

Expansion Strategy

Feature

The Future of TG INDIA

Building a company where everyone can envision the future together

Today's action will decide your future.
Let's make a company where we can see the future!

Bijay Krishna Shrestha
Corporate Officer and Head of the India Regional Headquarters



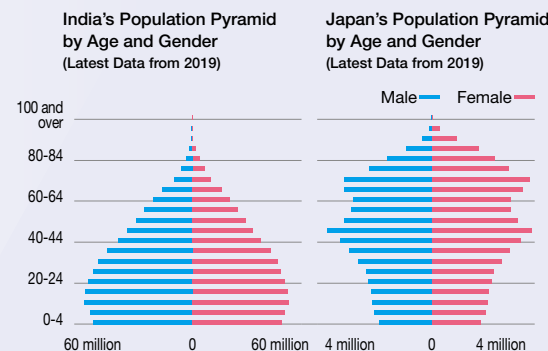
With 26 years of history in India, TG leverages its experience with market changes and growth, integrating TG's global management excellence and technical expertise (Japan and India) to drive further development. To embody the spirit of One Team, One India, over 4,000 employees are aligned toward India's medium to long-term goals for 2030. These goals are shared company-wide and broken down into specific targets and activities

for each department. Our factories, headquarters, and partner Uno Minda will integrate in a polymer-inspired manner, each fulfilling its respective role while respecting one another, with the goal of establishing India as a key pillar of TG. Also, we aim to create a company that is both appealing and fosters a strong sense of belonging.

India's Economic Development

India's rapid development has led to its population reaching 1.4 billion, surpassing China to become the world's most populous nation. With an average age of 26 and over 60% of the population being of working age, India is poised for sustained economic growth in the coming decades. The economy has been growing at a rate exceeding 7%, with GDP projected to rise from approximately \$4 trillion in 2024 to \$19 trillion by 2047. Additionally, it is forecast that India will become the world's third-largest economy by 2030. The current Modi administration, recently re-elected in the federal elections, has expressed a strong commitment to continuing economic policies focused on rapid development of infrastructure and human capital. In the IT sector, India is

leading global economic growth through the implementation of AI and digitalization.

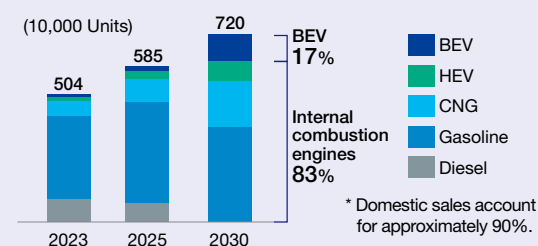


Current State of the Automotive Industry

India's automotive industry consists of segments including two- and three-wheelers, passenger vehicles (PV)/SUVs, light commercial vehicles (LCV), and heavy commercial vehicles (HCV). The PV market, in particular, is projected to grow from the current 4 million units to approximately 7 million units by 2030. Market share is dominated by Maruti Suzuki (MSIL) at 42%, followed by Hyundai (15%), Tata (12%), Mahindra (11%), Toyota (6%), and KIA (5%), with the top four companies accounting for 80% of the market. The regulatory environment supports a range of powertrains, from traditional gasoline to CNG, and allows for diverse options, including HEVs/PHEVs and BEVs. In this context, each OEM has set forth aggressive business growth strategies to align with projected 2030 sales targets. MSIL, which is focusing on shifting from budget cars to high-quality vehicles as its growth strategy, aims to expand its production capacity from around 2.25 million units today to approximately 4 million units by 2030. Toyota is also expanding

its capacity, with plans to increase production from around 340,000 units in the south to approximately 440,000 units by 2027 through new line expansion. Additionally, it has announced plans to further expand capacity in central India toward 2030, designating Toyota Kirloskar Motor (TKM) as a regional hub for the Middle East, East Asia, and Oceania. New facilities will support these goals.

Production Volume (Passenger Vehicles) in India



The Path Forward for TG India

In India's rapidly growing automotive market, TG India has established key strategies—Expanding Customer Capacity, Make in India, and Alliance Partner Strategy—to achieve business growth that surpasses market expansion. Amid a rapidly changing market environment marked by production increases and expanded sales, each OEM plans to increase the airbag installation rate to improve safety ratings. In response to these changes, we have established a new R&D center in the north to build technical capabilities that meet customer needs. In addition, we expanded our Neemrana Plant in 2024. In addition, we are planning to establish the new Harohalli Plant in the south and expand the Gujarat Plant in the west by 2026. On the talent front, developing global talent to support rapid business growth is an urgent priority. Our management team is utilizing Toyoda Gosei's talent development programs and AOTS^{*1} to first cultivate leaders, who will then drive a bottom-

up approach to develop national staff. For our technical workforce, we are actively recruiting young and talented individuals. Through the ICT^{*2} program, we are enhancing skills by providing training in Japan, Thailand, and the United States. For operators, we conduct training at educational facilities that consolidate the expertise of the Toyota Group, with plans to expand this training model across India. Furthermore, we consider our strengths to be in advancing true localization (Make in India) by prioritizing raw materials in our product materials, as well as in leveraging synergies and networks with Uno Minda, our business partner in India, to further expand our operations. We remain committed to pursuing ongoing growth in our business in India.

*1 Association for Overseas Technical Scholarship

*2 Internal Company Transfer



Toyoda Gosei Technical Center India



Harohalli Plant

Our CSR activities focus on four pillars: Safety, Environment, Health, and Education.

Safety

In India, where the number of fatalities from traffic accidents is the highest in the world, we promote traffic safety awareness in society by conducting traffic safety lectures and distributing helmets to students and the public at universities and driving schools.

Environment

To support environmental conservation, we are involved in the restoration of dried-up lakes. Furthermore, to promote nature conservation and provide income opportunities for low-income residents, we are planting coconut trees in nearby areas to contribute to community revitalization.

Health

We are actively working to contribute to addressing health-care challenges in India, which is home to approximately 25% of the world's impoverished population. Our efforts include establishing drinking water facilities and public eco-toilets in nearby communities, supporting cataract surgery costs, and donating wheelchairs.

Education

We also support educational initiatives in the regions surrounding our company and nearby villages. To foster self-sufficiency and development in these villages, we promote gender equality by encouraging women's active participation in society and helping to create environments where women can thrive.

