5-year sales trends



1 Opening trim weatherstrips

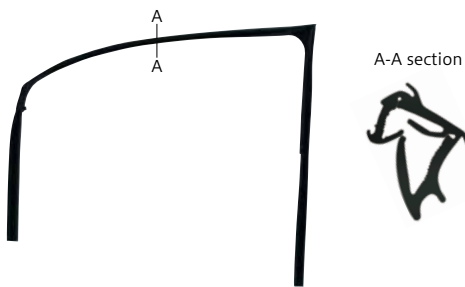
Sponging processes for rubber using our materials development and production technology reduce weight by about 30%. Our lineup of fabric and other decorative variations is used where the parts are visible from the vehicle cabin.

2 Door weatherstrips

Main production sites

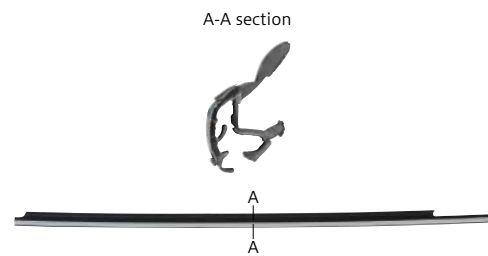
Location	Name	
Japan	Shizuoka	Toyoda Gosei Co., Ltd. Morimachi Plant
	Mie	Hinode Gomu Kogyo Co., Ltd.
		Kaiyo Gomu Co., Ltd.
		Chusei Gomu Co., Ltd.
	Miyagi	TG East Japan Co., Ltd.
Fukuoka	Toyoda Gosei Kyushu Co., Ltd.	
Americas	America	TG Automotive Sealing Kentucky, LLC
		Meteor Sealing Systems, LLC
		LMI Custom Mixing, LLC
	Mexico	Toyoda Gosei Automotive Sealing Mexico, S.A. de C.V.
	Canada	Waterville TG Inc.
Brazil	GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda.	

Location	Name	
Thailand	Toyoda Gosei Rubber (Thailand) Co., Ltd.	
India	Toyoda Gosei Minda India Pvt. Ltd.	
	Minda TG Rubber Pvt. Ltd.	
Asia	China	Toyoda Gosei Star Light (Tianjin) Auto Parts Co., Ltd.
		Toyoda Gosei (Foshan) Rubber Parts Co., Ltd.
		Fuzhou Fu-Yue Rubber & Plastic Industrial Co., Ltd.
	Hubei Toyoda Gosei Zheng Ao Rubber & Plastics Sealing Science and Technology Co., Ltd.	
Taiwan	Tai-yue Rubber Industrial Co., Ltd.	
Germany	Toyoda Gosei Meteor GmbH	
UK	Toyoda Gosei UK Ltd.	
Europe & Africa	Czech Republic	Toyoda Gosei Czech, s.r.o.
	South Africa	Toyoda Gosei South Africa (Pty) Ltd.



3 Door glass runs

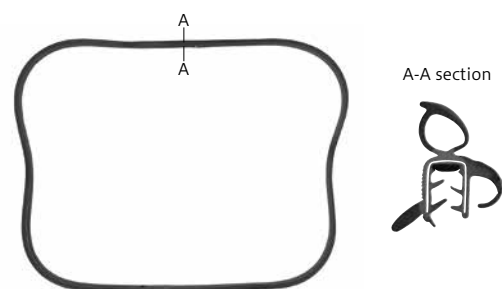
Weight has been reduced about 30% by switching from rubber to rubber-plastic admixtures and adopting innovative design that allows certain sections to be made thinner.



4 Outer weatherstrips



5

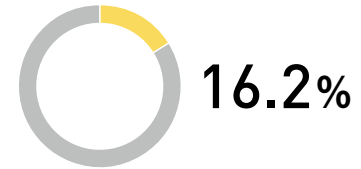


5 Luggage weatherstrips

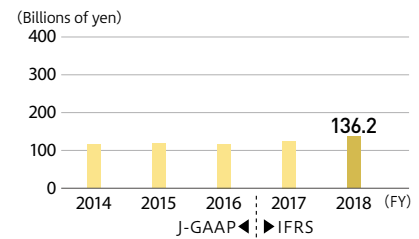
Functional Components

Functional components such as fuel parts and flexible hoses support the basic automobile functions of running, stopping, and turning. We have a lineup of parts that are lighter and more compact than ever, giving us a top share in the world market with global supply from 21 locations worldwide. We are developing materials and products that take advantage of the characteristics of plastics and rubber—flexibility, electric insulation, heat resistant conductivity, and light weight—with a view to the widespread adoption of clean energy vehicles including PHVs, EVs, and fuel cell vehicles.

Proportion of sales by product field



5-year sales trends



Fuel Tank Peripheral Parts

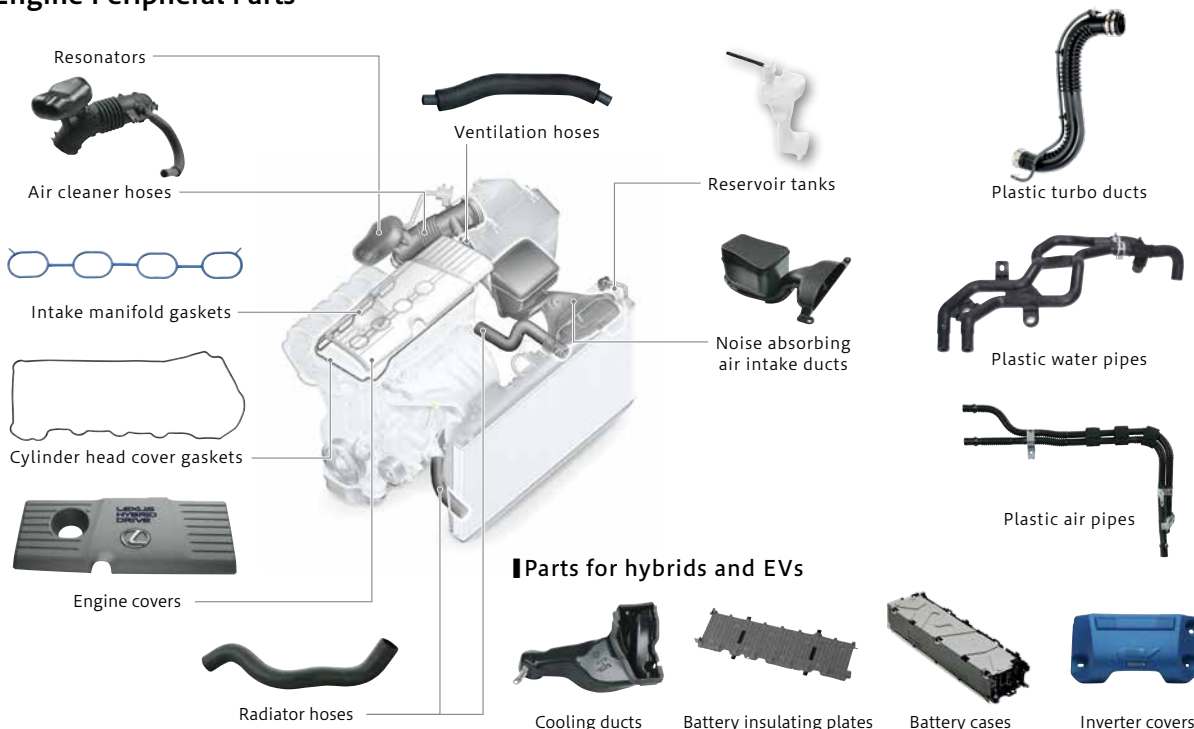


Main production sites

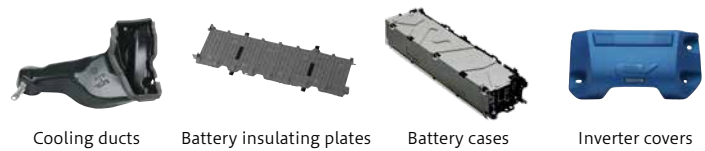
Location	Name	
Japan	Toyoda Gosei Co., Ltd. Haruhi Plant	
	Toyoda Gosei Co., Ltd. Heiwacho Plant	
	Toyoda Gosei Co., Ltd. Inazawa Plant	
	Shizuoka Toyoda Gosei Co., Ltd. Morimachi Plant	
	Kanagawa Toyoda Gosei Co., Ltd. Kanagawa Plant	
	Aichi FTS Co., Ltd.	
	Mie	Hinode Gomu Kogyo Co., Ltd.
		Kaiyo Gomu Co., Ltd.
		Chusei Gomu Co., Ltd.
	Fukuoka Toyoda Gosei Kyushu Co., Ltd.	

Location	Name	
Americas	TG Kentucky, LLC	
	TG Fluid Systems USA Corporation	
	Mexico	Toyoda Gosei Rubber Mexico, S.A. de C.V.
	Toyoda Gosei Irapuato Mexico, S.A. de C.V.	
Asia	Thailand	Toyoda Gosei (Thailand) Co., Ltd.
	Toyoda Gosei Rubber (Thailand) Co., Ltd.	
	India	Toyoda Gosei Minda India Pvt. Ltd.
	Minda TG Rubber Pvt. Ltd.	
	Indonesia	PT. Toyoda Gosei Safety Systems Indonesia
	Taiwan	Tai-yue Rubber Industrial Co., Ltd.
Europe & Africa	Czech Republic	Toyoda Gosei Czech, s.r.o.

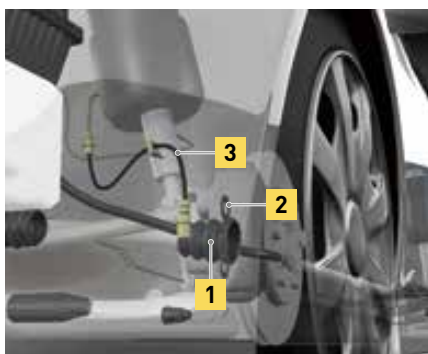
Engine Peripheral Parts



Parts for hybrids and EVs



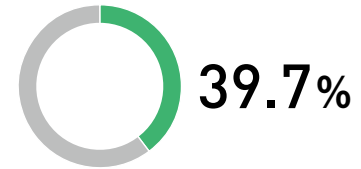
Chassis and Drive Train Parts



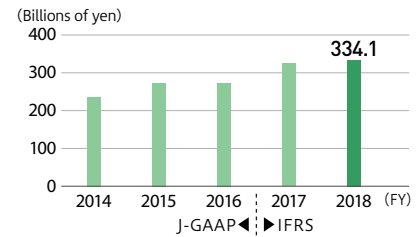
Interiors and Exteriors

Instrument panels, console boxes, and other interior parts contribute greatly to comfortable vehicle cabins, while exterior parts such as radiator grilles and back door garnishes affect overall vehicle design. These are all things noticed by customers, and demand a high aesthetic sense and high quality. We have built a global network with 22 production locations, spread our technical abilities from Japan to international locations, and refined our supply and competitive strengths. We are also taking advantage of our knowledge as a pioneer in LED development in efforts to develop automotive LED products.

Proportion of sales by product field



5-year sales trends



Interiors

Instrument panel modules and components



Defroster nozzles



Ornamental panels



Registers

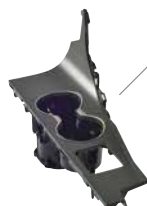


Console boxes

Using traditional, pre-electronic Japanese technology, the console box lid opens and closes smoothly without the use of a motor. Wood-grain panels and leather impart elegance.



Meter clusters



Cup holders



Glove compartments

Main production sites

Location		Name
Japan	Aichi	Toyoda Gosei Co., Ltd. Inazawa Plant
		Toyoda Gosei Co., Ltd. Bisai Plant
		Toyoda Gosei Co., Ltd. Seto Plant
	Kanagawa	Toyoda Gosei Co., Ltd. Kanagawa Plant
	Aichi	Toyoda Gosei Interior Manufacturing Co., Ltd.
		TGAP Co., Ltd.
	Nagano	Hoshin Gosei Co., Ltd.
	Shizuoka	TG Opseed Co., Ltd.
Fukuoka	Toyoda Gosei Kyushu Co., Ltd.	
Americas	America	TG Missouri Corporation
		TG Kentucky, LLC

Location		Name
Americas	America	Toyoda Gosei Texas, LLC
	Mexico	Toyoda Gosei Irapuato Mexico, S.A. de C.V.
	Canada	TG Minto Corporation
	Brazil	GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda.
		Pecval Industria Ltda.
Asia	Thailand	Toyoda Gosei (Thailand) Co., Ltd.
	India	Toyoda Gosei South India Pvt. Ltd.
	China	Tianjin Toyoda Gosei Co., Ltd.
		Toyoda Gosei (Foshan) Auto Parts Co., Ltd.
	Taiwan	Fong Yue Co., Ltd.
Europe & Africa	UK	Toyoda Gosei UK Ltd.

Air conditioner register with LED lighting

Wireless power transfer technology based on magnetic resonant coupling is used for the first time in an automotive part. This is also a means to prevent wire breakage from repeated manipulations of the knob and give greater freedom of design.



LED cabin lamps



Assist grips

Exteriors

Radiator grilles

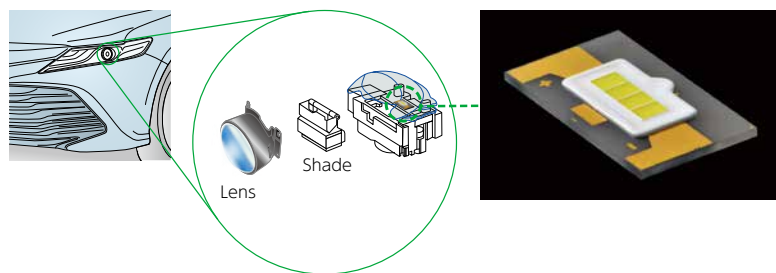
We satisfy all sorts of user design preferences with our decorative technology, such as plating and painting, and molding technology.



Back door garnishes



Automotive headlamp LEDs



Millimeter wave compatible emblems

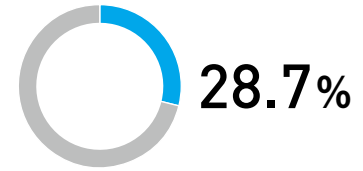
Our decorative and molding technologies have enabled the development of vehicle emblems that are transmissible to millimeter wave radar while maintaining a plating-like shine.



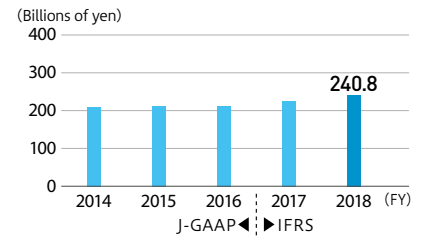
Safety Systems

We supply airbags that lessen the impacts on vehicle occupants during accidents, pop-up hood actuators that lessen the impact on the heads of pedestrians who are hit, and steering wheels with attractive designs from 20 production sites worldwide. We will continue our development efforts for airbags with ever higher performance while at the same time developing technologies that meet the needs of emerging markets and actively pursuing technical development that integrates preventive safety.

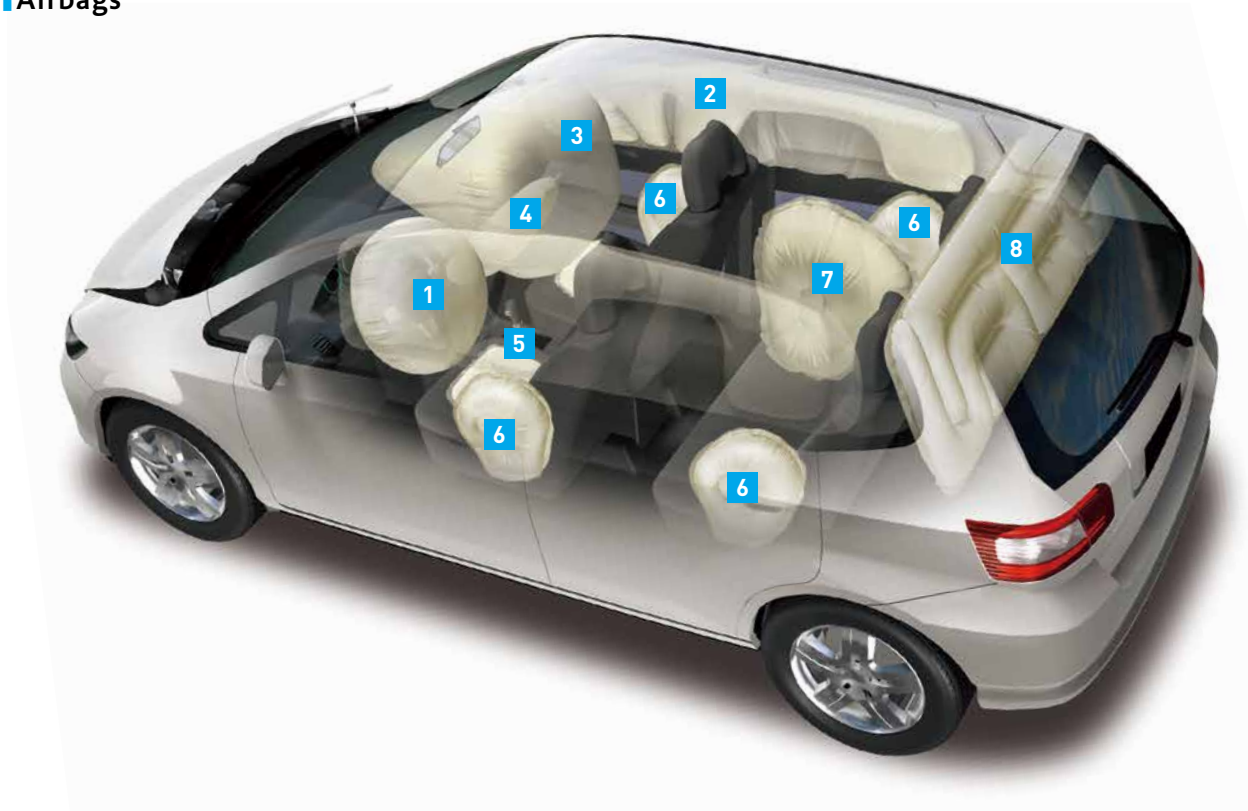
Proportion of sales by product field



5-year sales trends



Airbags



1 Driver-side airbags



2 Curtain airbags

Main production sites

Location	Name	
Japan	Aichi	Toyoda Gosei Co., Ltd. Heiwacho Plant
		Toyoda Gosei Co., Ltd. Bisai Plant
		Ichiei Kogyo Co., Ltd.
	Nagano	Hoshin Gosei Co., Ltd.
	Miyagi	TG East Japan Co., Ltd.
	Fukuoka	Toyoda Gosei Kyushu Co., Ltd.
Americas	America	TG Missouri Corporation
	Mexico	TAPEX Mexicana, S.A. de C.V.
	Brazil	GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda.

Location	Name		
Thailand	Toyoda Gosei (Thailand) Co., Ltd.		
Vietnam	Toyoda Gosei Haiphong Co., Ltd.		
Asia	India	Toyoda Gosei South India Pvt. Ltd.	
		Toyoda Gosei Minda India Pvt. Ltd.	
		Minda TG Rubber Pvt. Ltd.	
Indonesia	PT. Toyoda Gosei Safety Systems Indonesia		
China	Tianjin Toyoda Gosei Co., Ltd.	Toyoda Gosei (Zhangjiagang) Co., Ltd.	
	Taiwan	Fong Yue Co., Ltd.	
Europe & Africa	Czech Republic	Toyoda Gosei Czech, s.r.o.	
	South Africa	Toyoda Gosei South Africa (Pty) Ltd.	



3 Passenger-side airbags



4 Knee airbags



5 Seat cushion airbags



6 Side airbags



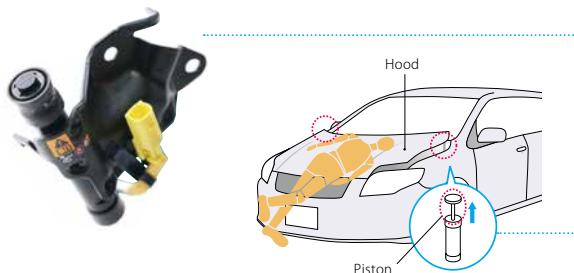
7 Rear-seat center airbags



8 Rear-end impact airbags

Pop-up Hood Actuators

These actuators lift the hood and widen the space between hood and engine, reducing head or other impacts to pedestrians.



Steering Wheels

Our lineup of attractively designed wooden, leather, and wood grain steering wheels are used by a wide range of customers.



e-Rubber

We are continuing to develop e-Rubber, an innovative, soft, polymer device that uses supramolecular Slide Ring Material. e-Rubber is promising for use in a wide range of fields as a power source or as touch or pressure sensors.

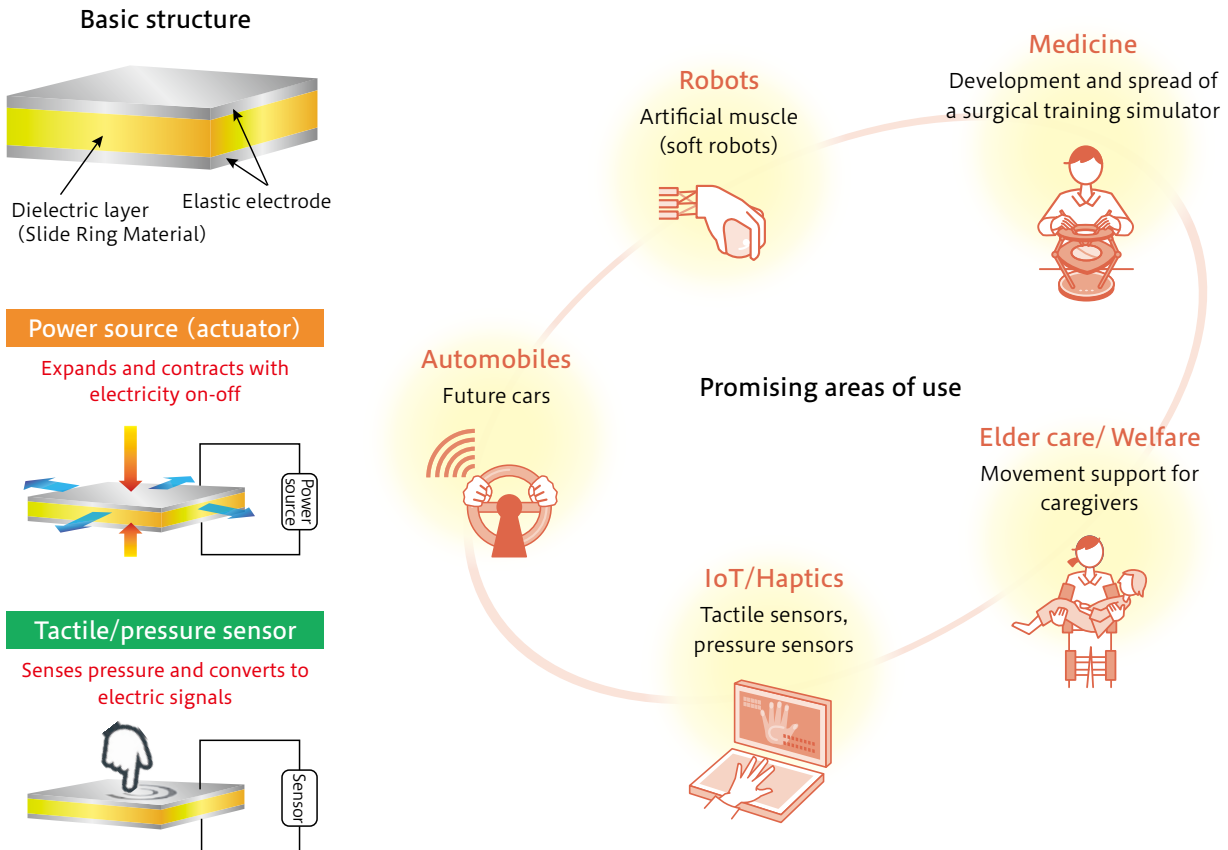


Exhibit examples



e-Rubber

Heart surgery training simulator (Super BEAT)

Using e-Rubber, which moves in quick response to electricity turning on/off, the simulator faithfully reproduces the beating of the heart.



e-Rubber

Tactile robot hand (under development)

This tactile robot hand can feel the softness of objects with sensors in the fingertips.



Haptics; eR Hapt [ir'pt] (under development)

Haptics Sharing transmits the tactile sensation of nearby people to your fingers. An object's hardness and softness is reproduced at a distance.

e-Rubber

GaN power devices

With the application of LED technology, we are developing products that contribute to higher efficiency and greater compactness of power conversion equipment.



Power transistors
(under development)

Using gallium nitride (GaN) crystallization technology, we are developing products that contribute to greater efficiency and compactness of power conversion equipment.

LEDs

LEDs with new added value are being developed.



Deep ultraviolet LED light source modules

An LED module that emits deep ultraviolet light (UV-C), which has a sterilizing effect, is used for purposes such as water sterilization (ensuring drinking water, purifying wastewater)



Solar LEDs

Red, green, blue phosphor is irradiated with violet light to achieve a color tone close to sunlight.

General Industry Products

We have used our automotive parts and LED technology to develop and produce products in various other fields.

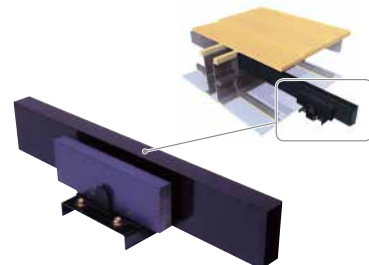


Air purifiers

We handle many different variations in function, design, color and more.



Interior and exterior products for agricultural, construction, and industrial machinery



Dynamic dampers

Sustainability

ESG and SDGs

Policy for ESG

Toyota Gosei is taking the nine actions below as key efforts in the area of ESG (environment, society, governance) to achieve sustainable growth.

Environment	1	Building Low-Carbon Societies
	2	Building Recycling Societies
	3	Building Environmental Management Systems
Society	4	Cultivating Global Personnel and Promoting Diversity
	5	Creation of Safe and Pleasant Workplaces
	6	Higher Product Quality
	7	Living with the Local Community
Governance	8	Improved Corporate Governance
	9	Strict Compliance

With the company creed of “Boundless creativity and social contribution,” we would like to contribute to a sustainable society through growth of the company. For that purpose we are taking initiative to resolve the global problems of society and the environment shown in the United Nation’s Sustainable Development Goals for international society by 2030. Specifically, through various business activities that we have advanced for the creation of a better society, such as providing airbags that reduce injuries during accidents and lighter weight parts that contribute to improved automobile fuel economy and reduced carbon emissions, we will meet the expectations of our stakeholders around the world, including customers, shareholders, investors, employees, and suppliers.

Relationships with stakeholders

Stakeholders	Declaration	Communication
Customers	We will provide in a timely manner products and services with quality and prices that satisfy customers, based on research and development and manufacturing technology that anticipates future changes.	<ul style="list-style-type: none"> • CS/Business activities • Website
Shareholders, investors	Our 2025 Business Plan clearly shows our medium- and long-term management targets and strategic policy for sustainable growth.	<ul style="list-style-type: none"> • Financial statements (4 times/year) • Financial results briefings (2 times/year), annual shareholders’ meeting (1 time/year) • Website • Individual meetings • IR tools (general reports, business reports)
Employees	We respect the individuality of each person while at the same time increasing our collective strength through teamwork, achieving a vibrant corporate culture with meaningful work based on labor-management trust and mutual responsibility.	<ul style="list-style-type: none"> • Intranet/in-house communications • Workshops • Employee surveys (6 times/year) • Central labor-management consultations (5 times/year) • Departmental labor-management consultations (6 times/year)
Suppliers	Based on open and equal relationships with suppliers, we strengthen each other’s corporate cultures, strive for management innovation, and raise the collective Group strength.	<ul style="list-style-type: none"> • Procurement activities • Procurement liaison meetings
Local communities	We contribute as a good corporate citizen to development of the economy and society through business activities rooted in each country and community and social contribution activities.	<ul style="list-style-type: none"> • Contributing to the community through business • Participation in volunteer activities
National and local governments, industry organizations	We have built systems for strict legal compliance and thorough corporate ethics, and conduct our business activities with integrity.	<ul style="list-style-type: none"> • Complying with laws/regulations • Participation in industry-academia-government collaboration projects • Participation in industry organizations

Materiality determination process

STEP 1 Identifying issues

With reference to the Global Reporting Initiative (GRI) guidelines, we have thought about how we can contribute to achieving the 17 targets set in the SDG through the Toyoda Gosei Group business strategy, and the risks and opportunities associated with each of those businesses.

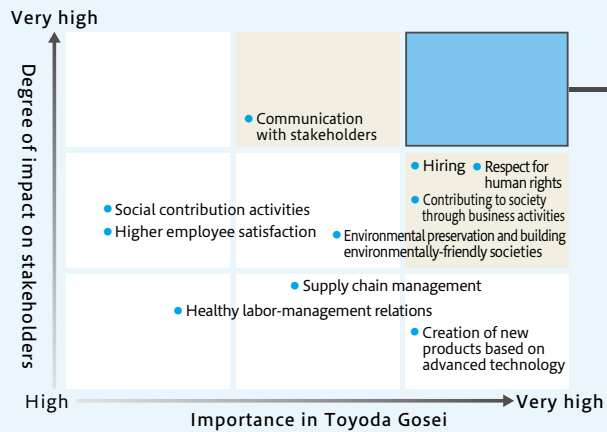
Efforts toward SDGs

Through its business activities, the Toyoda Gosei Group contributes to the achievement of the sustainable development goals (SDGs) that international society (all United Nations member nations) are targeting for 2030.



STEP 2 Judging the importance of each element from internal and external perspectives

The issues for consideration identified in STEP 1 were placed on a materiality map. Based on interviews with experts and stakeholders, items placed in the “very high region” by either were judged to be issues of utmost importance.



STEP 3 Materiality determination

The important issues identified in STEP 2 were investigated by a project team made up of people from relevant departments, and nine key issues were decided. This materiality is obviously of interest to and has a strong impact on stakeholders. These issues are positioned as important themes for the Toyoda Gosei Group as well.

Environment (E)	<ul style="list-style-type: none"> • Building Low-Carbon Societies <ul style="list-style-type: none"> • Reduction of CO₂ emissions • Reductions in greenhouse gases • Building Recycling Societies <ul style="list-style-type: none"> • Reductions in waste • Reduction of water usage • Environmental Management <ul style="list-style-type: none"> • Compliance, management system creation • Fostering of environmental awareness 	
Social (S)	<ul style="list-style-type: none"> • Personnel <ul style="list-style-type: none"> • Development of people with an international outlook • Promotion of work-life balance • Promotion of diversity • Occupational Health and Safety <ul style="list-style-type: none"> • Creation of safe and pleasant workplaces • Sound management • Higher Product Quality • Living with the Local Community 	
Governance (G)	<ul style="list-style-type: none"> • Corporate Governance <ul style="list-style-type: none"> • Transparency in corporate governance and management • Thorough Compliance <ul style="list-style-type: none"> • Corporate ethics and legal compliance 	

Environment

We contribute to preservation of the earth's environment through all of our business activities to leave a greener, richer world for the future and our children.



We obtain many resources from the earth—water, food and clothing as well as raw materials such as rubber, resin, and metal. At the same time, we inflict damage on the earth through the emission of greenhouse gases and depletion of resources as a result of overuse in our daily lives and business activities.

To leave a rich, green earth to the children who will build the future, Toyoda Gosei has been implementing Environmental Action Plans every five years. We have also formulated a long-term vision in our TG 2050 Environmental Challenge and are working to preserve the environment. These activities have earned Toyoda Gosei a high ranking by the press and others, and we will further intensify our efforts. We will also continue working actively to create a corporate culture and develop personnel for the implementation of sustainable environmental preservation activities.

Hiroshi Yasuda

Director, Corporate Officer
Chief of Environment Division / Chief of Production Headquarters /
Chief of Safety and Health Promotion Division

Basic philosophy

The Toyoda Gosei Group formulated its 1st Environmental Action Plan in 1993 based on its environmental policy, and since that time has been actively confronting environmental issues.

With the belief that environmental issues need to be tackled from a long-term perspective, we announced the TG 2050 Environmental Challenge, our long-term environmental targets, in February 2016. That same year we formulated our 6th Environmental Action Plan for activities and targets over the five years until 2020, and have been promoting

environmental activities.

To carry out environmental management that meets the expectations of society, we have established environmental operations in the Americas, China, and Asia, and have put in place a global system for area management in these four global regions including Japan. To achieve our TG 2050 Environmental Challenges, we are implementing group-wide activities to meet FY2020 targets with a view to the medium term until 2030.

Environmental Policy

1. Environmentally-friendly corporate activities

We are keenly aware that all stages of our business relate deeply to the environment, from development, production, and sales activities to end-of-life disposal. The Toyoda Gosei Group, including all internal departments, domestic and international affiliates, and suppliers, conducts all business activities with concern for the environment in cooperation and coordination with customers, government authorities, and others.

2. Good corporate citizenship

As a good corporate citizen, we participate in, support, and cooperate with environmental activities by many groups while also working on environmental activities in the community and broader society. We also provide education for all employees to support them in becoming involved in environmental activities as members of the community and society, and support social contributions and volunteerism.

3. While spreading information on these activities, we listen to the opinions of people at all levels of society and work to improve our activities wherever we can.

TG 2050 Environmental Challenge —A Greener, Richer World for Our Children

The Toyoda Gosei Group specializes in the field of high polymers—rubber and plastics.

Our symbol is the benzene ring, a hexagonal hydrocarbon structure that is the starting point for polymers. Borrowing from the six sides of the benzene ring, the TG 2050 Environmental Challenge sets six challenges to strengthen our environmental efforts with a long-term view to the year 2050.





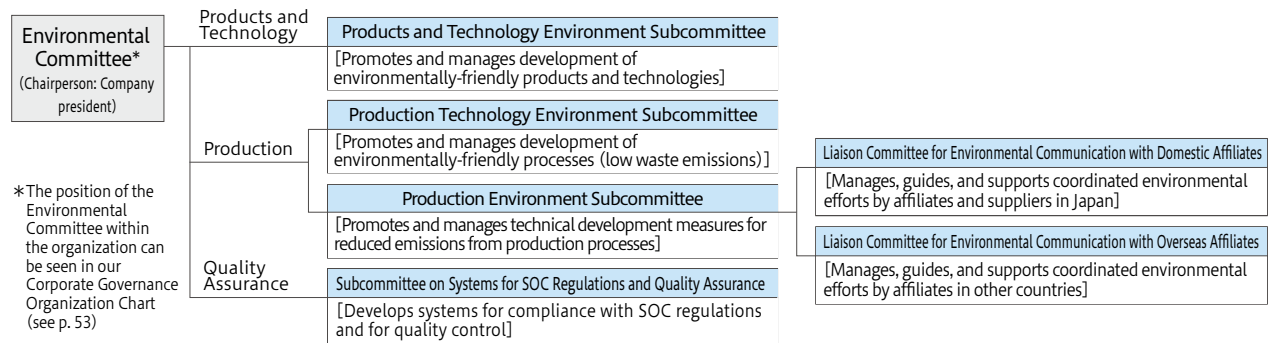
Environmental organization

Our medium- and long-term policy and key action items are discussed and decided in an Environmental Committee chaired by the company president. The Environmental Committee consists of four subcommittees in the areas of products, production, and quality. The subcommittees are further broken down into working groups that promote and manage areas

such as reductions in energy use, waste products, and VOC emissions, and preservation of the environment. In this way, environmental preservation and management activities are conducted from an expert perspective.

Liaison committees have also been established to share information with related companies in Japan and abroad.

Environmental organizational structure



*The position of the Environmental Committee within the organization can be seen in our Corporate Governance Organization Chart (see p. 53)

Deployment from the Environmental Committee and subcommittees to plants and other operations is done with the establishment of expert committees in accordance with the ISO 14001 system at each plant.

Risk and opportunity associated with climate change and resource depletion

The risks and opportunities associated with climate change and resource depletion are recognized as an important management issue. We are working to strengthen our responses to the overall financial and social risks from the effects on economic and production activities of more drastic abnormal weather, changing precipitation patterns, droughts and floods, from a global perspective based on laws, regulations and trends.

	Risk	Opportunity
Climate change	Cost increases from carbon tax and soaring energy prices	Development of lighter weight, next-generation automotive parts, cost reductions from efficient energy use
Resource recycling	Effects of water shortages and floods on production activities	Cost reductions from re-use and decreased use of water
	Cost increases from difficulty in procuring materials, soaring material prices	Cost reductions from recycling technology, use of fewer materials
Management (regulatory compliance)	Loss of trust in the company due to environmental problems, including legal violations, and insufficient efforts to protect the environment.	Raise brand strength by enhancing environmental activities

Resource utilization and environmental emissions in business activities

To lessen the amount of energy, material and other resource inputs, and maximum product output, we are utilizing our skills in product development, process development and workplace

kaizen in efforts to improve through business activities.

The input resources we use include environmentally friendly materials and clean energy.

INPUT

Total material input 45,974t	Rubber (rubber sheet) 17,820t
Plastic 28,154t	Excluding purchased parts, metal and liquid
Total energy input 3,080,000GJ*1	Heavy oil 10,000GJ
Purchased electricity 1,560,000GJ	Kerosene 20,000GJ
City gas 1,310,000GJ	LNG 120,000GJ
LPG 60,000GJ	Gasoline 1,000GJ
Water resource input 1,380,000m ³	Clean water 268,000m ³
Industrial water 737,000m ³	Underground water 375,000m ³
PRTR*2 substances usage 800t	

*1 Gigajoule (1,000,000,000 joules)
 *2 Pollutant Release and Transfer Register
 *3 Sulfur Oxide
 *4 Nitrogen Oxide
 *5 Volatile Organic Compounds

*6 Range of target: 4 plants of Haruhi, Inazawa, Heiwacho and Seto, Kitajima Technical Center, Miwa Technical Center and Sun-Court Inoguchi

OUTPUT

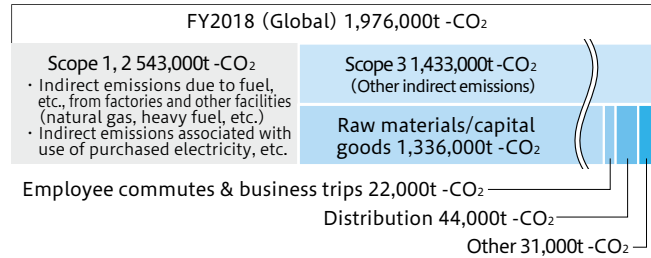
Products	
Emitted into the atmosphere	
CO ₂ 12,900t-CO ₂	Dust 0t
6 gases 3,000t-CO ₂	Volume of substances subject to PRTR 115t
SOx*3 0t	VOC*5 emissions 371t
NOx*4 88t	
Waste discharge	
Landfill waste 0t	General waste 12t
Incinerated waste 7t	For-profit disposal by sale 5,464t
Industrial waste 10,995t	Volume of substances subject to PRTR 61t
Wastewater	
Total wastewater 890,000m ³	Nitrogen emissions*6 9.7t
Volume of substances subject to PRTR 0.15t	Phosphorus emissions*6 0.6t
	COD emissions*6 4.8t

Environmental impact in the value chain

From the perspective of preserving the earth, we have surveyed and disclosed not only GHG emissions (Scope 1*¹, Scope 2*²) in our business activities but also emissions in our entire value chain including excavation of raw materials and product use and disposal (Scope 3*³). To increase precision for a more accurate picture, we reviewed the calculation method and data collection for Scope 3.

*1 Greenhouse gas emissions emitted directly by the company itself (natural gas and other fossil fuels, etc.)
 *2 Indirectly emitted greenhouse gases (electricity, etc.)
 *3 Greenhouse gases emitted in the supply chain that are indirectly emitted by the company (manufacturing, transport, business travel, commuting, etc.)

CO₂ Emissions by Scope Level



Building low-carbon societies

In addition to lighter weight products that lead to improved vehicle fuel efficiency, we are reducing CO₂ emissions through improved productivity and more efficient distribution.

Basic philosophy

Keeping the rise in global temperature to below 2°C, as concluded in the Paris Agreement, is crucial and we must achieve greenhouse gas emissions of essentially zero by the end of the century. With the aim of minimizing CO₂ emissions as presented in the TG 2050 Environmental Challenge, we are utilizing new production techniques and product development skills with an eye toward next-

generation vehicles in addition to the manufacturing skills we have cultivated over time. Plans for execution are included in our 6th Environmental Action Plan with activity targets for FY2020. We are now formulating our mid-range targets and scenarios for FY2030. To reduce CO₂ emissions over the entire product lifecycle, we are making efforts to increase efficiency in distribution and other areas.

Reducing CO₂ emissions

The Toyota Gosei Group is reducing CO₂ emissions (per unit sales) in the product stage, production stage, and over the entire lifecycle to achieve the targets set for FY2020.

● Product development stage: Environmentally-friendly product development

In the product stage, we are making headway in providing parts for environmentally-friendly, next-generation vehicles and developing products with lighter weight for greater fuel efficiency and lower energy consumption across the areas of materials technology, product design, and production technology. Examples include switching

materials (e.g., from metal or rubber to plastic) in instrument panel peripherals and other interior products as well as in functional parts such as hoses, reducing the number of components, integrating functions, and using thinner material while ensuring strength.

● Production stage: Reductions with development of new processes, daily *kaizen*

In the production stage, we are developing new production techniques that minimize energy usage and introducing energy-saving equipment through the Production Engineering Technology Environment Subcommittee started in fiscal 2016.

We also conduct regular *kaizen* to thoroughly

eliminate waste. Today, the TG ESCO (expert team that conducts reduction activities with *genchi-genbutsu*) formed in 2016 is conducting *kaizen* activities that include the latest technologies and collecting and applying information on best practices from other companies.

● Recycling: Reductions in materials and parts procurement, more efficient distribution

Toyota Gosei has prepared and distributed green procurement guidelines for materials and parts procurement with low environmental impact. Together with regular supplier surveys to ensure compliance, we also provide support when improvements are needed.

We are also making active efforts to reduce CO₂ emissions over the lifecycle with more efficient distribution, including reviews of truck allocation and transport modes with the aim of improving truck payloads and shortening distribution lines.

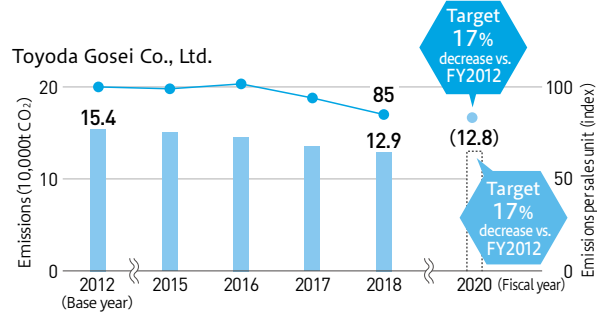
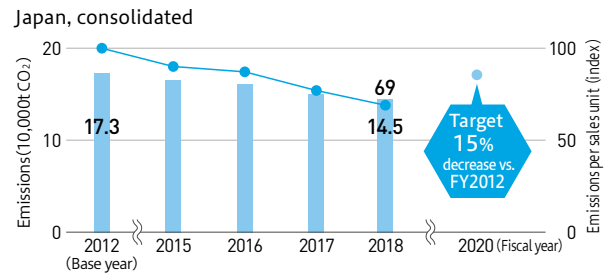
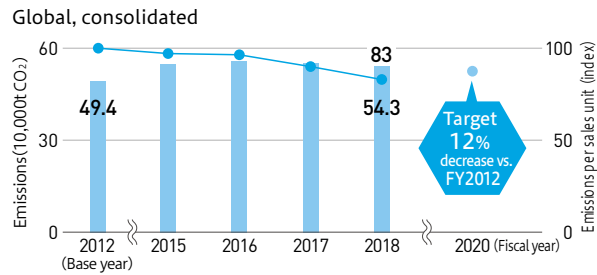


• Renewable energy

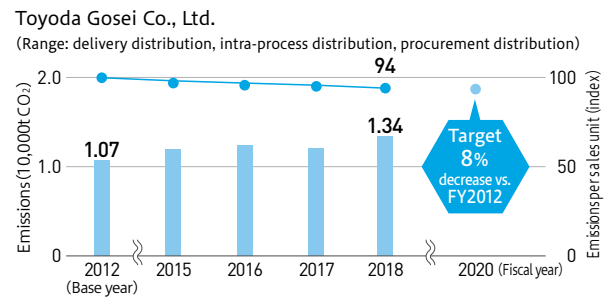
We are moving toward a target of using renewable energy equivalent to 2% of our total global electricity consumption by FY2020. This includes installation of solar

and wind clean energy generation equipment and the purchase of green power. Our next challenge is to raise clean energy levels to at least 20% globally by FY2030.

CO₂ emissions, CO₂ emissions per sales unit (index) *4



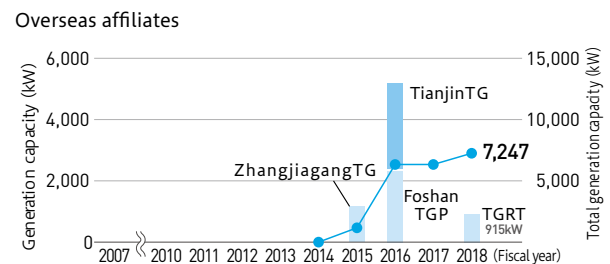
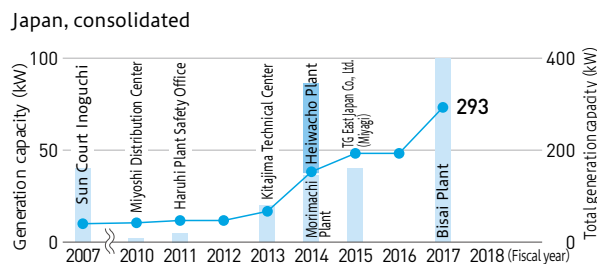
CO₂ emissions in distribution, CO₂ emissions per sales unit (index) *4



*4 Emissions per sales unit (index) is a figure obtained taking FY2012 as 100 [CO₂ conversion factor] The CO₂ conversion factors used for Japan *5 are the 1990 Keidanren factors. The CO₂ conversion factors used for other countries are from the GHG Protocol (2001).

*5 Electricity: 0.3707t-CO₂/MWh, class A fuel oil: 2.69577t-CO₂/kL, LPG: 3.00397t-CO₂/t, town gas: 2.15701t-CO₂/1,000 Nm³, kerosene: 2.53155 t-CO₂/kL, LNG: 2.68682t-CO₂/t, gasoline: 2.36063t-CO₂/kL (excluding external factors of gas companies' town gas heat conversion)

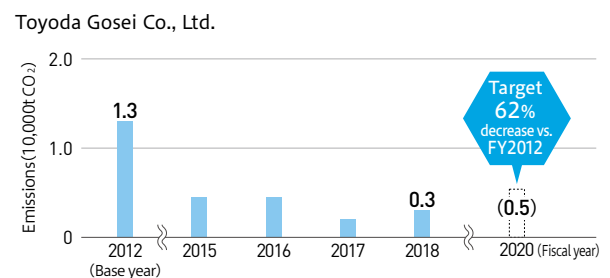
Solar power generation graph (does not include stand-alone systems such as outside lights with solar panels)



Reductions in 6 greenhouse gases *6

Of the six greenhouse gases, Toyoda Gosei Co., Ltd. uses three (HFC, PFC, SF₆) and is conducting activities to reduce all of them. By FY2015 we had completed a switch to alternative gases with a low environmental impact for the shield gas used in the production of steering wheel cores and other gases. This has resulted in an 74% decrease in greenhouse gases since FY2012. We will continue these reduction activities in the future.

Trend in greenhouse gas (6 gases) emissions (CO₂ equivalents)



*6 Hydrofluorocarbon (HFC), perfluorocarbon (PFC), sulfur hexafluoride (SF₆), methane (CH₄), nitrous oxide (N₂O), nitrogen trifluoride (NF₃)

Building Recycling Societies

Toyoda Gosei uses resources effectively and contributes to a recycling society by reducing waste volumes*1 and water usage and designing products that are easily recyclable.

*1 We are currently attempting to reduce waste volumes to meet our FY2020 target as we move toward minimization of industrial waste as set forth in the TG 2050 Environmental Challenge.

Basic philosophy

To move closer to the recycling society envisioned in the TG 2050 Environmental Challenge, Toyoda Gosei aims to minimize industrial waste and water usage and we are making every effort to use resources effectively, reducing materials usage and waste volumes through thorough sorting and the design of easily recyclable products.

Waste reduction

Production To reduce waste in production processes and achieve our 2020 targets, we are combating waste at its source and recycling.

We have also started a waste reduction project with coordination among plants and production technology, materials technology, and product design departments to strengthen efforts to combat waste at its source. At each plant, we are reducing waste through *genchi-genbutsu* (go and see), identifying items for reduction with the help of external experts, and implementing rubber, plastic, and liquid reductions.

Study sessions are also held to promote waste reduction at both domestic and international Group companies.

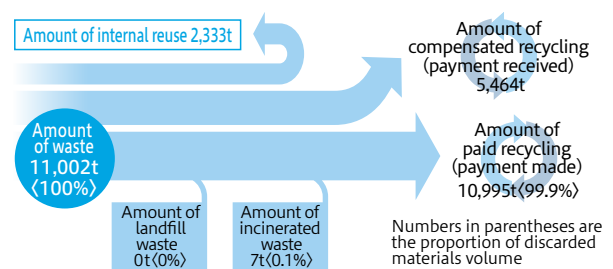
Distribution The packing material used in product transport is being reduced to prevent products from being dirtied by increasing the number of times reusable

containers are used in the field and maintaining cleanliness. We are also reducing packing material by putting lids on reusable containers and other changes, considering the balance between maintaining product quality and reducing the use of packing materials.

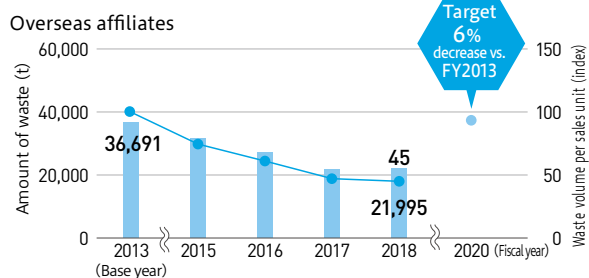
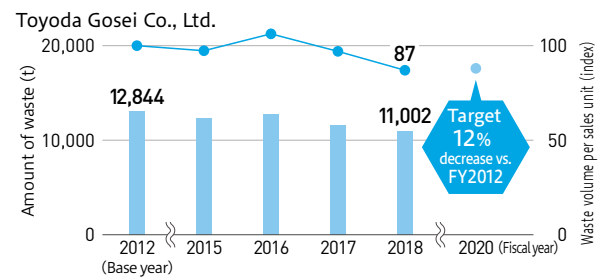
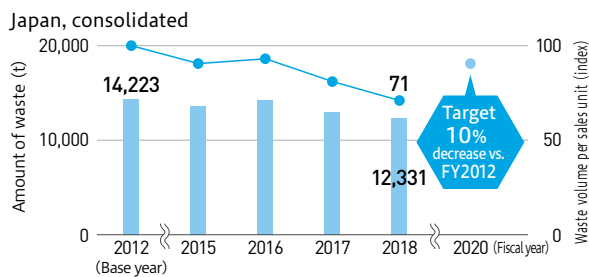
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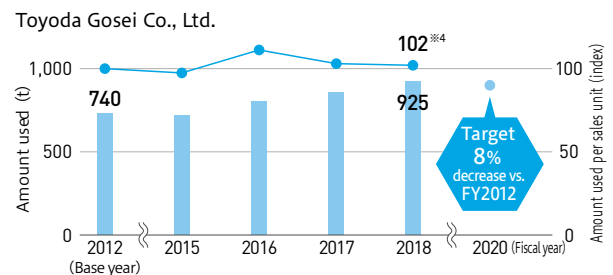
Amounts of waste generated and disposed of (results for FY2018: Toyoda Gosei)



Waste volume, waste volume per sales unit (index)*2



Amount of distribution packing material used/Amount used per sales unit (index)*3



*2 The amount of waste per sales unit (index) is a figure obtained taking the base year as 100

*3 The amount of distribution packing material used per sales unit (index) is a figure obtained taking the base year as 100

*4 The amount of packing material used increased with increased shipments of service parts due to the heavy rains and floods in northern Kyushu in 2017 and western Japan in 2018, and larger part sizes.



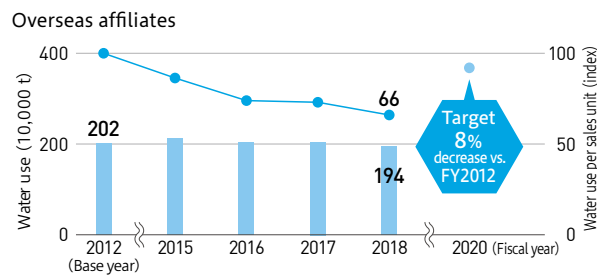
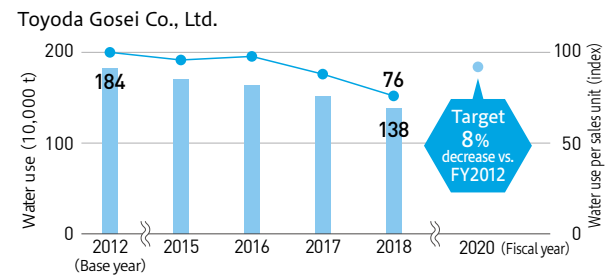
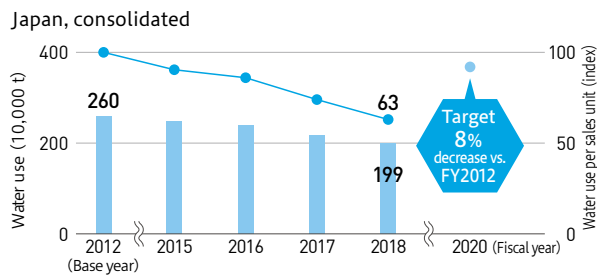
Decreased water usage

To achieve the 2020 targets, we are working on *kaizen* through TG ESCO (expert team that conducts reduction activities with *genchi-genbutsu*) activities. Today, water use has been reduced 24% compared with FY2012 levels by decreasing loss and leakage in water use amounts.

Wastewater treatment facilities are also being

systematically upgraded to improve our processing ability so that wastewater is cleaner and the water recycling rate is higher. We will continue to reduce water usage and manage wastewater in correspondence with local conditions, given the increasing importance of water.

Water use and water use per sales unit (index)^{*5}



* 5 Water use per sales unit (index) is a figure obtained taking the base year as 100

Environmental management

While working for environmental preservation, we are continuing employee training and education programs so that every employee can act with awareness of the environment.

Basic philosophy

Together with attempts to strengthen selection and control of chemical substances for the creation of products and processes that are friendly to people and the environment, we faithfully comply with laws and regulations in each

country and customer criteria.

We are also making aggressive efforts for education to raise the environmental awareness of employees and train personnel for sustainable environmental activities.

Control of chemical substances contained in products

To strengthen the management of chemical substances in our products, we control legally regulated substances in each country, substances that are self-regulated by automakers, and substances covered by our own company regulations. We watch the trends in European REACH^{*6} regulations and the EU RoHS Directive^{*7} and have a system in place to respond rapidly when these regulations

are revised. To respond to requests from automakers in each country for information on chemical substances in products, we have devised mechanisms and conducted systems for global collective management of chemical substances that we are currently using in Japan, China, Thailand and Vietnam. We will be steadily expanding this system to places where it is not yet in use.

*6 Registration, Evaluation, Authorization and Restriction of Chemicals

*7 Restrictions on the use of specific hazardous substances contained in electrical and electronic equipment

ISO 14001 environmental audit

Toyota Gosei and its domestic and international affiliates acquire ISO 14001 environmental management system certification. Internal environmental audits are carried out by audit teams composed of members from business areas outside those being audited in order to raise the independence and objectivity of the audits. Toyota Gosei Co., Ltd. commissions external reviews by the Japan Quality Assurance Organization (JQA) to assess whether our environmental management systems are run properly in accordance with ISO14001.

Activities to eliminate compliance and environmental violations and complaints

Regular checks are conducted by expert departments and maintenance and management are carried out to ensure legal compliance and no environmental problems or complaints. Preventive activities such as environmental preservation walks are also conducted to combat risks. In addition, we analyze problems that occur at other companies, inspect similar facilities including those at

ISO14001-certified production sites

Toyoda Gosei	10 plants* (FY2018)
Affiliates in Japan	9 companies
Overseas Affiliates	Americas: 12 companies, Asia: 7 companies, China: 6 companies, Europe/ Africa: 3 companies

* Currently 7 companies after establishing a subsidiary in Kyushu (Toyota Gosei Kyushu Co., Ltd.) and transferring business from 3 Toyoda Gosei plants in Kyushu (Fukuoka Plant, Saga Plant, Kitakyushu Plant) (April 2019)

domestic and international affiliates, and take preventive measures.

We are ensuring proper disposal of equipment containing polychlorinated biphenyl (PCB). So far, we have completed disposal of waste from 848 units. We are continuing these efforts to dispose of untreated low-level PCB waste at an early date.

Environmental education

Toyota Gosei educates employees on environmental problems including the destruction of nature and environmental pollution, the impacts on the environment of production activities, and compliance

with environmental regulations. The content each year emphasizes understanding and practices based on legal trends, with examples incorporated to create specific and understandable teaching materials.

Environmental education system

Level-specific training

Toyoda Gosei	Affiliate Companies	
	Japan	Overseas
Education for new managers		
Education for those posted overseas		
Education for environmental key persons		
Acquisition of environmental education qualifications		
Education for new employees		

ISO Education

Toyoda Gosei	Affiliate Companies	
	Japan	Overseas
Education for environmental staff		
Education to improve internal auditors' skills		
Education to register internal auditors		
Education for supervising managers		
Education for key environmental facility workers		
Education for general workers		

Activities to raise environmental awareness

We are attempting to raise the environmental awareness of employees through Environment Month events, regular environmental lectures, and other activities so that all employees have an awareness of the environment in their

activities for ongoing environmental protection.

We also conduct a questionnaire survey of employees each year to assess their environmental awareness and plan educational activities based on the results.



Environment Month Environmental exhibition



Environment Month: Seeking Mottainai Ideas Don't you have more mottainai?



Environment Month Eco tours (observation of living creatures)



Environmental forum Instructor: Taikan Oki, Special Adviser to the President, The University of Tokyo



Other important issues

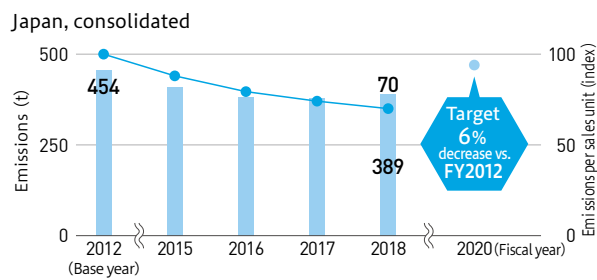
With awareness of environmental issues, every employee makes efforts to preserve the environment while recognizing the importance of protecting nature and biodiversity and contributing to the creation of environmentally-friendly societies.

Reduced use of substances of concern

In production processes, we are switching to water-based paint and release agents, making painting lines more compact, improving coating efficiency, and making other efforts to reduce Pollutant Release and Transfer Register (PRTR) substances and volatile organic compounds (VOCs).

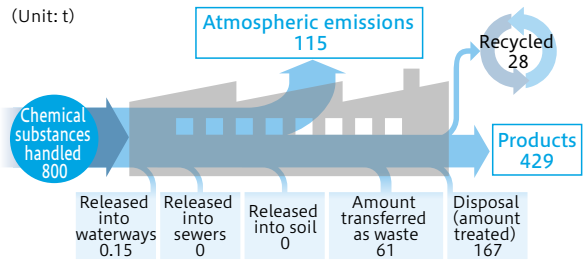
Through on-site visits, we also share information on cases in which VOCs were successfully decreased to promote reduction activities.

VOC emissions/emissions per sales unit (index) *3

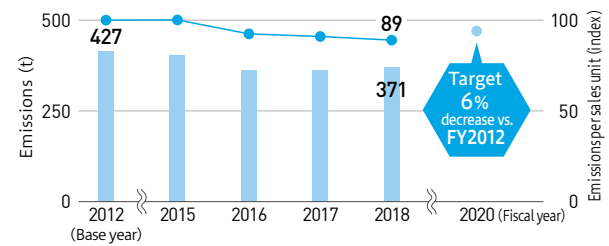


* Emissions per sales unit (index) is a figure obtained taking FY2012 as 100

Volumes and flow of emitted PRTR substances



Toyoda Gosei Co., Ltd.



Biodiversity

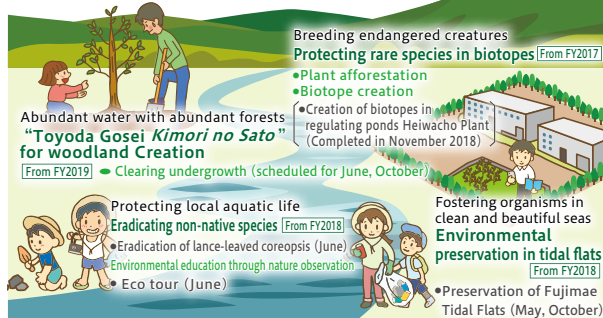
The Toyoda Gosei Group is working actively to protect nature and create environmentally-friendly societies through our plant afforestation project, biotope creation and environmental education.

● Mid-range plan for 2020

We have drafted a mid-range plan for biodiversity activities and are carrying out these activities with the slogan “Working to save our water, the source of life on earth.”

Working to save our water, the source of life on earth

Efforts to protect the water used at our plants from its source (mountains) to its destination (sea)



We will further enhance these activities in coordination with the Toyota Group, government agencies, NPOs and others.

● Plant afforestation

Our plant afforestation project was begun in 2009, and we have since planted about 300,000 trees at 28 locations around the world. The seedlings planted in these activities are grown in the company.



TG Automotive Sealing Kentucky, LLC, / USA
Tree planting in October 2018.

● Biotope creation

We are creating biotopes suited to each area around the world. To make it easier to secure the space and minimize costs, we have been creating biotopes in regulating ponds in coordination with government agencies and others.



Completion of biotope using a regulating pond* (Heiwacho)

* Basins are made in residential areas, industrial plants, and similar places. They function to limit local flooding by temporarily storing rainwater during torrential rains.

Social



Developing personnel who can thrive in a changing environment, and contributing to society through manufacturing

As a good corporate citizen, the Toyoda Gosei Group aims to contribute to development of the economy and society through business activities rooted in each country and community and social contribution activities. To build a foundation for those endeavors, we are developing professionals who can act globally and promoting diversity and workstyle reforms. We respect the individuality of each person while increasing our collective strength through teamwork to achieve a vibrant corporate culture with meaningful work. We will continue to conduct research and development in anticipation of future changes, raise the level of our manufacturing technology, strengthen our supply chain and make constant kaizen efforts to satisfy our customers.

Hiromasa Zaitu

Chief of General Administration and Human Resources Headquarters

We are striving to create workplaces that are pleasant and conducive to producing good results, with the following key performance indicators.

Classification	Item	Target	FY2018 results
1 Creating pleasant workplace environments	Employee turnover rate	Less than 3.0%	1.2%
	Average overtime hours	Less than 20 h/month	18.6 h/month
	Annual paid leave taking rate	95% or higher	97.1%
	Number of people promoted from non-regular to regular employees	30/year	Starting from FY2019
	Smoking prohibited on company premises	Effective January 2020	Smoking prohibited during working hours
	No. of female managers	18	16
2 Promoting diversity	Percentage of women among new employees	20%	21%
	Childcare leave taking rate	Men: 8% Women: 100%	Men: 4% Women: 100%
	No. of foreign national employees	30	22
	Employment rate of people with disabilities	2.2%	2.33%
3 Personnel development	Number of young employees sent overseas for development	40	22
	Percentage who have taken level-specific in-house training	100% of those targeted	99%
	Successful execution of young employee 3-year independence plans	100%	Currently being implemented in technical departments. Implemented company-wide from 2019.
	Superior and subordinate self-reporting interview rate	100%	97%

Workstyle and cultural reforms

From FY2017 we began efforts to make work more efficient with the use of IT and reviews of meeting structures with the aim of every employee thoroughly executing his or her essential tasks. Overall activities entailing a range of efforts to change the way we work are conducted for workstyle reforms. To deal with changes with a sense of speed and raise the quality of work, we are communicating more closely than ever before in the workplace, eliminating waste, and adopting a working style with a varied pace.

The keys of workstyle reforms





Conference on workstyle reform and better communication



Work culture reform presentation



Activity promotion character Kaikakuma (selected from employee submissions)

Examples of workstyle reform activities

Perspective	Item	Efforts
Concentration on essential work	Establishment of a concentration time	• 11:00 to 12:00 each day is set as "concentration time" (as a rule, NO meetings, NO telephoning, NO instruction. Workers are notified with music played at 11:00 a.m.)
Increased work efficiency	Review of meeting structure	• Abolishment of preliminary meetings, minimization of the number of participants, time, and frequency • Thorough reinforcement in observing company rules and etiquette
	Arrangements, meetings forbidden from going beyond the fixed time	• Going beyond the fixed time every Wednesday and Friday is forbidden as a rule
	Work kaizen using IT tools	• Reduction of travel time, increased work speed (introduction of mobile teleconferences, etc.) • Task automation with RPA*1
Workstyle with varied pace	Promotion of workplace-centered reforms	• Departments conduct efforts with a "Reform leader" playing a central role for each workplace, and share information
	Encouraging people to take annual vacation	• Encourage general workplace employees to take full annual leave and 3-day weekends • Set annual vacation targets for key positions and monitor whether this vacation is taken

*1 Robotic process automation

Trials of flexible work styles



Glassed-in meeting spaces are set up in the center of the floor

As one part of our workstyle reforms, the following trials are being undertaken in FY2019 for employees who are raising young children, caring for elderly or invalid persons, or receiving medical treatment.

- 1 Work from home**
By making it possible to work from home, we provide an environment where people can balance work and life, display their abilities, and do their jobs efficiently.
- 2 Flexible, shorter working hours**
We have reviewed our previous system of short working hours and are conducting a trial allowing flexible, short working hours suited to the individual's job and lifestyle.

Example of workplace reform activities

- Five Articles for Officers**
1. I will greet people with a smile
 2. I will listen to team members talk until they are finished.
 3. I will say "I appreciate your efforts" for positive information from team members, and "Thank you" for negative information.
 4. I will back team members who take on challenges, and assume responsibility.
 5. I will try to make myself better understood.

We aim to create an environment in which employees can discuss anything freely with each other, with officers themselves leading these changes (this year is 4th year)



Toyoda Gosei Group Ekiden race (suppliers/affiliates also participate)

Respect for human rights

Respect for individual human rights and privacy both in and out of work are set in employee behavioral guidelines in the Toyoda Gosei Guidelines for Business Ethics. We are striving to create healthy and pleasant workplaces

where the character and individuality of each person is respected and that are free of discriminatory behavior, sexual harassment and power harassment.

Human rights education

In both new employee education and new manager training, we provide education on human rights. Employees learn about the current problems in human rights, so that they can act with increased awareness and respect for human rights and privacy both during

and outside of their work. Personnel are sent to external training to learn in greater depth about rights problems. In these and other ways we are trying to train people with a superior sense of human rights.

Hiring of diverse personnel

Toyota Gosei hires a diverse workforce and is making efforts to energize the company. We are creating an environment for fair and equal employment and training with respect for diversity.

Encouraging the active roles of women

A special organization established in 2010 has been active in the three key areas of (1) training and support for the active roles of female leaders, (2) reforming the attitudes and behaviors of superiors, and (3) creating a fair workplace culture. Our aim is to create a situation in which all people, regardless of sex, can be active and grow in a fair environment. A working group of management volunteers was started in 2018 and has begun working to raise the management level. The group is reviewing the work styles of managers with the themes of promoting the active roles of diverse employees and the work-life balance of managers themselves and their subordinates. “Tea meetings” are also held to listen to the troubles and thoughts of female employees and strengthen personal connections. Together with creating an environment where people can work for long times with a sense of security, there is also support for career advancement.



Workplace reform management class

What we want for each person

To be active and grow as an employee who can work energetically and produce results in an open and fair environment.

Three key priority measures for activity

Training and support for the active roles of female employees	Reforming the attitudes and behaviors of superiors	Creating a workplace culture
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Target values for 2020

- 1 Women account for at least 20% of new graduates hired (office, technical positions)
- 2 Women occupy at least three times more key positions (compared with 2014)

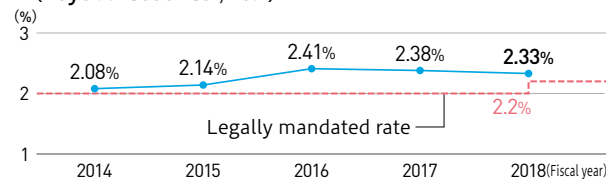
Workplaces that welcome people with disabilities

We view the hiring of persons with disabilities as a social responsibility, and make active efforts in this area. The Committee for Employment of People with Disabilities plays a central role in hiring, job assignments, education of managers and supervisors, establishment of stable positions, and awareness. We place particular emphasis on helping persons with disabilities establish stable positions, monitoring conditions through regular care interviews and improving the work environment by identifying where they face problems. The entire Toyota Gosei Group holds seminars on people with disabilities to share information and create educational opportunities. Work that people with disabilities can perform is identified, and they are systematically hired and placed. In FY2018, 121 people with disabilities were hired (as of January 1, 2019). This was a hiring rate of 2.33%, exceeding our target (legally mandated employment rate $\geq 2.2\%$).



Communication with sign language in the workplace

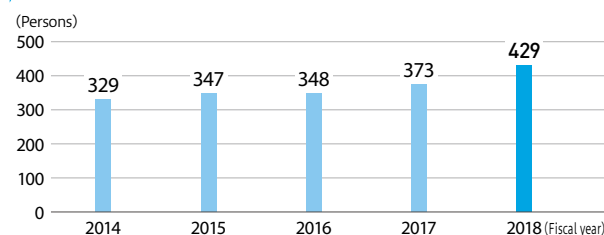
Changes in employment rate for people with disabilities (Toyota Gosei Co., Ltd.)



Creation of an environment for stable work after retirement

We have established an environment so that employees can work with assurance after retirement in a post-retirement rehiring system. Many people can make use of their high levels of skill and experience after they are rehired. A system of reduced working days and working hours supports working styles for a good work-life balance.

Trend in cumulative number of re-employed retirees





Work-life balance

Toyoda Gosei Co., Ltd. is adopting a system wherein each employee can select a working style with consideration of work-life balance, supporting employees so that they can work with a sense of security and motivation. Support to balance childcare and work includes systems for shorter working hours and holiday day-care, plus working parent networking events. For these efforts we have been certified by the Ministry of Health, Labor and Welfare as a “Childcare Support Corporation.” For nursing care support we are also undertaking activities to increase knowledge and familiarize employees with our systems. We have established new systems for reduced days or reduced working hours so that patients can undergo treatment for disease while continuing to work, and for a balance between medical care and work.



“Kurumin”
Next-Generation Nurturing
Support certification mark

We will provide education for the creation of workplace environments where people can use these systems without hesitation, while continuing to enhance our support and policies.

	Childcare leave	Care leave	Reduced working hours
FY2018	61	5	77*1

*1 Childcare 69 /nursing care 5 /medical treatment 3



Holiday day-care



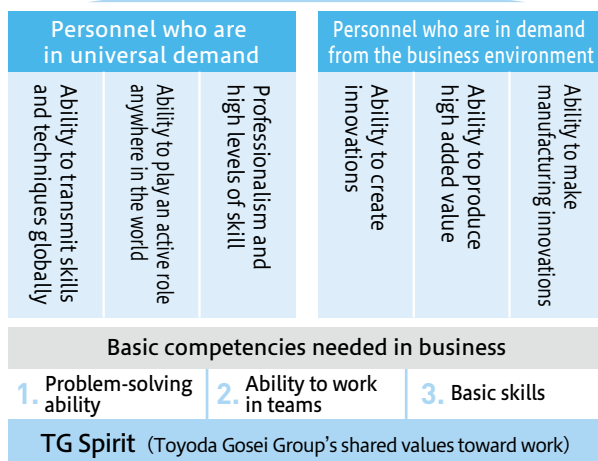
Working parent networking meeting
(support for childcare-work balance)

Personnel development

A global workforce of employees who think and act independently

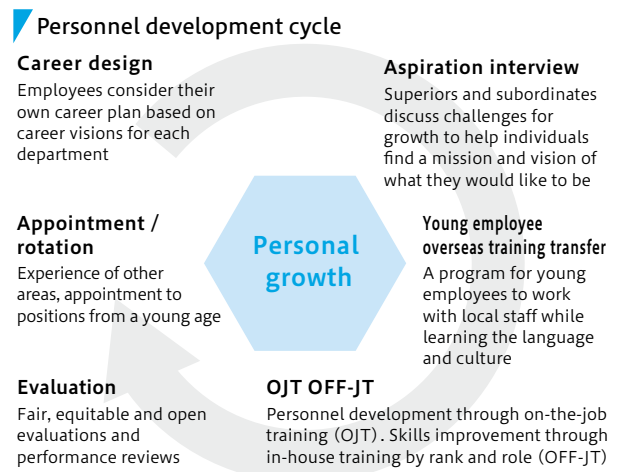
To raise the collective strength of Toyoda Gosei globally, we are striving to develop people who can contribute to that end and to create workplace environments where each employee can display his or her full abilities.

Personnel who can play active roles globally



Framework for personnel development that supports growth

In the Toyoda Gosei Group, our personnel management system features aspiration interviews and visualization of mid- and long-term career design for each employee, as well as rotation of young employees so that they experience a wide range of work. We are also enhancing our level-specific and specialty training to give employees opportunities to acquire needed abilities and skills.



Enhanced training programs, invigorated personnel development

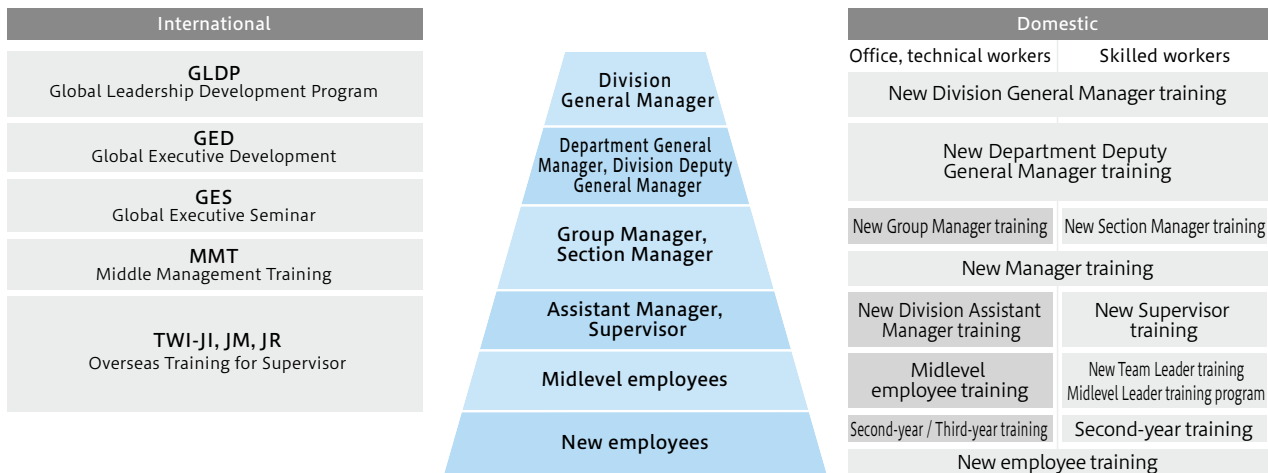
A broad range of efforts based on individual career visions are underway, including measures and study programs in Japan to develop people who can perform globally and next generation leaders, and personnel

development programs for all global employees.



Overseas middle management training

Level-specific education system



Training manufacturing personnel

With the aim of strengthening our production floors, the source of our competitiveness as a manufacturing company, we are enhancing technical education for employees of each level working at manufacturing sites and in each field of expertise. Technical education spanning four months was provided to 61 skilled workers who joined the company in April 2019. Following training in safety basics on the production floor (danger simulations) and basic manufacturing education including practical training in die maintenance, fabrication of two-legged walking robots, and disassembling and reassembling automobiles, they received practical training on a manufacturing shop floor for three months.



New employee training

Aiming for “Zero Accidents”

Toyota Gosei Co., Ltd. aims for zero accidents through Safe Personnel and Safe Workplace programs, with the president overseeing all efforts as the company’s general health and safety manager.

The FY2018 Safe Personnel program focused on holding handrails on stairs and stopping and checking in both directions at stop points on walkways within plants as keys for worker safety. We are trying to maintain these rules and raise compliance by posting guards.

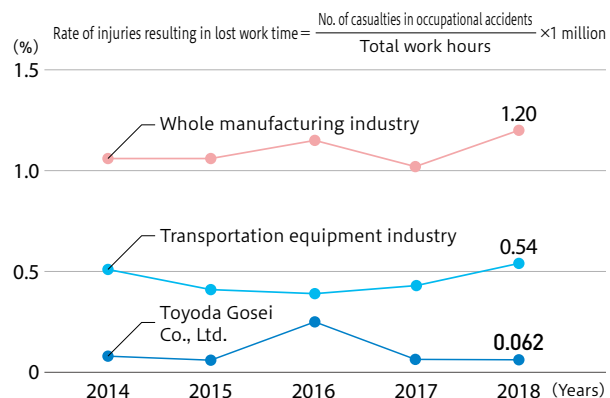
In Safe Workplace activities we aim to improve the



Sentinel activity

safety of high risk equipment where serious accidents (STOP 7) can occur. Risk assessments incorporating a reverse KY (*kiken yochi*, or hazard prediction) approach are conducted and measures are implemented with a clear priority order.

Trends in rate of work accidents (rate of injuries resulting in lost work time)





Maintaining and improving mental and physical health

Toyoda Gosei implements measures to maintain and promote employees' mental and physical health.

Mental health activities

Toyoda Gosei Co., Ltd. provides regular mental health education for workers of each level, with emphasis on managers and supervisors to encourage management with a view to mental health in the workplace and smooth communication. A bimonthly mental health bulletin is also distributed to all workers to improve self-care abilities. In each place of business, counseling is provided by in-house occupational health nurses, medical nurses and external counselors to maintain and promote mental health.

Physical health activities

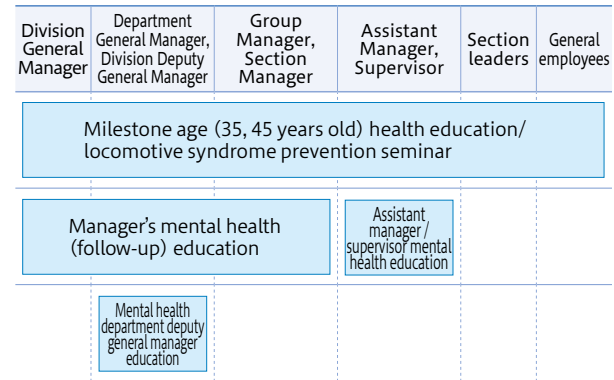
Together with various types of educational activity to maintain and promote health, health classes are held for employees at milestone ages with the aim of preventing lifestyle-related diseases. We are also putting effort into smoking cessation for smokers, and plan to implement a total ban on smoking on company premises starting in January 2020.

These activities and other efforts to consider employee health management from the perspective of company operation were recognized in February 2018 with certification as an “Outstanding Health Management Corporation—White 500” by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.*

* Nippon Kenko Kaigi: An organization formed to conduct effective activities in conjunction with private organizations and the full support of government agencies, in order to increase healthy lifespan and proper medical care for each person in Japan as the population rapidly ages and there are fewer children.



Health education system



Health seminar

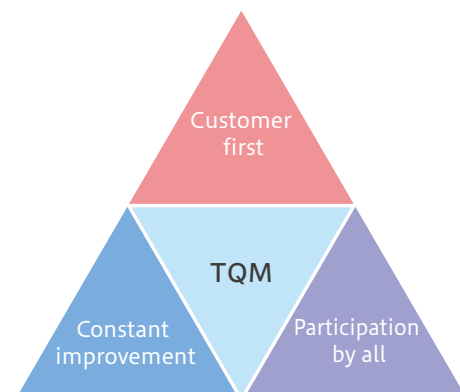


Health exhibit

Uniform global quality assurance

Toyoda 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.

Fundamental principles of TQM



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. We also have fulltime auditors who audit and improve processes at all production sites globally.

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.

Supply chain management

We aim to deepen, grow and develop our partnership with suppliers based on our basic procurement policy.

Basic procurement policy

1. Optimum global procurement

In the process of procuring product materials, products and parts, production equipment, dies/ molds and other goods needed for our business, we conduct comprehensive assessments of suppliers from a global perspective. This includes quality, cost, volume/delivery, technology, and the supplier’s attitude to continuous improvement. We do our utmost to make purchases in a fair and open manner.

We also welcome proposals from suppliers for new technologies and methods and new products.

2. Mutual growth based on mutual trust

We want to grow together with our business partners through dealings based on a long-term vision. To this end we work to build strong relationships of trust through close communication with suppliers.

3. Thorough environmental protection and legal compliance

We do our utmost to ensure environmental protection and legal compliance in all our development, design, and production activities. In procurement we follow the principles of purchasing items with minimal environmental impact and conducting our activities in ways that reduce environmental impacts.

We also exercise extreme care for full legal compliance and confidentiality in relation to our procurement activities.

Support for suppliers

We support strong supplier structures with “*genchi-genbutsu*” (go-and-see activities), and work for their growth. In addition to standardized work and defect prevention to avoid serious quality problems, and lowering of cost prices for higher competitiveness, we involve suppliers in mold and product design. Through

sectional committee activities we share information necessary for quality improvements with suppliers. We also conduct checks and risk assessment for compliance with Japan’s Industrial Safety and Health Act to help support the creation of safe workplaces and prevent fires and disasters.

Green procurement

We do our utmost for environmentally-friendly procurement based on our Green Procurement Guidelines (4th Edition), which consist of three components: establishing environmental management systems; improving regulatory compliance and environmental performance; and managing harmful substances. To reduce environmental impacts, we strive to enhance suppliers’ internal organizations and systems and raise the level of their production activities. Positive results have been

achieved, such as acquisition of ISO 14001 certification and reduction of energy consumption and waste. We comply with increasingly strict chemical substance regulations around the world and monitor the chemicals contained in items procured from suppliers. We also coordinate with suppliers in complying with European ELV (end-of-life vehicle) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations, and in the management of volatile organic compounds.



Collaboration with suppliers

Our partnerships with suppliers are very important to us for smooth business operations. Every April, Toyoda Gosei Co., Ltd. holds a procurement policy briefing with about 200 suppliers of products, machining processes, materials, facilities, and molds. We inform suppliers of upcoming issues and efforts, including our business environment and direction, and share our procurement policy for the year with regard to safety, quality, delivery, price, technology, global expansion and CSR. We also give awards to show our appreciation to suppliers for achievements in their fields, while encouraging all suppliers to continue making progress. Every quarter, we hold a procurement liaison meeting with about 100

suppliers, where we share production information and information on quality improvements, compliance, safety, earthquake measures, confidentiality, chemical substance control and human resources development.



Procurement policy briefing, Japan



Procurement policy briefing, China

Contributing to local communities

The Toyoda Gosei Group wants to earn the trust of society through all its business activities, including the development and manufacture of products that satisfy customers worldwide, environmental preservation, and social contribution. TG Group companies and their

employees around the world are making efforts to contribute to their communities in the four areas of social welfare, environmental preservation, youth development, and community safety, and grow together with strong local roots.

Social Welfare



Introduction of fund-raising meals in cafeterias



Wheelchair repair in welfare institutions

Environmental Preservation



Environmental education for elementary school students



A total of more than 300,000 trees planted domestically and internationally

Youth Development



Support for Boys and Girls Invention Club



Sports clinics

Community Safety



Anti-crime patrols



Traffic safety patrols

Sports Promotion



Trefuerza volleyball team (currently, Nagoya Wolfdogs)



Blue Falcons handball team



Scorpions basketball team

Since winning their first league championship in 2015, the Trefuerza volleyball team (currently, Nagoya Wolfdogs) has been in contention for the top spot every year. Our handball and basketball teams are also active in Japanese domestic leagues.

Governance



Building and operating transparent management systems for thorough Group-wide compliance

The entire Toyoda Gosei Group is striving to enhance corporate governance so that we can continue as a company of integrity that is trusted by society. To build and maintain fair and transparent corporate governance systems, we are increasing the effectiveness of the monitoring and auditing of corporate management by outside directors and Audit & Supervisory Board members, while also installing internal control systems company-wide to ensure the propriety and efficiency of work. Through Group-wide compliance activities, we are pursuing thorough legal compliance and business ethics.

We are also identifying risks with the potential to have a huge impact on our operations, and implementing risk management activities to prevent future problems.

Toru Koyama

Executive Vice President
Chief of Corporate Planning Division

Corporate governance

Basic philosophy

We view the enhancement and strengthening of corporate governance with the aim of ensuring sound and efficient corporate management to be crucial in achieving sustainable growth. Based on this, we are building and maintaining fair and transparent management systems and organizational systems that can respond precisely to environmental changes.

Corporate governance system

Toyoda Gosei has adopted an audit and supervisory board system and set up the shareholders' meeting, Board of Directors, Audit & Supervisory Board, and accounting auditors as statutory entities. We have also put in place internal auditors and other internal control systems including internal audits.

The Board of Directors consists of nine directors and holds regular monthly meetings (extraordinary meetings held as needed), where matters prescribed by law and important matters related to corporate management are reported, discussed, and resolved.

A system of corporate officers is used to speed up decision-making and business execution. For important business matters, monthly management meetings are held. Functional meetings and committee meetings relevant to key areas such as technology, costs, and personnel are also held as needed for good management decisions.

The Audit & Supervisory Board consists of five members and holds regular meetings. Members also attend important meetings such as Board of Directors' meetings and audit each department and subsidiary, through which they fulfill their function of auditing corporate management.

Accounting auditors are external auditors who combine auditing functions with a commitment to ensuring an independent and fair auditing system. The Company adopts

the current system because audit, supervisory, and execution functions are well coordinated with each other under this structure, with legality and efficiency of the Company's decision-making and business execution sufficiently ensured.

In addition, Toyoda Gosei supports the Corporate Governance Code formulated by the Financial Services Agency and the Tokyo Stock Exchange, and has voluntarily implemented a range of policies based on the letter and spirit of those principles and rules to enhance our corporate governance.

Also, in order to strengthen the supervisory function of the Board of Directors and to increase the objectivity and transparency of the decision-making process, we have established an Executive Appointment Committee and Executive Compensation Committee under the Board of Directors as non-mandatory advisory committees. The roles and membership of the two committees are as follows.

Name	Role	Members
Executive Appointment Committee	Deliberates and reports on proposals regarding the appointment and dismissal of directors and Audit & Supervisory Board members	President Naoki Miyazaki (Chair), Outside Director Sojiro Tsuchiya, Outside Director Kimio Yamaka, Outside Director Mayumi Matsumoto
Executive Compensation Committee	Deliberates and reports on the compensation system for directors and their individual compensation	President Naoki Miyazaki (Chair), Outside Director Sojiro Tsuchiya, Outside Director Kimio Yamaka, Outside Director Mayumi Matsumoto

Internal control systems

In accordance with the provisions of Japan's Companies Act, Toyoda Gosei has formulated a Basic Policy on Establishing Internal Controls. Under this policy, we are striving to ensure appropriate operations by establishing internal control systems, which help us deliberate important matters,

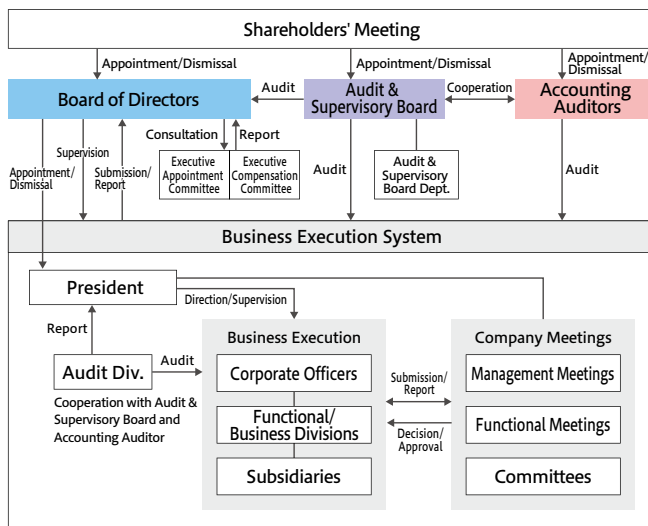
Internal controls for the Toyoda Gosei Group

To cultivate a healthy internal control environment at Toyoda Gosei and its subsidiaries, all Group companies share its management philosophy. The Toyoda Gosei Group Charter for Business Ethics, a shared guideline for compliance, has also been instituted and expanded to subsidiaries. While respecting the independence of subsidiary management, we

establish related rules and guidelines, and handle internal audits, compliance and risk management. Every year, the Board of Directors checks the status of establishment and operation of internal controls in an ongoing effort to improve and reinforce them.

receive regular business reports from subsidiaries and set up systems to confirm the propriety and legality of subsidiaries' businesses through advance approval reports. We also send non-executive directors and Audit & Supervisory Board members to key subsidiaries in a system to monitor and act as a check on their business execution.

Corporate governance system chart



List of major company meetings

	Meeting Name	Division in Charge
Management Meetings	Board of Directors	General Administration
	Management Meeting	Corporate Planning
Functional Meetings	Sales Meeting	Sales Planning
	Technical Development Meeting	Technical Administration, Production Engineering Management
	Profit and Cost Meeting	Finance & Accounting
	Production Meeting	Production Engineering Management
	Purchasing Meeting	Purchasing
Committees	Human Resources Meeting	Human Resources
	Compliance and Risk Management Committee	Legal, Corporate Planning
	Export Control Committee	Corporate Planning
	Safety and Health Committee	Safety & Health Promotion
	Environment Committee	Environment
	Quality Committee	Quality Assurance

Internal audits, Audit & Supervisory Board members' audits, and accounting audits

We have set up an Audit Division to handle internal audits. With the aims of achieving business objectives and preventing misconduct and mistakes, internal audits are conducted across the overall business (including audits of functional departments) based on an internal auditing plan approved by management at the beginning of each term.

The results of internal audits are reported to management, and audited departments are given recommendations for improvements based on the audit results. The effectiveness of internal audits is increased by checking their improvement plans and results.

Each Audit & Supervisory Board member follows the auditing policy and audit plan established by the Audit & Supervisory Board when investigating the Company and subsidiaries. They attend the meetings of important deliberative bodies and committees including the Board of Directors and management meetings, listen to reports on business from directors and others, inspect financial

statements and other important documents, and conduct on-site audits of offices and subsidiaries to audit the performance of duties by directors from the perspectives of ensuring legality and appropriateness, protecting assets and rights, and preventing loss. Moreover, a special department has been established to assist the auditors' audits.

The certified public accountants who performed the accounting audits of Toyoda Gosei are Eiichi Yamanaka and Tomohiro Nishimura of the firm PricewaterhouseCoopers Aarata LLC.

Audit & Supervisory Board members, internal auditing department personnel, and accounting auditors regularly meet to confirm their respective auditing systems, auditing policy, auditing plans, implementation status, and audit results. They cooperate in performing efficient and effective audits, contacting each other as needed to exchange ideas and share information.

Outside directors and outside Audit & Supervisory Board members

Toyoda Gosei appointed three outside directors, Sojiro Tsuchiya, Kimio Yamaka, and Mayumi Matsumoto, at its annual shareholders' meeting on June 14, 2019. Hideomi Miyake was also appointed as an outside Audit & Supervisory Board member. Together with current outside Audit & Supervisory Board members Takeshi Uchiyamada and Masami Hadama, a total of three outside Audit & Supervisory Board members have now been appointed.

When electing outside directors, emphasis is placed on extensive experience and deep insight in corporate management and other areas, in addition to outside requirements from the Companies Act. The outside Audit & Supervisory Board members elected are people with deep experience and knowledge in their field of specialty and corporate management. They also stand as outsiders with little direct vested interest and a certain distance from the management team.

Outside Audit & Supervisory Board members attend directors' meetings and serve to raise the viability of management oversight, such as seeking proper explanations for the status of the performance of the Board of Directors. They also visit offices and subsidiaries as appropriate to conduct direct audits while coordinating with other auditors. They meet regularly with accounting auditors and personnel of the internal auditing department, which has an internal control auditing function, to confirm their respective auditing plans, implementation status, and auditing results, and contact them as needed to exchange opinions and share information for efficient and effective auditing.

Election of outside directors and outside Audit & Supervisory Board members

Appointment	Name	Independent director	Reason for appointment
Outside directors	Sojiro Tsuchiya	○	To reflect his extensive experience and deep insight as a corporate manager in the management of Toyoda Gosei
	Kimio Yamaka	○	To reflect his extensive experience and deep insight in policy finance and the environmental and energy fields in the management of Toyoda Gosei
	Mayumi Matsumoto	○	To reflect her extensive experience and high-level insight as a news anchor and researcher in the broad fields of social issues, environment and energy in the management of Toyoda Gosei
Outside Audit & Supervisory Board members	Takeshi Uchiyamada		To reflect his extensive experience and deep insight as a corporate manager in the auditing of Toyoda Gosei
	Masami Hadama	○	To reflect his extensive experience and deep insight in law in the auditing of Toyoda Gosei
	Hideomi Miyake	○	To reflect his extensive experience and deep insight as a corporate manager in the auditing of Toyoda Gosei

Messages from the outside directors

Counting on “One Team, One TG” in a radically changing situation

In the course of experiencing manufacturing and the automotive industry and being a company director since my appointment as an outside director in June 2016, I have gained a sense of Toyoda Gosei's integrity and technical competence as well as its emphasis on a sense of unity so that its many personnel can spread diverse products globally.

Currently, I specialize in environmental and energy research at a think tank and university, based on my experience in finance and research at a government-run financial institution.

I will engage in long-term corporate management and business decisions from a neutral standpoint, and focus on offering advice, drawing on my experience in making forecasts and proposals regarding a radically changing energy situation.



Kimio Yamaka
Outside director

Hoping to contribute in view of SDG initiatives and environmental technology trends

I have worked as an anchor and reporter on a TV news program and, since 2008, I have been engaged in research and education in the environmental and energy fields at the University of Tokyo. One thing that has stayed consistent over that time is my commitment to verifying things with my own eyes by going out to the scene and listening to people.

I believe that Toyoda Gosei's management philosophy of “Boundless Creativity and Social Contribution” reflects a spirit of tirelessly moving forward, overcoming difficulties in any era, taking as strengths its creativity and technological capabilities to blaze a path into the future.

Going forward, I hope to contribute to an increase in our corporate value and contribute to growth with initiatives that address sustainable development goals (SDGs) through business activities, in view of environmental technology trends.



Mayumi Matsumoto
Outside director
(newly appointed)



Executive compensation

Director compensation consists of base compensation and bonuses. The base compensation is within a range with an upper limit decided at the general shareholders' meeting, and determined in consideration of the duties of each position. The amount of bonuses is calculated in consideration of business performance and other factors, and determined through a resolution at the general shareholders' meeting.

The base compensation of Audit & Supervisory Board members is determined in consultation with the Audit & Supervisory Board members and within a range with an upper limit decided at the general shareholders' meeting.

Ensuring the effectiveness of the Board of Directors

At Toyoda Gosei, the Board of Directors Office conducts annual interviews of all directors and Audit & Supervisory Board members, including outside ones, on the effectiveness of the Board of Directors. The roles and responsibilities of the Board of Directors, the level of discussions, opportunities to improve effectiveness and other matters are assessed from

Communication with shareholders and investors

For constructive dialogue with shareholders and investors, we have established a system for conducting such dialogue in a coordinated manner, planning opportunities and sharing necessary information.

This dialogue is carried out through financial results briefings or small meetings for institutional investors with explanations by the Company's president or relevant officer; plant tours for institutional investors with explanations by the officer in charge; direct visits by the officer and persons in charge of IR to institutional investors; and other means. Based on the opinions and desires of shareholders and investors obtained, further opportunities for dialogue are being enhanced.

In compliance with fair disclosure rules, Toyoda Gosei restricts dialogue with shareholders and investors and thoroughly controls information in the Company during a silent period before earnings reports are released. If

Compliance

Basic philosophy

Toyoda Gosei's management philosophy states, "We promote business operations with integrity through the establishment of a system founded on thorough compliance and corporate ethics." We strive for thorough compliance in all areas based on this philosophy.

The Toyoda Gosei Group Charter for Business Ethics sets forth shared values and behavioral standards for

Officer compensation

The total compensation for each officer class, the total by each type of compensation, and the number of officers receiving the compensation

Officer class	Total executive compensation (Millions of yen)	Total amount by type of compensation (Millions of yen)		Number of subject officers (People)
		Base compensation	Bonuses	
Directors (excluding outside directors)	407	311	96	9
Audit & Supervisory Board members (excluding outside members)	76	76	—	2
Outside officers	58	58	—	6

Note: Bonuses are the provision of allowance in the given fiscal year.

multiple perspectives and the results are reported to the Board of Directors.

The results of the assessment for fiscal 2018 showed that the Board displayed a sufficient level of effectiveness. Meaningful opinions were expressed in the assessment process, and efforts to improve the effectiveness will continue.

insider information emerges in the Company, it is tightly controlled as part of thorough information management.

Main IR activities

Targeted persons	IR activities	
Domestic institutional investors (including securities analysts)	Individual discussions, financial results briefings, facility tours, telephone conferences	<ul style="list-style-type: none"> • Issuance of the "Toyoda Gosei Report" • Dissemination of financial information and IR materials on the website
Overseas institutional investors	Individual discussions, participation in IR events	
Individual shareholders and investors	<ul style="list-style-type: none"> • Briefings for individual investors • Plant tours after annual shareholders' meeting • Issuance of "Report on Business Results" 	

the entire Toyoda Gosei Group worldwide, and Group companies in Japan and other countries formulate their own behavioral guidelines based on the Charter. Toyoda Gosei Co., Ltd. has also established the Toyoda Gosei Behavioral Ethics Guidelines, which it expects every employee to follow, and has worked to familiarize all employees with these guidelines.

Compliance system

Toyoda Gosei has established the Compliance and Risk Management Committee with the Company's president serving as chairman and all company officers as members. Together with compliance advocates in each division, the committee works for thorough compliance with a unified approach between management and the workplace.

In Japan, regular compliance liaison conferences are held with Group companies. Group companies in other countries have established compliance committees, appointed compliance advocates, or set up other compliance systems suited to the circumstances in their region and company. Compliance activities are carried out in coordination with Toyoda Gosei.

Specific efforts

● Compliance consultation office

To identify and resolve compliance problems at an early stage, Toyoda Gosei has established internal and external compliance consultation services offices and an internal harassment consultation office.

Group companies in Japan have their own consultation offices, in addition to which they have established a joint external compliance consultation office together with Toyoda Gosei. Group companies in other countries have established external or internal consultation offices.

● Compliance activity checks and *kaizen*

Toyoda Gosei conducts compliance entrenchment questionnaires of all employees each year to confirm penetration of compliance transparency and whether there are signs of violations. *Kaizen* activities are then conducted based on the results.

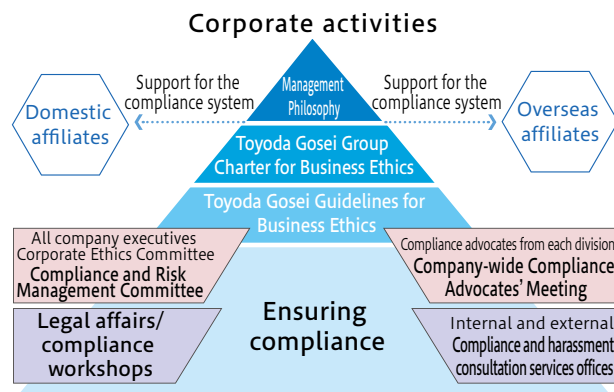
For Group companies in Japan and other countries, a voluntary check sheet is used to check their basic policy and systems for compliance, the status of compliance with important laws including anti-trust laws and bribery and corruption laws, and risks in key areas such as human resources, finance, sales, procurement, safety, and quality. Based on the results, *kaizen* activities are conducted.

Risk management

Basic philosophy

With the aims of preventing risks that could have grave consequences for management and minimizing damage in the event that adverse events do occur, we identify risks in each function and make decisions on how to respond in the Compliance and Risk Management Committee and general meetings.

Compliance



● Efforts to prevent violations of anti-trust laws

Toyoda Gosei has prepared guidelines for Japan and key regions where Group companies are located (United States, EU, China, Thailand, India, Brazil, and others), and is undertaking efforts globally to prevent anti-competitive acts at Toyoda Gosei Group companies.

Specific behavioral guidelines that Toyoda Gosei expects employees to follow in various business activities, especially sales activities, are embodied in the Codes of Conduct for Antitrust Law Compliance in the Company's internal regulations, and thorough compliance is expected of employees.

Continuing education activities are also conducted through special training in competition laws and regular compliance training for each level within the Company.

● Anti-bribery efforts

Toyoda Gosei has formulated Global Anti-Bribery Guidelines as a common guide to conducting transparent and sound business activities globally, and is doing its utmost to prevent bribery and corruption at all Toyoda Gosei Group companies. Education activities are continuously conducted for employees through training for each level and risk.



Compliance training

For each type of risk in safety, quality, and the environment, the department in charge has established regulations and key points and conducts proper business management, such as implementing measures as needed based on assessments of operational status.

Moreover, Risk Management and Response Guidelines

have been established. These guidelines summarize basic matters related to risks and show the behaviors to adopt

to prevent potential risks and to respond appropriately and quickly in the event that problems occur.

Crisis Management Project in anticipation of large-scale earthquake disasters

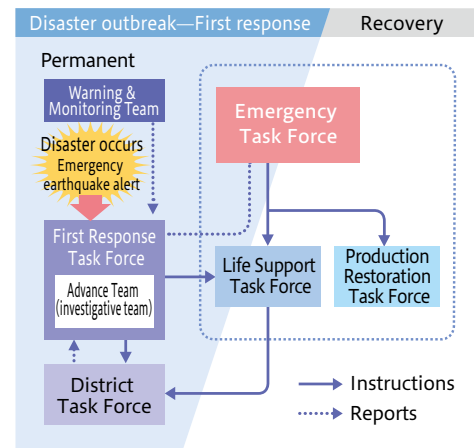
Earthquakes occur frequently in Japan, and we have put into place a crisis management system in the event of a massive earthquake based on the principles of human life first, community support, and early recovery. Specifically, in addition to infrastructure and system measures based on the project, we have conducted resilience training more than 100 times for directors and members of anti-disaster departments since fiscal 2013. These efforts are based on our belief that improving the skills of response personnel is essential. We have also established specific procedures for the recovery of affected buildings, facilities, and processes

and for alternative production in a production recovery system. Recovery training for design drawings and other data is also carried out so that product development can be continued even after disasters. In addition, workshops to strengthen crisis management not only in our own companies but also at affiliates and suppliers are conducted regularly. Assessments using anti-earthquake measures implementation status check sheets, clarification of weak points with graphs, introduction of responses taken at Toyoda Gosei and other companies, and cooperative preparation of business continuation plans (BCPs) are carried out.

Efforts to date

Classification	Measures
Facility and equipment measures	<ul style="list-style-type: none"> • Earthquake resistance measures for buildings and facilities • Establishment of a disaster prevention center to serve as an operations base for the entire company for antidisaster department operations • Equipping all locations with a multi-channel access radio system (which is used in Japan for various purposes, from daily work to emergency and disaster situations) and satellite phones • Installment of a crisis management server (earthquake-resistant structure) and emergency power generators • Operation of a disaster recovery system for restoration of damaged systems and data centers (special facilities equipped with and operating computers, data communications, and other devices)
System measures	<ul style="list-style-type: none"> • Introduction of site and building safety decisions • Maintenance of supply chain information • Teleconference system for multiple locations using tablet computers • Earthquake bulletin and employee safety information system training • Employee safety follow-up system incorporating arrival and departure times at company and business trip data • Preparation of a BCP

Disaster response



Strengthening information security measures and raising awareness

To strengthen the control of confidential information, annual checks of the compliance status of each division based on company confidentiality management regulations are conducted together with onsite audits. Self-inspections are also done at Group companies in Japan and overseas business bases. Confidentiality officers

are assigned in all departments, and confidentiality education activities are conducted based on information system security operating standards and a confidential information management manual. Security control education is also conducted for new employees.

Enhanced measures

Classification	Measures
Prevention of leaks from negligence	<ul style="list-style-type: none"> • Printing restrictions with ID card authentication on multifunction machines and dedicated drawing printers
	<ul style="list-style-type: none"> • Data encryption of all PCs • Security measures when sending emails out of the Company (cc to superiors and encryption of attached files)
Prevention of malicious unauthorized leaks	<ul style="list-style-type: none"> • Increased surveillance cameras • Installation of wire locks to prevent PC theft • Restrictions on writing onto external storage media
	<ul style="list-style-type: none"> • Confidentiality pledge • Stricter applications for taking items from premises • Restricted file server access • System use records and access log records monitoring • Strengthened hacking prevention measures (Internet) • Prevention of unauthorized connection of terminals brought in from outside
Educational activities (ethics)	<ul style="list-style-type: none"> • New employee education • Company-wide security control voluntary inspections using check sheets • On-site checks of each department • Training in responding to standard email

Management Members (As of August 1, 2019)



Naoki Miyazaki
President

- 1980 Joined Toyota Motor Company
- 2008 Managing Officer, Toyota Motor Corp.
- 2013 Senior Managing Officer, Toyota Motor Corp.
- 2014 Executive Vice President, Toyoda Gosei
- 2015 President, Toyoda Gosei (current)



Masakazu Hashimoto
Executive Vice President

- 1980 Joined Toyota Motor Company
- 2002 Joined Toyoda Gosei
- 2005 General Manager for Technology, Safety Systems Business Unit, Toyoda Gosei
- 2012 Corporate Officer, Toyoda Gosei
- 2014 Managing Officer, Toyoda Gosei
- 2016 Senior Managing Officer, Toyoda Gosei; Chief, Research & Development Headquarters Toyoda Gosei (current)
- 2017 Director, Toyoda Gosei
- 2018 Executive Vice President, Toyoda Gosei (current)



Toru Koyama
Executive Vice President

- 1982 Joined Toyoda Gosei
- 2005 General Manager, Development Division, Safety Systems Business Unit, Toyoda Gosei
- 2012 Corporate Officer, Toyoda Gosei; President, Toyoda Gosei North America Corp.
- 2015 Managing Officer, Toyoda Gosei
- 2016 In charge of Corporate Planning Division, Toyoda Gosei; Director, Toyoda Gosei; Chief, Purchasing Headquarters, Toyoda Gosei
- 2018 Senior Managing Officer, Toyoda Gosei
- 2019 Executive Vice President, Toyoda Gosei (current); Chief of Corporate Planning Division, Toyoda Gosei (current)



Tomonobu Yamada
Director, Corporate Officer

- 1981 Joined Toyoda Gosei
- 2007 General Manager, First Sales Division, Toyoda Gosei
- 2010 Director, Toyoda Gosei
- 2012 Corporate Officer, Toyoda Gosei
- 2014 Managing Officer, Toyoda Gosei; Chief, Sales Headquarters, Toyoda Gosei (current)
- 2016 Director, Toyoda Gosei; President, Toyoda Gosei (Shanghai) Co., Ltd. (current)
- 2018 Senior Managing Officer, Toyoda Gosei; oversees General Industry Products Div., Toyoda Gosei
- 2019 Director, Corporate Officer (current); Chief of General Industry Products Division, Toyoda Gosei (current)



Hiroshi Yasuda
Director, Corporate Officer

- 1982 Joined Toyoda Gosei
- 2006 General Manager, Planning Division, Safety Systems Business Unit, Toyoda Gosei
- 2010 President, Toyoda Gosei Czech, s.r.o.
- 2012 Corporate Officer, Toyoda Gosei
- 2016 Director, Managing Officer, Toyoda Gosei; Chief, Production Headquarters, Toyoda Gosei (current); General Manager, Plastic Parts Production Center, Toyoda Gosei; President, Tianjin Toyoda Gosei Co., Ltd.
- 2017 Oversees Quality Assurance Headquarters, Toyoda Gosei
- 2018 Director, Senior Managing Officer, Toyoda Gosei
- 2019 Director, Corporate Officer, Toyoda Gosei (current); Chief of Safety & Health Promotion Division, Environment Division, Production Headquarters, Toyoda Gosei (current)



Masaki Oka
Director, Corporate Officer

- 1985 Joined Toyota Motor Corp.
- 2012 Project Senior Manager, Finance & Accounting Division, Toyota Motor Corp.
- 2014 General Manager, Related Business Department, Toyota Motor Corp.
- 2015 Adviser, Toyoda Gosei; Corporate Officer, Toyoda Gosei; General Manager, Finance & Accounting Division, Toyoda Gosei; in charge of IT Planning Division, Toyoda Gosei
- 2016 Deputy Chief, Finance & Accounting Headquarters, Toyoda Gosei; in charge of Audit Division, Toyoda Gosei
- 2017 Chief, Finance & Accounting Headquarters, Toyoda Gosei (current)
- 2018 Director, Managing Officer, Toyoda Gosei; Chief, IT Headquarters, Toyoda Gosei (current)
- 2019 Director, Corporate Officer, Toyoda Gosei (current); Chief of Audit Division, Toyoda Gosei (current)



Sojiro Tsuchiya
Outside Director

- 1975 Joined Nippondenso Co., Ltd.
- 2002 Director, Denso Corp.
- 2004 Managing Officer, Denso Corp.
- 2007 Senior Managing Director, Denso Corp.
- 2011 Executive Vice President, Denso Corp.
- 2013 Advising Executive Engineer, Denso Corp.
- 2015 Director, Toyoda Gosei (current); Adviser, Denso Corp.



Kimio Yamaka
Outside Director

- 1980 Joined Japan Development Bank
- 2007 Deputy Director-General, Development Bank of Japan
- 2009 Director of the Energy Strategy Institute Co., Ltd. (current)
- 2016 Director, Toyoda Gosei (current)



Mayumi Matsumoto
Outside Director

- 1987 Contract newscaster, TV Asahi Corporation
- 1993 Contract newscaster, Japan Broadcasting Corporation
- 2003 Freelance announcer, Horipro Inc.
- 2008 Collaborative Researcher, Research Center for Advanced Science and Technology, The University of Tokyo
- 2009 Project Researcher, same as above
- 2011 Director, principal researcher, International Environment and Economy Institute (current)
- 2014 Visiting Associate Professor, Special Division of Environmental and Energy Science, Komaba Organization for Educational Excellence (KOMEX), The University of Tokyo (current)
- 2017 Director, Japan Council for Renewable Energy (current)
- 2019 Director, Toyoda Gosei (current)



Katsumi Tanabe
Audit & Supervisory Board Member

- 1981 Joined Toyota Motor Sales Co., Ltd.
- 2006 General Manager, European Business Dept., Toyota Motor Corp.
- 2012 Project Senior Manager, TME-Japan, Toyota Motor Corp.
- 2013 Auditor, Toyoda Gosei; Corporate Officer, Toyoda Gosei
- 2017 Full-Time Audit & Supervisory Board Member, Toyoda Gosei (current)



Hitoshi Mizutani
Audit & Supervisory Board Member

- 1982 Joined Toyoda Gosei
- 2009 Deputy General Manager, Finance & Accounting Division, Toyoda Gosei
- 2010 Executive Vice President, TG Missouri Corp.
- 2015 General Manager, Finance & Accounting Division, Toyoda Gosei; Deputy General Manager, Finance & Accounting Division, Toyoda Gosei
- 2016 Full-Time Audit & Supervisory Board Member Toyoda Gosei (current)

Corporate Officers

Takashi Ishikawa

Ryo Onishi

Yoshiyuki Fujita

Junichiro Kako

Hiroki Fukui

Todd Huber

Hiroyasu Hirayama



Takeshi Uchiyamada
Outside Audit & Supervisory Board Member

- 1969 Joined Toyota Motor Company
- 1998 Director, Toyota Motor Corp.
- 2001 Managing Director, Toyota Motor Corp.
- 2003 Senior Managing Director, Toyota Motor Corp.
- 2005 Executive Vice President, Toyota Motor Corp.
- 2012 Vice Chairman of the Board of Directors, Toyota Motor Corp.
- 2013 Chairman of the Board of Directors, Toyota Motor Corp. (current)
- 2018 Audit & Supervisory Board Member, Toyoda Gosei (current)



Masami Hadama
Outside Audit & Supervisory Board Member

- 1993 Public Prosecutor
- 2006 Public Prosecutor, Special Investigation Dept., Tokyo District Public Prosecutors Office
- 2007 Registered lawyer, partner at TMI Associates (current)
- 2008 Professor, Sophia University Graduate School of Law
- 2012 Representative, TMI Partners
- 2014 Audit & Supervisory Board Member, Toyoda Gosei (current)



Hideomi Miyake
Outside Audit & Supervisory Board Member

- 1968 Joined Toyoda Iron Works Co., Ltd.
- 1993 Director, Toyoda Iron Works Co., Ltd.
- 1999 Managing Director, Toyoda Iron Works Co., Ltd.
- 2003 Senior Managing Director, Toyoda Iron Works Co., Ltd.
- 2005 President, Toyoda Iron Works Co., Ltd.
- 2011 Chairman, Toyoda Iron Works Co., Ltd.
- 2015 Audit & Supervisory Board Member, Toyoda Gosei (current)
- 2016 Senior Adviser, Toyoda Iron Works Co., Ltd. (current)

Financial Report

Consolidated 10-Year Financial Summary

J-GAAP		FY2009 (Fiscal year ended March 31, 2010)	FY2010 (Fiscal year ended March 31, 2011)	FY2011 (Fiscal year ended March 31, 2012)	FY2012 (Fiscal year ended March 31, 2013)	FY2013 (Fiscal year ended March 31, 2014)
Operating results	Net sales	495,002	516,982	504,518	599,615	689,477
	Operating profit	26,202	29,952	20,415	36,706	43,798
	Ordinary profit	26,574	27,549	20,287	36,777	45,847
	Profit before income taxes	23,926	27,192	19,076	36,571	46,101
	Profit attributable to owners of parent* ¹	14,255	17,116	8,971	21,429	26,214
Financial position	Cash and deposits	67,783	56,586	70,715	79,073	92,364
	Current assets	198,537	183,293	229,238	244,798	279,281
	Property, plant and equipment	194,457	191,261	183,864	196,163	210,214
	Non-current assets	235,807	233,268	225,555	244,846	262,596
	Total assets	434,344	416,562	454,794	489,644	541,877
	Short-term loans payable* ²	19,355	20,200	23,300	35,978	39,069
	Current liabilities	130,857	123,379	149,968	157,748	168,136
	Bonds payable	10,000	10,000	—	—	—
	Long-term loans payable	34,245	19,348	34,397	23,329	31,138
	Non-current liabilities	73,572	59,107	67,457	59,751	73,462
	Total liabilities	204,429	182,487	217,426	217,500	241,598
	Shareholders' equity	221,724	233,365	238,400	255,201	275,840
	(Reference) Interest-bearing debt	63,600	49,548	57,698	59,307	70,207
Cash flows	Cash flows from operating activities	68,199	62,586	51,112	52,451	55,448
	Cash flows from investing activities	(36,574)	(52,579)	(37,027)	(40,989)	(45,680)
	Cash flows from financing activities	(7,426)	(18,785)	2,224	(6,128)	(732)
Key performance indicators	Return on sales (%)	2.9	3.3	1.8	3.6	3.8
	Total asset turnover (times)	1.20	1.22	1.16	1.27	1.34
	Equity ratio (%)	49.2	52.2	48.6	51.7	51.6
	Return on equity (ROE) (%)	6.9	7.9	4.1	9.0	9.8
	Capital investment	34,326	46,983	37,623	39,097	43,085
	Depreciation and amortization	43,007	44,481	41,964	38,633	38,743
	R&D expenses	26,066	25,617	25,936	27,279	29,170
	Number of employees at year-end (consolidated)	26,084	26,964	29,108	30,190	31,672
Per share information (yen)	Annual dividends	36.00	36.00	36.00	44.00	56.00
	Earnings per share (EPS)	110.19	132.27	69.33	165.63	202.54
	Dividend payout ratio (%)	32.67	27.22	51.93	26.57	27.65

*1 "Net income" for FY2010 or before

*2 Including current portion of long-term loans payable and redemption of bonds within one year

FY2014 (Fiscal year ended March 31, 2015)	FY2015 (Fiscal year ended March 31, 2016)	FY2016 (Fiscal year ended March 31, 2017)	FY2017 (Fiscal year ended March 31, 2018)
727,846	781,886	755,601	806,938
41,603	42,824	40,675	41,136
43,792	41,490	39,007	43,200
39,851	36,710	31,288	35,775
21,155	20,255	16,233	21,175
85,283	78,388	97,553	104,309
291,246	281,212	305,273	328,524
250,557	241,408	245,666	259,537
316,926	306,160	315,425	333,819
608,172	587,373	620,699	662,388
41,848	21,073	31,762	43,722
180,795	162,592	170,574	189,075
—	—	—	10,000
42,929	44,691	57,261	54,458
88,902	96,937	110,663	119,403
269,697	259,530	281,237	308,479
289,321	301,756	311,127	324,890
84,777	65,765	89,023	108,181
51,283	77,765	60,401	60,848
(62,432)	(56,261)	(82,131)	(39,201)
(238)	(24,736)	14,794	6,541
2.9	2.6	2.1	2.6
1.27	1.31	1.25	1.26
51.6	51.7	50.7	49.6
7.1	6.6	5.2	6.6
64,733	54,498	55,218	64,816
39,353	44,462	40,902	44,037
29,579	28,409	27,164	27,864
34,754	35,903	36,679	38,234
56.00	56.00	53.00	56.00
163.44	156.49	125.42	163.60
34.26	35.79	42.26	34.23

(Millions of yen; rounded down to the nearest million yen)

IFRS	FY2017 (Fiscal year ended March 31, 2018)	FY2018 (Fiscal year ended March 31, 2019)
Revenue	807,958	840,714
Operating profit	35,179	36,525
Profit before tax	35,507	37,356
Profit attributable to owners of parent	21,361	23,309
Cash and cash equivalents	97,991	107,311
Current assets	357,666	382,106
Property, plant and equipment	241,581	257,728
Non-current assets	321,819	326,023
Total assets	679,485	708,129
Borrowings	43,722	32,396
Current liabilities	195,392	194,309
Bonds and borrowings	64,511	93,089
Non-current liabilities	118,435	133,674
Total liabilities	313,828	327,983
Equity attributable to owners of parent		
(Reference) Interest-bearing debt	108,233	125,486
Cash flows from operating activities	44,004	57,463
Cash flows from investing activities	(21,832)	(55,491)
Cash flows from financing activities	5,966	7,749
Profit attributable to owners of parent ratio (%)	2.6	2.8
Total asset turnover (times)	1.23	1.21
Ratio of equity attributable to owners of parent to total assets (%)	50.1	50.0
Return on equity (ROE) (%)	6.4	6.7
Capital investment	53,411	46,891
Depreciation and amortization	32,545	32,927
R&D expenses	27,684	30,025
Number of employees at year-end (consolidated)	38,234	39,429
Annual dividends	56.00	60.00
Earnings per share (EPS)	165.04	180.09
Dividend payout ratio (%)	33.93	33.32

Financial Review

As of the first quarter of the fiscal year ended March 31, 2019, the Toyota Gosei Group has adopted IFRS with the objectives of increasing international comparability of financial reports in the capital market and further strengthening its business management globally.

Overview

Amid a growing sense of economic slowdown in the fiscal year under review, the global economy overall followed a gradual recovery trend, buoyed by solid economic growth in the United States.

In Japan, the effect of natural disasters and rising uncertainty about overseas economies led to a deeper sense of economic slowdown toward the end of the fiscal year.

The automobile industry remained strong on a global basis with the Japanese market maintaining upward momentum thanks to brisk sales of new models and expansion of emerging markets while the U.S. and Chinese markets plateaued.

Facing these circumstances, in May 2018, the Toyota Gosei Group announced the 2025 Business Plan, its new medium- to long-term business plan, in which it set out its goals as follows: “Toyota Gosei aims to grow as a global company that acts flexibly and swiftly in today’s dramatically changing business environment, delivering the highest levels of satisfaction to customers worldwide through safety, comfort, well-being, and the environment.”

The plan identifies three key pillars of activity that we will prioritize, in order to meet our management targets for fiscal 2025: revenue of ¥1 trillion, an operating profit margin of 8%, and ROE of 10%.

The first pillar is “venture into innovation, new mobility,” under which we are pursuing early commercialization in unconventional new domains through innovative technology. We successfully turned e-Rubber, a next-generation dielectric rubber made using our rubber materials technology, into the product Super BEAT, a heart surgery training simulator. We are now developing a business around high-value-added products in the medical field.

We are also focusing on development of a vertical gallium nitride (GaN) power semiconductor device that utilizes technology and expertise we have cultivated through development and production of blue light-emitting diodes (LEDs). In addition, we are developing products that respond to the radical transformation of the car itself.

To accelerate commercialization of these new technologies and products, we have established a corporate venture capital arm within the Company to invest agilely in startups expected to produce synergies with our core technologies.

The second key pillar of activity is a “strategy for growing markets/fields.” We have aggressively invested in capacity expansion in the Americas, which is an area underpinning

earnings, and sought to further expand earnings by promoting sales to both Japanese and non-Japanese customers. In China, which is the world’s largest market and is expected to keep growing, we adopted a policy of increasing the number of major customers. Accordingly, we improved our business management system, including turning our regional headquarters into a holding company. We also established Hubei Toyota Gosei Zheng Ao Rubber & Plastics Sealing Science and Technology Co., Ltd. with the aim of strengthening our production and sales system in the interior of China.

The third key pillar of activity is “innovative manufacturing at production sites.” In addition to activities to increase productivity on the production floor based on the Toyota Production System (TPS), we worked at improving efficiency using new IT. We are striving to quickly resolve bottlenecks by analyzing big data gathered from production processes.

In an effort to strengthen the business foundation that underpins these three key pillars of activity, last year we held our third TG Global Summit for the first time in three years. At the summit, the Group’s top leaders from around the world gathered to discuss the current status of business and issues, and we spread concrete initiative measures aimed at the achievement of management objectives throughout the Group.

In our European business, which is an issue, a drastic earnings improvement was not achieved. However, we resolved production confusion in the first half of the year, trimming losses in the second half of the year.

As a result of the above, in the fiscal year under review, revenue increased to ¥840.7 billion (up 4.1% year on year) thanks to the boost in sales of new car models in Japan, sales promotion in the Americas, and increased production by our major customers in Asia.

Despite posting a loss on anti-trust law in the second quarter, profit increased as a result of the boost in sales caused by new car models in Japan and our rationalization efforts, with operating profit of ¥36.5 billion (up 3.8%) and profit attributable to owners of parent of ¥23.3 billion (up 9.1%). The foreign exchange rate was ¥111 to the U.S. dollar during the previous consolidated fiscal year and during the consolidated fiscal year under review.

	(Millions of yen)	
Consolidated results	FY2018	FY2017
Revenue	840,714	807,958
Operating profit	36,525	35,179
Profit attributable to owners of parent	23,309	21,361

Revenue by segment

Japan

Revenue increased to ¥407.0 billion (up 6.2% year on year) due to increased sales of new car models by major customers. Despite posting a loss on anti-trust law in the second quarter, profit increased to ¥11.0 billion (up 4.4%), with the boost in sales of new car models being a contributing factor.

Americas

Sales promotion to both Japanese and non-Japanese customers increased revenue to ¥249.1 billion (up 3.3% year on year). Profit was ¥17.4 billion (up 9.5%), with the effect of higher sales and rationalization efforts offsetting downward factors such as a rise in labor costs.

Asia

Lifted mainly by an increase in production by Japanese customers, revenue increased to ¥199.7 billion (up 1.3% year on year). Profit was ¥12.7 billion (up 1.4%) as a result of the rise in sales.

Europe & Africa

Revenue was ¥45.9 billion (down 3.3% year on year) and a loss of ¥4.7 billion was posted (compared with a loss in the previous fiscal year of ¥4.1 billion) due to an increase in production reorganization costs in Europe.

(Millions of yen)

Revenue by segment	FY2018	FY2017
Japan	407,084	383,258
Americas	249,150	241,238
Asia	199,790	197,252
Europe & Africa	45,955	47,499

Outlook for fiscal 2019

It is extremely difficult to forecast the future prospects of the global economy due to protectionist trends in various countries and mounting geopolitical risk.

The auto industry is also in a critical situation, with a likelihood of fierce competition involving different types of business and other industries due to the rapid progress of electrification and self-driving vehicles.

Given such a harsh environment, we will conduct future-focused R&D, strengthen our product supply system inside and outside Japan, and make Group-wide rationalization efforts. Our forecast for results in fiscal 2019 is revenue of ¥845.0 billion, operating profit of ¥41.0 billion, profit before tax of ¥42.0 billion, and profit attributable to owners of parent of ¥25.0 billion.

We also anticipate a foreign exchange rate of ¥110 to the U.S. dollar.

Financial condition

Analysis of financial position

1. Assets, liabilities, and equity

Total assets at the end of the fiscal year under review increased by 28.6 billion yen year on year, to ¥708.1 billion, primarily as a result of a rise in fixed assets. Liabilities increased by ¥14.1 billion year on year, to ¥327.9 billion, mainly due to an increase in borrowings.

Equity rose by ¥14.4 billion year on year, to ¥380.1 billion, largely as a result of an increase in retained earnings.

2. Cash flows

Cash and cash equivalents at the end of the fiscal year under review increased by ¥9.3 billion, from ¥97.9 billion at the end of the previous fiscal year, to ¥107.3 billion.

Cash flows and related factors during the fiscal year under review were as follows.

• Cash flows from operating activities

Operating activities provided net cash of ¥57.4 billion, an increase of ¥13.4 billion compared to ¥44.0 billion in the previous fiscal year.

• Cash flows from investing activities

Investing activities used net cash of ¥55.4 billion, an increase of ¥33.6 billion compared to ¥21.8 billion in the previous fiscal year. This was mainly due to a rise in payments into time deposits.

• Cash flows from financing activities

Financing activities provided net cash of ¥7.7 billion, an increase of ¥1.7 billion compared to ¥5.9 billion in the previous fiscal year. This was mainly due to a rise in proceeds from short-term borrowings.

(Millions of yen)

Cash flows	FY2018	FY2017
Cash flows from operating activities	57,463	44,004
Cash flows from investing activities	(55,491)	(21,832)
Cash flows from financing activities	7,749	5,966

(Millions of yen)

Consolidated Statement of Financial Position	Date of transition to IFRS (April 1, 2017)	FY2017 (as of March 31, 2018)	FY2018 (as of March 31, 2019)
Assets			
Current assets			
Cash and cash equivalents	69,918	97,991	107,311
Trade and other receivables	159,066	172,480	179,791
Other financial assets	27,685	7,154	10,824
Inventories	63,334	63,989	63,647
Other current assets	9,973	16,049	20,531
Total current assets	<u>329,977</u>	<u>357,666</u>	<u>382,106</u>
Non-current assets			
Property, plant and equipment	233,659	241,581	257,728
Intangible assets	1,906	2,316	2,327
Other financial assets	46,599	51,826	39,190
Investments accounted for using equity method	13,446	13,470	13,897
Retirement benefit asset	4,553	4,435	3,722
Deferred tax assets	5,304	4,859	5,434
Other non-current assets	3,438	3,329	3,722
Total non-current assets	<u>308,909</u>	<u>321,819</u>	<u>326,023</u>
Total assets	<u>638,887</u>	<u>679,485</u>	<u>708,129</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	125,689	132,758	140,660
Borrowings	31,762	43,722	32,396
Other financial liabilities	5,777	5,750	6,216
Income taxes payable	3,429	3,704	3,221
Provisions	1,363	1,252	1,499
Other current liabilities	8,295	8,204	10,313
Total current liabilities	<u>176,317</u>	<u>195,392</u>	<u>194,309</u>
Non-current liabilities			
Bonds and borrowings	58,955	64,511	93,089
Other financial liabilities	12,123	14,677	348
Retirement benefit liability	32,033	33,447	34,320
Provisions	93	92	115
Deferred tax liabilities	5,283	3,618	3,558
Other non-current liabilities	2,176	2,089	2,242
Total non-current liabilities	<u>110,665</u>	<u>118,435</u>	<u>133,674</u>
Total liabilities	<u>286,983</u>	<u>313,828</u>	<u>327,983</u>
Equity			
Share capital	28,027	28,027	28,027
Capital surplus	29,314	29,055	26,968
Treasury shares	(1,216)	(1,218)	(1,219)
Other components of equity	14,688	14,326	14,674
Retained earnings	256,467	270,354	285,669
Total equity attributable to owners of parent	<u>327,282</u>	<u>340,546</u>	<u>354,120</u>
Non-controlling interests	24,621	25,111	26,024
Total equity	<u>351,903</u>	<u>365,657</u>	<u>380,145</u>
Total liabilities and equity	<u>638,887</u>	<u>679,485</u>	<u>708,129</u>

(Millions of yen)

Consolidated Statement of Profit or Loss	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Revenue	807,958	840,714
Cost of sales	(705,857)	(737,352)
Gross profit	102,101	103,362
Selling, general and administrative expenses	(60,567)	(62,387)
Other income	4,164	4,279
Other expenses	(10,518)	(8,728)
Operating profit	35,179	36,525
Finance income	2,186	2,669
Finance costs	(2,903)	(2,692)
Share of profit of investments accounted for using equity method	1,044	854
Profit before tax	35,507	37,356
Income tax expense	(10,982)	(11,245)
Profit	24,525	26,111
Profit attributable to		
Owners of parent	21,361	23,309
Non-controlling interests	3,163	2,801
Profit	24,525	26,111
Earnings per share		
Basic earnings per share (yen)	165.04	180.09

(Millions of yen)

Consolidated Statement of Comprehensive Income	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Profit	24,525	26,111
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,041	(1,218)
Remeasurements of defined benefit plans	(331)	(460)
Share of other comprehensive income of investments accounted for using equity method	144	(33)
Total of items that will not be reclassified to profit or loss	1,854	(1,712)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,922)	1,983
Share of other comprehensive income of investments accounted for using equity method	(272)	(120)
Total of items that may be reclassified to profit or loss	(2,195)	1,862
Other comprehensive income, net of tax	(340)	149
Comprehensive income	24,185	26,261
Comprehensive income attributable to		
Owners of parent	20,774	23,213
Non-controlling interests	3,411	3,047
Comprehensive income	24,185	26,261

(Millions of yen)

Consolidated Statement of Changes in Equity

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2017	28,027	29,314	(1,216)	—	14,688	—
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(2,400)	2,038	(225)
Total comprehensive income	—	—	—	(2,400)	2,038	(225)
Purchase of treasury shares	—	—	(1)	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(258)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	225
Total transactions with owners	—	(258)	(1)	—	—	225
Balance as of March 31, 2018	28,027	29,055	(1,218)	(2,400)	16,726	—
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	1,618	(1,228)	(486)
Total comprehensive income	—	—	—	1,618	(1,228)	(486)
Purchase of treasury shares	—	—	(1)	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(2,086)	—	(41)	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	486
Total transactions with owners	—	(2,086)	(1)	(41)	—	486
Balance as of March 31, 2019	28,027	26,968	(1,219)	(823)	15,498	—

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total
	Total				
Balance as of April 1, 2017	14,688	256,467	327,282	24,621	351,903
Profit	—	21,361	21,361	3,163	24,525
Other comprehensive income	(587)	—	(587)	247	(340)
Total comprehensive income	(587)	21,361	20,774	3,411	24,185
Purchase of treasury shares	—	—	(1)	—	(1)
Dividends	—	(7,249)	(7,249)	(2,235)	(9,485)
Changes in ownership interest in subsidiaries	—	—	(258)	(685)	(944)
Transfer from other components of equity to retained earnings	225	(225)	—	—	—
Total transactions with owners	225	(7,474)	(7,510)	(2,921)	(10,431)
Balance as of March 31, 2018	14,326	270,354	340,546	25,111	365,657
Profit	—	23,309	23,309	2,801	26,111
Other comprehensive income	(96)	—	(96)	246	149
Total comprehensive income	(96)	23,309	23,213	3,047	26,261
Purchase of treasury shares	—	—	(1)	—	(1)
Dividends	—	(7,508)	(7,508)	(2,737)	(10,246)
Changes in ownership interest in subsidiaries	(41)	—	(2,128)	603	(1,525)
Transfer from other components of equity to retained earnings	486	(486)	—	—	—
Total transactions with owners	444	(7,995)	(9,638)	(2,134)	(11,772)
Balance as of March 31, 2019	14,674	285,669	354,120	26,024	380,145

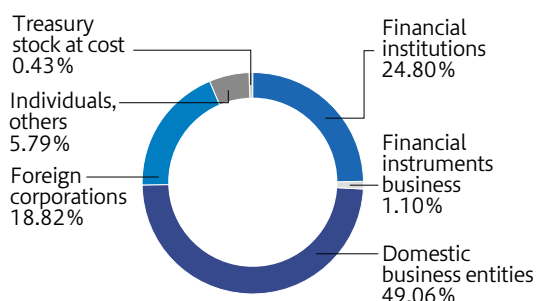
(Millions of yen)

Consolidated Statement of Cash Flows	FY2017 (April 1, 2017 to March 31, 2018)	FY2018 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit before tax	35,507	37,356
Depreciation and amortization	32,535	33,789
Finance income	(3,824)	(2,669)
Finance costs	2,144	2,830
Share of loss (profit) of investments accounted for using equity method	(1,044)	(854)
Loss (gain) on sale of fixed assets	(342)	590
Decrease (increase) in inventories	(550)	719
Decrease (increase) in trade and other receivables	(13,675)	(7,351)
Increase (decrease) in trade and other payables	4,215	5,008
Other	1,740	(522)
Subtotal	56,707	68,896
Interest received	1,602	1,835
Dividends received	899	1,042
Interest paid	(2,130)	(2,577)
Income taxes paid	(13,074)	(11,732)
Net cash provided by operating activities	44,004	57,463
Cash flows from investing activities		
Payments into time deposits	(3,618)	(14,249)
Proceeds from withdrawal of time deposits	25,025	9,964
Purchase of property, plant and equipment, and intangible assets	(43,495)	(49,479)
Proceeds from sale of property, plant and equipment, and intangible assets	2,449	1,327
Purchase of investments	(2,583)	(3,131)
Proceeds from sale and redemption of investments	410	40
Other	(19)	35
Net cash used in investing activities	(21,832)	(55,491)
Cash flows from financing activities		
Proceeds from short-term borrowings	21,598	37,296
Repayments of short-term borrowings	(21,400)	(27,293)
Proceeds from long-term borrowings	24,187	31,462
Repayments of long-term borrowings	(13,943)	(25,787)
Proceeds from bonds payable	9,954	—
Purchase of treasury shares	(1)	(1)
Dividends paid	(7,248)	(7,503)
Dividends paid to non-controlling interests	(2,235)	(2,742)
Capital contribution from non-controlling interests	163	—
Repayments to non-controlling shareholders	(649)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,866)	—
Proceeds from purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	2,314
Other	(591)	3
Net cash provided by financing activities	5,966	7,749
Net increase (decrease) in cash and cash equivalents	28,138	9,721
Cash and cash equivalents at beginning of period	69,918	97,991
Effect of exchange rate changes on cash and cash equivalents	(65)	(401)
Cash and cash equivalents at end of period	97,991	107,311

Company and Investor Information (As of March 31, 2019)

Location of headquarters	1 Haruhinagahata, Kiyosu, Aichi, 452-8564, Japan
Date of establishment	June 15, 1949
Capital	¥28 billion
Common stock	Authorized 200,000,000 shares Issued 129,456,592 shares (Excluding 553,419 shares of treasury stock)
Number of shareholders	9,589
Stock exchange listings	Tokyo Stock Exchange and Nagoya Stock Exchange
Shareholder registry administrator and special account management institution	Mitsubishi UFJ Trust and Banking Corporation
Securities code	7282

Distribution for each type of shareholder



Major shareholders (As of March, 2019)

Shareholder name	Number of shares held (unit: 1,000 shares)	Investment ratio (%)
Toyota Motor Corporation	55,459	42.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,089	5.47
Japan Trustee Services Bank, Ltd. (Trust Account)	5,307	4.10
Sumitomo Mitsui Banking Corporation	5,049	3.90
SSBTC Client Omnibus Account	2,470	1.90
Nippon Life Insurance Company	1,592	1.23
Northern Trust Co. (AVFC) RE HSD00	1,544	1.19
The Dai-ichi Life Insurance Company, Ltd.	1,535	1.18
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,273	0.98
Toyoda Gosei Employee Stock Ownership Association	1,262	0.97

Note: Share-holding stakes are calculated after deducting treasury shares.

Toyoda Gosei Group Companies (As of April 1, 2019)

Company name	Products/business sectors	Capital	Equity stake (%)	Business partner
Japan				
Ichiei Kogyo Co., Ltd.	Metal parts, Safety Systems	JPY 457 million	65	—
Hinode Gomu Kogyo Co., Ltd.	Weatherstrips, Functional Components	JPY 473 million	100	—
Hoshin Gosei Co., Ltd.	Interiors and Exteriors, Safety Systems	JPY 230 million	100	—
Toyoda Gosei Interior Manufacturing Co., Ltd.	Interiors and Exteriors	JPY 80 million	100	—
Kaiyo Gomu Co., Ltd.	Weatherstrips, Functional Components	JPY 36 million	53.6	—
TG Welfare Co., Ltd.	Miscellaneous goods sales, contract work (employment for people with disabilities)	JPY 10 million	100	—
TG Logistics Co., Ltd.	Transport, warehousing, vehicle maintenance, subcontracting, etc.	JPY 30 million	100	—
Tecno Art Research Co., Ltd.	Design, planning, model creation	JPY 152 million	34.2	—
TG Maintenance Inc.	Building cleaning and maintenance, equipment maintenance and management, building security	JPY 20 million	100	—
TG Opseed Co., Ltd.	Applied optoelectronics products	JPY 480 million	100	—
FTS Co., Ltd.	Fuel tanks, fuel system parts	JPY 3 billion	23.8	—
TGAP Co., Ltd.	Interiors and Exteriors, Supplies, prototypes	JPY 36 million	100	—
TG-Techno Co., Ltd.	Mold design, staffing, business contracting	JPY 20 million	100	—
Chusei Gomu Co., Ltd.	Weatherstrips, Functional Components	JPY 396 million	33.4	—
TS Opto Co., Ltd.	Manufacture and sales of optoelectronics products	JPY 490 million	100	—
TG East Japan Co., Ltd.	Northeast Japan regional headquarters and production company	JPY 490 million	100	—
TG SPORTS Co., Ltd.	Management of volleyball team and planning and operation of related projects.	JPY 90 million	100	—
Toyoda Gosei Kyushu Co., Ltd.	Weatherstrips, Functional Components, Interior and Exterior Parts, Safety Systems	JPY 3.5 billion	100	—

Company name	Products/business sectors	Capital	Equity stake (%)	Business partner
Americas				
Toyoda Gosei North America Corporation	North American regional headquarters	USD 264.73 million	100	—
TG Personnel Services North America, Inc.	North American personnel agency	USD 100,000	100 (TGNA100%)	—
TG Missouri Corporation	Interiors and Exteriors, Safety Systems	USD 30 million	80 (TGNA80%)	Mitsui & Co.
TG Kentucky, LLC	Interiors and Exteriors, Functional Components	USD 54 million	100 (TGNA100%)	—
TG Fluid Systems USA Corporation	Functional Components	USD 10 million	100 (TGNA100%)	—
TG Automotive Sealing Kentucky, LLC	Weatherstrips, Safety Systems	USD 33 million	100 (TGNA100%)	—
TGR Technical Center, LLC	Evaluation of safety system products	USD 13 million	60 (TGNA60%)	TRAM
Toyoda Gosei Texas, LLC	Interiors and Exteriors	USD 22 million	100 (TGNA100%)	—
Toyoda Gosei Brownsville Texas, LLC	North American logistics company	USD 3 million	100 (TGNA100%)	—
Toyoda Gosei Holdings Inc.	WTG, TG Minto holding company	CAD 65 million	100	—
Waterville TG Inc.	Weatherstrips	CAD 30 million	100 (TGH100%)	—
TG Minto Corporation	Interiors and Exteriors	CAD 27 million	100 (TGH100%)	—
TAPEX Mexicana S.A. DE C.V.	Safety Systems	MXN 201 million	100 (TGNA100%)	—
Meteor Sealing Systems, LLC	Weatherstrips	USD 8 million	100 (TGM100%)	—
LMI Custom Mixing, LLC	Weatherstrips	USD 7.7 million	45 (TGM45%)	—
Toyoda Gosei Automotive Sealing Mexico, S.A. de C.V.	Weatherstrips	MXN 778 million	100 (TGNA100%)	—
Toyoda Gosei Personnel Services Mexico, S.A. de C.V.	Mexican personnel agency	MXN 1 million	100 (TGNA100%)	—
Toyoda Gosei Rubber Mexico, S.A. de C.V.	Functional Components	MXN 19 million	100 (TGNA100%)	—
Toyoda Gosei Irapuato Mexico, S.A. de C.V.	Interiors and Exteriors, Functional Components	MXN 781.8 million	90 (TGNA90%)	Toyota Tsusho
GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda.	Weatherstrips, Interiors and Exteriors, Safety Systems	BRL 90 million	94.8	Toyota Tsusho, others
Pecval Industria Ltda.	Interiors and Exteriors	BRL 142.1 million	100	—
Asia				
Toyoda Gosei Asia Co., Ltd.	Thai regional headquarters	THB 824 million	100	—
Toyoda Gosei (Thailand) Co., Ltd.	Safety Systems, Interiors and Exteriors, Functional Components	THB 400 million	78.5 (TGAS78.5%)	PPC, others
Toyoda Gosei Rubber (Thailand) Co., Ltd.	Weatherstrips, Functional Components	THB 600 million	70 (TGAS70%)	PCR
P.T. Toyoda Gosei Safety Systems Indonesia	Safety Systems, Functional Components	USD 8.5 million	80	AOP
P.T. TG INOAC Indonesia	Sales of weatherstrip products	USD 200,000	51	INOAC
Toyoda Gosei Haiphong Co., Ltd.	Safety Systems	USD 54 million	95	Toyota Tsusho
Toyoda Gosei South India Pvt. Ltd.	Safety Systems, Interiors and Exteriors	INR 304 million	95	Toyota Tsusho
Toyoda Gosei Minda India Pvt. Ltd.	Safety Systems, Weatherstrips, Functional Components	INR 4.4 billion	91.8	Uno Minda
Minda TG Rubber Pvt. Ltd.	Functional Components	INR 505 million	49	Uno Minda
Tai-yue Rubber Industrial Co., Ltd.	Weatherstrips, Functional Components	TWD 149 million	45	Hongyu I&D, others
Fong Yue Co., Ltd.	Safety Systems, Interiors and Exteriors	TWD 200 million	75	Hongyu I&D, others
TE Opto Corporation	Development, manufacture, and sales of optoelectronics products	TWD 23 million	51	Epistar Corp., TWIN HILL
Toyoda Gosei (Shanghai) Co., Ltd.	Design/technical development, sales/procurement	USD 2 million	100	—
Tianjin Toyoda Gosei Co., Ltd.	Functional Components, Safety Systems, Interiors and Exteriors	RMB 200 million	90.1	Toyota Tsusho, others
Tianjin Star Light Rubber and Plastic Co., Ltd	Weatherstrips	USD 7.9 million	100	—
Toyoda Gosei Optoelectronics (Shanghai) Co., Ltd.	Optoelectronics product sales	USD 400,000	85	Mr. Cheng
Toyoda Gosei (Zhangjiagang) Co., Ltd.	Safety Systems, Interiors and Exteriors	USD 46 million	97.95	Kanto Kasei
Toyoda Gosei (Foshan) Rubber Parts Co., Ltd.	Weatherstrips, Functional Components	USD 16.5 million	70	Tai-yue Rubber, others
Toyoda Gosei (Tianjin) Precise Plastic Co., Ltd.	—	USD 10.53 million	98.6	Toyota Tsusho
Toyoda Gosei (Foshan) Auto Parts Co., Ltd.	Interiors and Exteriors	USD 19.1 million	95 (Toyoda Gosei 65%, Fong Yue 30%)	Toyota Tsusho
Hubei Toyoda Gosei Zheng Ao Rubber & Plastics Sealing Science and Technology Co., LTD.	Weatherstrips	RMB 46 million	60	Hubei ZhengAo Automotive Accessories Co., Ltd.
Fuzhou Fu-Yue Rubber & Plastic Industrial Co., Ltd.	Weatherstrips	USD 2.9 million	25.2	Tai-yue Rubber
Toyoda Gosei Korea Co., Ltd.	Market surveys, sales administration	KRW 300 million	100	—
Europe & Africa				
Toyoda Gosei Europe N.V.	Design and technical development sales	EUR 500,000	100	—
Toyoda Gosei UK Ltd.	Weatherstrips, Interiors and Exteriors	GPB 38 million	91.1	Toyota Tsusho
Toyoda Gosei Czech, s.r.o.	Safety Systems, Functional Components, Weatherstrips	CZK 970 million	80	Toyota Tsusho
Toyoda Gosei Meteor GmbH	Weatherstrips	EUR 25,000	100	—
Toyoda Gosei South Africa (Pty) Ltd.	Safety Systems, Weatherstrips	ZAR 6 million	65	Toyota Tsusho



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