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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.

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

Classification	Item	Target	FY2019 results
1 Creating pleasant workplace environments	Employee turnover rate	Less than 3.0%	1.2%
	Average overtime hours	Less than 20 h/month	16.8 h/month
	Annual paid leave taking rate	95% or higher	97%
	Number of people promoted from non-regular to regular employees	30/year	112
	Harassment prevention training for new managers implementation rate	100%	100%
	Rate of interviews on how to work with young employees	100% within 2 years	100% (for FY2019)
	Prohibition of smoking on company premises	Institution of on-site smoking prohibition	Instituted in January 2020
2 Promoting diversity	Percentage of women among new employees (staff positions)	20%	16%
	No. of female managers	40 (2025)	19
	Childcare leave taking rate	Men: 30% Women: 100%	Men: 5% Women: 100%
	No. of foreign national employees	30	30
	Employment rate of people with disabilities	2.20%	2.38%
3 Personnel development	Number of young employees on loan outside company	40	49 (of whom 25 were sent overseas)
	Successful execution of young employee 3-year independence plans	100%	100%
	Number of people who have taken practical or professional training	2,500	2,592
	Number of people who have taken global officer + management training	250	269



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 Toyoda 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 our partnerships with suppliers based on our basic procurement policy, while achieving sustainable growth for us both.

Basic procurement policy

1. Optimum global procurement

We procure the best raw materials, products, and equipment fairly from a global perspective while considering cost, quality, technology, and production. We also welcome proposals from suppliers for new technologies and methods and new products.

2. Mutual growth based on mutual trust

We aim to raise the collective strength of the Toyoda Gosei Group based on open and fair relationships with suppliers, strengthening our mutual corporate cultures, introducing innovative management, and building mutual trust.

3. Efforts for ESG

We share ESG efforts with suppliers with the aim of protecting the environment, fulfilling our social responsibilities, and thorough governance in the Toyoda Gosei Group. We also aim to ensure complete legal compliance and confidentiality in corporate activities, including our supply chain.

Strengthening our relationships with suppliers

Every April, we hold a procurement policy briefing with about 200 suppliers, where we explain our management philosophy, business environment and company policy, and share our efforts and targets in the areas of safety, compliance, quality, production, and costs. We also present awards to suppliers who have raised their achievements in each field. Every quarter, we

hold a procurement liaison meeting with about 100 suppliers to share production information and information on quality, compliance, safety and other matters. In addition, we hold seminars on personnel development, business continuation and other topics to strengthen our partnerships with suppliers.



Procurement policy briefing



Seminars/meetings on business challenges