

Toyoda Gosei's Management Capital ~Management capital cultivated over 75 years of history~

This data is based on the FY ended March 2024 or as of the end of March.

Management capital is an important source of sustainable enhancement of corporate value. Toyoda Gosei builds management capital through repeated cycles of value creation based on our management philosophy, and invests capital at the appropriate time in business opportunities and risks that we foresee.

 Human Capital	 Manufacturing Capital	 Intellectual Capital	 Social and Relationship Capital	 Natural Capital	 Financial Capital
Transformation into a dynamic “polymer-like organization” that supports corporate evolution and growth	Providing safety, comfort, and decarbonization to customers around the world by leveraging our global network and knowledge in the rubber and plastics field	Pursuing the possibilities of polymers and refining our one-of-a-kind R&D capabilities to further enhance our competitive advantages	Building strong relationships with stakeholders through careful dialogue	Initiatives for climate change and resource recycling utilizing the environmental technologies and knowledge we have developed	Sound financial management to support sustainable growth and enhance corporate value

Toyoda Gosei operates in 16 countries and regions around the world with 60 Group companies. We aim to achieve sustainable evolution and growth by becoming a dynamic polymer-like organization that brings out the individuality and power of employees with diverse values and talents from different nationalities, genders, ages, and lifestyles, and generates new creativity and power through organic linkups.

In order to meet the needs of our customers around the world in a timely manner, we have established sales and technical structures that are closely linked to each region and an optimal global production and delivery system. In addition, we are enhancing our manufacturing capabilities by innovatively evolving our manufacturing methods and production facilities based on our knowledge of rubber and plastics, a strength we have cultivated for 75 years. Additionally, we have adopted Internal Carbon Pricing (ICP) and make investment decisions based on the balance between the global environment and economic activities.

It is important for us to anticipate the needs of society and our customers, and to have the technological capabilities to offer solutions that focus on the future changes with the changing automobile industry. R&D capabilities are the source of our corporate growth, and we have invested approximately 100 billion yen in R&D over the past three years to conduct R&D for new and existing businesses that pursue the potential of polymers. We are further enhancing our competitive advantages by utilizing IP landscaping and other techniques to improve the accuracy and speed of our decision-making process for new business development.

The auto industry is undergoing a major transformation with the advances in electrification and automated driving. In order to realize our management vision, smooth cooperation with various stakeholders is important. Through repeated and careful dialogue with stakeholders and by providing value to society, we will build and maintain strong relationships of mutual trust and continue to evolve steadily while flexibly adapting to a challenging business environment.

In 1993, we launched our full-scale environmental initiatives with the First Environmental Action Plan, and have been vigorously implementing various initiatives for more than 30 years. Natural capital is the source of materiality (key issues) and outcomes, and by further advancing the knowledge and technologies for environmental conservation, which we have cultivated, and the knowledge in the rubber and plastics fields, which is one of our competitive advantages, we aim to efficiently invest natural capital in resources and reduce environmental impact, thereby achieving both conservation of the global environment and resources and the creation of economic value.

Endeavor to obtain sustainable growth and to increase our value as an enterprise by supporting growth through a balance of financial growth potential, soundness, and efficiency. To achieve an ROE of 10%, exceeding our cost of capital, we have introduced new management indicators such as our unique TG-ROIC* from the perspective of improving asset efficiency. We will practice more multifaceted financial management.

Number of employees 38,951 people	Number of locations 60 companies (As of June 26, 2024)	R&D expenses ¥39.2 bn (FY ended March 31, 2024)	Number of suppliers (non-consolidated) Approx. 600 companies	Total energy input 2.374 million GJ <small>* Gigajoule = 1,000,000,000 J</small>	TG-ROIC* 15.5% (FY2023) <small>* TG-ROIC = $\frac{\text{Operating profit}}{\text{Fixed assets} + \text{Inventories}}$</small>
Ratio of overseas employees 75.9%	Capital investment cost ¥49.4 bn (FY ended March 31, 2024)	Development and engineering staff (non-consolidated) 2,213 people	University collaboration researches Nagoya University, Osaka University, Tohoku University	Total material input 45,189 t	ROE 10.6% (FY ended March 31 2024)
Ratio of national staff in executive positions 35%	CO₂ emissions reduction (non-consolidated) -36.2% (compared to FY ended March 31, 2015)	Number of patents held Japan 2,529 cases Overseas 2,184 cases	No. of individual meetings for analysts and institutional investors 129 times	Water resource input 985,000 m³	Credit rating (R&I) A⁺ (As of October 2, 2024)
Women in management positions (non-consolidated) 39 people				Renewable energy input 54,000 GJ	
Ratio of mid-career hires in management positions (non-consolidated) 32.1%				Acquisition rate of ISO 14001 for production sites (Environmental management system) 100%	
Employee engagement (non-consolidated) 56.0%					