

## Training manufacturing personnel

Improving the skills of each worker is an indispensable part of enhancing the manufacturing capabilities of production sites. We have therefore introduced various measures with the basic policy of “cultivating a culture that values skills.”

To lead other companies in strong manufacturing, managers and supervisors need to have their own specialized skills in addition to the ability to supervise manufacturing sites. Special Skills Dojos are being started up sequentially in each product area as a place to train supervisors.

In 2019, we launched the Equipment Maintenance Dojo at the Miwa Technical Center and established an educational curriculum that combines both classroom and practical skill learning with the aim of having learners become fully active members of the maintenance staff as soon as possible. We have also set up a Mold Maintenance Dojo at the Nishimizoguchi Factory to train all mold maintenance workers. Training began in FY2014. We have established a solid foundation for maintenance skills and put in place a system for employees to

work on raising their skill levels.

In FY2017 we began participating in the Skills Olympics. While still feeling our way toward raising employees’ skills, we participated in our first national tournament in 2018 and a Toyoda Gosei employee won the Fighting Spirit award in 2019. It was an extraordinary achievement to win that prize in only our second year in the competition. The result gave us confidence in our approach to developing human resources for the manufacturing floor.



Maintenance skill dojo

## Aiming for “zero accidents”

Toyoda 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.

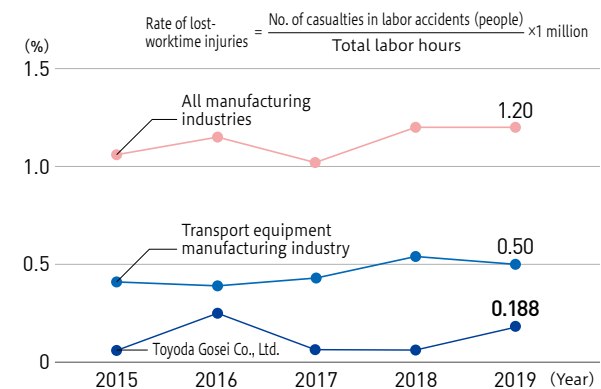
In the Safe Personnel program, we focused in FY2019 on increasing maintenance and regular observation of rules through monitor activities to ensure that employees hold handrails on stairs and stop and check in both directions at stop points on walkways within plants.



Monitors

In Safe Workplace activities we aim to improve the safety of high-risk equipment where serious accidents (STOP 7) can occur. Risk assessments based on a reverse KY (*kiken yochi*, or hazard prediction) approach are conducted to identify target equipment, set clear priorities, and take preventive measures.

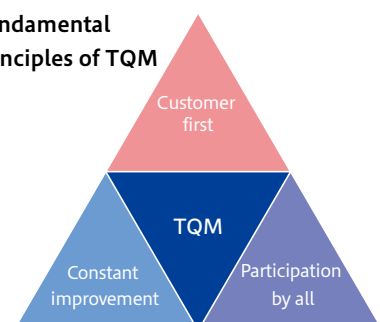
### Trends in labor accident rate (rate of lost-worktime injuries)



## 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 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